BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power Cost Recovery Clause with Generating Performance Incentive Factor
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DOCKET NO. 150001-EI

FILED: October 9, 2015

PREHEARING STATEMENT OF THE OFFICE OF PUBLIC COUNSEL

The Citizens of the State of Florida, through the Office of Public Counsel, pursuant to the Orders Establishing Procedure in this docket, Order No. PSC-15-0096-PCO-EI, issued February 10, 2015, and Order No. PSC-15-0169-PCO-EI, issued May 4, 2015, submit this Prehearing Statement.

APPEARANCES:

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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.

1. WITNESSES:

The Citizens intend to call the following witnesses, who will address the issues indicated:

NAME	ISSUES
Tarik Noriega	1D, 1E (Hedging Issues)
Daniel J. Lawton	1D, 1E (Hedging Issues)
William R. Jacobs	3J (St. Lucie 2014 Outage)

2. EXHIBITS:

Witness	Exhibits	Title
T. Noriega	TN-1	Résumé of Tarik Noriega
T. Noriega	TN-2	IOU Natural Gas Hedging True-up Filings with the PSC
T. Noriega	TN-3	IOU Natural Gas Hedging Results as Reported in Discovery
D. Lawton	DJL-1	Resume
D. Lawton	DJL-2	Annual Natural Gas Analysis (1997–2015)
D. Lawton	DJL-3	Monthly Natural Gas Analysis (2000–2015)

D. Lawton	DJL-4	Monthly Natural Gas Analysis (1997–1999)
D. Lawton	DJL-5	Monthly Natural Gas Analysis (2000 – 2002)
D. Lawton	DJL-6	Monthly Natural Gas Analysis (2003 – 2006)
D. Lawton	DJL-7	Monthly Natural Gas Analysis (2007 – 2010)
D. Lawton	DJL-8	Monthly Natural Gas Analysis (2011 – 2015)
D. Lawton	DJL-9	Analysis of Absolute Price Changes (1997 – 2015)
W. Jacobs	WRJ-1	Résumé of William R. Jacobs, Jr.
W. Jacobs	WRJ-2	1st RCA (St. Lucie Generating Station, Unit 2 2B S/G Hotleg Foreign Object, Event Date: April 8, 2014)
W. Jacobs	WRJ-3	2nd RCA (St. Lucie Generating Station, Unit 2 2B S/G Hotleg Foreign Object, Event Date: July 14, 2014)

3. STATEMENT OF BASIC POSITION

Hedging Issues 1D and 1E

The Commission should re-examine and, based on the evidence submitted by the OPC, should discontinue natural gas financial hedging practices in the State of Florida by investor-owned utilities. The OPC has submitted the testimony of Tarik Noriega and Dan Lawton providing compelling evidence that hedging is not in the best interests of electric utility customers in Florida.

OPC witness Noriega reviewed the hedging gains (savings) and costs (losses) incurred since 2002 by the four Companies which financially hedge natural gas – Florida Power & Light Company (FPL), Duke Energy Florida (DEF or Duke), Gulf Power Company (Gulf), and Tampa Electric Company (TECO). From 2002 to 2015, the cumulative natural gas hedging losses for these Companies are approximately $6.2 billion dollars. Included within that figure are the Companies' projected 2015 natural gas hedging losses exceeding $646 million. If the natural gas financial hedging programs are allowed to continue, OPC believes these losses are likely to continue detrimentally impacting the Companies' customers.

OPC witness Lawton, relying upon data from the U.S. Energy Information Agency (EIA), analyzed natural gas prices and price volatility for the period 1997 to 2015. The facts demonstrate that natural gas price volatility along with the actual price of natural gas is decreasing and has continued to decrease since the Commission's 2011 hedging workshop when hedging was last substantively examined. This decrease in price and volatility is due in large part to the increased production of natural gas obtained from domestic shale formations and other market conditions. Customers are directly benefited by this decrease in price and volatility on the *unhedged* portion of natural gas.

