

April 29, 2024

VIA ELECTRONIC FILING

Mr. Adam Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 20230020-EI; In re: Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricanes Elsa, Eta, Isaias, Ian, Nicole, and Tropical Storm Fred, by Duke Energy Florida, LLC

Dear Mr. Teitzman:

Please find enclosed for filing the Prehearing Statement of Walmart Inc. in the above-referenced case.

Please contact me if you have any questions concerning this filing.

Sincerely,

/s/ Stephanie U. Eaton

Stephanie U. Eaton (Florida Bar No. 165610)
seaton@spilmanlaw.com

SUE:sds

Enclosures

c: Parties of Record

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricanes Elsa, Eta, Isaias, Ian, Nicole, and Tropical Storm Fred, by Duke Energy Florida, LLC : **DOCKET NO. 20230020-EI**
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: **Filed: April 29, 2024**

**PREHEARING STATEMENT OF
WALMART INC.**

Pursuant to Florida Public Service Commission's ("Commission") Order No. PSC-2023-0333-PCO-EI, issued November 2, 2023, Walmart Inc. ("Walmart") files its Prehearing Statement.

I. APPEARANCES

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II. WITNESSES

<u>Witness</u>	<u>Subject</u>	<u>Issue No.</u>
Lisa V. Perry	Ms. Perry's testimony addresses Duke Energy Florida, LLC's ("DEF" or "Company") proposed cost recovery of the storm restoration recovery costs related to the Hurricanes Elsa, Eta, Isaias, Ian, Nicole, and Tropical Storm Fred and replenishment of DEF's storm reserve.	Issue 16, Walmart Contested Issue

III. EXHIBITS

<u>Exhibit</u>	<u>Description</u>
LVP-1	Witness Qualifications Statement
LVP-2	Walmart's Comments filed March 7, 2023 ("Comments")
LVP-3	Direct Testimony and Exhibit of Lisa V. Perry on behalf of Walmart Inc., Docket No. 20220010-EI filed September 2, 2022
LVP-4	DEF Tariff Sheet: One Hundred and Fourth Revised Sheet No. 6.105 – Rate Schedule BA-1

IV. WALMART'S STATEMENT OF BASIC POSITION

Walmart takes no position regarding the amount of restoration costs or accounting treatment of the same in this Docket. Walmart raised an issue in Comments filed March 7, 2023 ("Comments"), prior to DEF's recovery of storm costs at issue in this Docket, which is set forth as the Walmart Contested Issue below. Namely, the Company's recovery of storm costs in this manner is not cost-based because it fails to appropriately reflect the demand-related nature of the underlying costs and creates intraclass subsidies within demand metered customer classes. Walmart contends that, on a going forward basis, DEF should be required to recover storm costs from demand-metered customers on a demand, or \$/kW, charge, not through an energy, or \$/kWh charge.

As set forth in Walmart's Comments, Walmart's issue in this Docket is an issue that Walmart raised before this Commission in relation to the Storm Protection Plan ("SPP") and Storm Protection Plan Cost Recovery Clause ("SPPCRC") Dockets as early as 2020.¹ Walmart's general concern is that recovering demand-related costs through an energy charge could result in a shift in demand cost responsibility from lower load factor customers to higher load factor customers.²

¹ See Walmart Comments, p. 2. Although both DEF and Florida Public Utility Company ("FPUC") originally sought recovery of SPP costs from demand-metered customers through an energy charge, each Utility ultimately entered into a Stipulation whereby each agreed to charge demand-metered customers a demand charge related to SPP costs. See Comments, p. 2, at n. 1, and p. 3.

² See Walmart Comments, p. 2, and Direct Testimony of Lisa V. Perry at Exhibit LVP-3 (Direct Testimony of Lisa V. Perry in the 2021 SPPCRC case, Docket No. 20210010-EI), p. 14, lines 6-21.

Walmart readily acknowledges that retroactive billing revisions would likely be administratively prohibitive, as expressed by DEF in the Rebuttal Testimony of Christopher A. Menendez³, Walmart notes that DEF's collection of costs in this Docket are not yet complete, and Walmart did, in fact, raise the issue in this Docket *before* DEF's storm costs began being recovered from its customers from April 2023, through December 2024.⁴ Moreover, while Mr. Menendez points out that this Commission has approved the recovery of a utility's storm restoration costs via the energy charge since 2004,⁵ it does not mean that the Commission, Staff, Utilities, and ratepayers cannot reevaluate the way the storm costs are recovered. In light of the fact that SPP costs are recovered from demand-metered customers for Tampa Electric Company ("TECO"), DEF, FPUC, and Florida Power & Light ("FPL") through a demand-charge, and the fact that both DEF and FPUC revised their respective cost recovery from demand-metered customers in SPPCRC Dockets, Walmart urges consideration of this issue in this Docket.

V. ISSUES

Issue 1: **Should the incremental cost and capitalization approach (ICCA) found in Rule 25-6.0143, F.A.C., be used to determine the reasonable and prudent amounts to be included in the restoration costs?**

Position: Walmart takes no position at this time.

Issue 2: **Have the terms of DEF's 2019 Settlement Agreement, approved by Order No. PSC-2019-0232-AS-EI, issued June 13, 2019, been complied with? If not, why not?**

Position: Walmart takes no position at this time.

