

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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FPSC - COMMISSION CLERK

In the Matter of:

DOCKET NO. 20180084-EI

PETITION FOR LIMITED
PROCEEDING FOR APPROVAL TO
INCLUDE IN BASE RATES THE
REVENUE REQUIREMENT FOR
THE CITRUS COMBINED CYCLE
PROJECT, BY DUKE ENERGY
FLORIDA, LLC.

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PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 5

COMMISSIONERS
PARTICIPATING: CHAIRMAN ART GRAHAM
COMMISSIONER JULIE I. BROWN
COMMISSIONER DONALD J. POLMANN
COMMISSIONER GARY F. CLARK
COMMISSIONER ANDREW G. FAY

DATE: Tuesday, July 10, 2018

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: DEBRA KRICK
Court Reporter and
Notary Public in and for
the State of Florida at Large

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1 P R O C E E D I N G S

2 CHAIRMAN GRAHAM: Item No. 5.

3 MR. LEE: Thank you. Daniel Lee on behalf of
4 staff.

5 Item 5 addresses the base rate adjustment
6 request by Duke Energy Florida for the Citrus
7 combined cycle project. The cost of the project
8 was reviewed by the Commission in the need
9 determination case, and the same cost has been used
10 in this petition consistent with the 2017 second
11 revised settlement that was approved by the
12 Commission last year.

13 Consistent with the settlement, the income tax
14 rate has been updated to reflect the tax cut
15 effective this year. The rate impact is a total
16 increase of \$5.87 on 1,000 kilowatt hour
17 residential bill. This is about 71 cents lower
18 than the estimate made in the need determination
19 case.

20 Staff recommends approval of the petition.

21 Five customers comments concerning the rate
22 increase have been filed in this docket.

23 Representatives of the Office of Public Counsel and
24 the company are here.

25 Staff is prepared to answer questions.

1 CHAIRMAN GRAHAM: Duke.

2 MR. BERNIER: Good morning, Matt Bernier for
3 Duke Energy.

4 We are supportive of staff's recommendation
5 and are here to answer any questions the Commission
6 may have, and I reserve my right to respond to
7 anything that Mr. Rehwinkel may like to say.

8 CHAIRMAN GRAHAM: Mr. Rehwinkel.

9 MR. REHWINKEL: Thank you, Mr. Chairman and
10 Commissioners. Charles Rehwinkel, Deputy Public
11 Counsel.

12 I am not here today in opposition to this
13 settlement -- I mean, to this recommendation, but
14 in an abundance of caution, the Public Counsel
15 wanted to put you on notice that we have -- we
16 potentially could have some concerns that we are
17 discussing with a consultant. And if those
18 concerns come to fruition, we will address them
19 with the company and your staff in an effort to
20 avoid a protest. If we do protest, it would be
21 narrow based on the concerns that we have now that
22 I am not at liberty to express publicly today.

23 But what I would like to point out is that we
24 were signatory to the settlement agreement. We
25 agreed to the plant. We agreed to the process

1 that's before the Commission today. We are not
2 here to -- and even if we do file a protest, it
3 would not affect the rate that is under
4 consideration because there is a crucial difference
5 between a tariff and a PAA.

6 If we protest, that would mean ask for a
7 hearing on the tariff, it would allow the tariff to
8 go into effect subject to refund on an interim
9 basis under certain Supreme Court decisions and
10 your authority.

11 If it were a PAA, a PAA does not have
12 independent interim authority, in our view, and
13 that would be a problem. But this is a tariff so
14 that's not an issue.

15 So all I wanted to do was to put you on notice
16 if we do file a protest, we wouldn't want the
17 Commission to think that we were sandbagging you.
18 We are just not at a point, with all of the tax and
19 storm dockets going on right now, to crystallize
20 our concerns, which, in the end, may not be
21 concerns.

22 So those are all the comments I have.

23 CHAIRMAN GRAHAM: Question for you, Mr.
24 Rehwinkel.

25 The customer notifications, it's different

1 here than it would be during a normal rate
2 increase. Was that something that came out of the
3 settlement or -- because I notice this is inserts
4 into the bills and not just notification in the
5 newspapers?

6 MR. REHWINKEL: It was not a -- as far as I
7 recall, it's not a specific provision of the
8 settlement agreement. It -- it's -- this issue has
9 been around for a long time. We had not focused on
10 whether there was a concern about that, but bill
11 notification is a method that the Commission has
12 used in the past.

13 The fact that this was part of a settlement
14 agreement probably -- well, I don't know the answer
15 to the question beyond that.

16 MR. BERNIER: Thank you.

17 I don't have another specific answer to that
18 either. I think it was just the method that was
19 chosen in this particular instance. I don't -- but
20 I agree that there is nothing specific in the
21 settlement that addresses that.

22 CHAIRMAN GRAHAM: I was just kind of curious
23 when I saw that.

24 Commissioners, any questions?

25 Commissioner Fay.

1 COMMISSIONER FAY: Just one quick question,
2 Mr. Chairman.

3 Just for staff, on page five there, the last
4 paragraph of the conclusion, it just says: If the
5 commercial in-service date of Phase 1 of the
6 project is delayed, the tariff should become
7 effective.

