BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

|  |  |
| --- | --- |
| In re: Storm protection plan cost recovery clause. | DOCKET NO. 20230010-EI  ORDER NO. PSC-2023-0364-FOF-EI  ISSUED: November 29, 2023 |

The following Commissioners participated in the disposition of this matter:

ANDREW GILES FAY, Chairman

ART GRAHAM

GARY F. CLARK

MIKE LA ROSA

GABRIELLA PASSIDOMO

FINAL ORDER APPROVING STORM COST RECOVERY

AMOUNTS AND RELATED TARIFFS AND ESTABLISHING

STORM COST RECOVERY FACTORS FOR THE PERIOD

JANUARY 2024 THROUGH DECEMBER 2024

APPEARANCES:

J. JEFFREY WAHLEN, ESQUIRE, MALCOLM N. MEANS, ESQUIRE, and VIRGINIA PONDER, ESQUIRE, Ausley Law Firm, Post Office Box 391, Tallahassee, Florida 32302

On behalf of Tampa Electric Company (TECO).

MATTHEW R. BERNIER, ESQUIRE, and STEPHANIE A. CUELLO, ESQUIRE, 106 East College Avenue, Suite 800, Tallahassee, Florida 32301

On behalf of Duke Energy Florida, LLC (DEF).

BETH KEATING, ESQUIRE, Gunster Law Firm, 215 South Monroe Street, Suite 601, Tallahassee, Florida 32301

On behalf of Florida Public Utilities Company (FPUC).

CHRISTOPHER T. WRIGHT, ESQUIRE, 700 Universe Blvd., Juno Beach, Florida 33408-0420

On behalf of Florida Power & Light Company (FPL).

WALT TRIERWEILER, ESQUIRE, CHARLES REHWINKEL, ESQUIRE, MARY A. WESSLING, ESQUIRE, and PATRICIA A. CHRISTENSEN, ESQUIRE, Office of Public Counsel, c/o The Florida Legislature, 111 W. Madison Street, Room 812, Tallahassee, Florida 32399

On behalf of Office of Public Counsel (OPC).

JON C. MOYLE, JR., ESQUIRE, and KAREN PUTNAL, ESQUIRE, Moyle Law Firm, 118 North Gadsden Street, Tallahassee, Florida 32301

On behalf of Florida Industrial Power Users Group (FIPUG).

JAMES W. BREW, ESQUIRE, and LAURA WYNN BAKER, ESQUIRE, Stone Mattheis Xenopoulos & Brew, PC, 1025 Thomas Jefferson Street, NW, Eighth Floor, West Tower, Washington, DC 20007

On behalf of PCS Phosphate – White Springs (PCS).

PETER J. MATTHEIS, ESQUIRE, MICHAEL K. LAVANGA, ESQUIRE, and JOSEPH R. BRISCAR, ESQUIRE, Stone Mattheis Xenopoulos & Brew, PC, 1025 Thomas Jefferson Street, NW, Suite 800 West, Washington, DC 20007

On behalf of Nucor Steel Florida, Inc. (Nucor).

SHAW STILLER, ESQUIRE, and DANIEL DOSE, ESQUIRE, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850

On behalf of the Florida Public Service Commission (Staff).

MARY ANNE HELTON, ESQUIRE, Deputy General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850

Advisor to the Florida Public Service Commission.

KEITH C. HETRICK, ESQUIRE, General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850

Florida Public Service Commission General Counsel.

BY THE COMMISSION:

Background

The 2019 Florida Legislature enacted Section 366.96, Florida Statutes (F.S.), entitled “Storm protection plan cost recovery.” Section 366.96(3), F.S., established a new requirement that each public utility file a transmission and distribution storm protection plan (SPP) covering the immediate 10-year planning period, and explaining the systematic approach the utility will follow to achieve the objectives of reducing restoration costs and outage times associated with extreme weather events and enhancing reliability. Pursuant to Sections 366.96(5) and 366.96(6), F.S., we are required every three years to determine whether it is in the public interest to approve, approve with modification, or deny each utility’s SPP.

The initial SPPs under Section 366.96, F.S., were filed by Florida Power & Light Company (FPL)/Gulf Power Company, Tampa Electric Company (TECO), and Duke Energy Florida, LLC (DEF) in 2020. All of the utilities reached settlement agreements with various intervenors regarding the SPPs prior to final hearing. We approved these settlement agreements on August 28, 2020.[[1]](#footnote-1)

On March 9, 2022, pursuant to Sections 366.96(5) and 366.96(6), F.S., and consistent with the terms of the above-referenced settlement agreements,[[2]](#footnote-2) FPL, TECO, and DEF filed their first updated SPPs for our review.[[3]](#footnote-3) On that same date, Florida Public Utilities Company (FPUC) submitted its initial SPP[[4]](#footnote-4) for Commission review. Those four dockets were consolidated for purposes of hearing only and proceeded to final hearing August 2, 2022. On November 10, 2022, we entered four final orders approving, with modifications, each utility’s SPP.[[5]](#footnote-5) On December 15, 2022, OPC filed Notices of Administrative Appeal with the Florida Supreme Court for all four dockets.[[6]](#footnote-6) These appeals remain pending.

In addition to reviewing SPPs at least every three years, we must conduct an annual proceeding pursuant to Section 366.96(7), F.S., to determine a utility’s prudently incurred transmission and distribution storm protection plan costs and allow the utility to recover such costs through a charge separate and apart from its base rates, to be referred to as the storm protection plan cost recovery clause (SPPCRC). The annual SPPCRC proceeding is a rolling three-year review that includes a true-up of actual costs for the prior year, the calculation of actual/estimated costs for the year of the filing, and projected costs for the following year.

This 2023 annual SPPCRC docket was opened[[7]](#footnote-7) January 3, 2023, by Order No. PSC-2023-0010-PCO-EI. Notices of Intent to Retain Party Status were filed by TECO, DEF, FPUC, FPL, Florida Industrial Power Users Group (FIPUG), White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs (PCS), Nucor Steel Florida, Inc. (Nucor), and OPC. No additional parties filed for intervention.

On April 3, 2023, TECO, DEF, FPUC, and FPL filed their petitions for approval of SPPCRC final true-up for January through December 2022, along with supporting prefiled testimony and exhibits. On May 1, 2023, TECO, DEF, FPUC, and FPL filed their petitions for approval of 2023 actual/estimated costs and projected 2024 SPPCRC costs and factors.

On May 2, 2023, FPL filed a corrected petition for approval of 2023 actual/estimated true-up and projected 2024 SPPCRC factors along with accompanying testimony and exhibits. This filing replaced FPL’s May 1st filing in its entirety. On July 21, 2023, TECO filed a revised petition for approval of projected 2024 SPPCRC costs with accompanying testimony and exhibits. This filing revised TECO’s May 1st filing with respect to the revenue expansion factor and updated 2024 billing determinants based on the most recent load forecast. On July 31, 2023, TECO filed a second revised petition for approval of projected 2024 SPPCRC costs with accompanying testimony and exhibits. This filing revised TECO’s July 21st filing (first revised petition) by updating the SPPCRC Projection with adjustments to the 2024 billing determinants due to an update in the forecasting models.

