

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery
clause with generating performance incentive
factor.

DOCKET NO. 130001-EI
ORDER NO. PSC-13-0514-PHO-EI
ISSUED: October 28, 2013

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code (F.A.C.), a Prehearing Conference was held on October 17, 2013, in Tallahassee, Florida, before Commissioner Eduardo E. Balbis, as Prehearing Officer.

APPEARANCES:

JOHN T. BUTLER, KENNETH M. RUBIN, and R. WADE LITCHFIELD
ESQUIRES, Florida Power & Light Company, 700 Universe Boulevard, Juno
Beach, Florida 33408-0420
On behalf of Florida Power & Light Company (FPL).

JOHN T. BURNETT, and DIANNE M. TRIPLETT, ESQUIRES, 106 East
College Avenue, Tallahassee, Florida, 32301-7740
On behalf of Duke Energy Florida, Inc. (DEF).

BETH KEATING, ESQUIRE, Gunster, Yoakley & Stewart, P.A., 215 South
Monroe St., Suite 601, Tallahassee, Florida, 32301
On behalf of Florida Public Utilities Company (FPUC).

JEFFREY A. STONE, RUSSELL A. BADDERS, and STEVEN R. GRIFFIN,
ESQUIRES, Beggs & Lane, Post Office Box 12950, Pensacola, Florida
32591-2950
On behalf of Gulf Power Company (Gulf).

JAMES D. BEASLEY, ASHLEY M. DANIELS, and J. JEFFRY WAHLEN,
ESQUIRES, Ausley & McMullen, Post Office Box 391, Tallahassee, Florida 32302
On behalf of Tampa Electric Company (TECO).

J.R. KELLY, PATRICIA A. CHRISTENSEN, CHARLES REHWINKEL,
JOSEPH A. MCGLOTHLIN, and ERIK SAYLER, ESQUIRES, Office of Public
Counsel, c/o The Florida Legislature, 111 West Madison Street, Room 812,
Tallahassee, Florida 32399-1400
On behalf of the Citizens of the State of Florida (OPC).

JON C. MOYLE, JR. and KAREN PUTNAL, ESQUIRES, Moyle Law Firm, PA,
The Perkins House, 118 North Gadsden Street, Tallahassee, Florida 32301
On behalf of the Florida Industrial Power Users Group (FIPUG).

ROBERT SCHEFFEL WRIGHT, and JOHN T. LAVIA, III, ESQUIRES,
Gardner, Bist, Wiener, Wadsworth, Bowden, Bush, Dee, LaVia & Wright, P.A.,
1300 Thomaswood Drive, Tallahassee, Florida 32308
On behalf of the Florida Retail Federation (FRF).

JAMES W. BREW, and F. ALVIN TAYLOR, ESQUIRES, Brickfield, Burchette,
Ritts & Stone, P.C., 1025 Thomas Jefferson St., NW, Eighth Floor, West Tower,
Washington, DC 20007; RANDY B. MILLER, White Springs Agricultural
Chemicals, Inc., Post Office Box 300, White Springs, FL 32096
On behalf of White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate –
White Springs (PCS Phosphate).

MARTHA BARRERA and JULIA GILCHER, ESQUIRES, Florida Public
Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida
32399-0850
On behalf of the Florida Public Service Commission (Staff).

MARY ANNE HELTON, Deputy General Counsel, Florida Public Service
Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
Advisor to the Florida Public Service Commission.

PREHEARING ORDER

I. CASE BACKGROUND

As part of the continuing fuel and purchased power adjustment and generating performance incentive clause proceedings, an administrative hearing will be held by the Public Service Commission on November 4-6, 2013. The Commission will address those issues listed in this prehearing order. The Commission has the option to render a bench decision on any or all of the issues listed below.

II. CONDUCT OF PROCEEDINGS

Pursuant to Rule 28-106.211, F.A.C., this Prehearing Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

III. JURISDICTION

This Commission is vested with jurisdiction over the subject matter by the provisions of Chapter 366, Florida Statutes (F.S.). This hearing will be governed by said Chapter and Chapters 25-6, 25-22, and 28-106, F.A.C., as well as any other applicable provisions of law.

IV. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

Information for which proprietary confidential business information status is requested pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., shall be treated by the Commission as confidential. The information shall be exempt from Section 119.07(1), F.S., pending a formal ruling on such request by the Commission or pending return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been made a part of the evidentiary record in this proceeding, it shall be returned to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of this proceeding, it shall be returned to the person providing the information within the time period set forth in Section 366.093, F.S. The Commission may determine that continued possession of the information is necessary for the Commission to conduct its business.

It is the policy of this Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 366.093, F.S., to protect proprietary confidential business information from disclosure outside the proceeding. Therefore, any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, F.S., at the hearing shall adhere to the following:

- (1) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary Staff, and the court reporter, in red envelopes clearly marked with the nature of the contents and with the confidential information highlighted. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.
- (2) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise confidentiality. Therefore, confidential information should be presented by written exhibit when reasonably possible.

At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the court reporter shall be retained in the Office of Commission Clerk's confidential files. If such material is admitted into the evidentiary record at hearing and is not otherwise subject to a request for confidential classification filed with the Commission, the source of the information must file a request for confidential classification of the information within 21 days of the conclusion of the hearing, as set forth in Rule 25-22.006(8)(b), F.A.C., if continued confidentiality of the information is to be maintained.

V. PREFILED TESTIMONY AND EXHIBITS; WITNESSES

Testimony of all witnesses to be sponsored by the parties and Staff has been prefiled and will be inserted into the record as though read after the witness has taken the stand and affirmed

the correctness of the testimony and associated exhibits. All testimony remains subject to timely and appropriate objections. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Summaries of testimony shall be limited to 5 minutes.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer. After all parties and Staff have had the opportunity to cross-examine the witness, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

The parties shall avoid duplicative or repetitious cross-examination. Further, friendly cross-examination will not be allowed. Cross-examination shall be limited to witnesses whose testimony is adverse to the party desiring to cross-examine. Any party conducting what appears to be a friendly cross-examination of a witness should be prepared to indicate why that witness's direct testimony is adverse to its interests.

VI. ORDER OF WITNESSES

Each witness whose name is preceded by a plus sign (+) will present direct and rebuttal testimony together. Each witness whose name is preceded by an asterisk (*) will be excused from the hearing if no Commissioners have questions for them.

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
<u>Direct</u>		
*Ileana H. Piedra	Staff	Staff Audit Report Hedging Activities – Florida Power & Light Company
*Simon O. Ojada	Staff	Staff Audit Report Hedging Activities – Duke Energy Florida Inc.
*Debra M. Dobiac	Staff	Staff Audit Report Hedging Activities – Gulf Power Company
*Ronald A. Mavrides	Staff	Staff Audit Report Hedging Activities – Tampa Electric Company.

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
*G. Yupp	FPL	2A, 2B, 2C, 2D, 8-11 and 19
T.J. Keith	FPL	8-11 and 19-23, 25A, 25B, 25C, 25D, 28-34, 35, 36
D. Grissette	FPL	8-11, 19, 25B, 25C
C. R. Rote	FPL	16, 17, 18
Thomas G. Foster	DEF	8, 24, 6, 7, 9, 10, 11, 19-24, 28-34, 1C, 35
*Joseph McCallister	DEF	1A, 1B
*Matthew J. Jones	DEF	16, 17, 18
*Curtis D. Young	FPUC	3A, 8, 9, 10, 11, 19, 20, 21, 22, 23, 35
*P. Mark Cutshaw	FPUC	Issue 3A
*H. R. Ball	Gulf	4A, 4B, 6, 7, 8, 9, 28, 29, 31, 32
*R. W. Dodd	Gulf	6, 7, 8, 9, 10, 11, 19, 20, 21, 22, 23, 28, 29, 30, 31, 32, 33, 34, 35
*M. A. Young	Gulf	16, 17, 18
*Penelope A. Rusk	TECO	5C, 6, 7, 8, 9, 10, 11, 19, 20, 21, 22, 23, 28, 29, 30, 31, 32, 33, 34, 35
*Brian S. Buckley	TECO	16, 17, 18, ,
*Benjamin F. Smith	TECO	5A, 5B, 19, 32
*Brent C. Caldwell	TECO	5A, 5B, 19

VII. BASIC POSITIONS

Staff: Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

FPL: FPL's 2014 Fuel and Purchased Power Cost Recovery factors and Capacity Cost Recovery factors, including the prior period true-ups reflected therein, are reasonable and should be approved.

DEF: Not applicable. DEF's positions to specific issues are listed below.

FPUC: The Company has properly projected its costs. Likewise, the Company has calculated its true-up amounts and purchased power cost recovery factors appropriately. As such, the Company would ask that these amounts and factors be approved by the Commission with the proposed allocation of transmission costs applied.

Gulf: It is the basic position of Gulf Power Company that the fuel and capacity cost recovery factors proposed by the Company present the best estimate of Gulf's fuel and capacity expense for the period January 2014 through December 2014 including the true-up calculations, GPIF and other adjustments allowed by the Commission.

TECO: The Commission should approve Tampa Electric's calculation of its fuel adjustment, capacity cost recovery and GPIF true-up and projection calculations, including the proposed fuel adjustment factor of 3.904 cents per kWh before any application of time of use multipliers for on-peak or off-peak usage; the company's proposed capacity factor for the period January through December 2013; a GPIF penalty of \$1,177,059 for performance during 2012; and approval of the company's proposed GPIF targets and ranges for 2013. Tampa Electric also requests approval of its calculated wholesale incentive benchmark of \$650,665 for calendar year 2014.

OPC: From time to time, the Commission is called on to protect customers by guarding the entrance to a cost recovery clause from utilities' efforts to crash the gates. Utilities naturally prefer to collect costs through a clause rather than through base rates, because (a) the costs so collected do not reduce earnings achieved through base rates and (b) the true-up feature of the clause eliminates all risk of non-recovery. However, cost recovery clauses are still exceptions to traditional ratemaking. Because they impact the customers' bills directly, they must be limited to their intended purposes and guarded against abuse.

