

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery
clause with generating performance incentive
factor.

DOCKET NO. 20200001-EI
ORDER NO. PSC-2020-0439-FOF-EI
ISSUED: November 16, 2020

The following Commissioners participated in the disposition of this matter:

GARY F. CLARK, Chairman
ART GRAHAM
JULIE I. BROWN
DONALD J. POLMANN
ANDREW GILES FAY

FINAL ORDER APPROVING EXPENDITURES AND TRUE-UP AMOUNTS FOR FUEL
ADJUSTMENT FACTORS; GPIF TARGETS, RANGES, AND REWARDS; AND
PROJECTED EXPENDITURES AND TRUE-UP AMOUNTS FOR CAPACITY COST
RECOVERY FACTORS

APPEARANCES:

MATTHEW BERNIER, ESQUIRE, 106 East College Avenue, Tallahassee,
Florida 32301-7740; and DIANNE M. TRIPLETT, ESQUIRE, 299 First Avenue
North, St. Petersburg, Florida 33701
On behalf of Duke Energy Florida, LLC (DEF)

MARIA J. MONCADA, WADE R. LITCHFIELD, and DAVID M. LEE,
ESQUIRES, Florida Power & Light Company, 700 Universe Boulevard, Juno
Beach, Florida 33408-0420
On behalf of Florida Power & Light Company (FPL)

BETH KEATING, ESQUIRE, Gunster, Yoakley & Stewart, P.A., 215 South
Monroe St., Suite 601, Tallahassee, Florida 32301
On behalf of Florida Public Utilities Company (FPUC)

RUSSELL A. BADDERS, ESQUIRE, Gulf Power Company, One Energy Place,
Pensacola, Florida 32520; and MARIA J. MONCADA, ESQUIRE, Florida Power
& Light Company, 700 Universe Boulevard, Juno Beach, Florida 33408-0420
On behalf of Gulf Power Company (Gulf)

JAMES D. BEASLEY, MALCOLM N. MEANS, and J. JEFFRY WAHLEN,
ESQUIRES, Ausley McMullen, Post Office Box 391, Tallahassee, Florida 32302
On behalf of Tampa Electric Company (TECO)

J.R. KELLY, PUBLIC COUNSEL; CHARLES REHWINKEL, DEPUTY
PUBLIC COUNSEL; PATRICIA A. CHRISTENSEN, STEPHANIE MORSE, A.

MIREILLE FALL-FRY, and THOMAS A. DAVID, ESQUIRES, Office of Public Counsel, c/o The Florida Legislature, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400

On behalf of the Citizens of the State of Florida (OPC)

JON C. MOYLE, JR. and KAREN A. PUTNAL, ESQUIRES, Moyle Law Firm, PA, The Perkins House, 118 North Gadsden Street, Tallahassee, Florida 32301

On behalf of the Florida Industrial Power Users Group (FIPUG)

JAMES W. BREW and LAURA WYNN BAKER, ESQUIRES, Stone Mattheis Xenopoulos & Brew, PC, 1025 Thomas Jefferson St., NW, Eighth Floor, West Tower, Washington, DC 20007

On behalf of White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs (PCS Phosphate)

SUZANNE BROWNLESS, ESQUIRE, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850

On behalf of the Florida Public Service Commission (Staff)

MARY ANNE HELTON, ESQUIRE, Deputy General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850

Advisor to the Florida Public Service Commission

KEITH HETRICK, ESQUIRE, General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850

Florida Public Service Commission General Counsel

BY THE COMMISSION

As part of the continuing fuel and purchased power adjustment and generating performance incentive clause proceedings, an administrative hearing was held on November 3, 2020, in this docket. We have jurisdiction over this subject matter pursuant to the provisions of Chapter 366, Florida Statutes (F.S.), including Sections 366.04, 366.05, and 366.06, F.S.

At the hearing, we voted to approve all stipulated issues for FPL, FPUC, Gulf and TECO as set forth in Attachment A. As a result of our bench decisions on these issues, we have approved all issues associated with FPUC, Gulf, and TECO. At hearing, Witness Robert Coffey testified on behalf of FPL and was cross-examined by the parties, and both OPC and FPL gave closing arguments in lieu of filing briefs on the remaining FPL Issues 2F, 2G, 8-10, 18, 20 and 22. At the conclusion of closing arguments, we voted to accept the recommendations of our staff and approve FPL's positions as stated in Attachment B. At this time all issues associated with FPL have been adjudicated.

All of DEF's issues remain outstanding and will be voted on at a December 15, 2020 Special Agenda Conference. The parties agreed at hearing that only Issues 1A, 10, 11, 18, 20

and 22 would be briefed and all other issues would be treated as Type 2 stipulations. Briefs will be limited to 40 pages and are due November 10, 2020.

