

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: December 22, 2020

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Accounting and Finance (Snyder, Andrews, Mouring, Sowards) *ALM*
Division of Economics (Forrest) *JGH*
Division of Engineering (Buys, Knoblauch, Phillips) *TB*
Office of the General Counsel (Stiller) *JSC*

RE: Docket No. 20200242-EI – Petition for approval of regulatory assets related to the retirements of the coal generation assets at Plant Crist Units 4, 5, 6, and 7, by Gulf Power Company.

Docket No. 20200007-EI – Environmental Cost Recovery Clause.

AGENDA: 01/05/21 – Regular Agenda – Tariff Suspension – Participation is at the discretion of the Commission

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Polmann

CRITICAL DATES: 01/09/21 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

Case Background

On November 10, 2020, Gulf Power Company (Gulf Power or utility) filed a petition requesting approval to establish a base rate regulatory asset and an Environmental Cost Recovery Clause (ECRC) related regulatory asset for the unrecovered investments associated with the early retirement of the coal generation assets and capability at Plant Crist Units 4, 5, 6, and 7, and to defer the recovery of such assets until base rates are next reset in a general base rate proceeding. In conjunction with this request to establish regulatory assets for base and clause investments, Gulf also requests that the Commission approve a mid-course correction reflecting the impact of

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these retirements on its 2021 ECRC factors. In the filing, the utility provided revised tariff sheet No. 6.36, effective March 1, 2021, reflecting the proposed mid-course correction to its 2021 ECRC factors. The Commission has jurisdiction over this matter pursuant to Sections 366.03, 366.04, 366.06, 366.071, 366.072, and 366.076, Florida Statutes (F.S.).

Discussion of Issues

Issue 1: Should Gulf Power's proposed 2021 ECRC mid-course correction tariff be suspended?

Recommendation: Yes. Staff recommends that the proposed 2021 ECRC mid-course correction tariff be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the proposed ECRC tariff modification. (Forrest)

Staff Analysis: Staff recommends that the proposed tariff modification be suspended to allow staff the necessary time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the proposed ECRC tariff modification.

Pursuant to Section 366.06(3), F.S., the Commission may withhold consent to the operation of all or any portion of the new rate schedules, delivering to the utility requesting such a change, a reason or written statement of good cause for doing so within 60 days. Staff believes that the reason stated above is a good cause consistent with the requirement of Section 366.06(3), F.S.

Issue 2: Should this docket be closed?

Recommendation: No. This docket should remain open pending the Commission's decision on the proposed surcharge requested in Docket No. 20200241-EI and the tariff requested in the instant docket. (Stiller)

Staff Analysis: This docket should remain open pending the Commission's decision on the proposed surcharge requested in Docket No. 20200241-EI and the tariff requested in the instant docket.