

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of arrangement to mitigate unfavorable impact of St. Johns River Power Park, by Florida Power & Light Company.

DOCKET NO. 20170123-EI

DATED: August 18, 2017

COMMISSION STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-2017-0214-PCO-EI, issued June 12, 2017, as modified by Order No. PSC-2017-0270-PCO-EI issued July 12, 2017, the Staff of the Florida Public Service Commission files its Prehearing Statement.

1. All Known Witnesses

Staff has no witnesses at this time.

2. All Known Exhibits

Staff has no exhibits at this time.

3. Staff's Statement of Basic Position

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.

4. Staff's Position on the Issues

**\*CONTESTED\***

**ISSUE 1A:** Does the request by FPL to defer amortization of the Early Retirement Regulatory Asset and the Asset Transfer Regulatory Asset until the next time FPL's base rates are adjusted in a rate case violate the terms of the October 6, 2016 Stipulation and Settlement between FPL, OPC, the South Florida Hospital and Healthcare Association and the Florida Retail Federation, including but not limited to, paragraphs 4 and 7 of said Stipulation and Settlement? (OPC Proposed Issue)

**POSITION:** Staff has no position pending evidence adduced at hearing.

COMMISSION STAFF'S PREHEARING STATEMENT

DOCKET NO. 20170123-EI

PAGE 2

**\*CONTESTED\***

**ISSUE 1B:** Does the request by FPL to defer amortization of the Early Retirement Regulatory Asset and the Asset Transfer Regulatory Asset until the next time FPL's base rates are adjusted in a rate case violate the terms of the October 6, 2016 Stipulation and Settlement between FPL, OPC, the South Florida Hospital and Healthcare Association and the Florida Retail Federation, in particular paragraphs 4 and 7 of said Stipulation and Settlement? (FPL Proposed Language)

**POSITION:** Staff has no position pending evidence adduced at hearing.

**ISSUE 2:** Did the existing JOA provide FPL with any reasonable, lower cost alternatives to the proposed SJRPP Transaction? If so, did FPL take reasonable steps to evaluate such alternatives, if any, in selecting the proposed SJRPP Transaction?

**POSITION:** Staff has no position pending evidence adduced at hearing.

**ISSUE 3:** If the Commission approves FPL's proposed SJRPP transaction, how will existing contracts between third party providers and the co-owners (JEA and FPL) be handled, what are the projected costs of fulfilling or terminating such contracts, and how should these costs be recovered?

**POSITION:** Staff has no position pending evidence adduced at hearing.

**ISSUE 4:** What are the operational and regulatory risks associated with FPL's proposed SJRPP transaction, and has FPL appropriately accounted for these risks under the transaction?

**POSITION:** Staff has no position pending evidence adduced at hearing.

**ISSUE 5:** Is the proposed SJRPP Transaction reasonably expected to be cost-effective?

**POSITION:** Staff has no position pending evidence adduced at hearing.

**ISSUE 6:** Is FPL's proposal to enter into the Asset Transfer and Contract Termination Agreement and terminate the existing JOA (including the power purchase agreement with JEA) prudent? If so, should the Commission approve the proposed SJRPP transaction?

**POSITION:** Staff has no position pending evidence adduced at hearing.

**ISSUE 7:** If the Commission approves FPL's proposed SJRPP transaction, what is the proper accounting treatment for the transaction?

**POSITION:** Staff has no position pending evidence adduced at hearing.

**ISSUE 8:** When should the amortization of the Shutdown Payment Regulatory Asset begin?

**POSITION:** Staff has no position pending evidence adduced at hearing.

**ISSUE 9:** When should the amortization of the Early Retirement Regulatory Asset and the Asset Transfer Regulatory Asset begin?

**POSITION:** Staff has no position pending evidence adduced at hearing.

**ISSUE 10:** If the Commission approves FPL's proposed SJRPP transaction, what is the proper rate of return on the associated regulatory assets and liabilities?

**POSITION:** Staff has no position pending evidence adduced at hearing.

**ISSUE 11:** Should this docket be closed?

**POSITION:** Staff has no position pending evidence adduced at hearing.

5. Stipulated Issues

Staff has no stipulated issues at this time.

6. Pending Motions

Staff has no pending motions at this time.

7. Pending Confidentiality Claims or Requests

Staff has no pending confidentiality claims or requests.

8. Objections to Witness Qualifications as an Expert

Staff has no objections to witness qualifications as an expert.

9. Compliance with Order No. PSC-2017-0214-PCO-EI and Order No. PSC-2017-0270-PCO-EI.

Staff has complied with all requirements of the Orders Establishing Procedure entered in this docket.

Respectfully submitted this 18th day of August, 2017.

*/s/Danijela Janjic*

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DANIJELA JANJIC

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that STAFF'S PREHEARING STATEMENT has been filed with the Office of Commission Clerk and that a true copy has been furnished to the following by electronic mail this 18th day of August, 2017:

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*/s/Danijela Janjic*

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