Per stipulation of the parties, the new fuel adjustment and capacity factors for FPL, FPUC, Gulf and TECO shall become effective beginning with the first billing cycle for January 2021 through the last billing cycle for December 2021. The first billing cycle may start before January 1, 2021, and the last cycle may be read after December 31, 2021, so that each customer is billed for twelve months regardless of when the recovery factors became effective. The new factors shall continue in effect until modified by us.

We hereby approve revised tariffs for FPL, FPUC, Gulf and TECO reflecting the fuel adjustment factors and capacity cost recovery factors determined to be appropriate in this proceeding. We direct staff to verify that the revised tariffs are consistent with our decision.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the findings set forth in the body of this Order, and Attachment A and B hereto, are hereby approved. It is further

ORDERED that Florida Power & Light Company, Florida Public Utilities Company, Gulf Power Company, and Tampa Electric Company are hereby authorized to apply the fuel cost recovery factors set forth herein during the period January 2021 through December 2021. It is further

ORDERED that the estimated true-up amounts contained in the fuel cost recovery factors approved herein are hereby authorized subject to final true-up and further subject to proof of the reasonableness and prudence of the expenditures upon which the amounts are based. It is further

ORDERED that Florida Power & Light Company, Florida Public Utilities Company, Gulf Power Company, and Tampa Electric Company are hereby authorized to apply the capacity cost recovery factors set forth herein during the period January 2021 through December 2021. It is further

ORDERED that the estimated true-up amounts contained in the capacity cost recovery factors approved herein are hereby authorized subject to final true-up and further subject to proof of the reasonableness and prudence of the expenditures upon which the amounts are based. It is further

ORDERED that the revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be appropriate in this proceeding are hereby approved and we direct Commission staff to verify that the revised tariffs are consistent with our decision. It is further

ORDERED that while the Fuel and Purchased Power Cost Recovery Clause with Generating Performance Incentive Factor docket is assigned a separate docket number each year for administrative convenience, it is a continuing docket and shall remain open.

By ORDER of the Florida Public Service Commission this 16th day of November, 2020.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
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

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

PROPOSED STIPULATIONS

There are proposed Type 2 stipulations¹ as stated below. The OPC position on each Type 2 stipulation (except for Issues 34-36) stated below is as follows:

OPC takes no position on these issues nor does it have the burden of proof related to them. As such, the OPC represents that it will not contest or oppose the Commission taking action approving a proposed stipulation between the Company and another party or staff as a final resolution of these issues. No person is authorized to state that the OPC is a participant in, or party to, a stipulation on these issues, either in this docket, in an order of the Commission or in a representation to a Court.

I. COMPANY SPECIFIC ISSUES

Florida Power & Light Company

ISSUE 2A: 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?

Stipulation: The appropriate revised SoBRA factor for the 2018 projects reflecting the actual construction cost is 0.856%.

ISSUE 2B: What was the total gain under FPL's Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL may recover for the period January 2019 through December 2019, and how should that gain be shared between FPL and customers?

Stipulation: The total gain under FPL's Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL may recover for the period January 2019 through December 2019 is \$55,249,313, as reflected in Column 5 of Table 1, Total Gains Schedule, (Exhibit GJY-1, Page 1 of 4). This amount exceeded the sharing threshold of \$40 million, and therefore the incremental gain above that amount should be shared between FPL and customers, with FPL retaining \$9,149,588, as reflected in Column 9 of Table 2, Total Gains Schedule (Exhibit GJY-1, Page 1 of 4).

ISSUE 2C: 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,

¹ A Type 2 stipulation occurs on an issue when the utility and the staff, or the utility and at least one party adversarial to the utility, agree on the resolution of the issue and the remaining parties (including staff if they do not join in the agreement) do not object to the Commission relying on the agreed language to resolve that issue in a final order.

Software, and Hardware costs for the period January 2019 through December 2019?

Stipulation: 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 2019 through December 2019 is \$533,064, as reflected in Columns 2 and 3 of the Incremental Optimization Costs Schedule (Exhibit GJY-1, Page 4 of 4).

ISSUE 2D: **What is the appropriate 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 2019 through December 2019?**

Stipulation: The appropriate 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 it should be allowed to recover through the fuel clause for the period January 2019 through December 2019 is \$1,754,273, as reflected in Column 6 of the Incremental Optimization Costs Schedule (Exhibit GJY-1, page 4 of 4).

ISSUE 2E: **What is the appropriate 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 2019 through December 2019?**

Stipulation: The appropriate 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 it should be allowed to recover through the fuel clause for the period January 2019 through December 2019 is a credit of \$358,272, as reflected in Column 7 of the Incremental Optimization Costs Schedule (Exhibit GJY-1, page 4 of 4).

