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January 9, 2025

*VIA ELECTRONIC FILING*

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

**Re: Docket No. 20240155-EI  
Florida Power & Light Company's Petition for Approval of Accounting Treatment  
for the Transfer of its Proportional Share of Plant Daniel Units 1 & 2 –  
FPL's Supplemental Responses (Nos. 7 and 10) to Staff's First Data Request**

Dear Mr. Teitzman:

I enclose for filing in the above referenced docket Florida Power & Light Company's supplemental responses (Nos. 7 and 10) to the Staff of the Florida Public Service Commission's First Data Request.

If you or your staff have any question regarding this filing, please contact me at (561) 691-7255.

Respectfully submitted,

/s/ Joel T. Baker

Joel T. Baker  
Fla. Bar No. 0108202

Enclosures

Cc: Certificate of Service  
Greg Davis, Engineering Specialist, Florida PSC Staff ([gdavis@psc.state.fl.us](mailto:gdavis@psc.state.fl.us))

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copies of the foregoing have been furnished by Electronic Mail to the following party of record this 9th day of January 2025:

Jennifer Crawford  
Shaw Stiller  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399  
[jcrawfor@psc.state.fl.us](mailto:jcrawfor@psc.state.fl.us)  
[sstiller@psc.state.fl.us](mailto:sstiller@psc.state.fl.us)  
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*For Commission Staff*

/s/ Joel T. Baker  
Joel T. Baker  
Fla. Bar No. 0108202

*Attorney for Florida Power & Light Company*

**Florida Power & Light Company**  
**Docket No. 20240155-EI**  
**Staffs First Set of Data Requests**  
**Request No. 7 - Supplemental**  
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**QUESTION:**

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.

**RESPONSE:** (do not edit or delete this line or anything above this)

- a. For subpart (a), please refer to FPL's original response filed on December 13, 2024.
- b. In FPL's discussions with Southern Company throughout the spring and summer of 2024, Southern indicated it was evaluating extension of the planned retirement of Daniel 1 & 2 based on the recently announced Amazon investment of \$10 billion in data centers in Mississippi as well as other growing electricity demand across Southern's footprint in the Southeast. In these conversations, Southern indicated to FPL that the retirement dates for Daniel 1 & 2 would be extended to 2031. The extension of the Plant Daniel retirement date has since been pronounced publicly in a submission filed with the Mississippi Public Service Commission on January 9, 2025. A copy of that submission is provided with this supplemental response as Attachment 1.

Prior to the conversations held in the latter part of 2024, the high likelihood of the Daniel retirement extension on account of MPC's projected load increase had been conveyed publicly by MPC. As one example, MPC indicated in its 2024 IRP filing, with regard to certain generating units, including Daniel 1 & 2, that "the Company anticipates the further extension of units beyond 2028."

- i. While 2031 was the identified retirement date, it is also possible that the date could extend beyond 2031, which absent this transaction would increase the cost obligation of FPL's customers. A retirement date beyond 2031 coupled with the consummation of this transaction would further increase the economic benefit to FPL's customers. Current U.S. Environmental Protection Agency ("EPA") greenhouse gas ("GHG") rules, which became final in April of 2024, require coal plants to convert 100% to gas operations or to install carbon capture equipment in order to remain in operation beyond 2031. These costly unit

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modifications would likely necessitate MPC's retirement of Units 1 & 2 by the end of 2031. However, if EPA GHG rules are successfully contested, or are repealed through agency, legislative, or executive action, it may be economically supportable for MPC to continue operating the units beyond 2031. This outcome would create more cumulative present value revenue requirements (CPVRR) savings and make the transaction even more beneficial for FPL's customers.

- ii. Please see response to subpart (b)(i).
- c. For subpart (c), please refer to FPL's original response filed on December 13, 2024.

