

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Review of Storm Protection Plan,)
Pursuant to Rule 25-6.030, F.A.C., Duke) **Docket No. 20220050-EI**
Energy Florida, LLC) **Filed: July 13, 2022**
_____)

**PREHEARING STATEMENT OF
WHITE SPRINGS AGRICULTURAL CHEMICALS, INC.
d/b/a PCS PHOSPHATE – WHITE SPRINGS**

Pursuant to the Florida Public Service Commission’s *Order Establishing Procedure and Consolidating Docket Nos. 20220048-EI, 20220049-EI, 20220050-EI, and 20220051-EI for Hearing*, Order No. PSC-2022-0119-PCO-EI, issued March 17, 2022, as modified by the *First Order Modifying Order Establishing Procedure and Granting Duke Energy Florida’s Motion to Modify Rebuttal Testimony Filing Date*, Order No. PSC-2022-0226-PCO-EI, issued June 24, 2022, White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs (“PCS Phosphate”), through its undersigned attorneys, files its Prehearing Statement in the above matter.

A. APPEARANCES

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B. WITNESSES

PCS Phosphate does not plan to call any witnesses at this time.

C. EXHIBITS

PCS Phosphate does not plan to offer any exhibits at this time, but may introduce exhibits during the course of cross-examination.

D. STATEMENT OF BASIC POSITION

The Legislature enacted the Storm Protection Plan Recovery statute, 366.96, F.S., to foster those utility actions needed to “strengthen electric utility infrastructure to withstand extreme weather” as well as to “mitigate restoration costs and outage times to utility customers when developing transmission and distribution storm protection plans.” Good utility practices have always provided for the routine replacement of aging, damaged and obsolete equipment in order to ensure safe and adequate service to consumers, and the utility Storm Protection Plans submitted for Commission approval in this docket aim to enhance the resilience of utility assets for the purposes noted above. Also, utility budgets for storm hardening purposes are not unbounded. The nation is currently facing record levels of inflation not seen in a generation, dramatic increases in energy prices are a core driver of that inflation, and the collective impact on Florida ratepayers’ electric bills will be significant. In these times, any Storm Protection Plan approved by the Commission must prioritize spending to emphasize the most needed and cost beneficial projects. The scope and expected expense of Commission-approved Storm Protection Plans will have a material rate impact on Florida’s citizens for years to come through the Storm Protection Plan Cost Recovery Clause, and actions to implement a utility’s transmission and distribution storm protection plan do not constitute evidence of imprudence under the statute (§ 366.96(3), F.S.). Thus, the Storm Protection Plan proceeding is the primary forum for the Commission to consider the prudent scope and cost of a utility’s proposed programs. The SPP filed by Duke Energy Florida does not exhibit the focus and restraint that is required. The Commission should either reject DEF’s

proposed Storm Protection Plan or modify it as recommended by the Office of Public Counsel to include only those cost beneficial projects and programs which are precisely targeted to reduce restoration costs and outage times.

E. STATEMENT ON SPECIFIC ISSUES

ISSUE 1: Does the Company's Storm Protection Plan contain all of the elements required by Rule 25-6.030, Florida Administrative Code?

a. Docket No. 20220048-EI for TECO's Storm Protection Plan.

PCS Phosphate: No position.

b. Docket No. 20220049-EI for FPUC's Storm Protection Plan.

PCS Phosphate: No position.

c. Docket No. 20220050-EI for DEF's Storm Protection Plan.

PCS Phosphate: Agree with OPC.

d. Docket No. 20220051-EI for FPL's Storm Protection Plan.

PCS Phosphate: No position.

ISSUE 2: To what extent is the Company's Storm Protection Plan expected to reduce restoration costs and outage times associated with extreme weather events and enhance reliability?

a. Docket No. 20220048-EI for TECO's Storm Protection Plan.

PCS Phosphate: No position.

b. Docket No. 20220049-EI for FPUC's Storm Protection Plan.

PCS Phosphate: No position.

c. Docket No. 20220050-EI for DEF's Storm Protection Plan.