The stated purpose of natural gas financial hedging is to protect customers from fuel price volatility. However, the Commission's *annual* fuel adjustment clause proceeding and mid-course correction rule already effectively, efficiently, and economically mitigate against and reduce fuel price volatility experienced by the customers on their monthly bills. Unlike financial hedging, the annual fuel adjustment clause and mid-course correction rule do not result in lost cost opportunities for customers, while still mitigating the impacts of fuel price volatility.

In 2002, the Commission approved a stipulation which allowed the Companies to participate in all types of hedging activities, including natural gas financial hedging activities. In 2007, the Commission stated, "Hedging program[s] are designed to assist in managing the impacts of fuel price volatility. Within any given calendar period, hedging can result in gains or losses. *Over time, gains and losses are expected to offset one another.*" (emphasis added). In 2008, the Commission revisited the issue of hedging and stated that "hedging can reduce the volatility of fuel adjustment charges paid by customers and that a well-managed hedging program does not involve speculation. With fuel price hedging, the expectation is that gains and losses will cancel out over the long-run. . . . While price volatility is reduced, hedging is not expected to create long-run profits or losses."

It is now 2015 and hedging losses have continued to mount in a significant way. The Commission's own expectation – that over time hedging gains and losses would offset – has not resulted. According to OPC witness Lawton, natural gas prices and price volatility have been decreasing and that trend is expected to continue for the foreseeable future. Thus, the reasons and market conditions justifying natural gas financial hedging in 2002 and 2008 have changed, and no longer justify the continuation of these programs. The utility regulatory commissions in Nevada and Kentucky have already recognized these changes and have ended the financial hedging of natural gas within their borders.

As testified by OPC witness Lawton, "Since 2008, high levels of losses or lost opportunities, related to lower market prices relative to the hedged payment that have been part of a continuing trend over time, have resulted and should raise a red flag concerning the continuation of the hedging program and the costs borne by customers. Regulatory authorities should expect to see some losses in hedging for some years and possibly most years given ongoing program costs and the fact that financial hedging, like insurance protection, for price stability is not free. However, large and prolonged hedging losses should signal a re-evaluation of hedging programs in order to stem the tide of losses and costs to consumers."

It is the utilities' burden of proof to demonstrate that the customer benefits of continuing natural gas financial hedging (to decrease fuel price volatility) outweigh the costs evidenced by the cumulative $6.2 billion in customer costs paid since 2002 ($2.4 billion since 2011). If financial hedging is an insurance policy against fuel price volatility, then $6.2 billion is an unacceptable premium paid by the customers to protect against something that is decreasing and is already sufficiently mitigated by the annual fuel adjustment clause mechanism and mid-course correction rule.

OPC submits the natural gas financial hedging programs should be reevaluated and that, based upon the current condition of the natural gas markets and projections, the Commission should move to terminate the natural gas financial hedging programs. The lost opportunity costs since 2002 of $6.2 billion is too high a premium for customers to pay when they are already receiving the benefits of the annual resetting of the fuel factor and the mid-course correction rule which effectively, efficiently, and economically mitigate against fuel price volatility experienced by the customers.

For all these reasons, the Commission should deny the Company's risk management plans as it relates to natural gas financial hedging activities and should suspend and end the practice of natural gas financial hedging. The hedging transactions currently in place pursuant to Commission approved Risk Management Plans should be allowed to settle; however, the Commission should direct the Companies not to enter into any additional financial hedging transactions until such time as the Companies prove that financial hedging would provide a net benefit to the customers without the enormous downside costs cumulatively experienced by the customers since 2002.

OPC takes no position on other hedging activities described in the Companies' proposed 2016 Risk Management Plans. However, to the extent these other activities would authorize the hedging of natural gas, the plans should be rejected.