In this proceeding, FPL seeks to collect current and future costs associated with NRC requirements stemming from the Fukushima incident through the capacity cost recovery clause, despite the fact that such costs were incorporated in FPL's test year base rate revenue requirements submission in FPL's most recent rate case. There can be no better proof that a category of costs belongs in base rates than a utility witness' testimony that they were included in its MFRs, as is the case here. That such costs will vary between rate cases does not distinguish them from any other category that is base rate-related. Moreover, FPL's attempts to

find parallels with the truly extraordinary treatment of nuclear security costs fail to justify this initiative to increase customers' bills and to shield FPL's earnings from the effects of increased costs.

Further, Duke Energy Florida (DEF) has the burden of demonstrating that it has complied with the refund and net insurance proceeds provisions of the 2012 settlement agreement approved in Order No. PSC-121-0104-FOF-EI and/or the Revised and Restated Stipulation and Settlement Agreement filed on August 1, 2013. The Commission retains jurisdiction to make sure that all of the required refunds (\$139 million for 2014) and required net insurance proceeds credits (\$163 million for 2014) are made and flowed through to customers to the maximum extent possible in the years prescribed and that these benefits and all refunds from 2013 trued-up as needed in the current and subsequent Fuel Adjustment Clause proceedings.

FIPUG: FIPUG maintains that the respective utilities must satisfy their burden of proof for any and all monies sought in this proceeding.

FRF: All of the investor-owned electric utilities bear the burden of proving the reasonableness and prudence of their expenditures for which they seek recovery through their Fuel and Purchased Power Cost Recovery Charges.

PCS: PCS Phosphate generally accepts and adopts the positions taken by the Florida Office of Public Counsel ("OPC") with respect to the fuel costs sought to be recovered by Duke Energy Florida ("Duke").

VIII. ISSUES AND POSITIONS

COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES

Duke Energy Florida

ISSUE 1A: *Proposed Type B Stipulation, See Section X*

ISSUE 1B: *Proposed Type B Stipulation, See Section X*

ISSUE 1C: Has DEF correctly reflected necessary refunds and adjustments pursuant to either the Settlement approved in Order No. PSC-12-0104-FOF-EI or the Revised and Restated Stipulation and Settlement Agreement filed in Docket 130208, as appropriate, in the calculation of the 2014 factors?

POSITION:

DEF: Yes. (Foster)

OPC: Duke Energy Florida (DEF) has the burden of demonstrating that it has complied with the refund and net insurance proceeds provisions of the 2012 settlement agreement approved in Order No. PSC-121-0104-FOF-EI and/or the Revised and Restated Stipulation and Settlement Agreement filed on August 1, 2013. The Commission retains jurisdiction to make sure that all of the required refunds (\$139 million for 2014) and required net insurance proceeds credits (\$163 million for 2014) are made and flowed through to customers to the maximum extent possible in the years prescribed and that these benefits and all refunds from 2013 trued-up as needed in the current and subsequent Fuel Adjustment Clause proceedings.

FIPUG: Adopt position of OPC.

FRF: Agree with OPC.

PCS: PCS Phosphate agrees with and adopts the position of the OPC.

Staff: Staff has no position at this time.

Florida Power and Light

ISSUE 2A: *Proposed Type B Stipulation, See Section X*

ISSUE 2B: *Proposed Type B Stipulation, See Section X*

ISSUE 2C: *Proposed Type B Stipulation, See Section X*

ISSUE 2D: *Proposed Type B Stipulation, See Section X*

Florida Public Utilities Company

ISSUE 3A: *Proposed Type B Stipulation, See Section X*

ISSUE 3B: *Proposed Type B Stipulation, See Section X*

Gulf Power Company

ISSUE 4A: *Proposed Type B Stipulation, See Section X*

ISSUE 4B: *Proposed Type B Stipulation, See Section X*

Tampa Electric Company

ISSUE 5A: *Proposed Type B Stipulation, See Section X*

ISSUE 5B: *Proposed Type B Stipulation, See Section X*

ISSUE 5C: *Proposed Type B Stipulation, See Section X*

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 6: *Proposed Type B Stipulation, See Section X*

ISSUE 7: *Proposed Type B Stipulation, See Section X*

ISSUE 8: *Proposed Type B Stipulation, See Section X*

ISSUE 9: *Proposed Type B Stipulation, See Section X*

ISSUE 10: *Proposed Type B Stipulation, See Section X*

ISSUE 11: *Proposed Type B Stipulation, See Section X*

**COMPANY-SPECIFIC GENERATING PERFORMANCE
INCENTIVE FACTOR ISSUES**

Duke Energy Florida, Inc.

No company-specific issues for Duke Energy Florida, Inc. have been identified at this time. If such issues are identified, they shall be numbered 12A, 12B, 12C, and so forth, as appropriate.

Florida Power & Light Company

No company-specific issues for Florida Power & Light Company have been identified at this time. If such issues are identified, they shall be numbered 13A, 13B, 13C, and so forth, as appropriate.

Gulf Power Company

No company-specific issues for Gulf Power Company have been identified at this time. If such issues are identified, they shall be numbered 14A, 14B, 14C, and so forth, as appropriate.

Tampa Electric Company

No company-specific issues for Tampa Electric Company have been identified at this time. If such issues are identified, they shall be numbered 15A, 15B, 15C, and so forth, as appropriate.

GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

ISSUE 16: *Proposed Type B Stipulation, See Section X*

ISSUE 17: *Proposed Type B Stipulation, See Section X*

ISSUE 18A: *Proposed Type B Stipulation, See Section X*

ISSUE 18B: Should FPL be excluded from the GPIF program for the duration of its pilot Asset Optimization program?

POSITION:

FPL: No. The GPIF does not overlap the Incentive Mechanism in the Stipulation and Settlement that was approved for FPL in Docket No. 120015-EI. No intervenor or Staff witness has filed testimony even attempting to support a contrary conclusion. Rather, the Incentive Mechanism complements the GPIF program, by adding incentives in areas that are not addressed by the GPIF. The GPIF is limited to providing an incentive for the efficient operation of FPL's base load generating units. In contrast, the Incentive Mechanism encourages FPL to create additional value for FPL customers from short-term wholesale sales, short-term wholesale purchases and asset optimization activities such as selling excess gas transportation capacity and or electric transmission capacity when it is not needed to serve FPL's native load. Such opportunities to create additional value for customers primarily result from factors such as the price relationship among different fuel types, the level of load that FPL and potential counterparties must serve, the types of generating units that FPL and the potential counterparties operate, etc. The only similarity between the two programs is that both, albeit in distinct ways, incent FPL to provide significant benefits to FPL customers. The GPIF rewards/penalties that are the subject of this docket are for generating performance in 2012, before the Incentive Mechanism was in effect. (Rote)

DEF: No position.

FPUC: No position.

Gulf: No position.

TECO: No position.

OPC: The asset optimization program to which Staff refers in its position is subject to the Florida Supreme Court's disposition of OPC's appeal of Order No. PSC-13-0023-S-EI; however, in the event that the Court rules that the settlement that is the subject of OPC's appeal is lawful, OPC agrees that FPL should be excluded from the GPIF during the pilot phase of the program.

FIPUG: No position.

PCS: No position.

Staff: No position at this time.

FUEL FACTOR CALCULATION ISSUES

ISSUE 19: *Proposed Type B Stipulation, See Section X*

ISSUE 20: *Proposed Type B Stipulation, See Section X*

ISSUE 21: *Proposed Type B Stipulation, See Section X*

ISSUE 22: *Proposed Type B Stipulation. See Section X*

ISSUE 23: *Proposed Type B Stipulation. See Section X*

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

Duke Energy Florida, Inc.

ISSUE 24: *Proposed Type B Stipulation. See Section X*

Florida Power and Light

ISSUE 25A: *Proposed Type B Stipulation. See Section X*

ISSUE 25B: Are costs (O&M and Capital Costs) related to Nuclear Regulatory Commission requirements stemming from the Fukushima incident that exceed the levels of such costs that FPL included in its 2013 test year in Docket No. 120015-EI eligible for recovery through the capacity cost recovery clause?

POSITION:

FPL: Yes. NRC compliance costs associated with the Fukushima event will be incurred in order to allow FPL's nuclear plants to continue operating and saving FPL customers substantial fossil fuel costs. The level of NRC compliance costs associated with the Fukushima event included in base rates does not address either (a) the incremental increase in the compliance costs that FPL expects in 2013 and beyond; or (b) the high degree of uncertainty that exists as to the ultimate level of compliance costs. Both of these considerations make base rate recovery problematic and clause recovery appropriate. In the absence of CCR recovery, FPL will have no opportunity to recover Fukushima compliance costs that are incremental to the small level that is reflected in the 2013 test year forecast. Therefore, FPL is requesting to recover through the CCR incremental NRC compliance costs above the amounts included in the 2013 test year forecast. (Keith, Grissette)

OPC: No. FPL witness Keith acknowledges that FPL incorporated such projected costs in the 2013 projected test year in Docket No. 120015-EI. The fact that the level of such costs will vary between rate cases does not render them eligible for recovery through the fuel cost recovery clause. Such selective, piecemeal ratemaking would prejudice customers by increasing their bills to shield earnings, while keeping for the benefit of the utility reductions in the levels of other base rate-related items.

FIPUG: Adopt position of OPC.

FRF: Agree with OPC.

PCS: No position.

Staff: Staff has no position at this time.

ISSUE 25C: What is the appropriate amount of Incremental Nuclear Regulatory Commission (Fukushima) Compliance O&M and capital costs that FPL should be allowed to recover through the Capacity Clause?

POSITION:

FPL: The amount of Incremental Nuclear Regulatory Commission (Fukushima) Compliance O&M and capital costs that FPL should be allowed to recover through the Capacity Clause is \$116,265 for the actual/estimated period January 2013 through December 2013 and \$1,621,570 for the projection period January 2014 through December 2014. (Keith, Grissette).

OPC: Zero.

FIPUG: Adopt position of OPC.

FRF: Agree with OPC.

PCS: No position.

Staff: Staff has no position at this time.

