

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Florida Power & Light Company (FPL) for authority to charge FPL rates to former City of Vero Beach customers and for approval of FPL's accounting treatment for City of Vero Beach transaction.

DOCKET NO. 20170235-EI

In re: Joint petition to terminate territorial agreement, by Florida Power & Light and the City of Vero Beach.

DOCKET NO. 20170236-EU

DATED: September 26, 2018

**INDIAN RIVER COUNTY PREHEARING STATEMENT**

Pursuant to the Order Establishing Procedure, Order No. PSC-2018-0370-PCO-EU, issued July 25, 2018 (the "OEP"), and Order No. PSC-2018-0445-PCO-EU, the Second Order Modifying Order Establishing Procedure to Establish Additional Issues for Hearing and to Provide for Sworn Public Testimony at Hearing ("Second OEP") issued August 31, 2018, Indian River County ("County") submits its Prehearing Statement and states as follows:

**A. APPEARANCES:**

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**B. WITNESSES AND EXHIBITS:**

In identifying witnesses, County reserves the right to call such other witnesses as may be identified in the course of discovery and preparation for the final hearing in this matter.

**1. WITNESSES.**

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
Peter D. O'Bryan	Chairman O'Bryan will generally address the issue as to the impact on the community and whether the protestors have standing in this proceeding.	5,6,7,9,15,16,17,18,19

**2. EXHIBITS.**

Indian River County has no pre-filed exhibits, however, County reserves the right to use such exhibits as may be identified as may be identified in the course of discovery and preparation for the final hearing in this matter.

**C. COUNTY'S STATEMENT OF BASIC POSITION.**

Indian River County supports the July 2, 2018 Order No. PSC-2018-0336-PAA-EU approving the sale of the City of Vero Beach (COVB) electric system to FPL as structured. The acquisition is intended to bring much-needed rate relief to the residents of the City of Vero Beach, and those residents in the unincorporated areas of Indian River County and the Town of Indian River Shores that are currently served by the City of Vero Beach, while at the same time benefiting FPL's other customers. As recognized in the Florida Public Service Commission staff recommendation, the sale as structured will end "years of controversy" that included "repeated efforts to address issues through legislation, multiple filings with the Commission, and litigation between the City of Vero Beach and the Town of Indian River Shores and Indian River County."

The Indian River County Board of County Commissioners has long believed that the best thing that could be done for economic development and for providing special help for many of our

low income families would be for all county electric customers to have lower FPL rates. The Florida Public Service Commission must support the sale as structured in order to bring rate relief and reliable service to the citizens of our community.

Both the petitions by the Civic Association of Indian River County, Inc. and Brian Heady claim that no "exceptional circumstances" exist since out of city residents in both the Town of Indian River Shores and the unincorporated county, have "full voting representation on the City's Utility Commission". It is important to note that the City Utility Commission is advisory in nature only and is not a true Utility Commission. These petitioners also claim of "a dire burden on the City taxpayers" and threats of city bankruptcy. These are all false and unproven exaggerations being used in a scare tactic manner.

The issues raised by these petitioners are local political issues outside the scope of the Florida Public Service Commission. Just as the Florida Public Service Commission determined it had no authority to issue a declaration interpreting the City of Vero Beach – Indian River County franchise agreement (Order No. PSC-15-0102-DS-EM), the Florida Public Service Commission has no authority to rule upon the local political issues raised by the petitioners.

**D. COUNTY’S STATEMENT OF ISSUES AND POSITIONS:**

The issues listed below were provided for in Order No. PSC-2018-0445-PCO-EU, issued August 31, 2018:

**Issue 1: What statutory positions or other legal authority, if any, grant the Commission the authority and jurisdiction to approve the acquisition adjustment requested by FPL in this case?**

County Position:

The County joins FPL’s position on Issue 1.

**Issue 2: How should the Commission weigh any unproven factual assertions in FPL’s Petition?**

County Position:

COVB joins in FPL's opposition to the inclusion of Issue 2 in this proceeding. If Issue 2 is included, the County joins in FPL's position.

**Issue 3: Does FPL's request of a return of, and a return on, the requested acquisition adjustment violate the terms of FPL's current rate case settlement agreement?**

County Position:

County joins in FPL's opposition to the inclusion of Issue 3 in this proceeding. If Issue 3 is included, the County joins in FPL's position.

**Issue 4: What legal authority to increase rates, if any, supports FPL's request for the Commission to consider and approve rate making principles related to acquisition adjustment?**

County Position:

County joins in FPL's opposition to the inclusion of Issue 4 in this proceeding. If Issue 4 is included, the County joins in FPL's position.