ISSUE 2H: **What is the appropriate subscription credit associated with FPL's Solar Together Program, approved by Order No. PSC-2020-0084-S-EI, to be included for recovery in 2021?**

Stipulation: The appropriate subscription credit associated with FPL's Solar Together Program is \$98,939,400.

ISSUE 3A: **Should the Commission approve FPUC's revised Fuel and Purchased Power Cost Recovery factors filed in accordance with the Stipulation and Settlement approved in Docket No. 20190156-EI, which reflect the flow-through of interim rate over-recovery calculated based on 9 months actual and 1 month estimated revenues?**

Stipulation Yes.

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 2020 and August 2020 hedging reports?**

Stipulation: Yes, the Commission should approve as prudent Gulf's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices that are reported in the April 2020 and August 2020 filing in Docket No. 20200001-EI. For the period August 1, 2019 through March 31, 2020, Gulf's hedging activities resulted in a net cost of \$5,154,160. These activities were pursuant to, and were consistent with, previously approved risk management plans. Pursuant to the 2017 Stipulation and Settlement Agreement, Gulf agreed not to enter into any additional hedges during the term of the Agreement.

Tampa Electric Company

ISSUE 5A: **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 2019 through December 2019, and how should that gain to be shared between TECO and customers?**

Stipulation: The total gain under TECO's Optimization Mechanism, approved by Order No. PSC-2017-0456-S-EI, for the period January 2019 through December 2019 was \$6,468,033, as reflected in Table 1, Column 5 of the Total Gains Threshold Schedule (Exhibit JCH-1, Page 1 of 3). This amount should be shared between TECO and customers (60% and 40%, respectively), with customers receiving \$5,287,213, and TECO retaining \$1,180,820, as reflected in Columns 7 and 8 of Table 2, Total Gains Threshold Schedule (Exhibit JCH-1, Page 1 of 3).

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 6: **What are the appropriate actual benchmark levels for calendar year 2020 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?**

Stipulation: The appropriate actual benchmark levels for calendar year 2020 for gains on non-separated wholesale energy sales eligible for a shareholder incentive are as follows:

FPL: The appropriate actual benchmark levels for calendar year 2020 for gains on non-separated wholesale energy sales eligible for a shareholder incentive are as follows:

Pursuant to the Stipulation and Settlement that was approved in Order No. PSC-2016-0560-AS-EI, FPL revised its Incentive Mechanism program, which does not rely upon the three-year average Shareholder Incentive Benchmark specified in Order No. PSC-00-1744-PAA-EI. Setting the appropriate actual benchmark levels for calendar year 2020 for gains on non-separated wholesale energy sales eligible for a shareholder incentive is not applicable to FPL as part of its revised Incentive Mechanism.

GULF: \$912,580.

TECO: The Company did not set a benchmark level for calendar year 2020. Pursuant to the Stipulation and Settlement that was approved in Order No. PSC-2017-0456-S-EI, the Company's Optimization Mechanism replaces the incentive program that used benchmark levels for gains on non-separated wholesale energy sales eligible for a shareholder incentive.

ISSUE 7: What are the appropriate estimated benchmark levels for calendar year 2021 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

Stipulation:

FPL: Pursuant to the Stipulation and Settlement that was approved in Order No. PSC-2016-0560-AS-EI, FPL revised its Incentive Mechanism program, which does not rely upon the three-year average Shareholder Incentive Benchmark specified in Order No. PSC-00-1744-PAA-EI. Setting the appropriate estimated benchmark levels for calendar year 2021 for gains on non-separated wholesale energy sales eligible for a shareholder incentive is not applicable to FPL as part of its revised Incentive Mechanism.

GULF: \$274,562.

TECO: The Company did not set an estimated benchmark level for calendar year 2021. Pursuant to the Stipulation and Settlement that was approved in Order No. PSC-2017-0456-S-EI, the Company's Optimization Mechanism replaces the incentive program that used benchmark levels for gains on non-separated wholesale energy sales eligible for a shareholder incentive.

ISSUE 8: **What are the appropriate final fuel adjustment true-up amounts for the period January 2019 through December 2019?**

Stipulation:

FPUC: An under-recovery of \$2,017,896.

GULF: An over-recovery of \$8,868,596.

TECO: An over-recovery of \$35,821,098.

ISSUE 9: **What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2020 through December 2020?**

Stipulation:

FPUC: An over-recovery of \$2,315,064.

GULF: An under-recovery of \$9,968,285.

TECO: An under-recovery of \$61,300,153.

ISSUE 10: **What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2021 through December 2021?**

Stipulation:

FPUC: An over-recovery of \$297,168.

GULF: An under-recovery of \$1,099,690.

TECO: An under-recovery of \$25,479,055.

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

Stipulation:

FPL: \$2,593,860,560.

FPUC: \$44,407,969.

GULF: \$326,225,315.

TECO: \$588,143,346.

