

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Storm Protection Plan Cost Recovery
Clause.

DOCKET NO. 20220010-EI

FILED: October 7, 2022

PRE-HEARING STATEMENT OF THE OFFICE OF PUBLIC COUNSEL

The Citizens of the State of Florida, through the Office of Public Counsel (“OPC”), pursuant to the Order Establishing Procedure in this docket, Order No. PSC-2022-044-PCO-EI, issued January 28, 2022, and the First Order Revising Order Establishing Procedure, Order No. PSC-2022-0111-PCO-EI, issued March 14, 2022, hereby submit this Prehearing Statement.

APPEARANCES:

Richard Gentry
Public Counsel

Mary A. Wessling
Associate Public Counsel

Charles Rehwinkel
Deputy Public Counsel

Patricia A. Christensen
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On behalf of the Citizens of the State of Florida

1. WITNESSES:

Witness	Subject Matter	Issue #
Direct		
Lane Kollen	Accounting	All Issues
Kevin Mara	Engineering	All Issues

2. EXHIBITS:

Witness	Proffered By	Exhibit No.	Description	Issue #
Direct				
Lane Kollen	OPC	LK-1	Lane Kollen Curriculum Vitae	All Issues
Lane Kollen	OPC	LK-2	20220048-EI Lane Kollen Testimony	All Issues
Lane Kollen	OPC	LK-3	20220049-EI Lane Kollen Testimony	All Issues
Lane Kollen	OPC	LK-4	20220050-EI Lane Kollen Amended Testimony	All Issues
Lane Kollen	OPC	LK-5	20220051-EI Lane Kollen Testimony	All Issues
Lane Kollen	OPC	LK-6	FPUC’s Response to Interrogatory 19A, OPC’s Third Set of Interrogatories (20220049-EI)	All Issues
Lane Kollen	OPC	LK-7	FPUC’s Response to Interrogatory 20 A, OPC’s Third Set of Interrogatories (20220049-EI)	All Issues
Kevin Mara	OPC	KJM-1	Kevin J. Mara Curriculum Vitae	All Issues
Kevin Mara	OPC	KJM-2	20220048-EI Kevin J. Mara Testimony	All Issues
Kevin Mara	OPC	KJM-3	20220050-EI Kevin J. Mara Testimony	All Issues
Kevin Mara	OPC	KJM-4	20220051-EI Kevin J. Mara Testimony	All Issues
Kevin Mara	OPC	KJM-5	20220049-EI Kevin J. Mara Testimony (Redacted)	All Issues
Kevin Mara	OPC	KJM-6	2022 and 2023 True-Up Costs	All Issues
Kevin Mara	OPC	KJM-7	20220049-EI Kevin J. Mara Testimony (Confidential)	All Issues

3. STATEMENT OF BASIC POSITION

The OPC’s basic position in this case is that the Commission’s determinations regarding the Storm Protection Plans (SPP) and the associated cost recovery factors that have been filed must be consistent with the provisions and the public policy contained in Section 366.96, Florida Statutes, Rule 25-6. 030 and Rule 25-6. 031, F.A.C. The OPC supports the goal of the legislature in encouraging cost-effective measures to enhance the resiliency and reliability of investor-owned electric utilities’ (IOUs) existing infrastructure for the benefits of customers and the state as a whole.

The utilities have the burden of proof to justify and support the recovery of costs and their proposal(s) seeking the Commission's adoption of policy statements (whether new or changed) or

other affirmative relief sought, regardless of whether the Intervenors provide evidence to the contrary. Regardless of whether the Commission has previously approved a program as meeting the Commission's requirements, the utilities must still meet their burden of demonstrating that the costs submitted for final recovery meet the statutory test(s) and are reasonable in amount and prudently incurred.

The utilities have not demonstrated that the costs, factors and rates included in the filings are cost effective, reasonable and prudent in all instances.

4. STATEMENT OF FACTUAL ISSUES AND POSITIONS

ISSUE 1: What are the final Storm Protection Plan Cost Recovery Clause jurisdictional cost recovery true-up amounts for the period January 2021 through December 2021?

OPC: The OPC is not in agreement that the Companies have demonstrated that they have met their burden to demonstrate that costs that have been incurred are reasonable and prudent. A significant percentage of the costs on a customer's bill is based on clause recovery in this docket and others. The Commission has not held a contested proceeding where testimony from witnesses was heard and discussed in open hearing. The OPC does not accept, given these circumstances, that the costs proposed for final true-up can necessarily be deemed prudent. (Witnesses Kollen and/or Mara)

ISSUE 2: What are the actual/estimated Storm Protection Plan Cost Recovery Clause jurisdictional cost recovery true-up amounts for the period January 2022 through December 2022?

