

**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION**

Fuel and purchased power cost recovery clause ) Docket No. 20200001-EI  
with generating performance incentive factor )  
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**POST-HEARING BRIEF AND STATEMENT OF WHITE SPRINGS AGRICULTURAL  
CHEMICALS, INC. D/B/A PCS PHOSPHATE – WHITE SPRINGS**

Pursuant to Rule 28-106.215, F.A.C., and the Prehearing Order, Order No. PSC-2020-0415-PHO-EI, issued in this proceeding on October 30, 2020, White Springs Agricultural Chemicals Inc., d/b/a PCS Phosphate – White Springs (“PCS”) hereby submits its Post-Hearing Brief and Statement of Issues.

**INTRODUCTION**

At its agenda conference held on September 1, 2020, the Commission voted to adopt, without modifications, the findings and recommendations (“Recommended Order”) of the Department of Administrative Hearings (“DOAH”) which concluded that Duke Energy Florida (“Duke” or “DEF”) should not be permitted to recover in consumer rates the replacement power costs associated with the 2017 DEF Bartow Unit 4 outage and subsequent de-rating. The disputed costs had previously been included in fuel clause charges pending that Commission determination. In its recommendation memorandum, Public Service Commission Staff stated that DEF should credit the fuel clause cost recovery for \$11.1 million in replacement power costs associated with its April 2017 Bartow Unit 4 outage and \$5,016,782 for replacement fuel costs associated with the de-rating of the unit from May 2017 until December of 2019 in its fuel cost calculations, for a total credit of \$16,116,782.<sup>1</sup> Based on the Commission’s final Order No. PSC-2020-0368-FOF-EI,

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<sup>1</sup> Docket No. 20200001, Fuel and purchased power cost recovery clause with generating performance incentive factor, *Memorandum from Public Service Commission Staff* at 23 (Aug. 6, 2020).

issued October 15, 2020, DEF should credit those disallowed costs in the determination of its fuel clause factor to be collected in 2021.

**I. Post Hearing Statement of Issues and Positions**

Consistent with the discussion at the November 3, 2020 hearing, PCS limits its post-hearing statements of position to issues 1A, 11, 18, 20, and 22 as DEF issues and fallout issues relating to the impact on the fuel clause of Order No. 2020-0368-FOF-EI, issued October 15, 2020.

**ISSUE 1A: What action should be taken in response to Commission Order No. PSC-2020-0368-FOF-EI regarding the Bartow Unit 4 February 2017 outage?**

**PCS Phosphate:** \*\*Based on Order No. PSC-2020-0368-FOF-EI, issued October 15, 2020, the Commission should direct DEF to reduce its proposed cost recovery amounts for January 2021 through December 2021 by \$16.1 million, plus interest, to credit the fuel clause recovery for costs relating to the replacement power and de-rating of Bartow Unit 4.\*\*

**ISSUE 11: What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2021 through December 2021?**

**PCS Phosphate:** \*\*Pursuant to Order No. PSC-2020-0368-FOF-EI, DEF's cost recovery amounts for January 2021 through December 2021 should be reduced by \$16.1 million, plus interest, to credit the fuel clause recovery for costs relating to the replacement power and de-rating of Bartow Unit 4.\*\*

**ISSUE 18: 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 2021 through December 2021?**

**PCS Phosphate:** \*\*Agree with OPC.\*\*

**ISSUE 20: What are the appropriate levelized fuel cost recovery factors for the period January 2021 through December 2021?**

**PCS Phosphate:** \*\*Pursuant to Order No. PSC-2020-0368-FOF-EI, DEF's cost recovery amounts for January 2021 through December 2021 should be reduced by \$16.1 million, plus interest, to credit through the fuel factor costs relating to the replacement power and de-rating of Bartow Unit 4. \*\*

**ISSUE 22: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?**

**PCS Phosphate:** \*\*Pursuant to Order No. PSC-2020-0368-FOF-EI, DEF’s cost recovery amounts for January 2021 through December 2021 should be reduced by \$16.1 million to credit through the fuel factor costs relating to the replacement power and de-rating of Bartow Unit 4. To the extent that this reduction in allowed cost recovery reduces the fuel cost recovery factors for DEF, those factors should be adjusted.\*\*

**II. Argument**

All parties agree that DEF has recovered the disputed Bartow replacement power fuel costs in its 2019 and 2020 fuel factors. There also is no dispute that the actual true-up for 2019 includes replacement fuel costs associated with the Bartow de-rating caused by the steam generator pressure plate pending permanent repairs. The Commission’s final Order No. PSC-2020-0368-FOF-EI adopting the DOAH Recommended Order dispositively determined that the \$16.1 million in disputed replacement fuel costs should not have been charged to DEF customers. On November 2, 2020, DEF filed a notice of administrative appeal to the Florida Supreme Court and a *Motion for Stay Pending Judicial Review* in this docket. In that motion, DEF asked the Commission under Rule 25-22.061(1), F.A.C., to grant DEF a stay from implementing the direction in that final order that DEF update its fuel factor calculations to reverse the prior collection of the disputed amounts. In response to the *Motion for Stay*, PCS joined with the Office of Public Counsel (“OPC”) and the Florida Industrial Power Users Group (“FIPUG”) in the *Consumer Parties’ Joint Response to Motion for Stay*, filed November 9, 2020. That response explains that the mandatory stay provision of subsection (1) of the Rule is not applicable to fuel cost factor reconciliations, and that DEF has not satisfied the required test for receiving a discretionary stay of the order (i.e., there is no irreparable harm to DEF since the fuel clause will inevitably reflect the final outcome of its noticed appeal). Because DEF has not satisfied the requirements of Rule 25-22.061, F.A.C., PCS opposes

the requested stay and asks that the Commission instruct DEF to reverse its prior collection of the disputed \$16.1 million in replacement fuel costs through the fuel clause factor to be collected in 2021.

### **CONCLUSION**

For the reasons set forth above, PCS urges the Commission to (1) reduce DEF's fuel cost recovery amounts for January 2021 through December 2021 by \$16.1 million, plus interest, to credit the fuel clause recovery costs relating to the replacement power and de-rating costs due to the outage of Bartow Unit 4 in April 2017; and (2) adjust the fuel cost recovery factors to the extent that the reduction in allowed cost recovery reduces the fuel cost recovery factors for DEF.

Respectfully submitted,

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## CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Statement of Issues and Brief has been furnished by electronic mail and/or U.S. Mail this 10th day of November, 2020, to the following:

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