

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

NOTICE OF PREHEARING OFFICER  
STATUS CONFERENCE

TO

OFFICE OF THE PUBLIC COUNSEL  
FLORIDA INDUSTRIAL POWER USERS GROUP  
FLORIDA RETAIL FEDERATION  
PCS PHOSPHATE WHITE SPRINGS  
DUKE ENERGY FLORIDA, LLC  
FLORIDA POWER & LIGHT COMPANY  
TAMPA ELECTRIC COMPANY  
GULF POWER COMPANY  
FLORIDA PUBLIC UTILITIES COMPANY

AND

ALL OTHER INTERESTED PERSONS

DOCKET NO. 20190001-EI

FUEL AND PURCHASED POWER COST RECOVERY CLAUSE WITH GENERATING  
PERFORMANCE INCENTIVE FACTOR.

ISSUED: September 20, 2019

NOTICE is hereby given that the Florida Public Service Commission will hold a public hearing in the above referenced docket at the following time and place:

Thursday, September 26, 2019 at 2:00 p.m.  
Hearing Room 148, Betty Easley Conference Center  
4075 Esplanade Way  
Tallahassee, Florida

PURPOSE AND PROCEDURE

The purpose of this Prehearing Officer Status Conference shall be to resolve conflicts between the parties and Commission staff regarding the wording of issues in this docket as stated on Attachment A and Attachment B. All parties will be given an opportunity to present

NOTICE OF PREHEARING OFFICER STATUS CONFERENCE  
DOCKET NO. 20190001-EI  
PAGE 2

argument regarding the wording of these issues and any other procedural matters that may be pending at the time of the status conference.

In accordance with the Americans with Disabilities Act, persons needing a special accommodation to participate at this proceeding should contact the Office of Commission Clerk no later than five days prior to the hearing at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850 or 850-413-6770 (Florida Relay Service, 1-800-955-8770 Voice or 1-800-955-8771 TDD). Assistive Listening Devices are available upon request from the Office of Commission Clerk, Gerald L. Gunter Building, Room 152.

JURISDICTION

This Commission is vested with jurisdiction over the subject matter of this proceeding by the provisions of Sections 366.04, 366.05, 366.06, and 366.07, Florida Statutes. Jurisdiction to consider recovery of environmental costs is established by the provisions in Section 366.8255, Florida Statutes. Jurisdiction to include costs associated with nuclear power plants through the capacity clause is established by Section 366.93, Florida Statutes. This proceeding will be governed by Chapter 366, in addition to Chapter 120, Florida Statutes, and Chapters 25-22 and 28-10, Florida Administrative Code.

EMERGENCY CANCELLATION OF PROCEEDINGS

If settlement of the case or a named storm or other disaster requires cancellation of the proceedings, Commission staff will attempt to give timely direct notice to the parties. Notice of cancellation will also be provided on the Commission's website (<http://www.floridapsc.com>) under the Hot Topics link found on the home page. Cancellation can also be confirmed by calling the Office of the General Counsel at 850-413-6199.

NOTICE OF PREHEARING OFFICER STATUS CONFERENCE  
DOCKET NO. 20190001-EI  
PAGE 3

By DIRECTION of the Florida Public Service Commission this 20th day of September,  
2019.



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ADAM J. TEITZMAN  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399  
(850) 413-6770  
[www.floridapsc.com](http://www.floridapsc.com)

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

SBR

**DOCKET NO. 201900001-EI**  
**PRELIMINARY ISSUES**  
**AUGUST 19, 2019**

**I. FUEL ISSUES**

**Duke Energy Florida, LLC.**

**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 2019 and August 2019 hedging reports?

**ISSUE 1B:** Has DEF made reasonable and prudent adjustments, if any are needed, to account for replacement costs associated with the February 2017 forced outage at the Bartow plant? If adjustments are needed and have not been made, what adjustment(s) should be made?

**Florida Power & Light Company**

**ISSUE 2A:** What is the correct revised SoBRA factor for the 2017 projects to reflect actual construction costs that are less than the projected costs used to develop the initial SoBRA factor?