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

Duke Energy Florida, LLC

No company-specific GPIF issues for Duke Energy Florida, LLC 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 & 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 is the appropriate GPIF reward or penalty for performance achieved during the period January 2019 through December 2019 for each investor-owned electric utility subject to the GPIF?

Stipulation:

FPL: A reward of \$8,125,681.

GULF: A reward of \$62,232.

TECO: A reward of \$2,858,056.

ISSUE 17: What should the GPIF targets/ranges be for the period January 2021 through December 2021 for each investor-owned electric utility subject to the GPIF?

Stipulation:

FPL:

**Table 17-2
 GPIF Targets/Ranges for the period January-December, 2021**

	Plant/Unit	EAF			ANOHR		
		Target	Maximum		Target	Maximum	
		EAF (%)	EAF (%)	Savings (\$000's)	ANOHR BTU/KWH	ANOHR BTU/KWH	Savings (\$000's)
FPL	Canaveral 3	90.1	92.6	430	6,640	6,724	1,581
	Sanford 5	90.4	92.9	209	7,372	7,549	2,158
	Ft. Myers 2	91.2	93.7	288	7,189	7,343	3,276
	Port Everglades 5	84.0	87.0	949	6,566	6,671	2,558
	Riviera 5	84.6	87.1	512	6,545	6,636	1,818
	St. Lucie 1	80.6	84.1	3,807	10,422	10,522	363
	St. Lucie 2	84.0	87.0	2,815	10,297	10,389	267
	Turkey Point 3	85.7	88.7	2,769	11,234	11,492	828
	Turkey Point 4	93.6	96.6	2,816	10,888	11,041	643
	Turkey Point 5	80.6	83.6	194	7,350	7,468	1,186
	West County 1	91.0	93.5	581	7,098	7,260	3,025
	West County 2	89.7	92.2	643	6,882	7,053	3,572
	West County 3	83.2	85.7	<u>622</u>	6,919	7,074	<u>3,118</u>
		Total*			<u>16,635</u>		

Source: GPIF Target and Range Summary (Exhibit CRR-2, Pages 6-7 of 36).

*May not compute due to rounding.

GULF:

**Table 17-3
 GPIF Targets/Ranges for the period January-December, 2021**

GULF	Plant/Unit	EAF			ANOHR		
		Target	Maximum		Target	Maximum	
		EAF (%)	EAF (%)	Savings (\$000's)	ANOHR BTU/KWH	ANOHR BTU/KWH	Savings (\$000's)
	Scherer 3	95.3	95.5	1	11,339	11,679	57
	Crist 7	89.0	92.4	16	10,882	11,208	519
	Daniel 1	93.9	97.1	1	10,650	10,970	45
	Daniel 2	93.4	94.8	2	10,334	10,644	205
	Smith 3	91.2	92.3	<u>110</u>	6,913	7,120	<u>3,315</u>
	Total			<u>130</u>			<u>4,141</u>

Source: GPIF Unit Performance Summary (Exhibit CR-1, Schedule 3, Page 5 of 28).

TECO:

**Table 17-4
 GPIF Targets/Ranges for the period January-December, 2021**

TECO	Plant/Unit	Target	Maximum		Target	Maximum	
		EAF (%)	EAF (%)	Savings (\$000's)	ANOHR BTU/KWH	ANOHR BTU/KWH	Savings (\$000's)
			Big Bend 4	54.0	60.7	181.0	11,576
	Polk 1	77.7	82.1	675.5	9,684	10,348	1,167.3
	Polk 2	80.6	82.1	213.7	6,940	7,125	3,324.1
	Bayside 1	93.9	94.5	2,242.6	7,352	7,460	1,516.3
	Bayside 2	90.9	92.2	<u>1,043.8</u>	7,439	7,560	<u>1,723.2</u>
	Total			<u>4356.6</u>			<u>9,647.3</u>

Source: GPIF Target and Range Summary (Exhibit JC-1, Document 1, Page 4 of 32).

FUEL FACTOR CALCULATION ISSUES

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?

Stipulation:

FPUC: \$44,110,801.

GULF: \$327,622,911.

TECO: \$618,103,935.

ISSUE 19: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2021 through December 2021?

Stipulation:

FPL: 1.00072.

FPUC: 1.00072.

GULF: 1.00072.

TECO: 1.00072.

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

Stipulation:

FPUC: 4.540 cents per kWh.

GULF: 3.053 cents per kWh.

TECO: 3.162 cents per kWh.

ISSUE 21: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

Stipulation:

FPL: The appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class are provided in response to Issue No. 22.

FPUC: The appropriate fuel recovery line loss multiplier to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class is 1.0000.

