

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power Cost)
Recovery Clause with Generating)
Performance Incentive Factor)
_____)

DOCKET NO. 20220001-EI
FILED: October 6, 2022

PREHEARING STATEMENT OF THE FLORIDA RETAIL FEDERATION

The Florida Retail Federation ("FRF"), pursuant to the Order Establishing Procedure in this docket, Order No. PSC-2022-0052-PCO-EI, issued February 2, 2022, hereby submits this Prehearing Statement.

APPEARANCES:

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On behalf of the Florida Retail Federation

1. **WITNESSES:**

The Florida Retail Federation does not intend to call any witnesses for direct examination but reserves its rights to cross-examine all witnesses and to rely upon the prefiled testimony of witnesses in this docket, as well as testimony on their cross-examination.

2. **EXHIBITS:**

The Florida Retail Federation will not introduce any exhibits on direct examination but reserves its rights to introduce exhibits through cross-examination of other parties' witnesses.

3. STATEMENT OF BASIC POSITION

The Commission's task in the Fuel Docket, as in all ratemaking proceedings, is to ensure that the rates charged by Florida public utilities are fair, just, reasonable, non-discriminatory, and neither insufficient nor excessive. In this context, Florida public utilities are only allowed to recover reasonable and prudent costs that are fully authorized by Florida Statutes, Commission rules, and Commission orders through their Fuel Cost Recovery and Capacity Cost Recovery charges (collectively herein, "Fuel Charges"). The utilities bear the burden of proof that their proposed Fuel Charges satisfy the statutory criteria articulated above.

All of the public utilities whose Fuel Charges are to be set in this docket are proposing increases in their Fuel Charges. Their proposed Fuel Charges for 2023, however, do not fully address the fuel costs for which they will seek, probably by early 2023, additional increases in their Fuel Charges due to their substantial under-recoveries already incurred in 2022 plus additional under-recoveries that they expect to incur in the remaining months of this year (as reflected in their filings submitted to the Commission in July). The FRF would have preferred that the utilities begin recovery of these outstanding under-recoveries earlier, in order to match cost recovery with costs incurred. Having said that, the FRF urges the Commission to require that the public utilities take all reasonable measures to mitigate those under-recoveries and to mitigate impacts on customers consistent with the fundamental requirements that rates must be fair, just, and reasonable.

4. STATEMENT OF FACTUAL ISSUES AND POSITIONS

I. FUEL ISSUES

Duke Energy Florida, LLC.

ISSUE 1A: Should the Commission approve DEF's 2023 Risk Management Plan?

FRF: No.

ISSUE 1B: What is the appropriate subscription bill credit associated with DEF's Clean Energy Connection Program, approved by Order No. PSC-2021-0059-S-EI, to be included for recovery in 2023?

FRF: No position at this time.

ISSUE 1C: Has DEF made appropriate adjustments, if any are needed, to account for replacement power costs associated with the January 2021 to April 2021 outage in Bartow CC Unit 4A and/or the May 2021 to July 2021 outage in Bartow CC Unit 4C? If appropriate adjustments are needed and have not been made, what adjustments should be performed?

FRF: No position at this time.

ISSUE 1D: What is the impact on this docket, if a decision is issued in Case SC20-1601 before January 1, 2023?

FRF: No position at this time.

ISSUE 1E: What is the impact on this docket, if a decision is issued in Case SC22-94 before January 1, 2023?

FRF: No position at this time.

ISSUE 1F: If the decision in Case SC22-94 requires the return of replacement power costs to customers, what interest amount should be applied?

FRF: No position at this time.

ISSUE 1G: Has DEF made appropriate adjustments, if any are needed, to account for replacement power costs associated with the March 2022 outage at Hines Unit 4? If appropriate adjustments are needed and have not been made, what adjustments should be performed?

FRF: No position at this time.

Florida Power & Light Company

ISSUE 2A: 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 2021 through December 2021, and how should that gain to be shared between FPL and customers?

FRF: No position at this time.

ISSUE 2B: 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 2021 through December 2021?

FRF: No position at this time.

ISSUE 2C: 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 2021 through December 2021?

FRF: No position at this time.

ISSUE 2D: 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 2021 through December 2021?

FRF: No position at this time.

ISSUE 2E: What is the appropriate subscription credit associated with FPL's SolarTogether Program approved by Order No. PSC-2020-0084-S-EI, to be included for recovery in 2023?