ISSUE 25D: *Proposed Type B Stipulation. See Section X*

ISSUE 25E: *Proposed Type B Stipulation. See Section X*

Gulf Power Company

No company-specific issues for Gulf Power Company have been identified at this time. If such issues are identified, they shall be numbered 26A, 26B, 26C, and so forth, as appropriate.

Tampa Electric Company

No company-specific issues for Tampa Electric Company have been identified at this time. If such issues are identified, they shall be numbered 27A, 27B, 27C, and so forth, as appropriate.

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 28: *Proposed Type B Stipulation. See Section X*

ISSUE 29: What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2013 through December 2013?

*Proposed Type B Stipulation as to DEF, Gulf, and Tampa Electric
See Section X*

POSITION:

FPL: \$25,357,191 under-recovery. (Keith)

OPC: No position as to DEF, FPUC, Gulf, and Tampa Electric. As to FPL, the cost recovery amounts should reflect the position taken by OPC in the FPL specific issues.

FIPUG: Adopt position of OPC.

FRF: Agree with OPC.

PCS: With respect to Duke, PCS Phosphate agrees with and adopts the position of the OPC.

Staff: No position at this time as to FPL.

ISSUE 30: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2014 through December 2014?

Proposed Type B Stipulation as to DEF, Gulf, and Tampa Electric. See Section X

POSITION:

FPL: \$33,270,675 under-recovery (Keith)

OPC: No position as to DEF, Gulf, and Tampa Electric. As to FPL, the cost recovery amounts should reflect the position taken by OPC in the FPL specific issues.

FIPUG: Adopt position of OPC.

FRF: Agree with OPC.

PCS: With respect to Duke, PCS Phosphate agrees with and adopts the position of the OPC.

Staff: No position at this time as to FPL.

ISSUE 31: What are the appropriate projected total capacity cost recovery amounts for the period January 2014 through December 2014?

Proposed Type B Stipulation as to DEF, Gulf, FPUC and Tampa Electric. See Section X

POSITION:

FPL: Jurisdictionalized, \$510,012,148 for the period January 2014 through December 2014 excluding prior period true-ups, revenue taxes, nuclear cost recovery amount, and WCEC-3 jurisdictional non-fuel revenue requirements. (Keith)

POSITION:

FPL: Jurisdictionalized, \$510,012,148 for the period January 2014 through December 2014 excluding prior period true-ups, revenue taxes, nuclear cost recovery amount, and WCEC-3 jurisdictional non-fuel revenue requirements. (Keith)

OPC: No position as to DEF, FPUC, Gulf, and Tampa Electric. As to FPL, the cost recovery amounts should reflect the position taken by OPC in the FPL specific issues.

FIPUG: Adopt position of OPC.

FRF: Agree with OPC.

PCS: With respect to Duke, PCS Phosphate agrees with and adopts the position of the OPC.

Staff: No position at this time as to FPL.

ISSUE 32: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2014 through December 2014?

Proposed Type B Stipulation as to DEF, Gulf, and Tampa Electric. See Section X

POSITION:

FPL: The projected net purchased power capacity cost recovery amount to be recovered over the period January 2014 through December 2014 is \$746,376,916 including prior period true-ups, revenue taxes, the nuclear cost recovery amount and WCEC-3 revenue requirements. (Keith)

OPC: No position as to DEF, FPUC, Gulf, and Tampa Electric. As to FPL, the cost recovery amounts should reflect the position taken by OPC in the FPL specific issues.

FIPUG: Adopt position of OPC.

FRF: Agree with OPC.

PCS: With respect to Duke, PCS Phosphate agrees with and adopts the position of the OPC.

Staff: No position at this time as to FPL.

ISSUE 33: *Proposed Type B Stipulation, See Section X*

ISSUE 34: What are the appropriate capacity cost recovery factors for the period January 2014 through December 2014?

Proposed Type B Stipulation as to DEF, Gulf, and Tampa Electric. See Section X

POSITION:

FPL: The January 2014 through December 2014 factors are as follows:

ESTIMATED FOR THE PERIOD: JANUARY 2014 - DECEMBER 2014

RATE SCHEDULE	(1)	(10)	(11)	(12)	(13)
	(\$KW)	(\$/kw h)	RDC (\$/KW) ⁽¹⁾	SDD (\$/KW) ⁽²⁾	
RS1/RTR1	-	0.00786	-	-	-
GS1/GST1/WIES1	-	0.00665	-	-	-
GSD1/GSDT1/HLFT1	2.32	-	-	-	-
OS2	-	0.00569	-	-	-
GSLD1/GSLDT1/CS1/CST1/HLFT2	2.60	-	-	-	-
GSLD2/GSLDT2/CS2/CST2/HLFT3	2.59	-	-	-	-
GSLD3/GSLDT3/CS3/CST3	2.95	-	-	-	-
SST1T	-	-	\$0.33	\$0.15	
SST1D1/SST1D2/SST1D3	-	-	\$0.34	\$0.16	
CILC D/CILC G	2.80	-	-	-	-
CILC T	2.73	-	-	-	-
MET	2.98	-	-	-	-
OL1/SL1/PL1	-	0.00159	-	-	-
SL2, GSCU1	-	0.00530	-	-	-

(Keith)

OPC: No position as to DEF, Gulf, and Tampa Electric. As to FPL, the cost recovery amounts should reflect the position taken by OPC in the FPL specific issues.

FIPUG: Adopt position of OPC.

FRF: Agree with OPC.

PCS: With respect to Duke, PCS Phosphate agrees with and adopts the position of the OPC.

Staff: No position at this time as to FPL.

EFFECTIVE DATE

ISSUE 35: *Proposed Type B Stipulation, See Section X*

ISSUE 36: *Proposed Type B Stipulation, See Section X*

IX. EXHIBIT LIST

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
<u>Direct</u>			
Ileana H. Piedra	Staff	IHP-1	Direct testimony of Ileana H. Piedra
Simon O. Ojada	Staff	SOO-1	Direct testimony of Simon O. Ojada
Debra M. Dobiac	Staff	DMD-1	Direct testimony of Debra M. Dobiac
Ronald A. Mavrides	Staff	RAM-1	Direct testimony of Ronald A. Mavrides
Terry J. Keith	FPL	TJK-1	Fuel Cost Recovery Final True Up for January 2012 to December 2012
Terry J. Keith	FPL	TJK-2	Capacity Cost Recovery Final True Up for January 2012 – December 2012

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Terry J. Keith	FPL	TJK-3	Fuel Cost Recovery Actual/Estimated True Up for January 2013 – December 2013
Terry J. Keith	FPL	TJK-4	Capacity Cost Recovery Actual/Estimated True Up for January 2013 – December 2013
Terry J. Keith	FPL	TJK-5	Fuel Cost Recovery for January 2014 - May 2014
Terry J. Keith	FPL	TJK-6	Fuel Cost Recovery for June 2014 - December 2014 (Including Riviera Beach Energy Center Fuel Savings)
Terry J. Keith	FPL	TJK-7	Fuel Cost Recovery for January 2014 - December 2014 (Traditional Factor Calculation Methodology)
Terry J. Keith	FPL	TJK-8	Capacity Cost Recovery for January 2014 - December 2014
Terry J. Keith	FPL	TJK-9	Capacity Cost Recovery 2014 Revenue Requirement Calculation for West County Energy Center Unit 3
Charles R. Rote	FPL	JCB-1	Generating Performance Incentive Factor Performance Results for January 2012 through December 2012 Revised on May 13, 2013 (Originally filed by J. Carine Bullock and subsequently adopted by Charles R. Rote)

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Charles R. Rote	FPL	CRR-1	Generating Performance Incentive Factor Performance Targets for January 2014 - December 2014
G. J. Yupp	FPL	GJY-1	August 2012 - December 2012 Hedging Activity True-up Report
G. J. Yupp	FPL	GJY-2	FCR 2014 Risk Management Plan
G. J. Yupp	FPL	GJY-3	Hedging Activity Report January 2013 - July 2013
G. J. Yupp	FPL	GJY-4	Fuel Cost Recovery Forecast Assumptions
Thomas G. Foster	DEF	(TGF-1T)	Fuel Cost Recovery True-Up (Jan – Dec. 2012)
Thomas G. Foster	DEF	(TGF-2T)	Capacity Cost Recovery True-Up (Jan – Dec. 2012)
Thomas G. Foster	DEF	(TGF-3T)	Schedules A1 through A3, A6 and A12 for Dec 2012
Thomas G. Foster	DEF	(TGF-4T)	2012 Capital Structure and Cost Rates Applied to Capital Projects
Thomas G. Foster	DEF	(TGF-2)	Actual/Estimated true-up Schedules for period January – December 2013
Thomas G. Foster	DEF	(TGF-3)	Projection factors for January to December 2014
Joseph McCallister	DEF	JM-IT	Hedging Activity Report for the period August – December 2012
Joesph McCallister	DEF	(JM-1P)	2014 Risk Management Plan
Joesph McCallister	DEF	(JM-2P)	Hedging Report (January – July 2013)

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Matthew Jones	DEF	(MJJ-1T)	GPIF Reward/Penalty Schedules for 2012
Matthew Jones	DEF	(MJJ-1P)	GPIF Targets/Ranges Schedules (for Jan – Dec. 2014)
Curtis Young	FPUC	CDY-1 (Composite)	Final True Up Schedules (Schedules F-1 and M-1 for FPUC's Divisions) ¹
Curtis Young	FPUC	CDY-2 (Composite)	Estimated/Actual (Schedules E1-A, E1-B, and E1-B1 for the Northwest Division and E1-A, E1-B, and E1-B1 for the Northeast Division)(Second Revised) ²
Curtis Young	FPUC	CDY-3 (Composite)	Schedules E1, E1A, E2, E7, and E10 for the Northwest Division and E1, E1A, E2, E7, E8, and E10 for the Northeast Division
P. Mark Cutshaw	FPUC	PMM-1	Schedule C (Schedule of Revenue Requirements for Transmission Plant)
H.R. Ball	Gulf	(HRB-1)	Coal Suppliers, Natural Gas Price Variance, Hedging Effectiveness
H.R. Ball	Gulf	(HRB-2)	Projected vs. Actual Fuel Cost of System Generation Comparison 2003 – 2014
H.R. Ball	Gulf	(HRB-3)	Hedging Information Report August – December 2012
H.R. Ball	Gulf	(HRB-4)	Hedging Information Report January – July 2013

¹ Revised April 22, 2013.

