

COMMISSIONERS:
MIKE LA ROSA, CHAIRMAN
ART GRAHAM
GARY F. CLARK
ANDREW GILES FAY
GABRIELLA PASSIDOMO

STATE OF FLORIDA



DIVISION OF ENGINEERING
TOM BALLINGER
DIRECTOR
(850) 413-6910

Public Service Commission

November 26, 2024

Joel T. Baker
Principal Attorney
Florida Power & Light Company
700 Universe Boulevard (LAW/JB)
Juno Beach, FL 33408-0420
joel.baker@fpl.com

**STAFF'S FIRST DATA REQUEST
VIA EMAIL**

Re: Docket No. 20240155-EI - Petition for approval of accounting treatment for the transfer of proportional share of Plant Daniel Units 1 and 2 to Mississippi Power Company, by Florida Power & Light Company.

Dear Mr. Baker:

The Commission staff requests that Florida Power & Light (FPL) provide responses to this first data request.

1. Please refer to Appendix B of FPL's Petition, the Summary Cumulative Present Value Revenue Requirements (CPVRR) Analysis for Plant Daniel.
 - a. Provide a version of this chart for both the Base Case (excluding the proposed Purchase and Sale Agreement (PSA)), the PSA Case (with the PSA implemented), and the Differential. Provide an electronic version of these charts in Excel format with formulas intact.
 - b. Explain how each category's values were calculated and what assumptions were utilized in those calculations. For Common Facilities Expense and Capital, provide historic values for the period 2019 through 2024.
 - c. Provide the annual net output of the Plant Daniel Coal Units for the period 2019 through 2024, for FPL's share and the units as a whole.
2. Provide a timeline of the agreements, memorandum, and notices associated with how operating costs would be divided between Gulf or FPL and Mississippi Power Company (MPC) at the Plant Daniel Coal Units or the retirement of Plant Daniel Coal Units.

- a. Provide timeline of major decisions with Plant Daniel regarding the sharing of operation and maintenance expenses, retirement of Gulf and/or FPL's share of the Plant Daniel Coal Units, and the PSA.
 - b. Provide a summary of how operating costs and/or retirement issues were addressed in each of the following documents identified in Plant Schedule 1.1(c). Please also provide a copy of each of the documents.
 - i. Letter Agreement dated July 28, 1976.
 - ii. Memorandum dated August 24, 2004.
 - iii. Second Amended and Restated Plant Daniel Operating Agreement dated July 8, 2022.
 - iv. Bill of Sale dated February 15, 2024, regarding the Coal Stockpile.
 - v. Bill of Sale dated February 15, 2024, regarding the Oil Inventory.
 - c. What costs or benefits did FPL incur as a result of the 2024 Bills of Sale for the Coal Stockpile and/or Oil Inventory?
 - d. Provide a copy of the 2019 Notice provided by Gulf on retiring its share of the Plant Daniel Coal Units.
 - e. Provide a list of the agreements, amendments, and memos by date that determined the methodology for sharing of operating costs and/or retirement of the Plant Daniel Coal Units.
 - f. Please explain what agreement(s), amendment(s), and/or memo(s) were in effect prior to the July 8, 2022 Operating Agreement. If not provided in part (b), please provide any related documents.
3. Please identify the Order(s) approving Gulf's 2019 decision for planned retirement of the Daniel units in 2024. If this has not yet been evaluated by the Commission, explain when FPL would be seeking approval of this decision.
- a. When was the anticipated retirement date of MPC's share of the Plant Daniel Coal Units when Gulf provided its 2019 Notice of retirement of its share of the Plant Daniel Coal Units?
4. Please refer to Appendix A, Declaration of Scott R. Bores, section 8. When was the anticipated retirement date of MPC's share of the Plant Daniel Coal Units when FPL entered into the 2022 Operating Agreement?
5. Please refer to MPC's 2021 Integrated Resource Plan (IRP) filing and 2023 IRP Update with the Mississippi Public Service Commission (MPSC).