FRF: No position at this time.

ISSUE 2F: Should the Commission approve FPL's 2023 Risk Management Plan?

FRF: No position at this time.

ISSUE 2G: What is the proper methodology for FPL to calculate replacement power costs associated with an unplanned outage?

FRF: No position at this time.

ISSUE 2H: Were FPL's actions, or failures to act, that resulted in unplanned outages that occurred during 2020 prudent? If not, what adjustments should be made?

FRF: No. FPL has not satisfied its burden of proof that its actions related to the subject outages were prudent. The FRF supports establishing a spinoff docket to investigate FPL's nuclear operations and the impacts of FPL's operational decisions on fuel costs imposed on customers, and appropriate adjustments should be determined in that spinoff docket. Accordingly, the FRF takes no position at this time regarding the amounts of such adjustments.

ISSUE 2I: Were FPL's actions, or failures to act, that resulted in unplanned outages that occurred during 2021 prudent? If not, what adjustments should be made?

FRF: No. FPL has not satisfied its burden of proof that its actions related to the subject outages were prudent. The FRF supports establishing a spinoff docket to investigate FPL's nuclear operations and the impacts of FPL's operational decisions on fuel costs imposed on customers, and appropriate adjustments should be determined in that spinoff docket. Accordingly, the FRF takes no position at this time regarding the amounts of such adjustments.

ISSUE 2J: Were FPL's actions, or failures to act, that resulted in unplanned outages that occurred during 2022 prudent? If not, what adjustments should be made?

FRF: No. FPL has not satisfied its burden of proof that its actions related to the subject outages were prudent. The FRF supports establishing a spinoff docket to investigate FPL's nuclear operations and the impacts of FPL's operational decisions on fuel costs imposed on customers, and appropriate adjustments should be determined in that spinoff docket. Accordingly, the FRF takes no position at this time regarding the amounts of such adjustments.

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

Any company-specific fuel issues for Gulf Power Company will be addressed under Florida Power & Light Company above.

Tampa Electric Company

ISSUE 4A: 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 2021 through December 2021, and how should that gain to be shared between TECO and customers?

FRF: No position at this time.

ISSUE 4B: Should the Commission approve TECO's 2023 Risk Management Plan?

FRF: No position at this time.

ISSUE 4C: Has TECO made appropriate adjustments, if any are needed, to account for replacement power costs associated with any outages that occurred during 2021 and 2022? If appropriate adjustments are needed and have not been made, what adjustments should be performed?

FRF: No position at this time.

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 5: What are the appropriate actual benchmark levels for calendar year 2022 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FRF: No position at this time.

ISSUE 6: What are the appropriate estimated benchmark levels for calendar year 2023 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FRF: No position at this time.

ISSUE 7: What are the appropriate final fuel adjustment true-up amounts for the period January 2021 through December 2021?

FRF: No position at this time.

ISSUE 8: What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2022 through December 2022?

FRF: No position at this time.

ISSUE 9: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2023 through December 2023?

FRF: No position at this time.

ISSUE 10: What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2023 through December 2023?

FRF: No position at this time.

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR 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 11A, 11B, 11C, 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 12A, 12B, 12C, and so forth, as appropriate.

Gulf Power Company

Any company-specific capacity issues for Gulf Power Company will be addressed under Florida Power & Light Company above.

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 13A, 13B, 13C, and so forth, as appropriate.

GENERIC GPIF ISSUES

ISSUE 14: What is the appropriate GPIF reward or penalty for performance achieved during the period January 2021 through December 2021 for each investor-owned electric utility subject to the GPIF?

FRF: No position at this time.

ISSUE 15: What should the GPIF targets/ranges be for the period January 2023 through December 2023 for each investor-owned electric utility subject to the GPIF?

FRF: No position at this time.

FUEL FACTOR CALCULATION ISSUES

ISSUE 16: 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 2023 through December 2023?

FRF: No position at this time.

ISSUE 17: 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 2023 through December 2023?

FRF: No position at this time.

ISSUE 18: What are the appropriate levelized fuel cost recovery factors for the period January 2023 through December 2023?

FRF: No position at this time.

ISSUE 19: 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?

FRF: No position at this time.

ISSUE 20: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

FRF: No position at this time.

II. CAPACITY ISSUES

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

Duke Energy Florida, LLC.

ISSUE 21A: What is the appropriate amount of costs for the Independent Spent Fuel Storage Installation (ISFSI) that DEF should be allowed to recover through the capacity cost recovery clause pursuant to DEF's 2017 Settlement?