GULF: See Table 21-2 below:

**Table 21-2
 GULF Fuel Recovery Line Loss Multipliers
 for the period January-December, 2021**

Group	Rate Schedules	Fuel Recovery Loss Multipliers
A	RS, RSVP, RSTOU, GS, GSD, GSDT, GSTOU, OSIII, SBS(1)	1.00555
B	LP, LPT, SBS(2)	0.99188
C	PX, PXT, RTP, SBS(3)	0.97668
D	OSI/II	1.00560
(1) Includes SBS customers with a contract demand in the range of 100 to 499 kW (2) Includes SBS customers with a contract demand in the range of 500 to 7,499 kW (3) Includes SBS customers with a contract demand over 7,499 kW		

Source: Schedule E1-E (Exhibit RLH-5, 2021 Projection Filing, Page 7 of 41).

TECO: See Table 21-3 below:

**Table 21-3
 TECO Fuel Recovery Line Loss Multipliers
 for the period January-December, 2020**

Delivery Voltage Level	Line Loss Multiplier
Transmission	0.98
Distribution Primary	0.99
Distribution Secondary	1.00
Lighting Service	1.00

Source: Schedule E1-D.

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

Stipulation:

FPUC: The appropriate levelized fuel adjustment and purchased power cost recovery factors for the period January 2021 through December 2021 for the Consolidated Electric Division, adjusted for line loss multipliers and including taxes, are shown in Table 22-4 below:

**Table 22-4
 FPUC Fuel Cost Recovery Factors for the period January-December, 2021**

Fuel Recovery Factors – By Rate Schedule	
For the Period January through December, 2021	
Rate Schedule	Levelized Adjustment (cents/kWh)
RS	7.269
GS	7.034
GSD	6.719
GSLD	6.495
LS	5.072

Source: Schedule E1, Page 3 of 3.

**Table 22-9
 FPUC Fuel Cost Recovery Factors for the period January-December, 2021**

Step Rate Allocation for Residential Customers (RS Rate Schedule)	
For the Period January through December, 2021	
Rate Schedule and Allocation	Levelized Adjustment (cents/kWh)
RS Rate Schedule – Sales Allocation	7.269
RS Rate Schedule with less than or equal to 1,000 kWh/month	6.961
RS Rate Schedule with more than 1,000 kWh/month	8.211

Source: Schedule E1, Page 3 of 3.

**Table 22-10
 FPUC Fuel Cost Recovery Factors for the period January-December, 2021**

Fuel Recovery Factors for Time of Use – By Rate Schedule		
For the Period January through December, 2021		
Rate Schedule	Levelized Adjustment On Peak (cents/kWh)	Levelized Adjustment Off Peak (cents/kWh)
RS	15.361	3.061
GS	11.034	2.034
GSD	10.719	3.469
GSLD	12.495	3.495
Interruptible	4.995	6.495

Source: Schedule E1, Page 3 of 3.

GULF: The appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses for the period January 2021 through December 2021, are shown in Tables 22-11 and 22-12 below:

**Table 22-11
 Gulf Standard Fuel Cost Recovery Factors
 for the period January-December, 2021**

Group	Rate Schedules	Fuel Cost Recovery Factors (cents/kWh)
A	RS, RSVP, RSTOU, GS, GSD, GSDT, GSTOU, OSIII, SBS(1)	3.070
B	LP, LPT, SBS(2)	3.028
C	PX, PXT, RTP, SBS(3)	2.982
D	OSI/II	3.045

Source: Schedule E1-E (Exhibit RLH-5, 2021 Projection Filing, Page 7 of 41).

**Table 22-12
 Gulf Time-of-Use Fuel Cost Recovery Factors
 for the period January-December, 2021**

Group	Time-of-Use Rate Schedules	Fuel Recovery Loss Multipliers	Fuel Cost Recovery Factors (cents/kWh)	
			On-Peak	Off-Peak
A	GSDT, SBS(1)	1.00555	3.539	2.879
B	LPT, SBS(2)	0.99188	3.490	2.840
C	PXT, SBS(3)	0.97668	3.437	2.796
(1) Includes SBS customers with a contract demand in the range of 100 to 499 kW (2) Includes SBS customers with a contract demand in the range of 500 to 7,499 kW (3) Includes SBS customers with a contract demand over 7,499 kW				

Source: Schedule E1-E (Exhibit RLH-5, 2021 Projection Filing, Page 7 of 41).

TECO: The appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses for the period January 2021 through December 2021, are shown in Table 22-13 below:

**Table 22-13
 TECO Fuel Cost Recovery Factors for the period January-December, 2021**

Metering Voltage Level	Fuel Cost Recovery Factors (cents per kWh)		
	Levelized Fuel Recovery Factor	First Tier (Up to 1,000 kWh)	Second Tier (Over 1,000 kWh)
STANDARD			
Distribution Secondary (RS only)	--	2.856	3.856
Distribution Secondary	3.167		
Distribution Primary	3.135		
Transmission	3.104		
Lighting Service	3.136		
TIME OF USE			
Distribution Secondary- On-Peak	3.335		
Distribution Secondary- Off-Peak	3.095		
Distribution Primary- On-Peak	3.302		
Distribution Primary- Off-Peak	3.064		
Transmission – On-Peak	3.268		
Transmission – Off-Peak	3.033		

Source: Schedule E1-E.