We conducted an administrative hearing in this matter on September 12, 2023. The parties waived cross examination[[8]](#footnote-8) and stipulated to the admission of all prefiled testimony of the following witnesses: Mark R. Roche and C. David Sweat (TECO); Jason Bennett and Mark Cutshaw (FPUC); Michael Jarro and Richard Hume (FPL); Robert E. Brong, Brian Lloyd, and Christopher Menendez (DEF); and Hymavathi Vedula and Donna Brown (Staff). The testimony of these witnesses was entered into the record as though read. Exhibits 1-49 as identified on the Comprehensive Exhibit List were admitted into evidence without objection.

TECO, FPUC, DEF, FPL, OPC, and PCS submitted post-hearing briefs. FIPUG and Nucor joined in OPC’s brief.

We have jurisdiction over this matter pursuant to Sections 366.04, 366.05, 366.06, and 366.96, F.S.

Legal Standard

Section 366.96(2), F.S., defines “transmission and distribution storm protection plan costs” as “the reasonable and prudent costs to implement an approved transmission and distribution storm protection plan.” Rule 25-6.031(3), Florida Administrative Code (F.A.C.), specifies how the Commission is to assess reasonable and prudent costs in the annual SPPCRC proceeding:

An annual hearing to address petitions for recovery of Storm Protection Plan costs will be limited to determining [1] the reasonableness of the estimated and projected Storm Protection Plan costs, [2] the prudence of actual Storm Protection Plan costs incurred by the utility, and [3] to establish Storm Protection Plan cost recovery factors consistent with the requirements of this rule.

The utilities bear the burden to demonstrate that the costs for which they seek recovery were prudently incurred and that all projections they submitted are reasonable. See *Espinoza v. Dep't of Bus. & Prof. Reg.*, 739 So. 2d 1250, 1251 (Fla. 3d DCA 1999) (“The general rule is that, apart from statute, the burden of proof is on the party asserting the affirmative of an issue before an administrative tribunal.”). Prudence and reasonableness are standards of conduct. See *Vogel v. Allen*, 443 So. 2d 368, 369 (Fla. 5th DCA 1983).

The well-established standard for determining prudence is “what a reasonable utility manager would have done, in light of the conditions and circumstances which were known, or should have been known, at the time the decision was made.” Order No. PSC-11-0547-FOF-EI, issued November 23, 2011, in Docket No. 20110009-EI, *In re: Nuclear cost recovery clause*.

“[D]eviation from a standard of conduct is essentially an ultimate finding of fact clearly within the realm of the hearing officer's fact-finding discretion.” *Holmes v. Turlington*, 480 So. 2d 150, 153 (Fla. 1st DCA 1985); *see* *Safeway Ins. Co. v. Godoy*, 584 So. 2d 1136, 1136 (Fla. 3d DCA 1991) (whether hours claimed by counsel were “reasonably, necessarily, and prudently expended” is a factual finding); *Nest v. Dep't of Prof. Reg.,* 490 So. 2d 987, 989 (Fla. 1st DCA 1986) (“the ability to practice with reasonable skill and safety is essentially an ultimate finding of fact”). The questions for the Commission, then, are whether there is competent, substantial evidence in the record to demonstrate that the utilities (1) acted prudently in incurring the actual costs for which they now seek recovery, and (2) made reasonable estimates and projections of future costs.

Each utility supported its petition for recovery with testimony providing details regarding SPP implementation activities and costs, and how those costs are consistent with the SPP, as required by Rule 25-6.031(2), F.A.C. No other party or intervenor – including OPC - offered any witness testimony in support of their arguments. As discussed below, OPC submitted written cross-examination questions and answers from each utility as hearing exhibits.

OPC forwards a legal argument in Issues 1-4 and 7 that no cost recovery should be allowed due to an alleged failure of the Commission to make certain prudence determinations regarding the underlying SPP programs and projects. Subject to this argument, OPC takes no position on the factors for each utility in Issues 1-4 and 7. The effect of OPC’s position is to allow the Commission to entertain and approve Type 2 stipulations[[9]](#footnote-9) on the factors and allow cost recovery to proceed if (and only if) it rejects OPC’s overarching legal argument that no cost recovery is currently appropriate.

OPC’s facilitated Type 2 stipulations are conditioned as follows:

Regarding Issues 1-4 and 7, OPC takes no position on the factors only for all four utilities, nor does it have the burden of proof related to them. As such, the OPC represents that it will not contest or oppose the Commission taking action approving a proposed stipulation between the Company and another party or staff as to a final resolution of the factors. No person is authorized to state that the OPC is a participant in, or party to, a stipulation on these issues, either in this docket, in an order of the Commission or in a representation to a Court. OPC otherwise maintains its position on Issues 1-4 and 7 for purposes of briefing.

Decision

**Final 2022 prudently incurred costs and final jurisdictional**

**revenue requirement true-up amounts (Issue 1)**

We first address the prudence of the utilities’ 2022 activities, actual incurred costs, and the resultant final true-up amount that each utility will use in calculating its 2024 SPPCRC factor. The resolution of this issue impacts other issues that follow in this Order. The determination of prudence is a review of what a reasonable utility manager would have done in light of the facts that were known or were reasonably knowable at the time the decision(s) were made. Accordingly, this discussion and analysis is limited to the facts in the record related to actual costs incurred in 2022.

A. TECO, DEF & FPL

Based on the Settlement Agreements we approved in Order No. PSC-2020-0293-AS-EI,[[10]](#footnote-10) OPC takes no position on the factors only for TECO, DEF, and FPL. The remaining intervenors concur with OPC. This position allows us to consider a Type 2 stipulation on the factors only for these three utilities. As set forth immediately below, we find that the record supports approval of the Type 2 stipulations for these utilities. We address FPUC separately at the end of this section of the Final Order due to the different legal position taken by OPC with respect to that utility.

1. TECO

In support of TECO’s 2022 true-up recovery amount, TECO witness Sweat described the company’s 2022 SPP activities, explained variances between projected and actual costs incurred in 2022, and explained variances between the level of activity projected for 2022 in the company’s 2022 SPP and the company’s actual accomplishments. Our staff asked clarifying questions regarding the 2022 variances through discovery and TECO provided answers. We have reviewed TECO’s responses and find them supported and adequate. Witness Sweat also opined that TECO appropriately and prudently managed the SPP projects.

TECO witness Roche provided additional support for the reported costs and methods used to determine the 2022 final true-up recovery amounts. Witness Roche provided a calculation of the final 2022 prudently incurred costs and determined it was $44,118,287. Witness Roche also explained that the actual 2022 project costs were compared to the prior estimate of 2022 project costs to determine the jurisdictional cost recovery true-up over-recovery amount of $1,278,701 for the period January 2022 through December 2022, including interest.

Commission staff witness Brown provided testimony and sponsored audit reports of TECO’s 2022 actual costs associated with the SPP activities. As noted in witness Brown’s testimony, staff’s audit activities included tracing and verification of the 2022 costs and the final true-up amounts. Witness Brown reported one finding. TECO was found to be applying an inappropriate revenue expansion factor to capital investment projects. The factor included a component for uncollectable accounts or bad debt expense. The appropriate mechanism for uncollectible accounts is base rates, not the SPPCRC. Witness Brown recounted that staff held an informal meeting with TECO on June 28, 2023, where TECO agreed to remove bad debt expense from the calculation for the SPPCRC return on investment rate moving forward. TECO also agreed to file an updated SPPCRC projection to address this issue.

We find no evidence that the requested costs to be recovered for year 2022 did not align with TECO’s approved 2022 Storm Protection Plan filed in Docket No. 20220048-EI.