FPL - St. Lucie 2 2014 Outage

On April 8, 2014, during a planned outage and upon the re-starting of the reactor cooling pumps at FPL's St. Lucie Unit No. 2 (SL2), the reactor coolant system alarmed. Upon inspection, a single, loose part (much later identified as a stainless steel spray nozzle) was found in the primary coolant side of the Steam Generator "B" channel head (the "Event"). As a result, FPL was unable to timely re-start St. Lucie 2, which caused the originally planned outage to be extended for an additional 12.4 days. This further resulted in replacement fuel costs of $8,001,909.

FPL conducted several root cause analyses (RCAs) of the extended outage. The first RCA concluded that a less conservative approach to foreign material exclusion resulted in the foreign material (stainless steel spray nozzle) entering the hot leg during refueling activities. Further, FPL's first RCA concluded that a contributing cause was the lack of performing a foreign material exclusion (FME) inspection of the upper guide structure prior to its installation into the reactor vessel. FPL stated that the second RCA (dated July 2015) replaced the first RCA (dated May 2014); however, the first RCA provides valuable additional, relevant context for the understanding of this Event. In the second RCA, the investigation finally identified the use of stainless steel nozzles as the object that caused the Event and was the "root cause" of the Event. Notwithstanding, in the second RCA, FPL identified that a "missed opportunity" to use camera inspection tools in performing a comprehensive FME inspection of the upper guide structure was a contributing cause to this Event.

Based on his review of this Event and both RCAs, Dr. William Jacobs determined that FPL had several opportunities to prevent this Event. A similar nozzle was dropped into the refueling cavity during the SL2-19 outage conducted by FPL in January to May 2011 at this same facility. That incident should have alerted FPL to the possibility of a nozzle or other foreign materials being dropped into this structure, and FPL should have increased its inspections of reactor components prior to reassembly. Good utility practice would have been to keep an inventory of all tools and attachments in and around the refueling area during a refueling outage. "Good utility practice" means the practices used by a significant portion of the electric utility at the time (i.e., standard industry practice). FPL's failure to account for all spray nozzles at the conclusion of SL2-19 was a clear missed opportunity to have prevented the SL2-21 extended outage. Further, FPL missed opportunities to conduct complete and thorough inspections of the Upper Guide Structure following the SL2-19 (2011), SL2-20 (2012), and SL-21(2014) refueling outages. In any of those outages, a complete and thorough inspection of the upper guide structure were opportunities that FPL had to identify the nozzle and prevent the SL2-21 extended outage. Since the SL2-21 (April 2014) extended outage was reasonably preventable and good utility practice was not followed, FPL's ratepayers should not be responsible for the additional fuel costs incurred during this Event. Therefore, the Commission should disallow the $8,001,909 for replacement fuel.

Other Issues

OPC has taken positions on other company specific issues. Those positions are detailed under the specific issues.

4. STATEMENT OF FACTUAL ISSUES AND POSITIONS

I. FUEL ISSUES

HEDGING ISSUES

ISSUE 1A: Deleted per Order PSC-15-0354-PCO-EI, issued on September 3, 2015.

ISSUE 1B: Deleted per Order PSC-15-0354-PCO-EI, issued on September 3, 2015.

ISSUE 1C: Deleted per Order PSC-15-0354-PCO-EI, issued on September 3, 2015.

ISSUE 1D: Is it in the consumers' best interest for the utilities to continue natural gas financial hedging activities?

OPC: No. For the facts and reasons described in the testimonies of OPC witnesses Noriega and Lawton and in OPC's basic position, it is not in the best interest of the customers for the Companies to continue natural gas financial hedging activities.

ISSUE 1E: What changes, if any, should be made to the manner in which electric utilities conduct their natural gas financial hedging activities?

OPC: For the facts and reasons described in the testimonies of OPC witnesses Noriega and Lawton and in OPC's basic position, the Commission should deny the Company's risk management plans as it relates to natural gas financial hedging activities and should suspend and end the practice of natural gas financial hedging.

COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES

Duke Energy Florida, Inc.

ISSUE 2A: Should the Commission approve as prudent DEF's actions to mitigate the volatility of natural gas, residual oil, fuel oil, and purchased power prices, as reported in DEF's April 2015 and August 2015 hedging reports?

