

Ereecy McNeal

From: Ellen Plendl
Sent: Tuesday, April 23, 2019 9:44 AM
To: Consumer Correspondence
Subject: Dockets 20180046 2018144 20180049
Attachments: FW FPL!; Consumer Inquiry - Florida Power & Light Company

See attached correspondence and reply and add to the correspondence side of the following Dockets:

20180144-EI: Review of 2019-2021 storm hardening plan, Florida Power & Light Company

20180049-EI: Evaluation of storm restoration costs for Florida Power & Light Company related to Hurricane Irma

20180046-EI: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Florida Power & Light Company

Ereecy McNeal

From: Randy Roland
Sent: Tuesday, April 23, 2019 8:26 AM
To: 'beatricebalboa@gmail.com'
Subject: Consumer Inquiry - Florida Power & Light Company

Ms. Beatrice Balboa
beatricebalboa@gmail.com

RE: FPSC Inquiry 1306602C

Dear Ms. Balboa:

Thank you for sharing your views and the articles from your local news outlets with the Florida Public Service Commission (FPSC). We have added your correspondence to our public record.

You expressed concerns about Florida Power & Light Company's petition for consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017. We will add your comments to the correspondence side of Docket No. 20180046.

If you want further case information, visit the FPSC's website, www.floridapsc.com and click on the Clerk's Office tab, then hit Dockets and type in Docket number 20180046; all submissions can be found by accessing the Document Filing Index.

If you have questions or concerns, please contact Ms. Ellen Plendl at 1-800-342-3552.

Sincerely

Randy Roland
Regulatory Program Administrator
Florida Public Service Commission

Ereecy McNeal

From: Steven Stolting
Sent: Tuesday, April 23, 2019 7:09 AM
To: Ellen Plendl
Subject: FW: FPL?!
Attachments: Downed power line closes Grissom Parkway in Cocoa.pdf; After initial concerns, Tallahassee cit...pdf; Sticker shock zaps Broward's plan to curb hurricane power outages - Sun Sentinel.pdf; FPL storm costs, tax cuts spark debate.pdf

Good morning, Ellen. Providing you with the clips.

I do not intend to acknowledge or respond. Your judgement.

Steve

From: Beatrice Balboa [<mailto:beatricebalboa@gmail.com>]
Sent: Monday, April 22, 2019 3:40 PM
To: Steven Stolting
Subject: Fwd: FPL?!

I noted additional issues with FPL (attached documentation). Please continue to keep an extremely close eye regarding FPL machinations with these issues as FPL ratepayers should NOT be "footing the bill" on FPL and/or NextEra out-of-state investment strategies and "pollution" activities. FPL should be devoting all their energies in meeting and/or exceeding the 2017 National Electrical Safety Code® (NESC®) standards (which sets the ground rules and guidelines for practical safeguarding of utility workers and the public during the installation, operation, and maintenance of electric supply, communication lines and associated equipment) for storm hardening of the State of Florida electrical infrastructure. FPL should NOT be devoting all their energies requesting and lobbying for more storm hardening fees and rate increases that should have already been completed after both Hurricane Andrew (1992) and Hurricane Irma (2017). I look forward to your offices taking the necessary actions to address hardworking taxpayers citizens' concerns from the City of Pompano Beach, Broward County, State of Florida. Thank you for your time in this matter.

Sincerely,
Beatrice Balboa
1010 South Ocean Boulevard, Unit. 1008
Pompano Beach, Fl 33062-6631

https://en.wikipedia.org/wiki/Hurricane_Andrew
https://en.wikipedia.org/wiki/Hurricane_Irma

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NEWS STATE



FPL storm costs, tax cuts spark debate

Posted: 10:09 AM, Apr 17, 2019 **Updated:** 10:09 AM, Apr 17, 2019

By: Jim Saunders, The News Service of Florida



TALLAHASSEE, Fla.-- After more than an hour of arguments Tuesday, state regulators next month will decide a high-stakes battle stemming from Florida Power & Light's costs to restore power after Hurricane Irma and a federal tax overhaul that has saved the utility hundreds of millions of dollars.

The state Office of Public Counsel, which represents consumers in utility issues, and two business groups argued that FPL did not use the proper process for paying storm costs and has not properly passed along tax savings to customers --- moves that Deputy Public Counsel Charles Rehwinkel dubbed the “great tax surplus heist of 2018.”