Based on our review of the record, we approve the Type 2 stipulation and approve $44,118,287 as TECO’s final 2022 prudently incurred costs and an over-recovery amount of $1,278,701 as TECO’s jurisdictional cost recovery true-up amount, including interest, for the period January 2022 through December 2022.

2. DEF

In support of DEF’s 2022 true-up recovery amount, DEF witness Lloyd described the company’s 2022 SPP distribution-related activities and variances. DEF witness Brong described the company’s 2022 SPP transmission-related activities and variances. Our staff asked clarifying questions regarding select variances and project delays through discovery and DEF provided answers. We have reviewed DEF’s responses and found them supported and adequate.

DEF witness Menendez provided additional support for the reported costs and methods used to determine the 2022 final true-up recovery amounts. Witness Menendez provided a calculation of the final 2022 prudently incurred costs and determined it was $416,956,141. Witness Menendez also explained that the actual 2022 project costs were compared to the prior estimate of 2022 project costs to determine the jurisdictional cost recovery true-up over-recovery amount of $10,715,993 for the period January 2022 through December 2022, including interest.

Commission staff witness Vedula provided testimony and sponsored audit reports of DEF’s 2022 actual costs associated with the SPP activities. As noted in witness Vedula’s testimony, staff’s audit activities included tracing and verification of the 2022 costs and the final true-up amounts. Witness Vedula reported no findings.

We find no evidence that the requested costs to be recovered for year 2022 did not align with DEF’s approved 2020-2029 Storm Protection Plan filed in Docket Nos. 20200069-EI.

Based on our review of the record, we approve the Type 2 stipulation and approve $416,956,141 as DEF’s final 2022 prudently incurred costs and an over-recovery amount of $10,715,993 as DEF’s jurisdictional cost recovery true-up amount, including interest, for the period January 2022 through December 2022.

3. FPL

In support of FPL’s 2022 true-up recovery amount, FPL witness Jarro described the company’s 2022 SPP activities, explained variances between projected and actual costs incurred in 2022, and explained variances between the level of activity projected for 2022 in the company’s 2022 SPP and the company’s actual accomplishments. Our staff asked clarifying questions regarding select apparent extreme 2022 variances through discovery and FPL provided answers. We have reviewed FPL’s responses and found them supported and adequate. Witness Sweat also opined that FPL appropriately and prudently managed the SPP projects.

FPL witness Hume provided additional support for the reported costs and methods used to determine the 2022 final true-up recovery amounts. Witness Hume provided a calculation of the final 2022 prudently incurred costs and determined it was $1,292,952,697. Witness Hume also explained that the actual 2022 project costs were compared to the prior estimate of 2022 project costs to determine the jurisdictional cost recovery true-up under-recovery amount of $5,171,245 for the period January 2022 through December 2022, including interest. FPL filed an errata to Exhibit 12 on August 4, 2023. The changes were non-numerical in nature and did not impact any previously detailed calculations.

Commission staff witness Brown provided testimony and sponsored audit reports of FPL’s 2022 actual costs associated with the SPP activities. As noted in witness Brown’s testimony, staff’s audit activities included tracing and verification of the 2022 costs and the final true-up amounts. Witness Brown reported no findings.

We find no evidence that the requested costs to be recovered for year 2022 did not align with FPL’s approved 2020-2029 Storm Protection Plan filed in Docket Nos. 20200070-EI and 20200071-EI.

Based on our review of the record, we approve the Type 2 stipulation and approve $1,292,952,697 as FPL’s final 2022 prudently incurred costs and an under-recovery amount $5,171,245 as FPL’s jurisdictional cost recovery true-up amount, including interest, for the period January 2022 through December 2022.

B. FPUC

FPUC was not a party to the Settlement Agreements we approved in Order No. PSC-2020-0293-AS-EI, and submitted its initial SPP later than the other utilities.[[11]](#footnote-11) Because of these distinctions and the different history of FPUC’s SPP, OPC’s legal position with respect to FPUC’s final 2022 prudently incurred costs and final jurisdictional revenue requirement true-up amounts is different from the “no position” taken with respect to the other utilities.

Specifically, OPC contends that we are required to conduct a full prudence review of FPUC’s proposed SPP programs and projects under Section 366.06(1), F.S., as a prerequisite to making a determination of recoverable costs in this docket. Because there has been no review and prudence finding regarding FPUC’s SPP programs and projects, OPC contends there can be no cost recovery.

This issue has been previously raised and rejected in this docket. Prior to the Prehearing Conference, OPC proposed nine issues for consideration, two of which read as follows:

OPC ISSUE 4A: Has FPUC demonstrated that the programs and projects contained in its current SPP plan and on which it is basing cost recovery, are prudent to undertake and prudent in amount?

OPC ISSUE 4B: Has the Commission properly determined, pursuant to Section 366.06(1), Fla. Stat., that the projected expenditures proposed for cost recovery by FPUC are prudent?

The Prehearing Officer disallowed all issues pursued by OPC, specifically disposing of the two issues[[12]](#footnote-12) quoted above as follows:

The first of these issues asks the Commission to determine whether each utility has “demonstrated that the programs and projects contained in its current SPP plan and on which it is basing cost recovery, are prudent to undertake and prudent in amount.” The programs and projects contained in each utility’s SPP are subject to Commission review every three years in a docket separate and apart from the SPPCRC docket. [fn.1 *See* Fla. Stat. § 366.96(6). F.S.] The SPPCRC docket is “an annual proceeding to determine the utility’s prudently incurred transmission and distribution storm protection plan costs and allow the utility to recover such costs through a charge separate and apart from its base rates.” [fn. 2 Fla. Stat. § 366.96(7).] F.S. Thus, the Commission lacks statutory authority to review the current SPP programs and projects in this [SPPCRC] docket.

The programs and projects in each utility’s current SPP were approved by this Commission in November 2022. [fn. 3 Order No. PSC-2022-0386-FOF-EI (TECO); Order No. PSC-2022-0387-FOF-EI (FPUC); Order No. PSC-2022-0388A-FOF-EI (DEF); and Order No. PSC-2022-0389-FOF-EI (FPL).] In the 2022 Final Orders approving the SPPs, the Commission concluded that Section 366.96(5), F.S., requires it to determine whether each utility’s SPP is in the public interest when approving, approving with modification, or denying the SPP. [fn. 4 “No later than 180 days after a utility files a transmission and distribution storm protection plan that contains all of the elements required by commission rule, the commission shall determine whether it is in the public interest to approve, approve with modification, or deny the plan.” Fla. Stat. § 366.96(5). F.S.] The Commission rejected OPC’s argument that the prudence standard should be applied to SPP projects and programs, and approved, with a few modifications, the utilities’ SPPs as being in the public interest. Those Orders, along with the Order concluding the 2022 SPPCRC docket [fn. 5 Order No. PSC-2022-0418-FOF-EI.], are the subject of a consolidated appeal brought by OPC and currently pending before the Florida Supreme Court. [fn. 6 Case Nos. SC22-1733, SC22-1735, SC22-1745, SC22-1748 & SC22-1777.] Until such time as the Court disposes of the appeal or otherwise relinquishes jurisdiction, this Commission is without authority to revisit or supplement the findings of fact and conclusions of law regarding the current SPP in the prior Final Orders. Those findings and conclusions directly address and dispose of the first issue OPC has proposed in this docket.