**ISSUE 2B:** What is the correct revised SoBRA factor for the 2018 projects to reflect actual construction costs that are less than the projected costs used to develop the initial SoBRA factor?

**ISSUE 2C:** What is the correct and reasonable incurred total gain under FPL's Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL may recover for the period January 2018 through December 2018, and how should that gain to be shared between FPL and customers?

**ISSUE 2D:** What is the correct amount of Incremental Optimization Costs under FPL's Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL should be allowed to recover rough the fuel clause for Personnel, Software, and Hardware costs for the period January 2018 through December 2018?

- ISSUE 2E:** What is the correct amount of Variable Power Plant O&M Attributable to Off-System Sales under FPL's Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL should be allowed to recover through the fuel clause for the period January 2018 through December 2018?
- ISSUE 2F:** What is the correct amount of Variable Power Plant O&M Avoided due to Economy Purchases under FPL's Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL should be allowed to recover through the fuel clause for the period January 2018 through December 2018?
- ISSUE 2G:** If the Commission approves the FPL Solar Together Program and Tariff, what is the correct total FPL SolarTogether Credit amount to be recovered through the fuel cost recovery clause for the period January 2020 through December 2020?
- ISSUE 2H:** Are the 2020 SoBRA projects (Hibiscus, Okeechobee, Southfork, and Echo River) proposed by FPL cost effective?
- ISSUE 2I:** What are the revenue requirements associated with the 2020 SoBRA projects?
- ISSUE 2J:** What is the correct base rate percentage increase to be effective when all of the 2020 SoBRA projects are in service, currently projected to be May 1, 2020?
- ISSUE 2K:** Should the Commission approve revised tariffs for FPL reflecting the base rate percentage increase for the 2020 SoBRA projects determined to be reasonable in this proceeding?
- ISSUE 2L:** Has FPL made reasonable and prudent adjustments, if any are needed, to account for replacement costs associated with the April 2019 forced outage at Saint Lucie Unit 1 generating station? If adjustments are needed and have not been made, what adjustment(s) should be made?

**Florida Public Utilities Company**

No company-specific fuel issues for Florida Public Utilities Company have been identified at this time. If such issues are identified, they shall be numbered 3A, 3B, 3C, and so forth, as appropriate.

**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 2019 and August 2019 hedging reports?

**Tampa Electric Company**

**ISSUE 5A:** Should the Commission approve as prudent TECO's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in TECO's April 2019 hedging report?

**ISSUE 5B** What was the total gain under TECO's Optimization Mechanism approved by Order No. PSC-2017-0456-S-EI that TECO may recover for the period January 2018 through December 2018, and how should that gain be shared between TECO and customers?

**GENERIC FUEL ADJUSTMENT ISSUES**

**ISSUE 6:** What actual benchmark levels should the Commission approve for calendar year 2019 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

**ISSUE 7:** What estimated benchmark levels should the Commission approve for calendar year 2020 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

**ISSUE 8:** What final fuel adjustment true-up amounts should the Commission approve as correct for the period January 2018 through December 2018?

**ISSUE 9:** What fuel adjustment actual/estimated true-up amounts should the Commission approve as reasonable for the period January 2019 through December 2019?

**ISSUE 10:** What total fuel adjustment true-up amounts should the Commission approve as correct to be collected/refunded from January 2020 through December 2020?

**ISSUE 11:** What projected total fuel and purchased power cost recovery amounts should the Commission approve as reasonable for the period January 2020 through December 2020?

**COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR (GPIF) ISSUES**

**Duke Energy Florida, LLC.**

No company-specific GPIF 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 GPIF issues for Florida Power and 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 GPIF 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 GPIF 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.

**GENERIC GPIF ISSUES**

**ISSUE 16:** What generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2018 through December 2018 should the Commission approve for each investor-owned electric utility subject to the GPIF?

**ISSUE 17:** What GPIF targets/ranges should the Commission approve for the period January 2020 through December 2020 for each investor-owned electric utility subject to the GPIF?