But Wade Litchfield, general counsel for FPL, told members of the state Public Service Commission that the utility followed a 2016 base-rate settlement that, in part, dealt with paying for hurricane costs. He said the way the utility handled \$1.3 billion in storm costs and the tax cuts from the 2017 federal Tax Cuts and Jobs Act shielded customers from facing higher monthly bills.

“Base rates remain unchanged and continue to be among the lowest in the state, well below the national average. Nothing has changed there,” Litchfield said. “FPL's earned return (a profit measurement) is no different than it would have been without the Tax Cut and Jobs Act. That's key. The only things that have changed are actually positive for our customers.”

If the Office of Public Counsel and its allies in the case, the Florida Retail Federation and the Florida Industrial Power Users Group, are successful, it could lead to reopening FPL's base rates. The Public Service Commission is expected to take up the issue May 14.

The dispute involves a complicated series of issues that include the 2016 base-rate settlement, which the Public Service Commission approved.

The settlement included numerous provisions, including setting a maximum return on equity of 11.6 percent --- a closely watched measure of profitability --- and approving FPL's use of a financial reserve. Litchfield said that reserve was designed to help the company manage “ups and downs” in costs and revenues.

Under the settlement, the utility was also allowed to pass along hurricane-restoration costs to customers if a major storm hit, as Hurricane Irma did in September 2017. Utilities have long been able to tack on extra charges to customers' monthly bills, outside of base rates, to pay for such storm costs.

In late 2017, Congress passed the federal tax overhaul, which, among other things, reduced corporate income-tax rates from 35 percent to 21 percent. The Office of Public Counsel and business groups said the tax law saved about \$650 million a year for FPL.

The dispute centers, in part, on an FPL decision to essentially tap the reserve to pay the Irma restoration costs and then use tax savings to replenish the reserve. While that allowed FPL to avoid tacking on extra storm-recovery costs to customers' bills, the Office of Public Counsel and the business groups contend it results in the utility not passing along tax savings to customers over multiple years.

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After initial concerns, Tallahassee city officials embrace transmission line project

[Karl Etters, Tallahassee Democrat](#) Published 1:32 p.m. ET April 19, 2019 | Updated 9:04 a.m. ET April 22, 2019

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City leaders are excited about the possibility that more than 10 miles of utility poles could be upgraded if they agree to allow a major north Florida transmission line project (</story/news/2019/04/18/power-line-project-county-governments-transmission-line-nextera-gulf-power-fpl-leon-jefferson/3495389002/>) to come through Tallahassee.

The rapidly developing project looks to patch into utility poles on the south side as [NextEra Energy \(/story/news/2019/04/18/florida-power-transmission-lines-nextera-energy-project-fpl-gulf-power-gadsden-leon-jefferson/3414342002/\)](/story/news/2019/04/18/florida-power-transmission-lines-nextera-energy-project-fpl-gulf-power-gadsden-leon-jefferson/3414342002/) connects Gulf Power and Florida Power and Light electric substations across seven Panhandle counties. NextEra owns both companies.

Big Benefits for Tallahassee

City Manager Reese Goad said Tallahassee was a small part of the project — lines would come off Tram Road and travel west to the Arvah B. Hopkins Generating Station on Geddie Road — but it would have big benefits for the city.

Tallahassee stands to get new, 90-foot concrete poles along a 14-mile stretch of the Capital Circle Southeast corridor. Plans include replacing seven miles of wooden poles and moving seven additional miles of line to steel poles to collocate with the new NextEra line.

Mayor John Dailey welcomed the partnership and the zero cost to the city.



“We’re not putting a penny into this project, right? So, we’re getting 14 miles of our current infrastructure upgraded and hardened in a public private partnership?” I’m all about it,” he said. “I appreciate the private industry coming up with a creative plan and we benefit tremendously from this.”

The city has signed a confidentiality agreement to not release details about the project but a final agreement to go forward has not yet been finalized. The proposal will be brought before the City Commission at its April 24 meeting.

As leaders laud the possibility for upgrades to the part of the city’s electric grid most susceptible to hurricane damage, city staff initially approached the project with trepidation because of NextEra’s vagueness.