For all of these reasons, OPC proposed Issues 1A, 2A, 3A & 4A are disallowed.

OPC’s second issue requests that the Commission determine whether the projected expenditures proposed for cost recovery by each utility are prudent. Just as it did with the above issue, OPC argues here that the Commission should apply a prudence test where another standard is established by law. The Commission’s review of projected expenditures in the SPPCRC is “limited to determining the reasonableness of projected Storm Protection Plan costs” by Rule 25-6.031(3), F.A.C. Projected expenditures are not subject to a separate prudence determination in this docket as urged by OPC. The appropriate legal scope of the Commission’s review of each utility’s actual 2022, actual/estimated 2023, and projected 2024 SPP projects, costs, and revenue requirements in this docket is accurately and fully set forth in Issues No. 1-4.

Because the cognizable matters raised by OPC are subsumed in Issues No. 1-4, proposed Issues 1B, 2B, 3B & 4B are disallowed. [[13]](#footnote-13)

We find OPC’s legal argument in Issue 1 to be an untimely reargument of proposed and stricken Issues 4A and 4B. We reject OPC’s argument on the same grounds relied upon by the Prehearing Officer and quoted immediately above.

No party opposed a Type 2 stipulation for Issue 1, subject to the above legal argument. Because we have rejected that argument, the only remaining question is whether to accept the Type 2 stipulation.

In support of FPUC’s 2022 true-up recovery amount, FPUC witness Cutshaw described the company’s 2022 SPP activities, explained variances between projected and actual costs incurred in 2022, and explained variances between the level of activity projected for 2022 in the company’s 2022 SPP and the company’s actual accomplishments. Our staff asked clarifying questions regarding the 2022 variances and calculations through discovery and FPUC provided answers. We have reviewed FPUC’s responses and believe they are supported and adequate.

FPUC witness Bennett[[14]](#footnote-14) provided additional support for the reported costs and methods used to determine the 2022 final true-up recovery amounts. Witness Bennett provided a calculation of the final 2022 prudently incurred costs and determined it was $1,519,733. Witness Bennett also explained that the actual 2022 project costs were compared to the prior estimate of 2022 project costs to determine the jurisdictional cost recovery true-up under-recovery amount of $157,305 for the period January 2022 through December 2022, including interest.

Commission staff witness Vedula provided testimony and sponsored audit reports of FPUC’s 2022 actual costs associated with the SPP activities. As noted in witness Vedula’s testimony, staff’s audit activities included tracing and verification of the 2022 costs and the final true-up amounts. Witness Vedula reported no findings.

We find no evidence that the requested costs to be recovered for year 2022 did not align with FPUC’s approved Storm Protection Plan filed in Docket No. 20220049-EI.

Based on our review of the record, we approve the Type 2 stipulation, and approve $1,519,733 as FPUC’s final 2022 prudently incurred costs and an under-recovery amount of $157,305 as FPUC’s jurisdictional cost recovery true-up amount, including interest, for the period January 2022 through December 2022.

**Reasonably estimated 2023 costs and estimated jurisdictional**

**revenue requirement true-up amounts (Issue 2)**

This issue addresses the reasonableness of each utility’s 2023 actions, estimated costs, and the resultant final true-up amount that each will use in calculating its 2024 SPPCRC factor. As with the above issue, resolution of this issue impacts the issues that follow in this Order.

OPC raises several familiar legal arguments in opposition to the utilities’ 2023 requests. OPC first argues that we must make two prudence determinations in order to approve recovery of reasonably estimated 2023 storm protection costs and a reasonably estimated jurisdictional revenue requirement true-up amount. First, OPC contends we must make a “prospective” prudence determination of the SPP programs and projects. Second, we must make a “retrospective” prudence determination in the SPPCRC docket of costs incurred to implement SPP programs and projects. OPC argues that this layered review is mandated because both the SPP and SPPCRC dockets involve ratemaking and, therefore, are subject to the requirements of 366.06(1), F.S.

In support of this legal argument, OPC cites to Hearing Exhibits 43-46, which are written cross examination questions proffered by OPC and answered separately by TECO, FPUC, FPL and DEF. OPC asserts that the witnesses’ answers to these questions demonstrate (1) that there is a difference or can be a difference in a prospective determination of whether managerial and operational actions are prudent and a retrospective finding of whether money was spent prudently; (2) that we made no prospective findings of prudence for individual projects or programs prior to implementation of the SPPs; and (3) that we, in our review of cost recovery, made no prudence findings regarding the SPP projects and programs. The witnesses’ substantive answers to these questions are qualified by each utility objecting on the grounds that the questions were irrelevant and called for legal conclusions.

Pursuant to controlling law, we conduct both prospective and retrospective review before allowing recovery for storm protection activities, but not in the scope argued by OPC.

The scope of our prospective review of SPPs is clearly set forth in statute:

No later than 180 days after a utility files a transmission and distribution plan that contains all of the elements required by Commission rule, the commission shall determine whether it is in the public interest to approve, approve with modification, or deny the plan.

Section 366.96(5), F.S.

Likewise, our retrospective review of costs incurred or about to be incurred pursuant to an approved SPP is clearly established:

An annual hearing to address petitions for recovery of Storm Protection Plan costs will be limited to determining the reasonableness of projected Storm Protection Plan costs, the prudence of actual Storm Protection Plan costs incurred by the utility, and to establish Storm Protection Plan cost recovery factors consistent with the requirements of this rule.

Rule 25-6.031(3), F.A.C.

OPC’s legal arguments as to why prudence should be lifted from Section 366.06(1), F.S., and made a threshold issue in the SPP and SPPCRC dockets, despite a different and specific statutory and rule framework, is in all material respects a reargument of the position taken in last year’s SPP and SPPCRC docket and rejected by us. As noted above, that Final Order is currently on appeal to the Florida Supreme Court. We agree with the position of the utilities that OPC’s argument is an improper collateral attack on the Final Order, and reject the argument on that jurisdictional basis.

OPC’s specific legal arguments with respect to all utilities in Issue 2 are identical to those it made with respect to FPUC in Issue 1. Because the arguments are the same, we find the Prehearing Officer’s analysis equally appropriate and applicable,[[15]](#footnote-15) and reject OPC’s arguments based on the findings and conclusions made by the Prehearing Officer and quoted *supra.*

Subject to its legal argument, OPC takes no position on 2023 costs for the purpose of allowing us to approve Type 2 stipulations on the factors only for 2023. No party opposes the Type 2 stipulations. Because we rejected OPC’s overarching legal argument, the only remaining question is whether to approve the Type 2 stipulations.

1. TECO

In support of TECO’s 2023 recovery amount, TECO witness Sweat described the company’s 2023 SPP activities, explained variances between projected and actual costs incurred in 2023, and explained variances between the level of activity projected for 2023 in the company’s approved 2022-2031 SPP and the company’s actual accomplishments. Our staff asked clarifying questions regarding the 2023 variances through discovery and TECO provided answers. We have reviewed TECO’s responses and find them supported and adequate. Witness Sweat also opined that TECO appropriately and reasonably managed the SPP projects.

TECO witness Roche provided additional support for the reported costs and methods used to determine the 2023 true-up recovery amounts. Witness Roche provided a calculation of the estimated 2023 reasonably incurred costs and determined it was $67,657,813. Witness Roche also explained that the updated estimate of 2023 project costs were compared to the prior estimate of 2023 project costs to determine the jurisdictional cost recovery true-up under-recovery amount of $3,056,003 for the period January 2023 through December 2023, including interest.