January 9, 2025

VIA EMAIL

Katherine Collier, Esq.  
Executive Secretary  
Mississippi Public Service Commission  
501 North West Street, Suite 201A  
Jackson, MS 39201

**Re: Mississippi Power Company's Notice of IRP Cycle Pursuant to Commission Rule 29 Docket No. 2019-UA-231**

Dear Ms. Collier:

On April 26, 2024, Mississippi Power Company filed its second Integrated Resource Plan with the Commission in Docket No. 2019-UA-231 ("2024 IRP"). In that filing, the Company updated the status of its fossil steam fleet from the previous 2021 IRP filing. Specifically, the Company stated:

*The Company is continuing its transition of the fossil steam fleet by planning, budgeting, and operating the fossil steam units consistent with near term retirement. Specific retirement dates have been adjusted to support a short-term capacity sale that is beneficial to customers. Long-term fuel and load projections have not materially changed, and correspondingly, MPC's intention for the near-term retirement of these units has also not changed. However, with expected load growth opportunities and rising capacity prices, transitional solutions to serve new load involving retirement extensions beyond the years currently assumed in the 2024 IRP are likely to be beneficial to customers.*

Since the 2024 IRP filing, the Company has entered into two separate electric service agreements totaling approximately 600 megawatts of load. Special Contracts with these customers are pending approval from the Commission. The result of adding this amount of significant load will necessitate the extension of Daniel Unit 2 and potentially the other fossil steam units (e.g. Watson Unit 4) beyond the current 2028 retirement date and into the mid-2030s.

The Company is committed to keeping the Commission informed of any new and significant events that arise and will present additional details in the Company's upcoming 2025 Mid-Point Supply-Side Update. The Company will continue to evaluate and provide updates with each IRP cycle.

Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Ben Vance", with a long horizontal line extending to the right.

Ben Vance

cc: Kyle Jones, Esq. ([kyle.jones@psc.ms.gov](mailto:kyle.jones@psc.ms.gov))  
Jim Beckett, Esq. ([jim.beckett@mpus.ms.gov](mailto:jim.beckett@mpus.ms.gov))  
Jeff Lee, Esq. ([jeff.lee@mpus.ms.gov](mailto:jeff.lee@mpus.ms.gov))  
Emily Kruger, Esq. ([emily.kruger@mpus.ms.gov](mailto:emily.kruger@mpus.ms.gov))  
Ms. Brandi Myrick ([brandi.myrick@mpus.ms.gov](mailto:brandi.myrick@mpus.ms.gov))  
Mr. Forest Bradley-Wright ([forest@cleanenergy.org](mailto:forest@cleanenergy.org))  
Robert B. Wiygul, Esq. ([robert@wwglaw.com](mailto:robert@wwglaw.com))  
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Ricky J. Cox, Esq. ([rcox@balch.com](mailto:rcox@balch.com))  
Leo E. Manuel, Esq. ([lmanuel@balch.com](mailto:lmanuel@balch.com))  
Mary-Katherine Barnes, Esq. ([mkbarnes@balch.com](mailto:mkbarnes@balch.com))

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**QUESTION:**

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?

**RESPONSE:**

MPC received its required regulatory approval from the MPSC on January 7, 2025. A copy of the MPSC's order is included with this response as Attachment 1. No other MPSC approvals necessary to close the Plant Daniel purchase and sale agreement are outstanding.

**BEFORE THE MISSISSIPPI PUBLIC SERVICE COMMISSION**

**MISSISSIPPI POWER COMPANY  
EC-120-0097-00**

**DOCKET NO. 2024-UA-122**

**IN RE:            PETITION OF MISSISSIPPI POWER COMPANY FOR AN  
ACCOUNTING AUTHORIZATION RELATED TO THE  
ACQUISITION OF REMAINING PROPERTY RIGHTS AT  
PLANT DANIEL**

**ACCOUNTING ORDER**

COMES NOW, the Mississippi Public Service Commission ("Commission") and issues this Order in connection with Mississippi Power Company's ("MPC" or the "Company") Petition for an Accounting Authorization Related to the Acquisition of Remaining Property Rights at Plant Daniel (defined below). This Commission, being fully apprised in the premises, having considered the documents and record before it, and upon recommendation of the Mississippi Public Utilities Staff ("Staff"), finds as follows:

**BACKGROUND**

1.     The Company's Petition describes the Company's relationship with Florida Power & Light ("FPL") related to its ownership interests in the Victor J. Daniel Electric Generating Plant in Jackson County, Mississippi. MPC and FPL each owns a fifty percent (50%) undivided interest, as tenants in common, in the coal-fired electric generating facility comprised of two (2) 502 megawatt generating units (i.e., Units 1 and 2), a step-up substation, all associated plant assets, and all of the real and personal property comprising the Plant Daniel coal-fired generating plant, including the site, the generating units and the common facilities (collectively, "Plant Daniel"). MPC received its Certificates of Public Convenience and Necessity from the Commission authorizing, *inter alia*, the construction, ownership and operation of Plant Daniel in Docket Nos. U-2080 and U-2567, and therefore is, and has been, the sole certificate holder for Plant Daniel since its authorization by the Commission.



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2. Pursuant to Section 77-3-3(d) of the *Mississippi Code of 1972, as amended*, the Commission does not maintain jurisdiction over FPL, as FPL is not a public utility in the State of Mississippi.

3. Pursuant to the Second Amended and Restated Plant Daniel Operating Agreement, FPL retired its interest in Plant Daniel effective January 15, 2024. As of that date, FPL no longer had the right to dispatch its share of Plant Daniel, but remained obligated for its share of certain facility costs and its share of decommissioning costs. Effective on the date of FPL's retirement, MPC contractually agreed to limit the total net output of Plant Daniel to 502 MW. To that end, MPC has been operating Unit 2 in the normal course of its utility operations and dispatching Unit 2 within its rights and obligations under the FERC-approved Intercompany Interchange Contract. MPC is authorized under its existing operating agreement with FPL to economically dispatch Unit 2 (designated as the primary source of output) at full capacity and to dispatch Unit 1 (designated as the secondary source of output) only in the event of an emergency or for various other reliability purposes.

4. On November 8, 2024, MPC entered into a Purchase and Sale Agreement with FPL whereby FPL agrees to transfer its ownership interests in Plant Daniel to MPC as well as any other interests associated with FPL's ownership of the property (real, personal, or mixed) at Plant Daniel (the "Purchase and Sale Agreement"). A copy of the Purchase and Sale Agreement is on file with the Commission in this docket. As part of the transfer of its interests in Plant Daniel to MPC, FPL transferred certain liabilities and obligations associated with the property interests to MPC and retained certain other specified liabilities associated with Plant Daniel, such as legacy environmental costs and costs of removal. Pursuant to the Purchase and Sale Agreement, FPL will pay MPC up to \$45 million at closing, which represents an estimate of the incremental cost to MPC to assume ownership of FPL's interest in Plant Daniel. The assets being acquired by MPC

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will have a net book value of zero dollars (\$0) on MPC's books and records. Accordingly, there is no immediate and material rate impact of including the assets in MPC's retail rate base. The closing of said transaction is expected to be completed on or before March 31, 2025.

### **MPC'S PETITION**

5. MPC filed its Petition for Accounting Order in this Docket on November 8, 2024. MPC's Petition details the current status of Plant Daniel, the requested accounting authorizations related to the Company's acquisition of FPL's interests in Plant Daniel, and potential benefits to retail customers resulting from the accounting authorizations contemplated therein. MPC's Petition requests that the Commission allow for the inclusion of the assets and the associated costs at Plant Daniel into MPC's retail rate base, approve the establishment of a new regulatory liability account, the Plant Daniel Acquisition Reserve, in which all of the proceeds to be paid by FPL will be booked, and approve the amortization of that regulatory liability in retail rates. An economic analysis demonstrating that the inclusion of the Plant Daniel interest in rate base is in the overall best interest of customers is on file with the Commission in this docket.