Documents obtained by the Tallahassee Democrat provide a glimpse into the back and forth between the utility giant and city officials anxious to glean information and provide details to the public about a project already well underway.

['Done deal': County governments worry but have little sway over transmission line project \(/story/news/2019/04/18/power-line-project-county-governments-transmission-line-nextera-gulf-power-fpl-leon-jefferson/3495389002/\)](/story/news/2019/04/18/power-line-project-county-governments-transmission-line-nextera-gulf-power-fpl-leon-jefferson/3495389002/)

Tallahassee Electric Utility General Manager Rob McGarrah first learned of the power company's plans during a Feb. 20 [conference call with officials from FPL and Gulf \(/story/news/2018/05/21/florida-power-light-parent-buy-gulf-power-multi-billion-dollar-deal/628032002/\)](#), to discuss what until then was only described as a "project," according to emails.

There were immediate concerns about permitting and right-of-way and whether the city had the infrastructure to facilitate the project. Staff members also were worried about NextEra's reluctance to share details and keep plans from the public.

After speaking with FPL and Gulf officials in mid-February, McGarrah learned the company's general needs and basic scope of the project — a 176-mile, 161-kilovolt line spanning from Columbia County to Jackson County — but scant else.

At the same time, city staff members were fielding inquiries from several homeowners on Tram Road concerned by contractors approaching them to purchase utility right-of-way easements.

"I asked if (NextEra) had reached out to anyone in the City previously and they advised they did reach out to the Mayor about this project," McGarrah wrote in an email to staff, Goad and Director of Communications Alison Faris. "We would be willing to explore this co-location concept provided Tallahassee is not harmed and we would get benefits from the project."

[Florida Power & Light parent to buy Gulf Power in multi billion-dollar deal \(/story/news/2018/05/21/florida-power-light-parent-buy-gulf-power-multi-billion-dollar-deal/628032002/\)](#)

Dailey confirmed energy company representatives reached out to him first, but said he told them to contact Goad.

"But I said, 'I think this is a very exciting idea what you're proposing,'" Dailey added.

A day after the initial contact with McGarrah, NextEra Energy Senior Development Director Sean Miller emailed "talking points" about the project to McGarrah and other officials.

The email explained the project's goal of enhancing electric resiliency, reducing hurricane outages, upgrading utility poles in the city and saving fuel and lowering costs for Gulf Power customers.

The project was described in the initial conversation with McGarrah as a line route exploration exercise. But at lunch with Talquin Electric Cooperative's Director of Operations Tony Guillen, he learned that Gulf and FPL representatives were working in eastern Leon County, as well as Jefferson and Gadsden counties to purchase easements for the line.

There were concerns the property acquisition contractors were misrepresenting the project to residents, saying it was being done in coordination with the city of Tallahassee and Talquin depending on which jurisdiction they were in.

"Talquin's members are being contacted by representatives for Gulf/FPL who are working to get easements for the line," McGarrah wrote in staff emails. "So this is more than route exploration."

As concerns from residents began to flood in regarding the project, McGarrah tried to answer them based on his limited knowledge. He forwarded an email from a resident to Miller who said that company outreach with the city, Leon County officials and others was just beginning.

Miller said providing details to concerned residents was "getting ahead of us a bit."

"We're just moving fast and communications are spreading faster than we've been able to get out to all of the important stakeholders first-hand," he wrote.

McGarrah said Tallahassee was not in the position to decide whether to assist in the project with such scant information about its impacts to the city.

"I would urge you to get us the underlying studies and technical data that support your position the line will be beneficial to the city so we can review," McGarrah wrote Miller on Feb. 27, a week after his first contact with NextEra. "Once we have done our due diligence, we will be in a position to make an informed decision."

Following that email, city staff worked to determine what easements the city would need to give up, the existing utility pole infrastructure and whether it could accommodate the proposal.

McGarrah, in a March 8 email to utility staff and Goad, said he was getting mixed messages from vice presidents with Gulf, FPL and Miller with the project team of NextEra. He also leveled concerns that third-party consultants were being asked for information about city facilities.

"We want to work with Gulf," he wrote. "But the message we are getting from Sean (Miller) is that they are not sharing information we need for due diligence and (are) going to move forward as they want."