We find no evidence that the requested costs to be recovered for year 2023 do not align with TECO’s approved 2022 Storm Protection Plan filed in Docket No. 20220048-EI.

Based on our review of the record, we approve the Type 2 stipulation, and approve $67,657,813 as TECO’s reasonably estimated 2023 costs and an under-recovery amount of $3,056,003 as TECO’s jurisdictional cost recovery true-up amount, including interest, for the period January 2023 through December 2023.

2. DEF

In support of DEF’s 2023 true-up recovery amount, DEF witness Lloyd described the company’s 2023 SPP distribution-related activities and variances. DEF witness Brong described the company’s 2023 SPP transmission-related activities and variances. DEF witness Menendez provided additional support for the reported costs and methods used to determine the 2023 true-up recovery amounts. Witness Menendez explained that the actual 2023 project costs were compared to the prior estimate of 2023 project costs to determine the jurisdictional cost recovery true-up over-recovery amount of $17,788,390 for the period January 2023 through December 2023 including interest. Witness Menendez also provided a calculation of the estimated 2023 reasonably incurred costs and determined it was $669,882,033.

We find no evidence that the requested costs to be recovered for year 2023 do not align with DEF’s approved 2023-2032 Storm Protection Plan filed in Docket No. 20220050-EI.

Based on our review of the record, we approve the Type 2 stipulation, and approve $669,882,033 as DEF’s reasonably estimated 2023 costs and an over-recovery amount of $17,788,390 as DEF’s jurisdictional cost recovery true-up amount, including interest, for the period January 2023 through December 2023.

3. FPUC

In support of FPUC’s 2023 recovery amount, FPUC witness Cutshaw described the company’s 2023 SPP activities, explained variances between projected and actual costs incurred in 2023, and explained variances between the level of activity projected for 2023 in the company’s approved 2022-2031 SPP and the company’s actual accomplishments. Our staff asked clarifying questions regarding the 2023 variances through discovery and FPUC provided answers. We have reviewed FPUC’s responses and find them supported and adequate. Witness Cutshaw also affirmed that FPUC’s programs and activities for 2023 are consistent with FPUC’s approved 2022-2031 SPP.

FPUC witness Bennett provided additional support for the reported costs and methods used to determine the 2023 true-up recovery amounts. Witness Bennett provided a calculation of the estimated 2023 reasonably incurred costs and determined it was $10,319,882. Witness Bennett also explained that the updated estimate of 2023 project costs were compared to the prior estimate of 2023 project costs to determine the jurisdictional cost recovery true-up over-recovery amount of $142,094 for the period January 2023 through December 2023, including interest.

We find no evidence that the requested costs to be recovered for year 2023 do not align with FPUC’s approved Storm Protection Plan filed in Docket No. 20220049-EI.

Based on our review of the record, we approve the Type 2 stipulation, and approve $10,319,882 as FPUC’s reasonably estimated 2023 costs and an over-recovery amount of $142,094 as FPUC’s jurisdictional cost recovery true-up amount, including interest, for the period January 2023 through December 2023.

4. FPL

In support of FPL’s 2023 recovery amount, FPL witness Jarro described the company’s 2023 SPP activities, explained variances between projected and actual costs incurred in 2023, and explained variances between the level of activity projected for 2023 in the company’s approved 2023-2032 SPP and the company’s actual accomplishments. Our staff asked clarifying questions regarding the 2023 variances through discovery and FPL provided answers. We have reviewed FPL’s responses and find them supported and adequate. Witness Jarro also opined that FPL appropriately and reasonably managed the SPP projects.

FPL witness Hume provided additional support for the reported costs and methods used to determine the 2023 true-up recovery amounts. Witness Hume provided a calculation of the estimated 2023 reasonably incurred costs and determined it was $1,307,293,308. Witness Hume also explained that the updated estimate of 2023 project costs were compared to the prior estimate of 2023 project costs to determine the jurisdictional cost recovery true-up under-recovery amount of $14,860,970 for the period January 2023 through December 2023, including interest.

We find no evidence that the requested costs to be recovered for year 2023 do not align with FPL’s approved 2023-2032 Storm Protection Plan filed in Docket No. 20220051-EI.

Based on our review of the record, we approve $1,307,293,308 as FPL’s reasonably estimated 2023 costs and an under-recovery amount of $14,860,970 as FPL’s jurisdictional cost recovery true-up amount, including interest, for the period January 2023 through December 2023.

**Reasonably projected 2024 costs and projected jurisdictional**

**revenue requirement amounts (Issue 3)**

This issue addresses the reasonableness of TECO’s 2024 projected activities and costs, and the resultant final true-up amount that TECO will use in calculating its 2024 SPPCRC factor. Resolution of this issue will impact Issues that follow in this Order.

OPC raises the same prospective prudence argument here regarding 2024 reasonably projected costs as it made immediately above regarding 2023 reasonably projected costs. As it did above, OPC relies upon Hearing Exhibits 43-46, which are the written cross examination questions proffered by OPC and answered separately by each utility. OPC asserts that the witnesses’ answers to these questions demonstrate (1) that the SPP programs and projects on which 2024 costs are based have not been subject to a prospective prudence review and (2) the 2024 costs will be subject to a retrospective prudence review in 2025 after they have been incurred. As noted by OPC, the witnesses’ substantive answers to these questions were qualified by each utility objecting on the grounds that the questions were irrelevant and called for legal conclusions.

Subject to this legal argument, OPC takes no position on the 2024 costs for the purpose of allowing us to approve Type 2 stipulations on the factors only. No party opposes the Type 2 stipulations. Because we have rejected OPC’s overarching legal argument for the reasons set forth above, the only remaining question is whether to accept the Type 2 Stipulations.

1. TECO

In support of TECO’s 2024 recovery amount, TECO witness Sweat described the company’s projected 2024 SPP projects and activities. TECO witness Roche provided additional support for the reported costs and methods used to determine the 2024 recovery amounts. Witness Roche provided a calculation of the projected 2024 costs and determined it to be $212,589,753. Witness Roche also determined the projected jurisdictional revenue requirement to be $90,584,791 for the period January 2024 through December 2024.

On July 21, 2023, TECO filed revised testimony from witness Roche regarding its proposed 2024 cost recovery factors. This revision incorporated a change to TECO’s revenue expansion factor based on informal discussions with staff, and updated TECO’s proposed 2024 billing determinants based on its latest load forecast. On July 31, 2023, the company filed the second revised testimony of witness Roche to make an additional adjustment to the proposed 2024 billing determinants.

We find no evidence that the requested costs to be recovered for year 2024 do not align with TECO’s approved 2022 Storm Protection Plan filed in Docket No. 20220048-EI.

Based on our review of the record, we approve $212,589,753 as TECO’s reasonably projected 2024 costs and a jurisdictional revenue requirement of $90,584,791 for the period January 2024 through December 2024.

2. DEF

In support of DEF’s 2024 projected recovery amount, DEF witness Lloyd described the company’s 2024 SPP distribution-related activities. DEF witness Brong described the company’s 2023 SPP transmission-related activities. DEF witness Menendez provided additional support for the reported costs and methods used to determine the 2024 recovery amounts. Witness Menendez provided a calculation of the estimated 2023 reasonably incurred costs and determined it to be $783,792,564. Witness Menendez also determined the jurisdictional revenue requirement amount to be $17,788,390 for the period January 2024 through December 2024.