## **FUEL FACTOR CALCULATION ISSUES**

- ISSUE 18:** What projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts should the Commission approve as reasonable to be included in the recovery factor for the period January 2020 through December 2020?
- ISSUE 19:** What revenue tax factor should the Commission approve to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2020 through December 2020?
- ISSUE 20:** What levelized fuel cost recovery factors should the Commission approve for the period January 2020 through December 2020?
- ISSUE 21:** What fuel recovery line loss multipliers should the Commission approve to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?
- ISSUE 22:** What fuel cost recovery factors should the Commission approve for each rate class/delivery voltage level class adjusted for line losses?

## **II. CAPACITY ISSUES**

### **COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES**

#### **Duke Energy Florida, LLC.**

- ISSUE 23:** What amount has DEF included in the capacity cost recovery clause for nuclear cost recovery?

#### **Florida Power & Light Company**

- ISSUE 24A:** What amount has FPL included in the capacity cost recovery clause for nuclear cost recovery?
- ISSUE 24B:** What is the correct true-up adjustment amount associated with the 2017 SOBRA projects approved by Order No. PSC-2018-0028-FOF-EI that the Commission should approve to be refunded through the capacity clause in 2020?



**ISSUE 24C:** What is the correct true-up amount associated with the 2018 SOBRA projects approved by Order No. PSC-2018-0028-FOF-EI that the Commission should approve to be refunded through the capacity clause in 2020? (deferred)

**ISSUE 24D:** What Indiantown non-fuel based revenue requirements should the Commission approve to be recovered through the Capacity Clause pursuant to the Commission's approval of the Indiantown transaction in Docket No. 160154-EI for 2020?

### **Gulf Power Company**

No company-specific capacity cost recovery factor issues for Gulf Power Company have been identified at this time. If such issues are identified, they shall be numbered 25A, 25B, 25C, and so forth, as appropriate.

### **Tampa Electric Company**

No company-specific capacity cost recovery factor issues for Tampa Electric Company have been identified at this time. If such issues are identified, they shall be numbered 26A, 26B, 26C, and so forth, as appropriate.

### **GENERIC CAPACITY COST RECOVERY FACTOR ISSUES**

**ISSUE 27:** What are the correct final capacity cost recovery true-up amounts that the Commission should approve for the period January 2018 through December 2018?

**ISSUE 28:** What capacity cost recovery actual/estimated true-up amounts should the Commission approve as reasonable for the period January 2019 through December 2019?

**ISSUE 29:** What are the correct total capacity cost recovery true-up amounts that the Commission should approve to be collected/refunded during the period January 2020 through December 2020?

**ISSUE 30:** What projected total capacity cost recovery amounts should the Commission approve as reasonable for the period January 2020 through December 2020?

**ISSUE 31:** What projected net purchased power capacity cost recovery amounts should the Commission approve as reasonable to be included in the recovery factor for the period January 2020 through December 2020?

**ISSUE 32:** What jurisdictional separation factors for capacity revenues and costs should the Commission approve to be included in the recovery factor for the period January 2020 through December 2020?

**ISSUE 33:** What capacity cost recovery factors should the Commission approve for the period January 2020 through December 2020?

**III. EFFECTIVE DATE**

**ISSUE 34:** What should be the effective date of the fuel adjustment factors and capacity cost recovery factors for billing purposes?

**ISSUE 35:** Should the Commission approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined in this proceeding?

**IV. MISCELLANEOUS ISSUES**

**ISSUE 36:** Should the Joint Motion to Modify Order No. PSC-2012-0425-PAA-EU Regarding Weighted Average Cost of Capital Methodology be approved?

**ISSUE 37:** Should this docket be closed?

**DOCKET NO. 201900001-EI**  
**STAFF PRELIMINARY ISSUES**  
**SEPTEMBER 18, 2019**

**I. FUEL ISSUES**

**Duke Energy Florida, LLC.**

**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 2019 and August 2019 hedging reports?

**ISSUE 1B:** Has DEF made prudent adjustments, if any are needed, to account for replacement power costs associated with the February 2017 forced outage at the Bartow plant? If adjustments are needed and have not been made, what adjustment(s) should be made?