² Revised August 30, 2013.

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
H.R. Ball	Gulf	(HRB-5)	Risk Management Plan for Fuel Procurement for 2014
R.W. Dodd	Gulf	(RWD-1)	Calculation of Final True-Up and A-Schedules January 2012 – December 2012
R.W. Dodd	Gulf	(RWD-2)	Estimated True-Up January 2013 – December 2013
R.W. Dodd	Gulf	(RWD-3)	Projection January 2014 – December 2014
M.A. Young	Gulf	(MAY-1)	Gulf Power Company GPIF Results January 2012 – December 2012
M.A. Young	Gulf	(MAY-2)	Gulf Power Company GPIF Targets and Ranges January 2014 – December 2014
Penelope A. Rusk	TECO	(PAR-1)	Final True-up Capacity Cost Recovery January 2012 - December 2012
Penelope A. Rusk	TECO	(PAR-1)	Final True-up Fuel Cost Recovery January 2012- December 2012
Penelope A. Rusk	TECO	(PAR-1)	Actual Fuel True-up compared to Original Estimates January 2013- December 2012
Penelope A. Rusk	TECO	(PAR-1)	Schedules A-1, A-2 and A-6 through A-9 and A-12 January 2012- December 2012
Penelope A. Rusk	TECO	(PAR-2)	Actual/ Estimated True-Up Fuel Cost Recovery January 2013- December 2013

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Penelope A. Rusk	TECO	(PAR-2)	Actual/ Estimated True-Up Capacity Cost Recovery January 2013-December 2013
Penelope A. Rusk	TECO	(PAR-2)	Actual/Estimated Polk Unit 1 Ignition Oil Conversion January 2013- December 2013
Penelope A. Rusk	TECO	(PAR-3)	Projected Capacity Cost Recovery January 2014- December 2014
Penelope A. Rusk	TECO	(PAR-3)	Projected Capacity Cost Recovery Utilizing Proposed Rate Design January 2014- December 2014
Penelope A. Rusk	TECO	(PAR-3)	Projected Fuel Cost Recovery January 2014-December 2014
Penelope A. Rusk	TECO	(PAR-3)	Levelized and Tiered Fuel Rate January 2014- December 2014
Penelope A. Rusk	TECO	(PAR-3)	Polk Unit 1 Ignition Oil Conversion January 2014- December 2014
Brian S. Buckley	TECO	(BSB-1)	Generating Performance Incentive Factor True-Up January 2012 – December 2012
Brian S. Buckley	TECO	(BSB-2)	Generating Performance Incentive Factor January 2014 – December 2014
Brent C. Caldwell	TECO	(JBC-1)	2012 Hedging Activity True-Up Report
Brent C. Caldwell	TECO	(JBC-2)	Fuel Procurement and Wholesale Power Purchase Risk Management Plan 2014

<u>Witness</u>	<u>Proffered By</u>	<u>Description</u>
Brent C. Caldwell	TECO (JBC-3)	Natural Gas Hedging Activities for January through July 2013

X. PROPOSED STIPULATIONS

Duke Energy Florida

ISSUE 1A: Should the Commission approve as prudent, DEF's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in DEF's April 2013 and August 2013 hedging reports?

**Type B Stipulation*

Yes. The Commission should approve as prudent, DEF's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in DEF's April 2013 and August 2013 hedging reports.

ISSUE 1B: Should the Commission approve DEF's 2014 Risk Management Plan?

**Type B Stipulation*

Yes. The Commission should approve DEF's 2014 Risk Management Plan.

Florida Power and Light

ISSUE 2A: Should the Commission approve as prudent, FPL's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in FPL's April 2013 and August 2013 hedging reports?

**Type B Stipulation*

Yes. The Commission should approve as prudent, FPL's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in FPL's April 2013 and August 2013 hedging reports.

ISSUE 2B: Should the Commission approve FPL's 2014 Risk Management Plan?

**Type B Stipulation*

Yes. The Commission should approve FPL's 2014 Risk Management Plan.

ISSUE 2C: What is the appropriate amount of Incremental Optimization Costs for Personnel, Software, and Hardware Costs that FPL should be allowed to recover through the Fuel Clause?

**Type B Stipulation*

The appropriate amount of Incremental Optimization Costs for Personnel, Software, and Hardware Costs that FPL should be allowed to recover through the Fuel Clause is \$263,527 for the period January 2013 through December 2013 and \$389,472 for the period January 2014 through December 2014. By taking no position on this issue, OPC does not waive its appeal of the Final Order which is currently pending before the Florida Supreme Court in Case No. SC13-144.

ISSUE 2D: What is the appropriate amount of Incremental Optimization Costs for Variable Power Plant Operations and Maintenance Costs over the 514 Megawatt Threshold that FPL should be allowed to recover through the Fuel Clause?

**Type B Stipulation*

The appropriate amount of Incremental Optimization Costs for Variable Power Plant Operations and Maintenance Costs over the 514 Megawatt Threshold that FPL should be allowed to recover through the Fuel Clause is \$1,853,392 for the period January 2013 through December 2013 and \$1,722,910 for the period January 2014 through December 2014. By taking no position on this issue, OPC does not waive its appeal of the Final Order which is currently pending before the Florida Supreme Court in Case No. SC13-144.

Florida Public Utilities Company

ISSUE 3A: Is FPUC's proposed method to allocate transmission costs appropriate?

**Type B Stipulation*

Yes. For purposes of calculating the 2014 fuel factors, a portion of the transmission costs included in the Agreement for Generation Services with Gulf Power Company should be reallocated to the Northeast Division to offset an interdivisional inequity associated with transmission assets that serve only the Northeast Division and currently recovered through consolidated base rates. To effectuate a permanent solution to this issue, FPUC should file with its 2015 projection testimony in Docket No. 140001-EI, testimony and supporting schedules to allow for consideration of the consolidation of fuel factors for the

two divisions for future fuel cost recovery, unless this issue is otherwise addressed for Commission consideration through an alternative proceeding prior to the Company's 2015 projection filing.

ISSUE 3B: How should the lump sum payment made by Gulf Power Company (Gulf) to Florida Public Utilities Company (FPUC) to true-up capacity payments upon the reinstatement of Amendment No. 1 to FPUC's Agreement for Generation Services with Gulf be addressed?

**Type B Stipulation*

The lump sum payment made by Gulf Power Company (Gulf) to Florida Public Utilities Company (FPUC) to true-up capacity payments upon the reinstatement of Amendment No. 1 to FPUC's Agreement for Generation Services with Gulf was addressed in Docket No. 130233-EI. Pursuant to the Commission's vote on October 24, 2013, the lump sum payment will be applied to reduce the regulatory asset established by Order No. PSC-12-0600-PAA-EI, issued in Docket No. 120227-EI.

Gulf Power Company

ISSUE 4A: Should the Commission approve as prudent, Gulf's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in Gulf's April 2013 and August 2013 hedging reports?

**Type B Stipulation*

Yes. The Commission should approve as prudent, Gulf's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in Gulf's April 2013 and August 2013 hedging reports.

ISSUE 4B: Should the Commission approve Gulf's 2014 Risk Management Plan?

**Type B Stipulation*

Yes. The Commission should approve Gulf's 2014 Risk Management Plan.

Tampa Electric Company

ISSUE 5A: Should the Commission approve as prudent, Tampa Electric's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in Tampa Electric's April 2013 and August 2013 hedging reports?

**Type B Stipulation*

Yes. The Commission should approve as prudent, Tampa Electric's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in Tampa Electric's April 2013 and August 2013 hedging reports.

ISSUE 5B: Should the Commission approve Tampa Electric's 2014 Risk Management Plan?

**Type B Stipulation*

Yes. The Commission should approve Tampa Electric's 2014 Risk Management Plan.

ISSUE 5C: What is the appropriate amount of capital costs for the Polk Unit One ignition oil conversion project that Tampa Electric should be allowed to recover through the Fuel Clause?

**Type B Stipulation*

The appropriate amount of capital costs for the Polk Unit One ignition oil conversion project that Tampa Electric should be allowed to recover through the Fuel Clause is \$2,356,259 for the period January 2013 through December 2013 and \$4,250,042 for the period January 2014 through December 2014.

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 6: What are the appropriate actual benchmark levels for calendar year 2013 for gains on non-separated wholesale energy sales eligible for a shareholder incentive? (Not applicable to FPL).

**Type B Stipulation*

The appropriate actual benchmark levels for calendar year 2013 for gains on non-separated wholesale energy sales eligible for a shareholder incentive are as follows:

Duke: \$589,283.

Gulf: \$595,146.

TECO: \$1,366,094.

ISSUE 7: What are the appropriate estimated benchmark levels for calendar year 2014 for gains on non-separated wholesale energy sales eligible for a shareholder incentive? (Not applicable to FPL).

**Type B Stipulation*

The appropriate estimated benchmark levels for calendar year 2014 for gains on non-separated wholesale energy sales eligible for a shareholder incentive are as follows:

Duke: \$387,112.

Gulf: \$462,977.

TECO: \$650,665.

ISSUE 8: What are the appropriate fuel adjustment true-up amounts for the period January 2012 through December 2012?

**Type B Stipulation*

The appropriate fuel adjustment true-up amounts for the period January 2012 through December 2012 are as follows:

FPL: \$4,550,654 under-recovery.

Duke: \$72,210,688 under-recovery.

*FPUC: \$1,118,689 under-recovery for the Northwest Division.
\$1,785,473 over-recovery for the Northeast Division.*

Gulf: \$9,333,695 under-recovery.

TECO: \$903,071 over-recovery.

ISSUE 9: What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2013 through December 2013?

**Type B Stipulation*

The appropriate fuel adjustment actual/estimated true-up amounts for the period January 2013 through December 2013 are as follows:

FPL: \$143,214,959 under-recovery.

Duke: \$39,015,505 over-recovery.