PCS Phosphate: Agree with OPC.

d. Docket No. 20220051-EI for FPL's Storm Protection Plan.

PCS Phosphate: No position.

ISSUE 3: To what extent does the Company's Storm Protection Plan prioritize areas of lower reliability performance?

a. Docket No. 20220048-EI for TECO's Storm Protection Plan.

PCS Phosphate: No position.

b. Docket No. 20220049-EI for FPUC's Storm Protection Plan.

PCS Phosphate: No position.

c. Docket No. 20220050-EI for DEF's Storm Protection Plan.

PCS Phosphate: Agree with OPC.

d. Docket No. 20220051-EI for FPL's Storm Protection Plan.

PCS Phosphate: No position.

ISSUE 4: To what extent is the Company's Storm Protection Plan regarding transmission and distribution infrastructure feasible, reasonable, or practical in certain areas of TECO's service territory, including, but not limited to, flood zones and rural areas?

a. Docket No. 20220048-EI for TECO's Storm Protection Plan.

PCS Phosphate: No position.

b. Docket No. 20220049-EI for FPUC's Storm Protection Plan.

PCS Phosphate: No position.

c. Docket No. 20220050-EI for DEF's Storm Protection Plan.

PCS Phosphate: Agree with OPC.

d. Docket No. 20220051-EI for FPL's Storm Protection Plan.

PCS Phosphate: No position.

ISSUE 5: What are the estimated costs and benefits to the Company and its customers of making the improvements proposed in the Storm Protection Plan?

a. Docket No. 20220048-EI for TECO's Storm Protection Plan.

PCS Phosphate: No position.

b. Docket No. 20220049-EI for FPUC's Storm Protection Plan.

PCS Phosphate: No position.

c. Docket No. 20220050-EI for DEF's Storm Protection Plan.

PCS Phosphate: Agree with OPC.

- d. Docket No. 20220051-EI for FPL's Storm Protection Plan.

PCS Phosphate: No position.

ISSUE 6: What is the estimated annual rate impact resulting from implementation of the Company's Storm Protection Plan during the first 3 years addressed in the plan?

- a. Docket No. 20220048-EI for TECO's Storm Protection Plan.

PCS Phosphate: No position.

- b. Docket No. 20220049-EI for FPUC's Storm Protection Plan.

PCS Phosphate: No position.

- c. Docket No. 20220050-EI for DEF's Storm Protection Plan.

PCS Phosphate: Agree with OPC.

- d. Docket No. 20220051-EI for FPL's Storm Protection Plan.

PCS Phosphate: No position.

ISSUE 7: Withdrawn.

ISSUE 8: Withdrawn.

ISSUE 9: Should the Commission approve, approve with modification, or deny FPL's new Transmission Access Enhancement Program?

PCS Phosphate: No position.

ISSUE 10: Is it in the public interest to approve, approve with modification, or deny the Company's Storm Protection Plan?

- a. Docket No. 20220048-EI for TECO's Storm Protection Plan.

PCS Phosphate: No position.

- b. Docket No. 20220049-EI for FPUC's Storm Protection Plan.

PCS Phosphate: No position.

- c. Docket No. 20220050-EI for DEF's Storm Protection Plan.

PCS Phosphate: No. The Commission should deny or modify DEF's Storm Protection Plan as recommended by OPC to the extent that

it includes programs and projects which are not cost beneficial.

- d. Docket No. 20220051-EI for FPL's Storm Protection Plan.

PCS Phosphate: No position.

ISSUE 11: Should this docket be closed?

- a. Docket No. 20220048-EI for TECO's Storm Protection Plan.

PCS Phosphate: No position.

- b. Docket No. 20220049-EI for FPUC's Storm Protection Plan.

PCS Phosphate: No position.

- c. Docket No. 20220050-EI for DEF's Storm Protection Plan.

PCS Phosphate: No position.

- d. Docket No. 20220051-EI for FPL's Storm Protection Plan.

PCS Phosphate: No position.