³ Rebuttal Testimony of Christopher A. Menendez ("Menendez Rebuttal"), p. 4, lines 4-12.

⁴ See Order No. PSC-2023-0375-PCO-EI (issued Dec. 19, 2023) ("December 2023 Order"), pp. 1-2, 4, noting that the originally approved recovery period was April 2023 through the last billing cycle of March 2024, and that DEF's supplemental petition requested an amended storm surcharge and extended cost recovery through December 2024. The December 2023 Order states that the "disposition of any over or under recovery and associated interest, will be considered by us at a later date" and that this docket "shall remain open pending final reconciliation of actual recoverable storm costs with the amount collected pursuant to the interim storm restoration recovery charge and the calculation of a refund or additional charge, if warranted."; see also Order No. PSC-2023-0111-PCO-EI.

⁵ Menendez Rebuttal, p. 3, line 1 through p. 4, line 2.

Issue 3: What is the reasonable and prudent amount of regular payroll expense to be included in Total Storm Related Restoration Costs?

Position: Walmart takes no position at this time.

Issue 4: What is the reasonable and prudent amount of overtime payroll expense to be included in Total Storm Related Restoration Costs?

Position: Walmart takes no position at this time.

Issue 5: What is the reasonable and prudent amount of contractor costs, including vegetation and line clearing, to be included in Total Storm Related Restoration Costs?

Position: Walmart takes no position at this time.

Issue 6: What is the reasonable and prudent amount of vehicle and fuel expense to be included in Total Storm Related Restoration Costs?

Position: Walmart takes no position at this time.

Issue 7: What is the reasonable and prudent amount of employee expenses to be included in Total Storm Related Restoration Costs?

Position: Walmart takes no position at this time.

Issue 8: What is the reasonable and prudent amount of materials and supplies expense to be included in Total Storm Related Restoration Costs?

Position: Walmart takes no position at this time.

Issue 9: What is the reasonable and prudent amount of logistics costs to be included in Total Storm Related Restoration Costs?

Position: Walmart takes no position at this time.

Issue 10: What is the reasonable and prudent amount of other costs to be included in Total Storm Related Restoration Costs?

Position: Walmart takes no position at this time.

Issue 11: What is the reasonable and prudent total amount of costs to be included in Total Storm Related Restoration Costs?

Position: Walmart takes no position at this time.

Issue 12: What is the reasonable and prudent amount of storm-related costs that should be capitalized?

Position: Walmart takes no position at this time.

Issue 13: What is the reasonable and prudent amount of storm-related costs that should be ICCA non-incremental O&M adjustments?

Position: Walmart takes no position at this time.

Issue 14: What is the reasonable and prudent total amount of retail Recoverable Storm Costs?

Position: Walmart takes no position at this time.

Issue 15: What is the appropriate accounting treatment associated with any storm costs found to have been imprudently incurred?

Position: Walmart takes no position at this time.

Issue 16: If applicable, how should any under-recovery or over-recovery be handled?

Position: Walmart understands that DEF plans to collect any under-recovery or refund any over-recovery through the Capacity Charge in the Fuel Docket. To the extent collection of under-recovery is via demand charges for demand-metered customers, Walmart supports that methodology. To the extent any refunds of amounts collected by energy charges is also proposed to be handled via demand-charge rates for demand-metered customers, Walmart opposes that methodology. All refunds should be made by the method the overpaid costs were collected.

Issue 17: Should this docket be closed?

Position: Walmart takes no position at this time.

VI. CONTESTED ISSUES

Walmart Contested Issue: Should any cost recovery approved in this docket be recovered from demand-metered customers through the demand charge?

Position: Walmart recommends that any cost recovery approved in this Docket should be recovered from demand-metered customers through the demand charge, *i.e.*, on a \$/kW basis, and not through the energy charge, or on a \$/kWh basis, as proposed by the Company. As a compromise, Walmart is willing to limit this position to collection of costs going forward, and to further limit this position

to collection of future costs from general service demand-metered customers via demand charges, not from all of DEF's demand-metered customers.

OPC Contested Issue: **What additional storm restoration process improvements, if any, should DEF follow in future storms?**

Position: Walmart takes no position at this time.

VII. STIPULATED ISSUES

There are currently no stipulated issues.

VIII. PENDING MOTIONS OR OTHER ACTIONABLE MATTERS

Walmart has no pending Motions at this time.

IX. PENDING CONFIDENTIALITY REQUESTS OR CLAIMS

Walmart has no pending confidentiality requests or claims.

X. OBJECTIONS TO WITNESS QUALIFICATIONS AS AN EXPERT

Walmart does not object to any witness's qualifications as an expert.

XI. COMPLIANCE WITH ORDER NO. PSC-2023-0333-PCO-EI

There are no requirements of Order No. PSC-2023-0333-PCO-EI with which Walmart cannot comply.

Respectfully submitted,

By /s/ Stephanie U. Eaton

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Counsel to Walmart Inc.

Dated: April 29, 2024

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Prehearing Statement of Walmart Inc. has been furnished by electronic mail to the following parties this 29th day of April, 2024.

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