

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 20230001-EI

DATED: October 6, 2023

COMMISSION STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-2023-0066-PCO-EI, filed February 3, 2023, the Staff of the Florida Public Service Commission files its Prehearing Statement.

1. All Known Witnesses

There are no known witnesses at this time.

2. All Known Exhibits

There are no known exhibits at this time.

3. Staff's Statement of Basic Position

Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

4. Staff's Position on the Issues

**I. FUEL ISSUES**

**Duke Energy Florida, LLC**

**ISSUE 1A:** Should the Commission approve DEF's 2024 Risk Management Plan?

**POSITION:** Staff has no position at this time.

**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 2024?

**POSITION:** Staff has no position at this time.

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**ISSUE 1C:** What is the impact on this docket, if a decision is issued in Case SC22-94 before January 1, 2024?

**POSITION:** Staff has no position at this time.

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

**POSITION:** Staff has no position at this time.

**ISSUE 1E:** What is the appropriate Clean Energy Impact (CEI) credit, approved by Order No. PSC-202300191-TRF-EI, to be included in the fuel clause for 2024?

**POSITION:** Staff has 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-2021-0446-AS-EI that FPL may recover for the period January 2022 through December 2022, and how should that gain to be shared between FPL and customers?

**POSITION:** Staff has 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-2021-0446-AS-EI that FPL should be allowed to recover through the fuel clause for Personnel, Software, and Hardware costs for the period January 2022 through December 2022?

**POSITION:** Staff has 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-2021-0446-AS-EI that FPL should be allowed to recover through the fuel clause for the period January 2022 through December 2022?

**POSITION:** Staff has 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-2021-0446-AS-EI that FPL should be allowed to recover through the fuel clause for the period January 2022 through December 2022?

**POSITION:** Staff has no position at this time.

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**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 2024?

**POSITION:** Staff has no position at this time.

**ISSUE 2F:** Should the Commission approve FPL's 2024 Risk Management Plan?

**POSITION:** Staff has no position at this time.

**ISSUE 2G:** Are the 2024 SoBRA units (12 total) proposed by FPL cost effective?

**POSITION:** Staff has no position at this time.

**ISSUE 2H:** What are the revenue requirements associated with the 2024 SoBRA Project?

**POSITION:** Staff has no position at this time.

**ISSUE 2I:** What is the appropriate base rate percentage increase for the 2024 SoBRA Project to be effective when all 2024 units are in service, currently projected to be January 31, 2024?

**POSITION:** Staff has no position at this time.

**ISSUE 2J:** Should the Commission approve revised tariffs for FPL reflecting the base rate percentage increases for the 2024 SoBRA Project determined to be appropriate in this proceeding?

**POSITION:** Staff has no position at this time.

**Florida Public Utilities Company**

**ISSUE 3A:** Should the Commission modify the previously ordered (Order No. PSC-2023-0026-FOF-EI) recovery schedule for FPUC's under-recovery of 2022 fuel costs from three years to two years?

**POSITION:** Staff has no position at this time.

**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 2022 through December 2022, and how should that gain to be shared between TECO and customers?

**POSITION:** Staff has no position at this time.

**ISSUE 4B:** Should the Commission approve TECO's 2024 Risk Management Plan?

**POSITION:** Staff has no position at this time.

### **GENERIC FUEL ADJUSTMENT ISSUES**

**ISSUE 5:** What are the appropriate actual benchmark levels for calendar year 2023 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

**POSITION:** Staff has no position at this time.

**ISSUE 6:** What are the appropriate estimated benchmark levels for calendar year 2024 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

**POSITION:** Staff has no position at this time.

**ISSUE 7:** What are the appropriate final fuel adjustment true-up amounts for the period January 2022 through December 2022?

**POSITION:** Staff has no position at this time.

**ISSUE 8:** What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2023 through December 2023?

**POSITION:** Staff has no position at this time.

**ISSUE 9:** What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2024 through December 2024?

**POSITION:** Staff has no position at this time.

**ISSUE 10:** What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2024 through December 2024?

**POSITION:** Staff has 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.

### **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 2022 through December 2022 for each investor-owned electric utility subject to the GPIF?

**POSITION:** Staff has no position at this time.

**ISSUE 15:** What should the GPIF targets/ranges be for the period January 2024 through December 2024 for each investor-owned electric utility subject to the GPIF?

**POSITION:** Staff has 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 2024 through December 2024?

**POSITION:** Staff has 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 2024 through December 2024?

**POSITION:** Staff has no position at this time.

**ISSUE 18:** What are the appropriate levelized fuel cost recovery factors for the period January 2024 through December 2024?

**POSITION:** Staff has 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?

**POSITION:** Staff has 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?

**POSITION:** Staff has 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 for 2024?

**POSITION:** Staff has no position at this time.

**ISSUE 21B:** What adjustment amount should the Commission approve to be refunded through the capacity clause associated with the Solar Base Rate Adjustment true-up for Plant Sandy Creek?

**POSITION:** Staff has no position at this time.

**ISSUE 21C:** What adjustment amount should the Commission approve to be refunded through the capacity clause associated with the Solar Base Rate Adjustment true-up for Plant Santa Fe?

**POSITION:** Staff has no position at this time.

**ISSUE 21D:** What adjustment amount should the Commission approve to be refunded through the capacity clause associated with the Solar Base Rate Adjustment true-up for Plant Twin Rivers?

**POSITION:** Staff has no position at this time.

### **Florida Power & Light Company**

**ISSUE 22A:** Should the Commission approve a \$7.92 million refund related to the incremental impact of the Inflation Reduction Act for years 2022 and 2023 due to the application of the Tax Provision contained in FPL's current Rate Settlement Agreement?

**POSITION:** Staff has no position at this time.

### **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 2022 through December 2022?

**POSITION:** Staff has no position at this time.

**ISSUE 25:** What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2023 through December 2023?

**POSITION:** Staff has 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 2024 through December 2024?

**POSITION:** Staff has no position at this time.

**ISSUE 27:** What are the appropriate projected total capacity cost recovery amounts for the period January 2024 through December 2024?

**POSITION:** Staff has 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 2024 through December 2024?

**POSITION:** Staff has 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 2024 through December 2024?

**POSITION:** Staff has no position at this time.

**ISSUE 30:** What are the appropriate capacity cost recovery factors for the period January 2024 through December 2024?

**POSITION:** Staff has 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?

**POSITION:** Staff has no position at this time.

**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?

**POSITION:** Staff has no position at this time.

**ISSUE 33:** Should this docket be closed?

**POSITION:** This is a continuing docket and should remain open.

5. **Stipulated Issues**

There are no stipulations at this time.

6. **Pending Motions**

Staff has no pending motions at this time.

7. **Pending Confidentiality Claims or Requests**

Staff has no pending Confidentiality Claims or Requests at this time.

8. **Objections to Witness Qualifications as an Expert**

Staff has no objections to the qualifications of any witness as an expert at this time.

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9. Compliance with Order No. PSC-2023-0066-PCO-EI

Staff has complied with all requirements of the Order Establishing Procedure entered in this docket.

Respectfully submitted this 6th day of October, 2023.

*/s/ Suzanne S. Brownless*

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SUZANNE S. BROWNLESS

SPECIAL COUNSEL

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

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DATED: October 6, 2023

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that STAFF'S PREHEARING STATEMENT has been filed with the Office of Commission Clerk and that a true copy has been furnished to the following by electronic mail this 6th day of October, 2023:

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*/s/ Suzanne S. Brownless*

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