II. CAPACITY ISSUES

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

Florida Power & Light Company

ISSUE 24A: What is the appropriate true-up adjustment amount associated with the 2018 SOBRA projects approved by Order No. PSC-2018-0028-FOF-EI to be refunded through the capacity clause in 2021?

Stipulation: \$12,401,882.

ISSUE 24B: What are the appropriate Indiantown non-fuel base revenue requirements to be recovered through the Capacity Clause pursuant to the Commission’s approval of the Indiantown transaction in Docket No. 160154-EI, Order No. PSC-16-0506-FOF-EI, for 2021?

Stipulation: \$1,356,055.

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 will 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 will be numbered 26A, 26B, 26C, and so forth, as appropriate.

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 27: What are the appropriate final capacity cost recovery true-up amounts for the period January 2019 through December 2019?

Stipulation:

FPL: An over-recovery of \$5,141,967.

GULF: An over-recovery of \$452,844.

TECO: An over-recovery of \$111,228.

ISSUE 28: What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2020 through December 2020?

Stipulation:

FPL: An over-recovery of \$7,388,454.

GULF: An under-recovery of \$2,700,587.

TECO: An over-recovery of \$1,660,252.

ISSUE 29: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2021 through December 2021?

Stipulation:

FPL: An over-recovery of \$12,530,421.

GULF: An under-recovery of \$2,247,743.

TECO: An over-recovery of \$1,771,480.

ISSUE 30: What are the appropriate projected total capacity cost recovery amounts for the period January 2021 through December 2021?

Stipulation:

FPL: \$237,781,299.

GULF: \$83,552,876.

TECO: \$2,125,115.

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 2021 through December 2021?

Stipulation:

FPL: \$214,358,302.

GULF: \$85,862,394.

TECO: \$353,890.

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 2021 through December 2021?

Stipulation:

The appropriate jurisdictional separation factors are as follows:

FPL: Demand: Transmission 90.2300 percent, Non-Stratified Production 95.6891 percent, Intermediate Strata Production 95.0081 percent, Peaking Strata Production 95.2778 percent, Distribution 100 percent.

Energy: Total Sales 95.2084 percent, Non-Stratified Sales 95.6788 percent, Intermediate Strata Sales 94.9979 percent, Peaking Strata Sales 95.2675 percent.

General Plant: Labor 96.9888 percent.

GULF: Demand: Total Production/Transmission 97.2343 percent, Non-Stratified Production 100 percent, Intermediate Strata Production 97.5922 percent, Peaking Strata Production 76.0860 percent, Distribution 98.1419 percent.

Energy: Total Sales 97.4597 percent, Non-Stratified Sales 100 percent, Intermediate Strata Sales 97.5922 percent, Peaking Strata Sales 76.0860 percent.

General Plant: 96.9888 percent.

TECO: The appropriate jurisdictional separation factor is 1.00.

ISSUE 33: What are the appropriate capacity cost recovery factors for the period January 2021 through December 2021?

Stipulation:

FPL: The appropriate capacity cost recovery factors for the period January 2021 through December 2021 is shown in Tables 33-2 through 33-4:

**Table 33-2
 FPL Capacity Cost Recovery Factors for the period January-December, 2021**

Rate Schedule	2021 Capacity Cost Recovery Factors			
	\$/kW	\$/kWh	Reservation Demand Charge (RDC) \$/kW	Sum of Daily Demand Charge (SDD) \$/kW
RS1/RTR1	-	0.00203	-	-
GS1/GST1	-	0.00205	-	-
GSD1/GSDT1/HLFT1/GSD1-EV	0.68	-	-	-
OS2	-	0.00088	-	-
GSLD1/GSLDT1/CS1/CST1/HLFT2/GSLD1-EV	0.76	-	-	-
GSLD2/GSLDT2/CS2/CST2/HLFT3	0.73	-	-	-
GSLD3/GSLDT3/CS3/CST3	0.74	-	-	-
SST1T	-	-	0.09	0.04
SST1D1/SST1D2/SST1D3	-	-	0.09	0.04
CILC D/CILC G	0.77	-	-	-
CILC T	0.74	-	-	-
MET	0.66	-	-	-
OL1/SL1/SL1M/PL1	-	0.00016	-	-
SL2/SL2M/GSCU1	-	0.00135	-	-

Source: Appendix III – 2021 CCR Projections (Exhibit RBD-7, Page 20 of 38).