OPC: The OPC is not in agreement that the Companies have demonstrated that they have met their burden to demonstrate that costs that are being incurred are reasonable and prudent. A significant percentage of the costs on a customer's bill is based on clause recovery in this docket and others. The Commission has not held a contested proceeding where testimony from witnesses was heard and discussed in open hearing. The OPC does not accept, given these circumstances, that the costs

proposed for final true-up can necessarily be deemed prudent. (Witnesses Kollen and/or Mara)

ISSUE 3: What are the projected Storm Protection Plan Cost Recovery Clause jurisdictional cost recovery amounts for the period January 2023 through December 2023?

OPC: The OPC is not in agreement that the Companies have demonstrated that they have met their burden to demonstrate that costs are projected are reasonable and prudent in amount or otherwise. A significant percentage of the costs on a customer's bill is based on clause recovery in this docket and others. The Commission has not held a contested proceeding where testimony from witnesses was heard and discussed in open hearing. The OPC does not accept, given these circumstances, that the costs proposed for final true-up can necessarily be deemed prudent. There can be no presumption of reasonableness of prudence for the utility plans since the Commission has not made a determination that the level of spending contained in the Storm Protection Plans is prudent in amount or otherwise. (Witnesses Kollen and/or Mara)

ISSUE 4: What are the Storm Protection Plan Cost Recovery Clause total jurisdictional cost recovery amounts, including true-ups, to be included in establishing Storm Protection Plan Cost Recovery factors for the period January 2023 through December 2023?

OPC: The OPC is not in agreement that the Companies have demonstrated that they have met their burden to demonstrate that costs are reasonable and prudent. A significant percentage of the costs on a customer's bill is based on clause recovery in this docket and others. The Commission has not held a contested proceeding where testimony from witnesses was heard and discussed in open hearing. The OPC does not accept, given these circumstances, that the costs proposed for final true-up can necessarily be deemed prudent. (Witnesses Kollen and/or Mara)

ISSUE 5: What depreciation rates should be used to develop the depreciation expense included in the total Storm Protection Plan Cost Recovery Clause amounts for the period January 2023 through December 2023?

OPC: The OPC is not in agreement that the Companies have demonstrated that they have met their burden to demonstrate that the depreciation rates are appropriate. A significant percentage of the costs on a customer's bill is based on clause recovery in this docket and others. The Commission has not held a contested proceeding where testimony from witnesses was heard and discussed in open hearing. The OPC does not accept, given these circumstances, that the depreciation rates and resulting costs proposed for final true-up can necessarily be deemed prudent. (Witnesses Kollen and/or Mara)

ISSUE 6: What are the appropriate jurisdictional separation factors for the projected period January 2023 through December 2023?

OPC: The OPC is not in agreement that the Companies have demonstrated that they have met their burden to demonstrate that separation factors are reasonable and prudent. A significant percentage of the costs on a customer's bill is based on clause recovery in this docket and others. The Commission has not held a contested proceeding where testimony from witnesses was heard and discussed in open hearing. The OPC does not accept, given these circumstances, that the factors proposed for final true-up can necessarily be deemed prudent. (Witnesses Kollen and/or Mara)

ISSUE 7: What are the appropriate Storm Protection Plan Cost Recovery Clause factors for the period January 2023 through December 2023 for each rate group?

OPC: No position at this time; however, the factors should be based on costs deemed reasonable and prudent after a hearing.

ISSUE 8: What should be the effective date of the new Storm Protection Plan Cost Recovery Clause factors for billing purposes?

OPC: No position at this time.

ISSUE 9: Should the Commission approve revised tariffs reflecting the new Storm Protection Plan Cost Recovery Clause factors determined to be appropriate in this proceeding?

OPC: No position at this time; however, the factors contained in the tariff(s) should be based on costs deemed reasonable and or prudent after a hearing.

ISSUE 10: Should this docket be closed?

OPC: No position at this time.

5. STIPULATED ISSUES

None at this time.

6. PENDING MOTIONS

None at this time.

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

There are no pending requests or claims for confidentiality filed by OPC.

8. OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT

OPC has no objections to the qualification of any witnesses as an expert in the field in which they pre-filed testimony as of the present date.

9. SEQUESTRATION OF WITNESSES

OPC does not request the sequestration of any witnesses at this time.

10. STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE

There are no requirements of the Order Establishing Procedure with which the Office of Public Counsel cannot comply.

Dated this 7th of October, 2022.

Respectfully submitted,

Richard Gentry
Public Counsel

/s/ Mary A. Wessling
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CERTIFICATE OF SERVICE
DOCKET NO, 20220010-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing Prehearing Statement has been furnished by electronic mail on this 7th day of October, 2022, to the following:

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