### **COMMISSION FINDINGS**

6. The Commission finds that it has jurisdiction over the parties and subject matter of this case. The Commission also finds that the Company has reasonably complied with the applicable filing requirements and has provided information sufficient for this Commission's and the Staff's consideration of this matter. Therefore, for good cause shown, this Commission waives any other filing requirements as prescribed by this Commission's Rules and not provided by the Company.

7. No persons have requested intervention in this matter or otherwise objected in any way to MPC's Petition.



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8. Based upon the information and evidence contained in the record of this matter; this Commission finds that MPC's request for an accounting order is just and reasonable and in the public interest. The Commission also finds that the accounting and rate treatment prescribed herein is consistent with applicable accounting guidance.

9. MPC is hereby authorized to include in its retail rates all of the assets of Plant Daniel and the costs associated therewith in MPC's retail rate base going forward from the date in which the transaction closes and to place in retail rates all of the assets and costs associated with operating and maintaining all units at Plant Daniel, including property taxes.

10. The Commission further authorizes the Company to establish a new Plant Daniel Acquisition Reserve and associated regulatory liability account and amortize the regulatory liability account in an amount that will offset those incremental costs that will be the responsibility of MPC post-closing. Specifically, MPC will record the closing payment from FPL to a regulatory liability account which will be included in MPC's retail rate base and amortized to cover the future incremental cost of ownership of Plant Daniel. The Company will include the balance of the Plant Daniel Acquisition Reserve in PEP rate base, and the review and disposition of any proposed amortization will be addressed in connection with the Company's annual retail rate filings.

11. MPC will only call on Plant Daniel Unit 1 where forecasted conditions may, in MPC's estimation, otherwise lead to the declaration of a Level 3 NERC Energy Emergency Alert.<sup>1</sup> In such a scenario, MPC will provide the Commission advanced notice of the Company's anticipated utilization of Unit 1, which will afford the Commission an opportunity, through order of its Executive Secretary, to countermand MPC's unit preparation. MPC will maintain the unit

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<sup>1</sup> In responding to such an emergency, Unit 1 could run to avoid environmental non-compliance. For example, if Unit 1 is brought on-line for an emergency, MATS testing will have to be performed. This testing would have to be done after the emergency has been terminated.

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in accordance with industry standards, but MPC will only incur and seek to recover such costs as are necessary to continue to maintain the reliability of Unit 1 if called upon, under the circumstances noted previously. For these reasons, the approvals granted herein are conditioned upon MPC maintaining the current status of the Daniel coal units, unless and until MPC obtains Commission approval of a new retail electric service contract representing sufficient incremental retail load to support a decision to return the Unit 1 capacity of Plant Daniel to economic dispatch.

12. This Commission finds that the approvals provided herein do not result in a substantial adjustment to the revenues of the Company; therefore, the Petition was properly filed pursuant to RP 10 of the Commission's Rules. This Order should not be interpreted in any way as an intention by this Commission to change or otherwise effect customer rates currently in place.

IT IS, THEREFORE, ORDERED that the MPC's Petition for an Accounting Order is hereby granted, subject to the terms and conditions contained herein.

This Order shall be deemed issued on the day it is served upon the parties herein by the Executive Secretary of the Commission who shall note the service date in the file of this Docket.

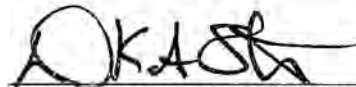
Chairman Chris Brown voted aye; Commissioner De'Keither Stamps voted aye; and Commissioner Wayne Carr voted aye

SO ORDERED this the 7th day of January, 2025.

MISSISSIPPI PUBLIC SERVICE COMMISSION



CHRIS BROWN, CHAIRMAN



DE'KEITHER STAMPS, COMMISSIONER

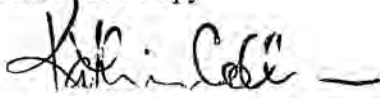


WAYNE CARR, COMMISSIONER



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ATTEST: A True Copy



KATHERINE COLLIER, EXECUTIVE SECRETARY

Effective this the 7<sup>th</sup> day of January, 2025.