We find no evidence that the requested costs to be recovered for year 2024 do not align with DEF’s approved 2023-2032 Storm Protection Plan filed in Docket No. 20220050-EI.

Based on our review of the record, we approve $783,792,564 as DEF’s reasonably projected 2024 costs and a jurisdictional revenue requirement of $201,370,792 for the period January 2024 through December 2024.

3. FPUC

In support of FPUC’s 2024 recovery amount, FPUC witness Cutshaw described the company’s projected 2024 SPP projects and activities. FPUC witness Bennett provided additional support for the reported costs and methods used to determine the 2024 recovery amounts. Witness Roche provided a calculation of the projected 2024 costs and determined it to be $13,620,916. Witness Bennett also determined the projected jurisdictional revenue requirement to be $2,448,891 for the period January 2024 through December 2024.

We find no evidence that the requested costs to be recovered for year 2024 do not align with FPUC’s approved Storm Protection Plan filed in Docket No. 20220049-EI.

Based on our review of the record, we approve $13,620,916 as FPUC’s reasonably projected 2024 costs and a jurisdictional revenue requirement of $2,448,891 for the period January 2024 through December 2024.

4. FPL

In support of FPL’s 2024 recovery amount, FPL witness Jarro described the company’s projected 2024 SPP projects and activities. FPL witness Hume provided additional support for the reported costs and methods used to determine the 2024 recovery amounts. Witness Hume provided a calculation of the projected 2024 costs and determined it to be $1,389,706,289. Witness Hume also determined the projected jurisdictional revenue requirement to be $513,855,741 for the period January 2024 through December 2024.

We find no evidence that the requested costs to be recovered for year 2024 do not align with FPL’s approved 2023-2032 Storm Protection Plan filed in Docket No. 20220051-EI.

Based on our review of the record, we approve $1,389,706,289 as FPL’s reasonably projected 2024 costs and a jurisdictional revenue requirement of $513,855,741 for the period January 2024 through December 2024.

**Storm Protection Plan Cost Recovery Clause total jurisdictional**

**revenue requirements, including true-ups, to be included in the**

**Storm Protection Plan Cost Recovery factors for 2024 (Issue 4)**

This is a fall-out issue addressing the amount we should approve to establish each utility’s net SPPCRC recovery amount to be collected through its 2024 SPPCRC factor. No new arguments or concerns are addressed in this issue. The total jurisdictional amount is the sum of the recovery amounts we have decided above (Issues 1-3).

Subject to the same legal argument it made with prior issues, OPC takes no position on the 2024 costs for the purpose of allowing us to approve Type 2 stipulations on the factors only. No party opposes the Type 2 stipulations. Because we have rejected OPC’s overarching legal argument for the reasons set forth above, the only remaining question is whether we should accept the Type 2 stipulations.

1. TECO

No party to this docket challenged TECO’s total jurisdictional cost recovery amount for 2024. The uncontested competent substantial evidence in the record supports TECO’s total jurisdictional cost recovery amount for 2024.

No evidence of unreasonableness or imprudence was presented by the parties, and we find no evidence of unreasonableness or imprudence in our review of TECO’s 2023 SPPCRC. Thus, no adjustments to TECO’s requested recovery amounts are necessary.

Based on our review of the record and our previous findings in this Order, we approve $92,428,593 as TECO’s total jurisdictional cost recovery amount, including true-ups, to be used in establishing TECO’s Storm Protection Plan Cost Recovery factor for the period January 2024 through December 2024.

2. DEF

No party has challenged any specific input DEF used for its revenue requirement. The uncontested evidence supports it total request for 2024.

No evidence of unreasonableness or imprudence was presented by the parties, and we find no evidence of unreasonableness or imprudence in our review of DEF’s 2023 SPPCRC filings. Thus, no adjustments to DEF’s requested recovery amounts are necessary.

Based on our review of the record and our previous findings in this Order, we approve $172,866,409 as DEF’s total jurisdictional cost recovery amount, including true-ups, to be used in establishing DEF’s Storm Protection Plan Cost Recovery factor for the period January 2024 through December 2024.

3. FPUC

FPUC’s 2024 projections and calculations have been made in accordance with Rule 25-6.031, F.A.C., and the factors are based on 2022 actual, prudently incurred costs associated with the implementation of those aspects of FPUC’s approved SPP, as well as reasonable estimates of costs to be incurred in the remainder of 2023 and in 2024.

No evidence of unreasonableness or imprudence was presented by the parties, and we found no evidence of unreasonableness or imprudence in our review of FPUC’s 2023 SPPCRC filings. Thus, no adjustments to FPUC’s requested recovery amounts are necessary.

Based on our review of the record and our previous findings in this Order, we approve $2,465,876 as FPUC’s total jurisdictional cost recovery amount, including true-ups, to be used in establishing FPUC’s Storm Protection Plan Cost Recovery factor for the period January 2024 through December 2024.

4. FPL

No parties presented any evidence of record to refute or otherwise contest the reasonableness or prudence of FPL’s projects or associated costs underlying the total 2024 SPPCRC jurisdictional revenue requirement, or the calculation of that revenue requirement.

No evidence of unreasonableness or imprudence was presented by the parties, and we found no evidence of unreasonableness or imprudence in our review of FPL’s 2023 SPPCRC filings. Thus, no adjustments to FPL’s requested recovery amounts are necessary.

Based on our review of the record and our previous findings in this Order, we approve $533,887,956 as FPL’s total jurisdictional cost recovery amount, including true-ups, to be used in establishing FPL’s Storm Protection Plan Cost Recovery factor for the period January 2024 through December 2024.

**Depreciation rates to be used to develop the depreciation expense**

**included in the total Storm Protection Plan Cost Recovery**

**Clause amounts for 2024 (Issue 5)**

Rule 25-6.031(6)(c), F.A.C., states that, “[t]he utility may recover annual depreciation expense on capitalized Storm Protection Plan expenditures using the utility’s most recent Commission-approved rates.” No intervenor provided any testimony or evidence taking issue with or contradicting any of the Company’s positions as to the most recent Commission-approved rates, nor did they offer any alternative positions. Accordingly, we approve the depreciation rates set forth below.

1. TECO

TECO shall use the depreciation rates we approved in Order No. PSC-2021-0423-S-EI, issued November 10, 2021, in Docket No. 20210034-EI, *In re: Petition for rate increase by Tampa Electric Company*.

2. DEF

DEF shall use the depreciation rates we approved in Order No. PSC-2021-0202A-AS-EI, issued June 28, 2021, in Docket Nos. 20190110-EI, 20190222-EI & 20210016-EI, *In re: Petition for limited proceeding to approve 2021 settlement agreement, including general base rate increases, by Duke Energy Florida, LLC*.

3. FPUC

FPUC shall use the depreciation rates we approved in Order No. PSC-2020-0347-AS-EI, issued October 8, 2020, in Docket Nos. 20190155, 20190156 & 20190174-EI, *In re: Petition for approval of 2019 depreciation study by Florida Public Utilities Company*.

4. FPL

FPL shall use the depreciation rates we approved in Order Nos. PSC-2021-0446-S-EI and PSC-2021-0446A-S-EI, issued December 2 & 9, 2021, respectively, in Docket No. 20210015-EI, *In re: Petition for rate increase by Florida Power & Light Company*.