OPC: No position at this time.

ISSUE 2B: Should the Commission approve DEF's 2016 Risk Management Plan?

OPC: No. The plan should not be approved as filed inasmuch as it would authorize the company to continue the financial hedging of natural gas.

ISSUE 2C: Has DEF made appropriate adjustments, if any are needed, to account for replacement costs associated with the July 2014 forced outage at the Hines plant? If appropriate adjustments are needed and have not been made, what adjustment(s) should be made?

OPC: No position at this time.

Florida Power & Light Company

ISSUE 3A: Should the Commission approve as prudent FPL's actions to mitigate the volatility of natural gas, residual oil, fuel oil, and purchased power prices, as reported in FPL's April 2015 and August 2015 hedging reports?

OPC: No position at this time.

ISSUE 3B: Should the Commission approve FPL's 2016 Risk Management Plan?

OPC: No. The plan should not be approved as filed inasmuch as it would authorize the company to continue the financial hedging of natural gas.

ISSUE 3C: What is the total gain in 2014 under the Incentive Mechanism approved in Order No. PSC-13-0023-S-EI, and how is that gain to be shared between FPL and customers?

OPC: No position at this time.

ISSUE 3D: What is the appropriate amount of Incremental Optimization Costs under the Incentive Mechanism that FPL should be allowed to recover through the fuel clause for Personnel, Software, and Hardware costs for the period January 2014 through December 2014?

OPC: No position at this time.

ISSUE 3E: What is the appropriate amount of Incremental Optimization Costs under the Incentive Mechanism that FPL should be allowed to recover through the fuel clause for variable power plant O&M costs incurred to generate output for wholesale sales in excess of 514,000 megawatt-hours for the period January 2014 through December 2014?

OPC: No position at this time.

ISSUE 3F: What is the appropriate amount of Incremental Optimization Costs under the Incentive Mechanism that FPL should be allowed to recover through the fuel clause for Personnel, Software, and Hardware costs for the period January 2015 through December 2015?

OPC: No position at this time.

ISSUE 3G: What is the appropriate amount of Incremental Optimization Costs under the Incentive Mechanism that FPL should be allowed to recover through the fuel clause for variable power plant O&M costs incurred to generate output for wholesale sales in excess of 514,000 megawatt-hours for the period January 2015 through December 2015?

OPC: No position at this time.

ISSUE 3H: What is the appropriate amount of Incremental Optimization Costs under the Incentive Mechanism that FPL should be allowed to recover through the fuel clause for Personnel, Software, and Hardware costs for the period January 2016 through December 2016?

OPC: No position at this time.

ISSUE 3I: What is the appropriate amount of Incremental Optimization Costs under the Incentive Mechanism that FPL should be allowed to recover through the fuel clause for variable power plant O&M costs incurred to generate output for wholesale sales in excess of 514,000 megawatt-hours for the period January 2016 through December 2016?

OPC: No position at this time.

ISSUE 3J: Has FPL made appropriate adjustments, if any are needed, to account for replacement power costs associated with the extended refueling outage in 2014 at Saint Lucie Unit 2? If appropriate adjustments are needed and have not been made, what adjustment(s) should be made?

OPC: No. The $8,001,909 for replacement fuel costs for the St. Lucie 2 (April 2014) extended outage should be disallowed. This Event was reasonably preventable. FPL should have followed good utility practice. Instead, FPL missed opportunities to conduct thorough inspections of the upper guide structure following the SL2-19, SL2-20, and SL2-21 refueling outages. In addition, a similar dropped stainless steel nozzle incident during a previous refueling outage should have alerted FPL to the need for increased inspections and complete, detailed tool inventories. However, FPL failed to account for all the spray nozzles during SL2-19, which was a missed opportunity to avoid the SL2-21 extended outage.

ISSUE 3K: What costs are appropriate for FPL's Woodford natural gas exploration and production project for recovery through the Fuel Clause?

OPC: No position at this time.

ISSUE 3L: Contested FIPUG issue.