*FPUC: \$363,316 over-recovery for the Northwest Division.
\$900,204 over-recovery for the Northeast Division.*

Gulf: \$6,665,066 under-recovery.

TECO: \$14,727,476 over-recovery.

ISSUE 10: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2014 to December 2014?

**Type B Stipulation*

The appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2014 to December 2014 are as follows:

FPL: \$147,765,613 under-recovery.

Duke: \$33,195,183 under-recovery.

*FPUC: \$755,373 under-recovery for the Northwest Division.
\$2,685,677 over-recovery for the Northeast Division.*

Gulf: \$15,998,761 under-recovery.

TECO: \$15,630,547 over-recovery.

ISSUE 11: What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2014 through December 2014?

**Type B Stipulation*

The appropriate projected total fuel and purchased power cost recovery amounts for the period January 2014 through December 2014 are as follows:

FPL: \$3,481,028,444.

Duke: \$1,583,009,063.

*FPUC: \$31,438,731 for the Northwest Division.
\$33,272,998 for the Northeast Division.*

Gulf: \$463,407,364.

TECO: \$772,157,390.

GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

ISSUE 16: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2012 through December 2012 for each investor-owned electric utility subject to the GPIF?

The appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2012 through December 2012 for each investor-owned electric utility subject to the GPIF is shown below:

FPL: \$20,679,970 reward.

Duke: \$3,262,447 reward.

Gulf: \$1,662,342 reward.

TECO: \$1,177,059 penalty.

ISSUE 17: What should the GPIF targets/ranges be for the period January 2014 through December 2014 for each investor-owned electric utility subject to the GPIF?

**Type B Stipulation*

The GPIF targets/ranges shown in the exhibits referenced below are based on the current GPIF methodology approved by the Commission.

Company	Exhibit	Page(s)
FPL	CRR-1	6-7
DEF	MJJ-1P	4
GULF	MAY-2	29, 33
TECO	BSB-2	4

ISSUE 18A: Should the Commission consider modification of the existing GPIF mechanism at this time?

**Type B Stipulation*

The setting of performance targets should be the same for all companies subject to the GPIF. The method for calculating the GPIF's incentive cap of 50 percent of the fuel savings, should be modified as demonstrated by the revision of lines 22 and 23 of the Original Sheet No. 3.516 in the GPIF Manual. The reward and penalty amounts at different performance levels would then be calculated as a linear interpolation from the maximum allowed GPIF reward (line 23), thereby preserving the symmetrical relationship between rewards and penalties.

(Proposed)

Original Sheet No. 3.516 as Revised

**GENERATING PERFORMANCE INCENTIVE FACTOR
 CALCULATION OF MAXIMUM ALLOWED INCENTIVE DOLLARS**

LINE 1	BEGINNING OF PERIOD BALANCE OF COMMON EQUITY	\$	10,849,749,770
	END OF MONTH BALANCE OF COMMON EQUITY		
LINE 2	MONTH OF January 2012	\$	10,983,930,940
LINE 3	MONTH OF February 2012	\$	11,043,325,330
LINE 4	MONTH OF March 2012	\$	11,128,965,610
LINE 5	MONTH OF April 2012	\$	11,196,334,650
LINE 6	MONTH OF May 2012	\$	11,333,068,500
LINE 7	MONTH OF June 2012	\$	11,681,736,330
LINE 8	MONTH OF July 2012	\$	11,828,681,570
LINE 9	MONTH OF August 2012	\$	11,987,094,020
LINE 10	MONTH OF September 2012	\$	12,073,906,876
LINE 11	MONTH OF October 2012	\$	12,172,856,430
LINE 12	MONTH OF November 2012	\$	12,463,562,700
LINE 13	MONTH OF December 2012	\$	12,530,193,165
LINE 14	AVERAGE COMMON EQUITY FOR THE PERIOD (SUMMATION OF LINE 1 THROUGH LINE 13 DIVIDED BY 13)	\$	11,636,415,837
LINE 15	25 BASIS POINTS		0.0025
LINE 16	REVENUE EXPANSION FACTOR		61.3808%
LINE 17	MAXIMUM INCENTIVE DOLLARS PER FINANCIAL DATA (LINE 14 TIMES LINE 15 DIVIDED BY LINE 16)	\$	47,394,364
LINE 18	JURISDICTIONAL SALES		102,225,549,000 KWH
LINE 19	TOTAL SALES		104,462,720,986 KWH
LINE 20	JURISDICTIONAL SEPARATION FACTOR (LINE 18 DIVIDED BY LINE 19)		97.86%
LINE 21	MAXIMUM JURISDICTIONAL INCENTIVE DOLLARS (LINE 17 TIMES LINE 20)	\$	46,380,125
LINE 22	INCENTIVE CAP (50 PERCENT OF PROJECTED FUEL SAVINGS AT 10 GPIF-POINT LEVEL FROM SHEET NO. 3.515)	\$	45,541,500
LINE 23	MAXIMUM ALLOWED GPIF REWARD (AT 10 GPIF-POINT LEVEL) (THE LESSER OF LINE 21 AND LINE 22)	\$	45,541,500

FUEL FACTOR CALCULATION ISSUES

ISSUE 19: What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2014 through December 2014?

**Type B Stipulation*

The appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2014 through December 2014 are as follows:

FPL: \$3,501,708,414.

Duke: \$1,620,630,360.

*FPUC: \$31,438,731 for the Northwest Division.
\$33,272,998 for the Northeast Division.*

Gulf: \$465,069,706.

TECO: \$732,787,937.

ISSUE 20: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2014 through December 2014?

**Type B Stipulation*

The appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2014 through December 2014 is 1.00072.

ISSUE 21: What are the appropriate levelized fuel cost recovery factors for the period January 2014 through December 2014?

**Type B Stipulation*

The appropriate levelized fuel cost recovery factors for the period January 2014 through December 2014 are as follows:

FPL: For January 2014 through the day prior to the RBEC in-service date (projected to be May 31, 2014), the appropriate levelized fuel cost recovery factor is 3.383 cents per kilowatt hour;

For the RBEC in-service date through December 2014, the appropriate levelized fuel cost recovery factor is 3.263 cents per kilowatt hour.

Duke: The appropriate levelized fuel cost recovery factor is 4.303 cents/kWh.

*FPUC: The appropriate levelized fuel cost recovery factor is 6.069 cents/kWh for the Northwest Division.
The appropriate levelized fuel cost recovery factor is 4.844 cents/kWh for the Northeast Division.*

Gulf: The appropriate levelized fuel cost recovery factor is 4.169 cents/kWh.

TECO: The appropriate levelized fuel cost recovery factor is 3.904 cents/kWh.

ISSUE 22: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

**Type B Stipulation*

The fuel recovery line loss multipliers used by each utility in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class are as follows:

FPL: *The appropriate fuel cost recovery loss multipliers are provided in response to Issue No. 23.*

<u>DEF:</u>	<i>Delivery</i>	<i>Line Loss</i>	
	<u>Group</u>	<u>Voltage Level</u>	<u>Multiplier</u>
	<i>A.</i>	<i>Transmission</i>	<i>0.9800</i>
	<i>B.</i>	<i>Distribution Primary</i>	<i>0.9900</i>
	<i>C.</i>	<i>Distribution Secondary</i>	<i>1.0000</i>
	<i>D.</i>	<i>Lighting Service</i>	<i>1.0000</i>

FPUC: *Northwest Division (Marianna): 1.0000 (All rate schedules)*

Northeast Division (Fernandina Beach): 1.0000 (All rate schedules)

Gulf:

Group	Rate Schedules	Line Loss Multipliers
<i>A</i>	<i>RS, RSVP, GS, GSD, GSDT, GSTOU, OSIII, SBS(1)</i>	<i>1.00773</i>
<i>B</i>	<i>LP, LPT, SBS(2)</i>	<i>0.98353</i>
<i>C</i>	<i>PX, PXT, RTP, SBS(3)</i>	<i>0.96591</i>
<i>D</i>	<i>OSI/II</i>	<i>1.00777</i>
<p><i>(1) Includes SBS customers with a contract demand in the range of 100 to 499 KW</i></p> <p><i>(2) Includes SBS customers with a contract demand in the range of 500 to 7,499 KW</i></p> <p><i>(3) Includes SBS customers with a contract demand over 7,499 KW</i></p>		

TECO:

<u>Metering Voltage Schedule</u>	<u>Line Loss Multiplier</u>
<i>Distribution Secondary</i>	<i>1.0000</i>
<i>Distribution Primary</i>	<i>0.9900</i>
<i>Transmission</i>	<i>0.9800</i>
<i>Lighting Service</i>	<i>1.0000</i>

ISSUE 23: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

**Type B Stipulation*

The fuel cost recovery factors used by each utility in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class adjusted for line losses are as follows:

FPL:

FUEL RECOVERY FACTORS - BY RATE GROUP
 (ADJUSTED FOR LINE/TRANSFORMATION LOSSES)

ESTIMATED FOR THE PERIOD OF: JANUARY 2014 THROUGH MAY 2014

(1)	(2)	(3)	(4)	(5)
GROUPS	RATE SCHEDULE	JANUARY - DECEMBER		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
A	RS-1 first 1,000 kWh	3.383	1.00293	3.067
A	RS-1 all additional kWh	3.383	1.00293	4.067
A	GS-1, SL-2, GSCU-1, WIES-1	3.383	1.00293	3.393
A-1	SL-1, OL-1, PL-1 ⁽¹⁾	3.093	1.00293	3.102
B	GSD-1	3.383	1.00284	3.393
C	GSLD-1, CS-1	3.383	1.00186	3.389
D	GSLD-2, CS-2, OS-2, MET	3.383	0.99253	3.358
E	GSLD-3, CS-3	3.383	0.96479	3.264
A	GST-1 On-Peak	4.841	1.00293	4.855
	GST-1 Off-Peak	2.761	1.00293	2.769
A	RTR-1 On-Peak	-	-	1.462
	RTR-1 Off-Peak	-	-	(0.624)
B	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) On-Peak	4.841	1.00283	4.855
	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) Off-Peak	2.761	1.00283	2.769
C	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) On-Peak	4.841	1.00186	4.850
	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) Off-Peak	2.761	1.00186	2.766
D	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) On-Peak	4.841	0.99328	4.808
	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) Off-Peak	2.761	0.99328	2.742
E	GSLDT-3, CST-3, CILC-1(T), ISST-1(T) On-Peak	4.841	0.96479	4.671
	GSLDT-3, CST-3, CILC-1(T), ISST-1(T) Off-Peak	2.761	0.96479	2.664
F	CILC-1(D), ISST-1(D) On-Peak	4.841	0.99253	4.805
	CILC-1(D), ISST-1(D) Off-Peak	2.761	0.99253	2.740