- a. Verify that the retirement date set for the Plant Daniel Coal Units was December 2027 in these documents.
 - b. Explain whether MPC included the retirement of the Plant Daniel Coal Units in its IRP as a result of an MPSC Order.
 - i. If so, provide a copy of that Order and any subsequent Order(s) modifying it.
 - ii. If so, discuss whether the Order requires the retirement of the Plant Daniel Coal Units by a certain date.
 - iii. If so, explain what relevant steps are needed to modify the relevant MPSC Order(s) to extend the life of the Plant Daniel Coal Units until 2031.
 - c. Provide a CPVRR analysis and charts, including a Base Case, PSA Case, and Differential using the December 2027 retirement date. Provide an electronic version of these charts in Excel format with formulas intact.
6. Please refer to MPC's 2024 IRP filing with the MPSC.
- a. Verify that the retirement date assumed for the Plant Daniel Coal Units in its 2024 IRP was December 2028.
 - b. Discuss what factors drove the retirement extension to December 2028, including whether it is associated with any Purchased Power Agreements. If those agreements are with other Southern Company subsidiaries, please identify them.
 - c. Explain what relevant steps, if any, are needed by MPC from the MPSC to approve the proposed retirement extensions.
 - d. Explain how binding the IRP document is to MPC. As part of your discussion, compare the regulatory treatment of the 2024 IRP to FPL's 2024 Ten-Year Site Plan.
 - e. Provide a CPVRR analysis and charts, including a Base Case, PSA Case, and Differential using the December 2028 retirement date. Provide an electronic version of these charts in Excel format with formulas intact.
7. Explain the differential between FPL's 2031 retirement date and the December 2027 and December 2028 Retirement dates from MPC's 2021 and 2024 IRPs, respectively.
- a. When did FPL become aware of the retirement extension from 2027 to 2028?
 - b. When did FPL become aware of the potential retirement extension from 2028 to 2031?
 - i. If the 2028 to 2031 retirement extension is firm and not potential, explain how that was determined, including identifying any contract(s) that may be related to the capacity.

- ii. If the 2028 to 2031 retirement extension is only potential, explain why FPL ratepayers should pay for a speculative retirement date.
 - c. Explain why it is practical for MPC to extend the retirement of the units but not for FPL to extend its retirement.
8. After its 2019 Notice, did FPL have the ability, either through its existing contract or by negotiation with MPC, to extend or modify the retirement dates? If so, identify what factors would have been required, such as consent from MPC or a separate agreement. If not, why not?
 - a. Did FPL consider modifying the retirement date after the 2019 Notice?
 - b. Did Gulf or FPL consider the sale of its share of the Plant Daniel Coal Units before 2024? If so, explain why it was not executed. If not, explain why not.
9. Please explain if the proposed PSA allows MPC to fire the Plant Daniel Coal Units above MPC's current 50% ownership threshold (ie – operating FPL's retired share of the units). If so, and MPC is engaging in purchased power agreements for the associated capacity, why is FPL not considering participation in those or other economically beneficial PPAs? If not, why not?
10. Please refer to PSA Articles 5.3 and 7.1.7. When does FPL anticipate MPC receiving all regulatory approvals from the MPSC regarding this agreement?

Please file all responses no later than **Friday, December 13, 2024**, via the Commission's website at www.floridapsc.com, by selecting the Clerk's Office tab and Electronic Filing Web Form (reference Docket No. 20240155-EI) and also please email the filed response to discovery-gcl@psc.state.fl.us. Should you have any questions concerning the information in this letter, please feel free to contact Mr. Greg Davis by phone at (850) 413-6582 or email at gdavis@psc.state.fl.us for technical questions, or Mr. Shaw Stiller by phone at (850) 413-6187 or email at sstiller@psc.state.fl.us for legal questions.

Sincerely,

s/ Greg Davis

Greg Davis
Engineering Specialist

GD/da

cc: Office of Commission Clerk (Docket No. 20240155-EI)