**Appropriate jurisdictional separation factors for 2024 (Issue 6)**

This issue addresses the appropriate 2024 SPPCRC jurisdictional separation factors for each utility. No intervenor presented evidence to contest any factor proposed by any utility. No intervenor takes a position regarding the proposed factors. We have reviewed the record, find the separation factors proposed by each utility to be appropriate, and approve the following factors for each utility for the period January 2024 through December 2024:

1. TECO

FPSC Jurisdictional Factor: 93.3746%

FERC Jurisdictional Factor: 6.6254%

2. DEF

Distribution: 1.0000000

Transmission: 0.7204200

Labor: 0.9677918

3. FPUC

There is no jurisdictional separation applicable to FPUC.

4. FPL

DEMAND

Transmission 0.894143

Non-Stratified Production 0.960923

Intermediate Strata Production 0.954528

Peaking Strata Production 0.942663

Distribution 1.000000

ENERGY

Total Sales 0.943704

Non-Stratified Sales 0.958349

Intermediate Strata Sales 0.944751

Peaking Strata Sales 0.957272

GENERAL PLANT

Labor 0.970449

**Appropriate Storm Protection Plan Cost Recovery Clause**

**factors for 2024 for each rate class (Issue 7)**

This issue addresses the appropriate 2024 SPPCRC factors for each utility. Subject to its overarching legal argument, OPC takes no position on the 2024 costs for the purpose of allowing use to approve Type 2 stipulations on the factors only. No party opposes the Type 2 stipulations, and no party presented evidence to contest any factor proposed by any utility. Because we have rejected OPC’s overarching legal argument for the reasons set forth above, the only remaining question is whether to accept the Type 2 Stipulations.

Based on the uncontested factual record, we accept the Type 2 Stipulations and approve the factors for each utility as filed and as set forth below.

1. TECO

**Cost Recovery Factors**

**Rate Schedule (cents per kWh)**

RS 0.658

GS and CS 0.775

GSD Optional – Secondary 0.172

GSD Optional – Primary 0.170

GSD Optional – Subtransmission 0.168

LS-1, LS-2 3.877

**Cost Recovery Factors**

**Rate Schedule (dollars per kW)**

GSD – Secondary 0.72

GSD – Primary 0.71

GSD – Subtransmission 0.70

SBD – Secondary 0.72

SBD – Primary 0.71

SBD – Subtransmission 0.70

GSLD - Primary 0.60

GSLD - Subtransmission 0.12

2, DEF

**Customer Class** **SPPCRC Factor**

Residential 0.510 cents/kWh

General Service Non-Demand 0.494 cents/kWh

@ Primary Voltage 0.489 cents/kWh

@ Transmission Voltage 0.484 cents/kWh

General Service 100% Load Factor 0.231 cents/kWh

General Service Demand 1.34 $/kW

@ Primary Voltage 1.31 $/kW

@ Transmission Voltage 0.25 $/kW

Curtailable 2.11 $/kW

@ Primary Voltage 2.09 $/kW

@ Transmission Voltage 2.07 $/kW

Interruptible 1.02 $/kW

@ Primary Voltage 0.83 $/kW

@ Transmission Voltage 0.19 $/kW

Standby Monthly 0.119 $/kW

@ Primary Voltage 0.118 $/kW

@ Transmission Voltage 0.117 $/kW

Standby Daily 0.057 $/kW

@ Primary Voltage 0.056 $/kW

@ Transmission Voltage 0.056 $/kW

Lighting 0.373 cents/kWh

3. FPUC

|  |  |
| --- | --- |
| Rate Schedule | SPP  FACTORS  PER KWH |
| Residential | $0.00432 |
| General Service | $0.00498 |
| General Service Demand | $0.00273 |
| General Service Large Demand | $0.00174 |
| Industrial/Standby | $0.00293 |
| Lighting Service | $0.02652 |

4. FPL

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Rate Class | SPP Factor ($/kW) | SPP Factor ($/kWh) | RDC ($/KW) | SDD ($/KW) |
| RS1/RTR1 |  | 0.00557 |  |  |
| GS1/GST1 |  | 0.00499 |  |  |
| GSD1/GSDT1/HLFT1/GSD1-EV | 1.02 |  |  |  |
| OS2 |  | 0.01527 |  |  |
| GSLD1/GSLDT1/CS1/CST1/HLFT2/GSLD1-EV | 1.00 |  |  |  |
| GSLD2/GSLDT2/CS2/CST2/HLFT3 | 0.96 |  |  |  |
| GSLD3/GSLDT3/CS3/CST3 | 0.16 |  |  |  |
| SST1T |  |  | 0.02 | 0.01 |
| SST1D1/SST1D2/SST1D3 |  |  | 0.17 | 0.07 |
| CILC D/CILC G | 1.00 |  |  |  |
| CILC T | 0.14 |  |  |  |
| MET | 1.25 |  |  |  |
| OL1/SL1/SL1M/PL1/OSI/II |  | 0.00394 |  |  |
| SL2/SL2M/GSCU1 |  | 0.00504 |  |  |

**Effective date of the new Storm Protection Plan Cost Recovery**

**Clause factors for billing purposes (Issue 8)**

This issue addresses the appropriate effective date for the SPPCRC factors for each utility. There is no substantive disagreement among the parties and intervenors regarding the effective date. Based on our review of the record and consistent with prior orders in this annual docket, we approve the following as the effective date of the 2024 SPPCRC factors for billing purposes:

1. TECO

The 2024 SPPCRC factors will become effective for application to bills beginning the first billing cycle in January 2024 through the last billing cycle December 2024 and continuing until modified by us in a subsequent order.

2. DEF

The 2024 SPPCRC factors will become effective for application to bills beginning the first billing cycle in January 2024 through the last billing cycle December 2024 and continuing until modified by us in a subsequent order.

3. FPUC

The 2024 SPPCRC factors will become effective for application to bills beginning the first billing cycle in January 2024 through the last billing cycle December 2024 and continuing until modified by us in a subsequent order.

4. FPL

The 2024 SPPCRC factors will become effective for application to bills beginning the first billing cycle in January 2024 through the last billing cycle December 2024 and continuing until modified by us in a subsequent order.

**Revised tariffs reflecting the new Storm Protection Plan**

**Cost Recovery Clause factors determined to be**

**appropriate in this proceeding (Issue 9)**

This issue addresses the revised tariffs for each utility, which shall reflect the new SPPCRC factors as determined to be appropriate in this proceeding. Subject to its overarching legal argument, OPC takes no position on the revised tariffs for the purpose of allowing us to approve Type 2 stipulations on the factors only. No party opposes the Type 2 stipulations. Because we have rejected OPC’s overarching legal argument for the reasons set forth above, the only remaining question is whether to accept the Type 2 Stipulations.

Consistent with our rulings above and our review of the full record, we accept the Type 2 Stipulations and approve revised tariffs reflecting the new SPPCRC factors we have determined to be appropriate in this proceeding as follows:

1. TECO

TECO shall submit revised tariffs reflecting the SPPCRC factors we have determined to be appropriate in this proceeding. Staff shall verify that the revised tariffs are consistent with this Order. We grant staff administrative authority to approve revised tariffs that reflect the new SPPCRC factors we have determined to be appropriate in this proceeding.