OPC: No position at this time.

ISSUE 3M: Contested FIPUG issue.

OPC: No position at this time.

ISSUE 3N: Should the Commission approve FPL's proposed generation base rate adjustment (GBRA) factor of 3.899 percent for the Port Everglades Energy Center (PEEC) expected to go in-service on June 1, 2016?

OPC: No position at this time.

ISSUE 3O: Should the replacement power costs related to the unplanned outages at St. Lucie Unit 2 in February and April 2015 be recovered through the fuel recovery clause?

OPC: See Stipulation.

Florida Public Utilities Company

ISSUE 4A: Should FPUC be permitted to recover the cost (depreciation expense, taxes, and return on investment) of building a transmission line to FPL's substation located in its Northeast Division through the fuel recovery clause?

OPC: No. Recovery of costs associated with transmission lines are not fossil fuel-related costs. Transmission costs are traditionally and historically recovered through base rates, not the fuel clause. Additionally, FPUC's request to recover these costs in the fuel clause violates the Company's rate case stipulation pursuant to Order PSC-14-0517-S-EI. Further, FPUC's argument that the transmission costs should be recovered as 2016 fuel costs should be rejected as the opportunity for potential "fuel savings" will not occur in 2016 because the current Purchase Power Agreement (PPA) does not expire until 2017 and this plant will not go into service until the end of 2017.

ISSUE 4B: Should FPUC's request to recover consulting and legal fees through the fuel clause be approved?

OPC: No. The requested consulting and legal fees are not fossil fuel-related costs. Consulting fees to research new opportunities for generation are costs that are traditionally and historically recovered through base rates. Additionally, FPUC's request to recover these costs in the fuel clause violates the Company's rate case stipulation pursuant to Order PSC-14-0517-S-EI. Further, these consulting costs are related to fuel procurement administration costs which, pursuant to Order No. 14546, are more appropriately recovered through base rates. Moreover, FPUC's argument that its consulting and legal fees for generation opportunities may produce fuel savings and, as such, should be recovered as 2016 fuel costs, should be rejected, as no "fuel savings" will occur in 2016.

Gulf Power Company

ISSUE 5A: Should the Commission approve as prudent Gulf's actions to mitigate the volatility of natural gas, residual oil, fuel oil, and purchased power prices, as reported in Gulf's April 2015 and August 2015 hedging reports?

OPC: No position at this time.

ISSUE 5B: Should the Commission approve Gulf's 2016 Risk Management Plan?

OPC: No. The plan should not be approved as filed inasmuch as it would authorize the company to continue the financial hedging of natural gas.

Tampa Electric Company

ISSUE 6A: Should the Commission approve as prudent TECO's actions to mitigate the volatility of natural gas, residual oil, fuel oil, and purchased power prices, as reported in TECO's April 2015 and August 2015 hedging reports?

OPC: No position at this time.

ISSUE 6B: Should the Commission approve TECO's 2016 Risk Management Plan?

OPC: No. The plan should not be approved as filed inasmuch as it would authorize the company to continue the financial hedging of natural gas.

ISSUE 6C: What is the appropriate amount of capital costs for the Big Bend fuel conversion project that TECO should be allowed to recover through the Fuel Clause for the period January 2015 through December 2015?

OPC: No position at this time.

ISSUE 6D: What is the appropriate amount of capital costs for the Big Bend fuel conversion project that TECO should be allowed to recover through the Fuel Clause for the period January 2016 through December 2016?

OPC: No position at this time.

ISSUE 6E: Are adjustments needed to account for replacement costs associated with the June 2015 forced outage at Big Bend Unit 2? If adjustments are needed, what adjustments should be made?

OPC: The $1.7 million cost of replacement fuel for the Big Bend Unit 2 outage should be disallowed if the bearing lube oil contamination was reasonably preventable. Any reimbursement of costs for replacement power should be credited to the fuel clause for the benefit of the ratepayers.