8 I just want to be clear, so the billing won't
9 go out until the completion of Phase 1 and Phase 2,
10 correct?

11 MS. DRAPER: Yes. Rates -- new rates will go
12 into affect 30 days after the completion of Phase 1
13 and Phase 2.

14 COMMISSIONER FAY: No matter what those dates
15 may be?

16 MS. DRAPER: That's correct.

17 COMMISSIONER FAY: Okay.

18 MS. DRAPER: If there is a delay, the rates
19 will go into affect accordingly, a month later.

20 COMMISSIONER FAY: Okay. Great. Thank you.

21 CHAIRMAN GRAHAM: Commissioner Brown.

22 COMMISSIONER BROWN: Thank you, Mr. Chairman.

23 Mr. Rehwinkel, I tried to listen what you were
24 saying, but I just wanted to get a better
25 understanding. If you could kind of be a little

1 bit more clear on what it is you -- if you are
2 asking us to do anything, or if you are just
3 preserving a right, or if you are telling us that
4 you are going to protest it?

5 MR. REHWINKEL: It's actually option number
6 four, which is that we are considering one but we
7 may not, so that's all I wanted to do.

8 COMMISSIONER BROWN: Is it this order, since
9 the tariffs are going to be administratively
10 approved?

11 MR. REHWINKEL: No, it just would be about the
12 costs and the way they are calculated, and we want
13 to make sure it's just being done right.

14 I can tell you this, if we have an issue, it's
15 not going to be a major one, it would probably be
16 more of a technical one, but it may affect the
17 costs.

18 COMMISSIONER BROWN: Okay. Thank you.

19 MR. REHWINKEL: You are welcome.

20 CHAIRMAN GRAHAM: Commissioner Polmann.

21 COMMISSIONER POLMANN: Thank you, Mr.
22 Chairman.

23 Ms. Helton, this particular item, I would like
24 to get clarification in terms of a -- the action
25 that the Commission will take here upon our

1 approval, and then Issue 3, in terms of closing the
2 docket, there is reference here to a potential
3 protest.

4 Could you please clarify for me what would be
5 the opportunity for protest? This is not -- it's
6 not identified here as a PAA. So what is the
7 form -- what is it that we are approving, and what
8 is the opportunity for protest?

9 MS. HELTON: Well, you are -- you would be
10 approving staff's recommendation as laid out in the
11 recommendation. As Mr. Rehwinkel mentioned, there
12 is a little bit of a difference between our PAA
13 process and the tariff process.

14 For the PAA process, once that PAA order is
15 entered, then substantially affected persons have
16 21 days -- a 21-day window to request a hearing.

17 It's the same for a tariff order.
18 Substantially affected persons have 21 days to
19 request a hearing on a tariff order. The
20 difference being that whatever rates the Commission
21 approves in your decision today, those rates will
22 continue, and the amounts collected will be held
23 subject to refund pending the outcome of the
24 hearing.

25 COMMISSIONER POLMANN: Okay. Thank you.

1 CHAIRMAN GRAHAM: Okay. Is there a motion?

2 COMMISSIONER POLMANN: Would move -- Mr.
3 Chairman, I would move approval of all issues.

4 CHAIRMAN GRAHAM: It's been moved staff
5 recommendations on all issues on Item No. 5.

6 Any further discussion?

7 Seeing none, all in favor say aye.

8 (Chorus of ayes.)

9 CHAIRMAN GRAHAM: Any opposed?

10 (No response.)

11 CHAIRMAN GRAHAM: By your action, you have
12 approved the staff recommendation on all issues on
13 Item No. 5.

14 MR. REHWINKEL: Mr. Chairman, before I leave,
15 I would like to take this opportunity, since I am
16 up here, to tell the Commission that we are losing
17 a fine employee who has been with us for seven
18 years, was a Commission employee for three years
19 before that. Erik Sayler is moving to greener
20 pastures with the Department of Agriculture. And
21 he will be representing the public there, I am
22 sure, as well.

23 We will Ms. Erik. His -- there was never any
24 doubt who he was representing and that his advocacy
25 was for the customers, and that I will always

1 admire and respect, and we are going to miss him,
2 but I just wanted to make an announcement that he
3 is leaving us and wish him well.

4 CHAIRMAN GRAHAM: Is Mr. Sayler here? Does
5 this mean that we are going to have shorter water
6 hearings now?

7 MR. SAYLER: I will leave that to counsel.

8 MR. REHWINKEL: He has been training people
9 behind the scenes.

10 Thank you, Mr. Chairman.

11 CHAIRMAN GRAHAM: Thank you.

12 Mr. Sayler, we are going to miss you. And we
13 enjoyed picking on you, kind of like we enjoy
14 picking on Mr. Moyle over there.

15 (Agenda item concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 18th day of July, 2018.



DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #GG015952
EXPIRES JULY 27, 2020