⁽¹⁾ WEIGHTED AVERAGE 16% ON-PEAK AND 84% OFF-PEAK

DETERMINATION OF SEASONAL DEMAND TIME OF USE RIDER (SDTR)

ESTIMATED FOR THE PERIOD OF: JANUARY 2014 THROUGH MAY 2014

OFF PEAK: ALL OTHER HOURS

(1)	(2)	(3)	(4)	(5)
GROUPS	RATE SCHEDULE	JUNE - SEPTEMBER		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
B	GSD(T)-1 On-Peak	6.221	1.00284	6.239
	GSD(T)-1 Off-Peak	2.879	1.00284	2.887
C	GSLD(T)-1 On-Peak	6.221	1.00186	6.233
	GSLD(T)-1 Off-Peak	2.879	1.00186	2.884
D	GSLD(T)-2 On-Peak	6.221	0.99328	6.179
	GSLD(T)-2 Off-Peak	2.879	0.99328	2.860

Note: On-Peak Period is defined as June through September, weekdays 3:00pm to 6:00pm
 Off Peak Period is defined as all other hours.

Note: All other months served under the otherwise applicable rate schedule.
 See Schedule E-1E, Page 1 of 2.

Note: Totals may not add due to rounding.

FUEL RECOVERY FACTORS - BY RATE GROUP
(ADJUSTED FOR LINE/TRANSFORMATION LOSSES)

ESTIMATED FOR THE PERIOD OF: JUNE 2014 THROUGH DECEMBER 2014

(1)	(2)	(3)	(4)	(5)
GROUPS	RATE SCHEDULE	JANUARY - DECEMBER		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
A	RS-1 first 1,000 kWh	3.263	1.00293	2.947
A	RS-1 all additional kWh	3.263	1.00293	3.947
A	GS-1, SL-2, GSCU-1, WIES-1	3.263	1.00293	3.273
A-1	SL-1, OL-1, PL-1 ⁽¹⁾	2.984	1.00293	2.992
B	GSD-1	3.263	1.00284	3.272
C	GSLD-1, CS-1	3.263	1.00186	3.269
D	GSLD-2, CS-2, OS-2, MET	3.263	0.99253	3.239
E	GSLD-3, CS-3	3.263	0.96479	3.148
A	GST-1 On-Peak	4.669	1.00293	4.683
	GST-1 Off-Peak	2.663	1.00293	2.671
A	RTR-1 On-Peak	-	-	1.410
	RTR-1 Off-Peak	-	-	(0.602)
B	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) On-Peak	4.669	1.00283	4.682
	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) Off-Peak	2.663	1.00283	2.671
C	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) On-Peak	4.669	1.00186	4.678
	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) Off-Peak	2.663	1.00186	2.668
D	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) On-Peak	4.669	0.99328	4.638
	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) Off-Peak	2.663	0.99328	2.645
E	GSLDT-3, CST-3, CILC-1(T), ISST-1(T) On-Peak	4.669	0.96479	4.505
	GSLDT-3, CST-3, CILC-1(T), ISST-1(T) Off-Peak	2.663	0.96479	2.569
F	CILC-1(D), ISST-1(D) On-Peak	4.669	0.99253	4.634
	CILC-1(D), ISST-1(D) Off-Peak	2.663	0.99253	2.643

⁽¹⁾ WEIGHTED AVERAGE 16% ON-PEAK AND 84% OFF-PEAK

DEF:

<i>Fuel Cost Factors (cents/kWh)</i> <i>GSD-1, GSDT-1, SS-1, CS-1, CST-1, CS-2, CST-2, CS-3, CST-3, SS-3, IS-1, IST-1, IS-2, IST-2, SS-2, LS-1</i>						
					<i>Time of Use</i>	
<i>Group</i>	<i>Delivery Voltage Level</i>	<i>First Tier Factor</i>	<i>Second Tier Factors</i>	<i>Levelized Factors</i>	<i>On-Peak</i>	<i>Off-Peak</i>
<i>A</i>	<i>Transmission</i>	--	--	4.320	5.577	3.707
<i>B</i>	<i>Distribution Primary</i>	--	--	4.364	5.634	3.744
<i>C</i>	<i>Distribution Secondary</i>	--	--	4.408	5.691	3.782
<i>D</i>	<i>Lighting Secondary</i>	--	--	4.139	--	--

<i>Fuel Cost Factors (cents/kWh)</i> <i>RS-1, RST-1, RSL-1, RSL-2, RSS-1</i>						
					<i>Time of Use</i>	
<i>Group</i>	<i>Delivery Voltage Level</i>	<i>First Tier Factor</i>	<i>Second Tier Factors</i>	<i>Levelized Factors</i>	<i>On-Peak</i>	<i>Off-Peak</i>
<i>C</i>	<i>Distribution Secondary</i>	4.077	5.077	4.359	5.627	3.740

<i>Fuel Cost Factors (cents/kWh)</i> <i>GS-1, GST-1, GS-2</i>						
					<i>Time of Use</i>	
<i>Group</i>	<i>Delivery Voltage Level</i>	<i>First Tier Factor</i>	<i>Second Tier Factors</i>	<i>Levelized Factors</i>	<i>On-Peak</i>	<i>Off-Peak</i>
<i>A</i>	<i>Transmission</i>	--	--	4.277	5.522	3.670
<i>B</i>	<i>Distribution Primary</i>	--	--	4.320	5.577	3.707
<i>C</i>	<i>Distribution Secondary</i>	--	--	4.364	5.634	3.744

FPUC:

The appropriate levelized fuel adjustment and purchased power cost recovery factors for the period January 2014 through December 2014 for the Northwest Division, adjusted for line loss multipliers and including taxes, are as follows:

Northwest Division

<i>Rate Schedule</i>	<i>Adjustment</i>
RS	\$0.10185
GS	\$0.09829
GSD	\$0.09322
GSLD	\$0.08965
OL, OII	\$0.07595
SL1, SL2, and SL3	\$0.07616
<i>Step rate for RS</i>	
RS with less than 1,000 kWh/month	\$0.09740
RS with more than 1,000 kWh/month	\$0.10990

Consistent with the fuel projections for the 2014 period, the appropriate adjusted Time of Use (TOU) and Interruptible rates for the 2014 period are:

Time of Use/Interruptible

<i>Rate Schedule</i>	<i>Adjustment On Peak</i>	<i>Adjustment Off Peak</i>
RS	\$0.18140	\$0.05840
GS	\$0.13829	\$0.04829
GSD	\$0.13322	\$0.06072
GSLD	\$0.14965	\$0.05965
Interruptible	\$0.07465	\$0.08965

The appropriate levelized fuel adjustment and purchased power cost recovery factors for the period January 2014 through December 2014 for the Company's Northeast Division, adjusted for line loss multipliers and including taxes, are as follows:

Northeast Division

<i>Rate Schedule</i>	<i>Adjustment</i>
RS	\$0.09337
GS	\$0.08335
GSD	\$0.08220
GSLD	\$0.08245
OL	\$0.05228
SL	\$0.05206
<i>Step rate for RS</i>	
RS with less than 1,000	\$0.08975

<i>kWh/month</i>	
<i>RS with more than 1,000 kWh/month</i>	\$0.10225

Gulf: See table below: (Dodd)

Group	Rate Schedules*	Line Loss Multipliers	Fuel Cost Factors ¢/KWH		
			Standard	Time of Use	
				On-Peak	Off-Peak
<i>A</i>	<i>RS, RSVP, GS, GSD, GSDT, GSTOU, OSIII, SBS(1)</i>	<i>1.00773</i>	<i>4.201</i>	<i>5.016</i>	<i>3.867</i>
<i>B</i>	<i>LP, LPT, SBS(2)</i>	<i>0.98353</i>	<i>4.100</i>	<i>4.896</i>	<i>3.774</i>
<i>C</i>	<i>PX, PXT, RTP, SBS(3)</i>	<i>0.96591</i>	<i>4.027</i>	<i>4.808</i>	<i>3.707</i>
<i>D</i>	<i>OSI/II</i>	<i>1.00777</i>	<i>4.155</i>	<i>N/A</i>	<i>N/A</i>

**The recovery factor applicable to customers taking service under Rate Schedule SBS is determined as follows: (1) customers with a contract demand in the range of 100 to 499 KW will use the recovery factor applicable to Rate Schedule GSD; (2) customers with a contract demand in the range of 500 to 7,499 KW will use the recovery factor applicable to Rate Schedule LP; and (3) customers with a contract demand over 7,499 KW will use the recovery factor applicable to Rate Schedule PX.*

TECO: The appropriate factors are as follows:

<u>Metering Voltage Level</u>	<u>Fuel Charge Factor (cents per kWh)</u>	
<i>Secondary</i>	<i>3.910</i>	
<i>Tier I (Up to 1,000 kWh)</i>	<i>3.609</i>	
<i>Tier II (Over 1,000 kWh)</i>	<i>4.609</i>	
<i>Distribution Primary</i>	<i>3.871</i>	
<i>Transmission</i>	<i>3.832</i>	
<i>Lighting Service</i>	<i>3.872</i>	
<i>Distribution Secondary</i>	<i>4.124</i>	<i>(on-peak)</i>
	<i>3.820</i>	<i>(off-peak)</i>
<i>Distribution Primary</i>	<i>4.083</i>	<i>(on-peak)</i>
	<i>3.782</i>	<i>(off-peak)</i>
<i>Transmission</i>	<i>4.042</i>	<i>(on-peak)</i>
	<i>3.744</i>	<i>(off-peak)</i>

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

Duke Energy Florida, Inc.