OPC PROPOSED ISSUES

OPC Proposed

Issue A: Are the Company's Storm Protection Plan programs and projects new or expansions of existing activities that are incremental, and are the programs designed specifically for the purpose of reducing restoration costs and outage times?

- a. Docket No. 20220048-EI for TECO's Storm Protection Plan.

PCS Phosphate: No position.

- b. Docket No. 20220049-EI for FPUC's Storm Protection Plan.

PCS Phosphate: No position.

- c. Docket No. 20220050-EI for DEF's Storm Protection Plan.

PCS Phosphate: Agree with OPC.

- d. Docket No. 20220051-EI for FPL's Storm Protection Plan.

PCS Phosphate: No position.

OPC Proposed

Issue B: What decision criteria, including economic, did the Company use to qualify, rank (select), and determine the magnitude (optimal and/or maximum levels and timing of capital expenditures and expenses) of the Company's Storm Protection Plan programs and projects, and are these criteria reasonable and properly applied for the purposes of mitigating outage times and restoration costs of extreme storms?

a. Docket No. 20220048-EI for TECO's Storm Protection Plan.

PCS Phosphate: No position.

b. Docket No. 20220049-EI for FPUC's Storm Protection Plan.

PCS Phosphate: No position.

c. Docket No. 20220050-EI for DEF's Storm Protection Plan.

PCS Phosphate: Agree with OPC.

d. Docket No. 20220051-EI for FPL's Storm Protection Plan.

PCS Phosphate: No position.

OPC Proposed

Issue C: Are the Company's Storm Protection Plan programs and projects prudent and reasonable and are the costs reasonable?

a. Docket No. 20220048-EI for TECO's Storm Protection Plan.

PCS Phosphate: No position.

b. Docket No. 20220049-EI for FPUC's Storm Protection Plan.

PCS Phosphate: No position.

c. Docket No. 20220050-EI for DEF's Storm Protection Plan.

PCS Phosphate: No. –OPC witness Mara correctly points to the questionable benefit costs analyses of certain DEF programs, and DEF witness Lloyd acknowledges that certain of the projects within the programs are not cost beneficial. The Commission should remove any projects which are not cost beneficial or require DEF to provide special justification for why these projects should be approved.

d. Docket No. 20220051-EI for FPL's Storm Protection Plan.

PCS Phosphate: No position.

OPC Proposed

Issue D: Should a return on CWIP be included in the Company’s annual rate impacts or deferred and included in the rate impacts only after a project is completed and determined to be prudent.

- a. Docket No. 20220048-EI for TECO’s Storm Protection Plan.

PCS Phosphate: No position.

- b. Docket No. 20220049-EI for FPUC’s Storm Protection Plan.

PCS Phosphate: No position.

- c. Docket No. 20220050-EI for DEF’s Storm Protection Plan.

PCS Phosphate: Agree with OPC.

- d. Docket No. 20220051-EI for FPL’s Storm Protection Plan.

PCS Phosphate: No position.

OPC Proposed

Issue E: Should credits be reflected in the Company’s annual rate impacts for savings in depreciation on base rate assets that are retired when replaced with SPP project assets and savings in base rate operation and maintenance and other operating expenses that are avoided due to SPP programs and projects?

- a. Docket No. 20220048-EI for TECO’s Storm Protection Plan.

PCS Phosphate: No position.

- b. Docket No. 20220049-EI for FPUC’s Storm Protection Plan.

PCS Phosphate: No position.

- c. Docket No. 20220050-EI for DEF’s Storm Protection Plan.

PCS Phosphate: Agree with OPC.

- d. Docket No. 20220051-EI for FPL’s Storm Protection Plan.

PCS Phosphate: No position.

F. PENDING MOTIONS

None.

G. PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY

None.

H. OBJECTIONS TO QUALIFICATIONS OF WITNESS AS EXPERT

None at this time.

I. REQUIREMENTS OF ORDER ESTABLISHING PROCEDURE

There are no requirements of the Procedural Orders with which PCS Phosphate cannot comply.

Respectfully submitted,

STONE MATTHEIS XENOPOULOS & BREW,
PC

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