Table 33-3
FPL Capacity Cost Recovery Factors for the period January-December, 2021

Rate Schedule	2020 Indiantown Capacity Cost Recovery Factors			
	Capacity Recovery Factor (\$/kW)	Capacity Recovery Factor (\$/kWh)	Reservation Demand Charge (RDC) \$/kW	Sum of Daily Demand Charge (SDD) \$/kW
RS1/RTR1	-	0.00001	-	-
GS1/GST1	-	0.00001	-	-
GSD1/GSDT1/HLFT1/GSD1-EV	-	-	-	-
OS2	-	0.00001	-	-
GSLD1/GSLDT1/CS1/CST1/HLFT2/GSLD1-EV	-	-	-	-
GSLD2/GSLDT2/CS2/CST2/HLFT3	-	-	-	-
GSLD3/GSLDT3/CS3/CST3	-	-	-	-
SST1T	-	-	-	-
SST1D1/SST1D2/SST1D3	-	-	-	-
CILC D/CILC G	0.01	-	-	-
CILC T	0.01	-	-	-
MET	0.01	-	-	-
OL1/SL1/SL1M/PL1	-	-	-	-
SL2/SL2M/GSCU1	-	0.00001	-	-

Source: Appendix III – 2021 CCR Projections (Exhibit RBD-7, Page 20 of 38).

**Table 33-4
 FPL Capacity Cost Recovery Factors for the period January-December, 2021**

Rate Schedule	2021 Total Capacity Cost Recovery Factors			
	\$/kW	\$/kWh	Reservation Demand Charge (RDC) \$/kW	Sum of Daily Demand Charge (SDD) \$/kW
RS1/RTR1	-	0.00204	-	-
GS1/GST1	-	0.00206	-	-
GSD1/GSDT1/HLFT1/GSD1-EV	0.68	-	-	-
OS2	-	0.00089	-	-
GSLD1/GSLDT1/CS1/CST1/HLFT2/GSLD1-EV	0.76	-	-	-
GSLD2/GSLDT2/CS2/CST2/HLFT3	0.73	-	-	-
GSLD3/GSLDT3/CS3/CST3	0.74	-	-	-
SST1T	-	-	0.09	0.04
SST1D1/SST1D2/SST1D3	-	-	0.09	0.04
CILC D/CILC G	0.78	-	-	-
CILC T	0.75	-	-	-
MET	0.67	-	-	-
OL1/SL1/SL1M/PL1	-	0.00016	-	-
SL2/SL2M/GSCU1	-	0.00136	-	-

Source: Appendix III – 2021 CCR Projections (Exhibit RBD-7, Page 20 of 38).

GULF: The appropriate capacity cost recovery factors for the period January 2021 through December 2021 is shown in Table 33-5 below:

**Table 33-5
 GULF Capacity Cost Recovery Factors for the period January-December, 2021**

Rate Class	2021 Capacity Cost Recovery Factors	
	Cents / kWh	Dollars / kW-month
RS, RSVP, RSTOU	0.915	-
GS	0.931	
GSD, GSDT, GSTOU	0.733	
LP, LPT	-	2.86
PX, PXT, RTP, SBS	0.623	-
OS-I/II	0.127	
OSIII	0.566	

Source: Schedule CCE-2, Page 2 of 2 (Exhibit RLH-5, Columns G and I, Page 40 of 41).

TECO: The appropriate capacity cost recovery factors for the period January 2021 through December 2021 is shown in Table 33-6 below:

**Table 33-6
 TECO Capacity Cost Recovery Factors for the period January-December, 2021**

Rate Class and Metering Voltage	2021 Capacity Cost Recovery Factors	
	Cents / kWh	Dollars / kW
RS	0.002	-
GS and CS	0.002	
GSD, SBF Standard		
Secondary	-	0.01
Primary		0.01
Transmission		0.01
GSD Optional		
Secondary	0.002	-
Primary	0.002	
Transmission	0.002	
IS, SBI		
Primary	-	0.00
Transmission		0.00
LS1 Secondary	0.0000	-

Source: Exhibit MAS-3, Document Number 1, Page 3 of 4.

III. EFFECTIVE DATE

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

Stipulation:

FPL, FPUC, GULF, TECO: The new factors should be effective begin with the first billing cycle for January 2021 through the last billing cycle for December 2021. The first billing cycle may start before January 1, 2021, and the last cycle may be read after December 31, 2021, so that each customer is billed for twelve months regardless of when the recovery factors became effective. The new factors shall continue in effect until modified by this Commission.

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

Stipulation:

FPL, FPUC,

GULF, TECO: Yes. The Commission should approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be reasonable in this proceeding. The Commission should direct staff to verify that the revised tariffs are consistent with the Commission's decisions.

ISSUE 36: Should this docket be closed?

Stipulation:

FPL, FPUC,

GULF, TECO: No. While a separate docket number is assigned each year for administrative convenience, this is a continuing docket and should remain open.