**Issue 5: Should the Commission grant FPL the authority to charge FPL's rates and charges to City of Vero Beach's ("COVB") customers upon the closing date of the Asset Purchase and Sale Agreement ("PSA")?**

County Position:

Yes. County joins FPL's position on Issue 5.

**Issue 6: Should the Commission approve the joint petitioners' request to terminate the existing territorial agreement between FPL and COVB upon the closing date of the PSA?**

County Position:

Yes. County joins FPL's position on Issue 6.

**Issue 7: What extraordinary circumstances, if any, exist to support the Commission's consideration of authorizing a positive acquisition adjustment in this case?**

County Position:

County joins FPL's position on Issue 7.

**Issue 8: Should the Commission consider alternatives other than what has been proposed by FPL with respect to the acquisition adjustment?**

County Position:

County joins FPL's position on Issue 8.

**Issue 9: Should the Commission approve a positive acquisition adjustment associated with the purchase of the COVB electric utility system?**

County Position:

Yes. County joins FPL's position on Issue 9.

**Issue 10: If the Commission should approve a positive acquisition adjustment associated with the purchase of the COVB electric utility system, what is the appropriate economic analysis to determine the amount of the positive acquisition adjustment?**

County Position:

County joins in FPL's opposition to the inclusion of Issue 10 in this proceeding. If Issue 10 is included, the County joins in FPL's position.

**Issue 11: What is the appropriate amount, if any, of a positive acquisition adjustment to be recorded on FPL's books for the purchase of the COVB electric utility system?**

County Position:

County joins FPL's position on Issue 11.

**Issue 12: If a positive acquisition adjustment is permitted, what is the appropriate accounting treatment for FPL to utilize for recovery and amortization of the acquisition adjustment?**

County Position:

County joins FPL's position on Issue 12.

**Issue 13: Should the projected cost savings supporting FPL's request for a positive acquisition adjustment be subject to review in future FPL rate cases?**

County Position:

Yes. County joins FPL's position on Issue 13.

**Issue 14: Are the several contracts [OUC, FMPA] “costs of service” for FPL that are eligible for recovery in customer rates?**

County Position:

County joins in FPL’s opposition to the inclusion of Issue 14 in this proceeding. If Issue 14 is included, the County joins in FPL’s position.

**Issue 15: Should the Commission approve recovery of costs associated with the short-term power purchase agreement with Orlando Utilities Commission?**

County Position:

Yes. County joins FPL’s position on Issue 15.

**Issue 16: Is granting the relief requested by the applicants in the public interest?**

County Position:

Yes. County joins FPL’s position on Issue 16.

**Issue 17: Does the Civic Association of Indian River County, Inc. have standing to protest the Commission’s proposed agency action granting FPL’s petition for authority to charge FPL’s rates to former COVB customers and for approval of accounting treatment for the COVB transaction, and granting the joint petition of FPL and COVB to terminate the territorial agreement (Order No. PSC-2018-0336-PAA-EU)?**

County Position:

No. The County joins FPL’s position on Issue 17.

**Issue 18: Does Michael Moran have standing to protest the Commission’s proposed agency action granting FPL’s petition for authority to charge FPL’s rates to former COVB customers and for approval of accounting treatment for the COVB transaction, and granting the joint petition of FPL and COVB to terminate the territorial agreement (Order No. PSC-2018-0336-PAA-EU)?**

County Position:

No. County joins FPL’s position on Issue 18.

**Issue 19: Does Brian Heady have standing to protest the Commission’s proposed agency action granting FPL’s petition for authority to charge FPL’s rates to former COVB customers and for approval of accounting treatment for the COVB transaction, and granting the joint petition of FPL and COVB to terminate the territorial agreement (Order No. PSC-2018-0336-PAA-EU)?**

County Position:

No. County joins FPL's position on Issue 19.

**Issue 20:      Should this docket be closed?**

County Position:

Yes. County joins FPL's position on Issue 20.

**E.      STIPULATED ISSUES:**

None.

**F.      PENDING MOTIONS OR OTHER MATTERS:**

None at this time.

**G.      COUNTY'S REQUESTS FOR CONFIDENTIAL CLASSIFICATION:**

None.

**H.      REQUIREMENTS OF PREHEARING ORDER THAT CANNOT BE MET:**

There are no requirements of the prehearing order that cannot be met at this time.

**I.      OBJECTIONS TO WITNESSES' QUALIFICATIONS:**

None.

Respectfully submitted on the 26th day of September, 2018,

/s/ Dylan Reingold  
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I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by e-mail on this 26<sup>th</sup> day of September, 2018 to:

**Florida Public Service Commission**

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*/s/ Dylan Reingold*

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