2. DEF

DEF shall submit revised tariffs reflecting the SPPCRC factors we have determined to be appropriate in this proceeding. Staff shall verify that the revised tariffs are consistent with this Order. We grant staff administrative authority to approve revised tariffs that reflect the new SPPCRC factors we have determined to be appropriate in this proceeding.

3. FPUC

FPUC shall submit revised tariffs reflecting the SPPCRC factors we have determined to be appropriate in this proceeding. Staff shall verify that the revised tariffs are consistent with this Order. We grant staff administrative authority to approve revised tariffs that reflect the new SPPCRC factors we have determined to be appropriate in this proceeding.

4. FPL

FPL shall submit revised tariffs reflecting the SPPCRC factors we have determined to be appropriate in this proceeding. Staff shall verify that the revised tariffs are consistent with this Order. We grant staff administrative authority to approve revised tariffs that reflect the new SPPCRC factors we have determined to be appropriate in this proceeding.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the findings and rulings herein are approved. It is further

ORDERED that each utility that was a party to this docket shall abide by the findings and rulings herein which are applicable to it. It is further

ORDERED that Tampa Electric Company, Duke Energy Florida, LLC, Florida Public Utilities Company, and Florida Power & Light Company are hereby authorized to apply the storm cost recovery factors set forth above during the period January 2024 through December 2024. It is further

ORDERED that the storm protection plan cost recovery clause is a continuing docket and shall remain open until a new docket number is assigned next year.

By ORDER of the Florida Public Service Commission this 29th day of November, 2023.

|  |  |
| --- | --- |
|  | /s/ Adam J. Teitzman |
|  | ADAM J. TEITZMAN  Commission Clerk |

Florida Public Service Commission

2540 Shumard Oak Boulevard

Tallahassee, Florida 32399

(850) 413‑6770

www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

SPS

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

1. Order No. PSC-2020-0293-AS-EI, issued August 28, 2020, in Docket Nos. 20200067-EI, *In re: Review of 2020-2029 Storm Protection Plan pursuant to Rule 25-6.030, F.A.C., Tampa Electric Company*; 20200069-EI, *In re: Review of 2020-2029 Storm Protection Plan pursuant to Rule 25-6.030, F.A.C., Duke Energy Florida, LLC;* 20200070-EI, *In re: Review of 2020-2029 Storm Protection Plan pursuant to Rule 25-6.030, F.A.C., Gulf Power Company;* 20200071-EI, *In re: Review of 2020-2029 Storm Protection Plan pursuant to Rule 25-6.030, F.A.C., Florida Power & Light Company; and* 20200092-EI, *In re: Storm Protection Plan cost recovery clause.* [↑](#footnote-ref-1)
2. The settlement agreements required these utilities to file updated plans in 2022, consistent with the requirement in section 396.96(6), F.S., that we are to review utility SPPs “[a]t least every 3 years.” [↑](#footnote-ref-2)
3. Docket Nos. 20220051-EI (FPL), 20220050-EI (DEF) and 20220048-EI (TECO). [↑](#footnote-ref-3)
4. On March 17, 2020, FPUC requested that it be allowed to defer the filing of its initial SPP for a period of one year, from April 10, 2020, to April 10, 2021. By Order No. PSC-2020-0097-PCO-EI, issued on April 6, 2020, the Prehearing Officer granted FPUC’s request to file its initial SPP in 2021, and further instructed FPUC to submit its updated SPP in 2023. FPUC requested and was allowed by Order PSC-2021-0026-CO-EI entered January 10, 2021, to defer the filing of its initial SPP from April 12, 2021, to April 2022, so that it could remain in alignment with the overall plan update schedule for the other utilities. *See* Docket No. 20200228-EI, *In re: Request to modify filing dates set forth in Order PSC-2020-0097-PCO-EI for storm protection plan and first plan update, by Florida Public Utilities Company.* [↑](#footnote-ref-4)
5. Order No. PSC-2022-0386A-FOF-EI, issued December 1, 2022, in Docket No. 20220048-EI, *In re: Review of Storm Protection Plan, pursuant to Rule 25-6.030, F.A.C., Tampa Electric Company*; Order No. PSC-2022-0387-FOF-EI, issued November 10, 2023, in Docket No. 20220049-EI, *In re: Review of Storm Protection Plan, pursuant to Rule 25-6.030, F.A.C., Florida Public Utilities Company;* Order No. PSC-2022-0388A-FOF-EI, issued November 14, 2022, in Docket No. 20220050-EI, *In re: Review of Storm Protection Plan, pursuant to Rule 25-6.030, F.A.C., Duke Energy Florida, LLC*; *and* Order No. PSC-2022-0389-FOF-EI, issued November 10, 2022, in Docket No. 20220051-EI, *In re: Review of Storm Protection Plan, pursuant to Rule 25-6.030, F.A.C., Florida Power & Light Company*. [↑](#footnote-ref-5)
6. Case Nos. SC22-1733 (FPL), SC22-1735 (DEF), SC22-1745 (FPUC) and SC22-1748 (TECO). [↑](#footnote-ref-6)
7. The 2022 SPPCRC docket concluded when the Commission entered Final Order Approving Storm Cost Recovery Amounts and Related Tariffs and Establishing Storm Cost Recovery Factors for the Period January 2023 Through December 2023, Order No. PSC-2022-0418-FOF-EI, issued December 12, 2022, in Docket No. 20220010-EI, *In re: Storm protection plan cost recovery clause*. On December 20, 2022, OPC filed a Notice of Administrative Appeal of this Final Order with the Florida Supreme Court, which remains pending as Case No. SC22-1777. [↑](#footnote-ref-7)
8. By agreement of the parties at the Prehearing Conference, OPC’s written questions in lieu of cross-examination and each utility’s responses and objections thereto, along with affidavits, were included on the Comprehensive Exhibit List as Stipulated Exhibits Nos. 42-46. [↑](#footnote-ref-8)
9. A Type 2 stipulation occurs on an issue when the utility and staff, or the utility and at least one party adversarial to the utility, agree on the resolution of the issue and the remaining parties (including staff if they do not join in the agreement) do not object to the Commission relying on the agreed language to resolve that issue in a final order. [↑](#footnote-ref-9)
10. This Order was issued August 28, 2020, in Docket Nos. 20200067-EI, 20200069-EI, 20200070-EI, 20200071-EI, and 20200092-EI, and disposed of the issues in the original SPP and SPPCRC dockets for TECO, DEF, and FPL/Gulf Power Company. FPUC was not a party to any of the Settlement Agreements approved in that Order. [↑](#footnote-ref-10)
11. As we discussed above in footnote four, FPUC separately sought and obtained our approval to submit its initial SPP on a schedule different than the other utilities subject to the new statutory requirement, with a commitment to come in line with the others at the time of the first SPP update. [↑](#footnote-ref-11)
12. The same language in these two issues was proposed for every other utility as issues 1A and 1B (FPL), 2A and 2B (DEF), and 3A and 3B (TECO). The Prehearing Officer struck all eight on the same basis. [↑](#footnote-ref-12)
13. Order No. PSC-2023-0281-PHO-EI, issued September 8, 2023, in Docket No. 20230010-EI, *In re: Storm Protection Plan Cost Recovery Clause*, pp. 27-28*.* [↑](#footnote-ref-13)
14. FPUC witness Bennett adopted the testimony and exhibits of FPUC witness Waruszewski. [↑](#footnote-ref-14)
15. *See* fn. 12, *supra*. [↑](#footnote-ref-15)