ISSUE 6F: Should TECO be allowed to recover through the fuel clause the costs associated with testing natural gas as a co-fired fuel at the Big Bend station?

OPC: No position at this time.

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 7: What are the appropriate actual benchmark levels for calendar year 2015 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

OPC: No position at this time.

ISSUE 8: What are the appropriate estimated benchmark levels for calendar year 2016 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

OPC: No position at this time.

ISSUE 9: What are the appropriate final fuel adjustment true-up amounts for the period January 2014 through December 2014?

OPC: No position at this time.

ISSUE 10: What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2015 through December 2015?

OPC: No position at this time.

ISSUE 11: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2016 to December 2016?

OPC: No position at this time.

ISSUE 12: What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2016 through December 2016?

OPC: No position at this time.

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 13A, 13B, 13C, and so forth, as appropriate.

Florida Power & Light Company

Contested Issue 14A

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 15A, 15B, 15C, 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 16A, 16B, 16C, and so forth, as appropriate.

GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

ISSUE 17: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2014 through December 2014 for each investor-owned electric utility subject to the GPIF?

OPC: No position at this time.

ISSUE 18: What should the GPIF targets/ranges be for the period January 2016 through December 2016 for each investor-owned electric utility subject to the GPIF?

OPC: No position at this time.

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 2016 through December 2016?

OPC: No position at this time.

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 2016 through December 2016?

OPC: No position at this time.

ISSUE 21: What are the appropriate levelized fuel cost recovery factors for the period January 2016 through December 2016?

OPC: No position at this time.

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?

OPC: No position at this time.

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

OPC: No position at this time.

II. CAPACITY ISSUES

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

Duke Energy Florida, Inc.

ISSUE 24A: Has DEF included in the capacity cost recovery clause the nuclear cost recovery amount ordered by the Commission in Docket No. 150009-EI?

OPC: No position at this time.

Florida Power & Light Company

ISSUE 25A: Has FPL included in the capacity cost recovery clause the nuclear cost recovery amount ordered by the Commission in Docket No. 150009-EI?

OPC: No position at this time pending the Commission's determination in Docket No. 150009-EI.

ISSUE 25B: What are the appropriate 2016 projected non-fuel revenue requirements for West County Energy Center Unit 3 (WCEC-3) to be recovered through the Capacity Clause?

OPC: No position at this time.

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: What are the appropriate final capacity cost recovery true-up amounts for the period January 2014 through December 2014?

OPC: No position at this time.

ISSUE 29: What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2015 through December 2015?

OPC: No position at this time.

ISSUE 30: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2016 through December 2016?

OPC: No position at this time.

ISSUE 31: What are the appropriate projected total capacity cost recovery amounts for the period January 2016 through December 2016?

OPC: No position at this time.

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 2016 through December 2016?

OPC: No position at this time.

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 2016 through December 2016?

OPC: No position at this time.

ISSUE 34: What are the appropriate capacity cost recovery factors for the period January 2016 through December 2016?

OPC: No position at this time.

III. EFFECTIVE DATE

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

OPC: No position at this time.

IV. TARIFF APPROVAL

ISSUE 36: Should the Commission approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be appropriate in this proceeding?

OPC: No position at this time.

ISSUE 37: Should this docket be closed?

OPC: No.

5. STIPULATED ISSUES:

   FPL and the OPC have stipulated that issues related to replacement power associated with the March/April 2014 extended outage at St. Lucie Unit #2 should be deferred until the 2015 hearing cycle.

6. PENDING MOTIONS:

   OPC has no pending motions.

7. STATEMENT OF PARTY'S PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY:

   OPC has no pending requests or claims for confidentiality.

8. OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT:

   OPC has no objection to qualifications of witnesses.

9. STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE:

   There are no requirements of the Order Establishing Procedure with which the Office of Public Counsel cannot comply.

Dated this 9th day of October, 2015

Respectfully submitted,

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CERTIFICATE OF SERVICE
150001-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing Prehearing Statement has been furnished by electronic mail on this 9th day of October, 2015, to the following:

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