ISSUE 24: Has Duke included in the capacity cost recovery clause, the nuclear cost recovery amount ordered by the Commission in Docket No. 130009-EI?

**Type B Stipulation*

Yes. On August 5, 2013, the Commission approved Duke's Motion to Defer filed in Docket 130009-EI. The Motion to Defer provided for recovery of the requested CR3 Uprate costs filed on May 1, 2013, which have been included in the capacity cost recovery clause. For the Levy Nuclear Project, the amount is a function of the rates filed for collection as presented in Exhibit 9 of DEF's Revised and Restated Stipulation and Settlement Agreement.

Florida Power and Light

ISSUE 25A: Has FPL included in the capacity cost recovery clause, the nuclear cost recovery amount ordered by the Commission in Docket No. 130009-EI?

**Type B Stipulation*

Yes. As approved by the Commission at its October 1, 2013 Agenda Conference, FPL has included in the capacity cost recovery clause, the nuclear cost recovery amount of \$43,461,246.

ISSUE 25D: What are the appropriate 2014 projected non-fuel revenue requirements for West County Energy Center Unit 3 (WCEC-3) to be recovered through the Capacity Clause?

**Type B Stipulation*

The appropriate 2014 projected non-fuel revenue requirements for West County Energy Center Unit 3 (WCEC-3) to be recovered through the Capacity Clause is \$159,210,391.

ISSUE 25E: Should the Commission approve FPL's proposed generation base rate adjustment (GBRA) factor of 4.565 percent for the Riviera Beach Energy Center (RBECE)?

**Type B Stipulation*

Yes. The Commission should approve FPL's proposed generation base rate adjustment (GBRA) factor of 4.565 percent for the Riviera Beach Energy Center. The GBRA for the Riviera Beach Energy Center was approved by the Commission in Final Order No. PSC-13-0023-S-EI in Docket 120015-EI. By taking no position on this issue, OPC does not waive its appeal of the Final Order which is currently pending before the Florida Supreme Court in Case No. SC13-144.

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 28: What are the appropriate capacity cost recovery true-up amounts for the period January 2012 through December 2012?

**Type B Stipulation*

The appropriate capacity cost recovery true-up amounts for the period January 2012 through December 2012 are as follows:

FPL: \$7,913,484 under-recovery.

Duke: \$9,768,250 under-recovery.

Gulf: \$102,776 over-recovery.

TECO: \$126,648 under-recovery.

ISSUE 29: What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2013 through December 2013?

**Type B Stipulation*

The appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2013 through December 2013 are as follows:

Duke: \$14,592,001 under-recovery.

Gulf: \$2,263,786 under-recovery.

TECO: \$465,117 under-recovery.

ISSUE 30: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2014 through December 2014?

**Type B Stipulation*

The appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2014 through December 2014 are as follows:

Duke: \$24,360,251 under-recovery (to be collected)

Gulf: \$2,161,000 under-recovery (to be collected)

TECO: \$591,765 under-recovery (to be collected)

ISSUE 31: What are the appropriate projected total capacity cost recovery amounts for the period January 2014 through December 2014?

**Type B Stipulation*

The appropriate projected total capacity cost recovery amounts for the period January 2014 through December 2014 are as follows:

Duke: \$317,169,968

Gulf: \$61,868,429

TECO: \$30,881,044.

ISSUE 32: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2014 through December 2014?

**Type B Stipulation*

The appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2014 through December 2014 are as follows:

Duke: \$341,776,120, excluding nuclear cost recovery

Gulf: \$64,075,540

TECO: \$31,495,469.

ISSUE 33: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2014 through December 2014?

**Type B Stipulation*

The appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2014 through December 2014 are as follows:

*FPL: FPSC 95.206884%
FERC 4.793116%*

*Duke: Base 92.885%
Intermediate 72.703%
Peaking 95.924%*

Gulf: 97.07146%

TECO: 1.00.

ISSUE 34: What are the appropriate capacity cost recovery factors for the period January 2014 through December 2014?

**Type B Stipulation*

The appropriate capacity cost recovery factors for the period January 2014 through December 2014 are:

<u>Duke:</u>	<u>Rate Class</u>	<u>CCR Factor</u>
	<i>Residential</i>	<i>1.644 cents/kWh</i>
	<i>General Service Non-Demand</i>	<i>1.303 cents/kWh</i>
	<i>@ Primary Voltage</i>	<i>1.290 cents/kWh</i>
	<i>@ Transmission Voltage</i>	<i>1.277 cents/kWh</i>
	<i>General Service 100% Load Factor</i>	<i>0.897 cents/kWh</i>
	<i>General Service Demand</i>	<i>4.26 \$/kW-month</i>
	<i>@ Primary Voltage</i>	<i>4.22 \$/kW-month</i>
	<i>@ Transmission Voltage</i>	<i>4.17 \$/kW-month</i>
	<i>Curtaillable</i>	<i>3.13 \$/kW-month</i>
	<i>@ Primary Voltage</i>	<i>3.10 \$/kW-month</i>
	<i>@ Transmission Voltage</i>	<i>3.07 \$/kW-month</i>
	<i>Interruptible</i>	<i>3.61 \$/kW-month</i>
	<i>@ Primary Voltage</i>	<i>3.57 \$/kW-month</i>
	<i>@ Transmission Voltage</i>	<i>3.54 \$/kW-month</i>
	<i>Standby Monthly</i>	<i>0.418 \$/kW-month</i>
	<i>@ Primary Voltage</i>	<i>0.414 \$/kW-month</i>
	<i>@ Transmission Voltage</i>	<i>0.410 \$/kW-month</i>

<i>Standby Daily</i>	<i>0.199 \$/kW-month</i>
@ <i>Primary Voltage</i>	<i>0.197 \$/kW-month</i>
@ <i>Transmission Voltage</i>	<i>0.195 \$/kW-month</i>
<i>Lighting</i>	<i>0.239 cents/kWh</i>

Gulf: See table below: (Dodd)¹

RATE CLASS	CAPACITY COST RECOVERY FACTORS ¢/KWH³
<i>RS, RSVP</i>	<i>0.680</i>
<i>GS</i>	<i>0.602</i>
<i>GSD, GSDT, GSTOU</i>	<i>0.522</i>
<i>LP, LPT</i>	<i>0.455</i>
<i>PX, PXT, RTP, SBS</i>	<i>0.430</i>
<i>OS-I/II</i>	<i>0.091</i>
<i>OSIII</i>	<i>0.403</i>

TECO: The appropriate factors for January 2014 through December 2014 are as follows:

<u>Rate Class and Metering Voltage</u>	<u>Capacity Cost Recovery Factor</u> <u>Cents per kWh</u>	<u>\$ per kW</u>
<i>RS Secondary</i>	<i>0.202</i>	
<i>GS and TS Secondary</i>	<i>0.186</i>	
<i>GSD, SBF Standard Secondary</i>		<i>0.63</i>
<i>Primary</i>		<i>0.62</i>
<i>Transmission</i>		<i>0.62</i>
<i>GSD Optional Secondary</i>	<i>0.150</i>	
<i>Primary</i>	<i>0.149</i>	
<i>IS, SBI</i>		
<i>Primary</i>		<i>0.39</i>
<i>Transmission</i>		<i>0.38</i>
<i>LSI Secondary</i>	<i>0.025</i>	

³ The 2014 capacity factors presented in Gulf's petition were not revised to reflect the final capacity factors as calculated and presented on pages 39 and 40 of Witness Dodd's Exhibit RWD-3.

ISSUE 35: What should be the effective date of the fuel adjustment factors and capacity cost recovery factors for billing purposes?

**Type B Stipulation*

The new factors should be effective beginning with the first billing cycle for January 2014 and thereafter through the last billing cycle for December 2014. The first billing cycle may start before January 1, 2014, and the last cycle may be read after December 31, 2014, so that each customer is billed for twelve months regardless of when the recovery factors became effective. The new factors should continue in effect until modified by this Commission.

ISSUE 36: Should this Docket be closed?

**Type B Stipulation*

Yes, this docket should be closed after a final order is issued and the time for appeal has run.

XI. PENDING MOTIONS

There are no pending motions at this time.

XII. PENDING CONFIDENTIALITY MATTERS

POSITION:

FPL: Florida Power and Light Company's request for confidential classification of Forms 423-1(a), 423-2, 2(a), and 2(b) for Oct/Sept 2012, DN 00196-13, dated January 10, 2013.

Florida Power and Light Company's request for confidential classification of Forms 423-1(a), 423-2, 2(a), and 2(b) for Nov/Oct 2012, DN 00566-13, dated January 29, 2013.

Florida Power and Light Company's request for confidential classification of Forms 423-1(a), 423-2, 2(a), and 2(b) for Dec/Nov 2013, DN 00995-13, dated February 22, 2013.

Florida Power and Light Company's request for confidential classification of certain information contained in Schedule A12 of Appendix II to testimony of Terry J. Keith, DN 01066-13, dated March 1, 2013.

Florida Power and Light Company's request for confidential classification of Responses To Staff's 2nd Set of Interrogatories (Nos. 13, 16, 17, 20, 21, and 23) and 1st request for PODs (No. 1), DN 01489-13, dated March 6, 2013.

Florida Power and Light Company's request for confidential classification of Forms 423-1(a), 423-2, 2(a), and 2(b) for Jan/Dec 2012, DN 01437-13, dated March 22, 2013.

Florida Power and Light Company's request for confidential classification of fuel hedging activities and market comparisons contained in Exhibit GJY-1 to testimony of Gerard J. Yupp, DN 01727-13, dated April 5, 2013.

Florida Power and Light Company's request for confidential classification of Forms 423-1(a), 423-2, 2(a), and 2(b) for Apr/March 2013, DN 03576-13, dated June 26, 2013.

Florida Power and Light Company's request for confidential classification of Forms 423-1(a), 423-2, 2(a), and 2(b) for May/Apr, 2013, DN 04133-13, dated July 18, 2013.

Florida Power and Light Company's request for confidential classification of FPL's 2014 Risk Management Plan ("Hedging Plan"), DN 04483-13, dated August 2, 2013.