APPROVED FPL ISSUES
DOCKET NO. 20200001-EI

ISSUES AND POSITIONS

COMPANY SPECIFIC ISSUES

Florida Power & Light Company

ISSUE 2F: **Has FPL made reasonable and prudent adjustments, if any are needed, to account for replacement power costs associated with the April 2019 forced outage at St. Lucie Nuclear Power Plant, Unit No. 1?**

No adjustments are needed for the replacement power costs associated with the April 2019 outage at St. Lucie Nuclear Power Plant, Unit No. 1. The Commission has consistently based clause recovery of replacement fuel costs on whether a utility's actions were prudent in the circumstances that led to the need for replacement power. FPL acted prudently with respect to the circumstances that resulted in the April 2019 outage and the associated need for replacement power. Therefore, the replacement power costs should be recovered through the fuel cost recovery clause. (Coffey)

ISSUE 2G: **Has FPL made reasonable and prudent adjustments, if any are needed, to account for replacement power costs associated with the March 2020 return-to-service delay at St. Lucie Nuclear Power Plant, Unit No. 2?**

No adjustments are needed for the replacement power costs associated with the March 2020 return-to-service delay at St. Lucie Power Plant Unit No. 2. The Commission has consistently based clause recovery of replacement fuel costs on whether a utility's actions were prudent in the circumstances that led to the need for replacement power. FPL acted prudently with respect to the circumstances that resulted in the March 2020 return-to-service delay and the associated need for replacement power. Therefore, the replacement power costs should be recovered through the fuel cost recovery clause. (Coffey)

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 8: **What are the appropriate final fuel adjustment true-up amounts for the period January 2019 through December 2019?**

\$51,621,690 under-recovery. (Deaton)

ISSUE 9: What are the appropriate fuel adjustment actual/estimated true-up amounts or the period January 2020 through December 2020?

\$30,951,780 over-recovery. (Deaton)

ISSUE 10: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2021 through December 2021?

\$20,669,910 under-recovery. (Deaton)

FUEL FACTOR CALCULATION ISSUES

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?

\$2,732,181,548 including prior period true-ups, revenue taxes, FPL's portion of Incentive Mechanism gains, FPL's 2021 SolarTogether Credit amount and the GPIF reward. (Deaton)

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

FPL is proposing a levelized factor of 2.444 cents/kWh. (Deaton)

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

GROUPS	RATE SCHEDULE	JANUARY - DECEMBER		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
A	RS-1 first 1,000 kWh	2.444	1.00226	2.123
A	RS-1 all additional kWh	2.444	1.00226	3.123
A	GS-1, SL-2, GSCU-1, WIES-1	2.444	1.00226	2.449
A-1	SL-1, OL-1, PL-1 ⁽¹⁾	2.352	1.00226	2.357
B	GSD-1	2.444	1.00220	2.449
C	GSLD-1, CS-1	2.444	1.00164	2.448
D	GSLD-2, CS-2, OS-2, MET	2.444	0.99483	2.431
E	GSLD-3, CS-3	2.444	0.97357	2.379
A	GST-1 On-Peak	2.896	1.00226	2.903
A	GST-1 Off-Peak	2.248	1.00226	2.253
A	RTR-1 On-Peak			0.454
	RTR-1 Off-Peak			(0.196)
B	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) On-Peak	2.896	1.00220	2.902
B	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) Off-Peak	2.248	1.00220	2.253
C	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) On-Peak	2.896	1.00164	2.901
C	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) Off-Peak	2.248	1.00164	2.252
D	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) On-Peak	2.896	0.99518	2.882
D	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) Off-Peak	2.248	0.99518	2.237
E	GSLDT-3, CST-3, CILC-1(T), ISST-1(T) On-Peak	2.896	0.97357	2.819
E	GSLDT-3, CST-3, CILC-1(T), ISST-1(T) Off-Peak	2.248	0.97357	2.189
F	CILC-1(D), ISST-1(D) On-Peak	2.896	0.99485	2.881
	CILC-1(D), ISST-1(D) Off-Peak	2.248	0.99485	2.236

⁽¹⁾ WEIGHTED AVERAGE 16% ON-PEAK AND 84% OFF-PEAK

GROUPS	RATE SCHEDULE	JUNE - SEPTEMBER		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
B	GSD(T)-1 On-Peak	3.685	1.00220	3.693
	GSD(T)-1 Off-Peak	2.280	1.00220	2.285
C	GSLD(T)-1 On-Peak	3.685	1.00164	3.691
	GSLD(T)-1 Off-Peak	2.280	1.00164	2.284
D	GSLD(T)-2 On-Peak	3.685	0.99518	3.667
	GSLD(T)-2 Off-Peak	2.280	0.99518	2.269

(Deaton)