**ISSUE 1C:** Did the de-rating of the Bartow plant cause DEF to incur replacement power costs incremental to the costs caused and incurred due to the initial (February – April 2017) outage(s), and if so, in what amount and for what time period?

**ISSUE 1D:** Has DEF made prudent adjustments, if any are needed, to account for replacement power costs associated with any impacts related to the de-rating of the Bartow plant? If appropriate adjustments are needed and have not been made, what adjustment(s) should be made?

**Florida Power & Light Company**

**ISSUE 2A:** What is the appropriate revised SoBRA factor for the 2017 projects to reflect actual construction costs that are less than the projected costs used to develop the initial SoBRA factor?

**ISSUE 2B:** What is the appropriate revised SoBRA factor for the 2018 projects to reflect actual construction costs that are less than the projected costs used to develop the initial SoBRA factor?

- ISSUE 2C:** What is the appropriate total gain under FPL's Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL may recover for the period January 2018 through December 2018, and how should that gain to be shared between FPL and customers?
- ISSUE 2D:** What is the appropriate amount of Incremental Optimization Costs under FPL's Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL should be allowed to recover through the fuel clause for Personnel, Software, and Hardware costs for the period January 2018 through December 2018?
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- ISSUE 2L:** Has FPL made prudent adjustments, if any are needed, to account for replacement costs associated with the April 2019 forced outage at Saint Lucie Unit 1

generating station? If adjustments are needed and have not been made, what adjustment(s) should be made? (DEFERRED)

**ISSUE 2M:** What is the appropriate base rate percentage decrease associated with the true-up of the 2017 SoBRA projects approved by Order No. PSC-2018-0028-FOF-EI to be effective January 1, 2020?

**ISSUE 2N:** Should the Commission approve revised tariffs for FPL to be effective January 1, 2020, reflecting the base rate percentage decrease for the true-up of the 2017 SoBRA projects determined to be appropriate in this proceeding?

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## **II. CAPACITY ISSUES**

### **COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES**

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**ISSUE 24B:** What is the appropriate true-up adjustment amount associated with the 2017 SOBRA projects approved by Order No. PSC-2018-0028-FOF-EI to be refunded through the capacity clause in 2020?

**ISSUE 24C:** What is the appropriate true-up amount associated with the 2018 SOBRA projects approved by Order No. PSC-2018-0028-FOF-EI to be refunded through the capacity clause in 2020? (DEFERRED)

**ISSUE 24D:** What are the appropriate Indiantown non-fuel based revenue requirements to be recovered through the Capacity Clause pursuant to the Commission's approval of the Indiantown transaction in Docket No. 160154-EI for 2020?

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#### **Tampa Electric Company**

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### **GENERIC CAPACITY COST RECOVERY FACTOR ISSUES**

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- ISSUE 29:** What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2020 through December 2020?
- ISSUE 30:** What are the appropriate projected total capacity cost recovery amounts for the period January 2020 through December 2020?
- ISSUE 31:** What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2020 through December 2020?
- ISSUE 32:** What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2020 through December 2020?
- ISSUE 33:** What are the appropriate capacity cost recovery factors for the period January 2020 through December 2020?

### **III. EFFECTIVE DATE**

- ISSUE 34:** What should be the effective date of the fuel adjustment factors and capacity cost recovery factors for billing purposes?
- ISSUE 35:** Should the Commission approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be reasonable in this proceeding?

### **IV. MISCELLANEOUS ISSUES**

- ISSUE 36:** Should the Joint Motion to Modify Order No. PSC-2012-0425-PAA-EU Regarding Weighted Average Cost of Capital Methodology be approved?

**ISSUE 37:** Should this docket be closed?

**CONTESTED ISSUES**

**ISSUE 1E:** Should the Commission hold a separate “spin-off” hearing to determine the cause of the Bartow outage and the prudence of DEF’s decisions on all factors related to the cause(s) and duration of any outages and the de-rating of the Bartow plant?