Florida Power and Light Company's request for confidential classification of certain information contained in Exh GJY-3 to the fuel hedging activity report, DN 04806-13, dated August 16, 2013.

Florida Power and Light Company's request for confidential classification of Forms 423-1(a), 423-2, 2(a), and 2(b) for June/May, 2013, DN 05035-13, dated August 27, 2013.

Florida Power and Light Company's request for confidential classification of certain information contained in Schedule E12 of Appendix V to the prepared testimony of FPL witness Terry J. Keith, DN 05177-13, dated August 30, 2013.

DEF: Duke Energy Florida's request for confidential classification of its 423 Forms for November 2012, DN 00625-13, dated January 30, 2013.

Duke Energy Florida's request for confidential classification of portions of Exhibit TGF-3T (Schedule A12), DN 01072-13, dated March 1, 2013.

Duke Energy Florida's request for confidential classification of information provided in response to Staff's Second Set of Interrogatories and First Request for Production of Documents, DN 01195-13, dated March 6, 2013.

Duke Energy Florida's request for confidential classification of its 423 Forms for December 2012, DN 01218-13, dated March 4, 2013.

Duke Energy Florida's request for confidential classification of certain information provided in the April 5, 2013 Direct Testimony of Joseph McCallister and Exhibit JM-1T, DN 01712-13, dated April 5, 2013.

Duke Energy Florida's request for confidential classification of information contained in Exhibit TGF-2 to the August 2, 2013 direct testimony of Thomas G. Foster and Information contained in 2014 Risk Management Plans, including exhibits A-L, DN 04622-13, dated August 2, 2013.

Duke Energy Florida's request for confidential classification of information provided in its Fuel Hedging Report from January through July, 2013, DN 04810-13, dated August 16, 2013.

Duke Energy Florida's request for confidential classification of information provided in Exhibit TGF-3 to August 30, 2013 projection testimony of Thomas G. Foster, certain information contained in August 30, 2013 testimony of Joseph McCallister, DN 05181-13, dated August 30, 2013.

Gulf:

Gulf Power Company's request for confidential classification of information related to Gulf's Form 423 for November, 2012, DN 00424-13, dated January 24 2013.

Gulf Power Company's request for confidential classification of information relating to Gulf's Form 423 for December, 2012, DN 00963-13, dated February 21, 2013.

Gulf Power Company's request for confidential classification of information relating to Schedule CCA-4 of Exhibit RWD-1 to the direct testimony of R. W. Dodd, DN 01078-13, dated March 1, 2013.

Gulf Power Company's request for confidential classification of information related to Schedule 2 of Exhibit HRB-1 to the direct testimony of Herbert R. Ball, DN 01080-13, dated March 1, 2013.

Gulf Power Company's request for confidential classification of information relating to Gulf's Response to Staff's Second Set of Interrogatories, DN 01171-13, dated March 6, 2013.

Gulf Power Company's request for confidential classification of information relating to Gulf's Response to Staff's First Request for Production of Documents, DN 01175-13, dated March 6, 2013.

Gulf Power Company's request for confidential classification of information relating to Gulf's Form 423 for January, 2013, DN 01387-13, March 20 2013.

Gulf Power Company's request for confidential classification of information relating to Gulf Power's August-December 2012 Hedging Activity Report, DN 01725-13, dated April 5, 2013.

Gulf Power Company's request for extended confidential classification of information relating to Gulf Power's Form 423 for March, 2011, DN 03701-11, dated April 16, 2013.

Gulf Power Company's request for extended confidential classification of information relating to Gulf Power's Form 423 for April, 2011, DN 04473-11, dated April 16, 2013.

Gulf Power Company's request for extended confidential classification of information relating to Gulf Power's Form 423 for July, 2011, DN 07022-11, dated April 16, 2013.

Gulf Power Company's request for confidential classification of information relating to Gulf's Form 423 for February, 2013, DN 02093-13, dated April 22, 2013.

Gulf Power Company's request for confidential classification of information relating to Gulf's Form 423 for March, 2013, DN 02814-13, dated May 22, 2013.

Gulf Power Company's request for confidential information relating to Gulf's Form 423 for April, 2013, DN 03476-13, dated June 21, 2013.

Gulf Power Company's request for confidential information relating to Gulf's Form 423 for May, 2013, DN 04183-13, dated July 22, 2013.

Gulf Power Company's request for confidential classification of information relating to Schedule CCE-4 of Exhibit RWD-2 to the direct testimony of R. W. Dodd, DN 04464-13, dated August 2, 2013.

Gulf Power Company's request for confidential classification of information relating to Gulf's 2014 Risk Management Plan, DN 04462-13, dated August 2, 2013.

Gulf Power Company's request for confidential classification of information relating to Gulf Power's January –July 2013 Hedging Activity Report, DN 04813-13, dated August 16, 2013.

Gulf Power Company's request for confidential classification of information relating to Gulf's Form 423 for June, 2013, DN 04903-13, dated August 21 2013.

Gulf Power Company's request for extended confidential classification of information relating to Gulf Power's Form 423 for November, 2011, DN 00637-12, dated August 28, 2013.

Gulf Power Company's request for extended confidential classification of information relating to Gulf Power's Form 423 for October, 2011, DN 00074-12, dated August 28, 2013.

Gulf Power Company's request for extended confidential classification of information relating to Gulf Power's Form 423 for February, 2011, DN 00733-12, dated August 28, 2013.

Gulf Power Company's request for extended confidential classification of information relating to Gulf Power's Form 423 for January, 2011, DN 00736-12, dated August 28, 2013.

Gulf Power Company's request for confidential classification of information relating to Schedule CCE-4 of Exhibit RWD-3 to the direct testimony of R. W. Dodd, DN 05189-13, dated August 30, 2013.

Gulf Power Company's Request for confidential classification of information relating to Gulf's Form 423 for July, 2013, DN 05661-13, dated September 24 2013.

Gulf Power Company's request for extended confidential classification of information relating to its 2010 fuel audit work papers Audit Control No. 11-006-1-1 and Audit Control No. 11-006-1-2, DN 04475-11, dated September 25, 2013.

TECO:

Tampa Electric Company's request for confidential classification of its Form 423 reports for November 2012, DN 00299-13, dated January 15, 2013.

Tampa Electric Company's request for confidential classification of its Form 423 reports for December 2012, DN 00866-13, dated February 15, 2013.

Tampa Electric Company's request for confidential classification of its Form 423 reports for January 2013, DN 01327-13, dated March 15, 2013.

Tampa Electric Company's request for confidential classification of its Form 423 reports for February 2013, DN 01977-13, dated April 14, 2013.

Tampa Electric Company's request for confidential classification of its Form 423 reports for March 2013, DN 02687-13, dated May 15, 2013.

Tampa Electric Company's request for confidential classification of its Form 423 reports for April 2013, DN 03358-13, dated June 17, 2013.

Tampa Electric Company's request for confidential classification of its Form 423 reports for May 2013, DN 04027-13, dated July 15, 2013.

Tampa Electric Company's request for confidential classification of its Form 423 reports for June 2013, DN 04781-13, dated August 15, 2013.

Tampa Electric Company's request for confidential classification of its Form 423 reports for July 2013, DN 05468-13, dated September 13, 2013.

Tampa Electric Company's request for confidential classification of certain highlighted information contained in Schedule A12, pg 2 of 2 (Bates stamp pg 37) for 1/12 through 12/12 of testimony and exhibits of Penelope A. Rusk, DN 01095-13, dated March 4, 2013.

Tampa Electric Company's request for confidential classification of information related to answers to Staff's First Request for PODs (No. 1), Bates stamp pages 2-219, DN 01201-13, dated March 6, 2013.

Tampa Electric Company's request for confidential classification of information related to answers to Staff's Second Set of Interrogatories (Nos. 13 and 16), Bates stamp pages 1-3, and 6-10, DN 01204-13, dated March 6, 2013.

Tampa Electric Company's request for confidential classification of highlighted information on pages 12 and 14 of 2012 hedging activity true-up report; Exh JBC-1 of witness J. Brent Caldwell, DN 01733-13, dated April 5, 2013.

Tampa Electric Company's request for confidential classification of Bates stamp page 11 of its risk management plan, DN 04476-13, dated August 2, 2013.

Tampa Electric Company's request for confidential classification of highlighted information contained in Schedule E12, Bates stamp page 40, Exhibit PAR-2, Document 2, page 5 of 5 of direct testimony of Penelope A. Rusk - capacity costs actual/estimated for period 1/13 - 12/13, DN 04479-13, dated August 2, 2013.

Tampa Electric Company's request for confidential classification of highlighted information contained in report titled Natural Gas Hedging Activities January 2013 through July 2013, Exhibit JBC-3, page 1 of 1, DN 05327-13, dated August 17, 2013.

Tampa Electric Company's request for confidential classification of highlighted information contained in Schedule E12 to direct testimony of Penelope A. Rusk (Bates stamp page 18, capacity costs estimated for January 2014 through December 2014, DN 05154-13, dated August 30, 2013).

XIII. POST-HEARING PROCEDURES

For those issues where no bench decision is made, each party shall file a post-hearing statement of issues and positions. A summary of each position of no more than 50 words, set off with asterisks, shall be included in that statement, unless the Prehearing Officer, upon request, extends the limit to 100 words. For Issue 25B a 100 word summary shall be allowed. If a party's position has not changed since the issuance of this Prehearing Order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words, unless leave to raise the statement to 100 words is granted upon request. If a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

Pursuant to Rule 28-106.215, F.A.C., a party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 40 pages and shall be filed at the same time.

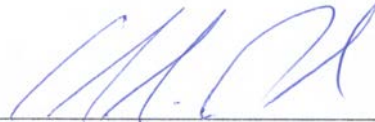
XIV. RULINGS

Opening statements, if any, shall not exceed 5 minutes per party.

It is therefore,

ORDERED by Commissioner Eduardo E. Balbis, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Commissioner Eduardo E. Balbis, as Prehearing Officer, this 28th day of October, 2013.



EDUARDO E. BALBIS
Commissioner and Prehearing Officer
Florida Public Service Commission
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

MFB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review

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of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.