FRF: No position at this time.

ISSUE 21B: What adjustment amounts should the Commission approve to be refunded through the capacity clause associated with the Duette SoBRA III project in Docket No. 20200245-EI?

FRF: No position at this time.

ISSUE 21C: What DOE Settlement Spent Fuel Claim amount should the Commission approve to be recovered through the capacity clause?

FRF: No position at this time.

Florida Power & Light Company

No company-specific capacity cost recovery factor issues for Florida Power & Light Company have been identified at this time. If such issues are identified, they will be numbered 22A, 22B, 22C, and so forth, as appropriate.

Gulf Power Company

Any company-specific capacity issues for Gulf Power Company will be addressed under Florida Power & Light Company above.

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 23A, 23B, 23C, and so forth, as appropriate.

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 24: What are the appropriate final capacity cost recovery true-up amounts for the period January 2021 through December 2021?

FRF: No position at this time.

ISSUE 25: What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2022 through December 2022?

FRF: No position at this time.

ISSUE 26: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2023 through December 2023?

FRF: No position at this time.

ISSUE 27: What are the appropriate projected total capacity cost recovery amounts for the period January 2023 through December 2023?

FRF: No position at this time.

ISSUE 28: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2023 through December 2023?

FRF: No position at this time.

ISSUE 29: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2023 through December 2023?

FRF: No position at this time.

ISSUE 30: What are the appropriate capacity cost recovery factors for the period January 2023 through December 2023?

FRF: No position at this time.

III. EFFECTIVE DATE

ISSUE 31: What should be the effective date of the fuel adjustment factors and capacity cost recovery factors for billing purposes?

FRF: The effective date of the Fuel Charges approved by the Commission in this proceeding should be the first day of the first billing cycle of January 2023.

ISSUE 32: Should the Commission approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be appropriate in this proceeding?

FRF: Yes.

ISSUE 33: Should this docket be closed?

FRF: No. This is a continuing docket that should remain open and then continued in its successor docket for 2023.

CONTESTED ISSUES

OPC ISSUE C: Has FPL imprudently taken, or failed to prudently take, actions or made or failed to prudently make, decisions at or affecting the Turkey Point Units 3 & 4 and St. Lucie Units 1 & 2, such that replacement power costs have been

incurred as they affect the fuel factor for 2020, 2021, 2022 and projections for 2023? If so, what adjustments should be made?

FRF: Yes. FPL failed to prudently make decisions affecting the subject plants and replacement power costs. The Commission should establish a spinoff docket to investigate FPL's nuclear operations, and the impacts of FPL's operational decisions on fuel costs imposed on customers, and appropriate adjustments should be determined in that spinoff docket.

OPC ISSUE E: Should the Commission establish a spin-off docket to investigate FPL's nuclear operations and its impact on historical, ongoing, and future fuel costs?

FRF: Yes. The Commission should establish a spinoff docket to investigate FPL's nuclear operations and the impacts of FPL's operational decisions on fuel costs imposed on customers, and appropriate adjustments should be determined in that spinoff docket.

OPC ISSUE F: Has FPL appropriately accounted for any redispatch related to its operation of the North Florida Resilience Connection (NFRC) in its 2022 estimate and 2023 projections of fuel costs? If not, what adjustments, if any, should be made?

FRF: The FRF understands that FPL and OPC have agreed to defer this issue to the 2023 Fuel Cost Recovery Docket. The FRF supports this deferral; if the issue is not deferred, FRF will provide its position at the prehearing conference.

5. **STIPULATED ISSUES:**

The FRF is not aware of any stipulated issues at this time.

6. **PENDING MOTIONS:**

The FRF has no pending motions before the Commission in this docket.

7. **STATEMENT OF PARTY'S PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY:**

The FRF has no pending requests or claims for confidentiality.

8. OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT:

As of the time of filing its prehearing statement, the FRF does not expect to challenge the qualification of any witness. However, the FRF believes that each party that intends to rely upon a witness's testimony as expert testimony should be required to identify the field or fields of expertise of such witness and to provide the basis for the witness's claimed expertise.

9. STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE:

There are no requirements of the Order Establishing Procedure with which the Florida Retail Federation cannot comply.

Respectfully submitted this 6th day of October, 2022.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served by electronic mail on this 6th day of October, 2022.

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