Emails between NextEra and FPL officials show more of the city's hesitancy with the project. Mike Spoor with Gulf Power said he respected the need for due diligence but time was of the essence.

"(McGarrah) expressed a lot of concern about them asking for various information so they can get more comfortable with this project and us seemingly more interested in just pressuring them to 'sign on the dotted line,'" Spoor wrote to several FPL and NextEra officials after a meeting with McGarrah in early March.

But, Spoor assured fellow company executives: "He and his team are willing to collaborate with us on this line."

The envisioned line's detour off Interstate 10 south through Jefferson County into Tallahassee and through the Apalachicola National Forest is strategic, according to state highway officials with knowledge of the project.

"There are a few jogs away from I-10 to avoid areas of increased cost/environmental concern," wrote a Florida Department of Transportation utility administrator in emails seeking information.

Municipal electric officials speculated in the city emails that NextEra chose to build a lower-kilovolt transmission line to avoid having to vet the project through the Public Service Commission, a statewide utility regulatory authority.

McGarrah said the company eventually could upgrade to higher power lines because siting rules only apply to construction.

"We suspect that the 161kv (vs 230kv) is planned, so that neither the Transmission Line Siting Act or Order 1000 (Federal Energy Regulatory Commission policy) apply," wrote Carole Chinn with the Florida Municipal Power Agency in an email exchange. "Just a hunch."

Contact Karl Eppers at kettters@tallahassee.com or [@KarlEppers](https://twitter.com/KarlEppers) on Twitter



- [Gulf Power awards \\$30,000 grant to GeoData Center](https://www.pnj.com/story/news/neighborhoods/giving/2019/04/04/gulf-power-foundation-awards-30-000-grant-uwf-geodata-center/3331257002/?utm_source=oembed&utm_medium=onsite&utm_campaign=storylines&utm_content=news&utm_term=3521252002)
(https://www.pnj.com/story/news/neighborhoods/giving/2019/04/04/gulf-power-foundation-awards-30-000-grant-uwf-geodata-center/3331257002/?utm_source=oembed&utm_medium=onsite&utm_campaign=storylines&utm_content=news&utm_term=3521252002)
- [FPL parent to buy Gulf Power in multi billion-dollar deal](https://www.tallahassee.com/story/news/2018/05/21/florida-power-light-parent-buy-gulf-power-multi-billion-dollar-deal/628032002/?utm_source=oembed&utm_medium=onsite&utm_campaign=storylines&utm_content=news&utm_term=3521252002)
(https://www.tallahassee.com/story/news/2018/05/21/florida-power-light-parent-buy-gulf-power-multi-billion-dollar-deal/628032002/?utm_source=oembed&utm_medium=onsite&utm_campaign=storylines&utm_content=news&utm_term=3521252002)
- [Counties have little sway over power line project](https://www.tallahassee.com/story/news/2019/04/18/power-line-project-county-governments-transmission-line-nextera-gulf-power-fpl-leon-jefferson/3495389002/?utm_source=oembed&utm_medium=onsite&utm_campaign=storylines&utm_content=news&utm_term=3521252002) (https://www.tallahassee.com/story/news/2019/04/18/power-line-project-county-governments-transmission-line-nextera-gulf-power-fpl-leon-jefferson/3495389002/?utm_source=oembed&utm_medium=onsite&utm_campaign=storylines&utm_content=news&utm_term=3521252002)
- [See the path of the proposed energy line project](https://www.tallahassee.com/story/news/2019/04/18/florida-proposed-path-nextera-energy-power-line-project-7-counties-176-miles/3507379002/?utm_source=oembed&utm_medium=onsite&utm_campaign=storylines&utm_content=news&utm_term=3521252002) (https://www.tallahassee.com/story/news/2019/04/18/florida-proposed-path-nextera-energy-power-line-project-7-counties-176-miles/3507379002/?utm_source=oembed&utm_medium=onsite&utm_campaign=storylines&utm_content=news&utm_term=3521252002)



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Sticker shock zaps Broward's plan to curb hurricane power outages



James Antoine changes positions while trimming back a mango tree that had encroached on power lines in Pompano Beach on Thursday, Jan. 18, 2018. File photo (Amy Beth Bennett / Sun Sentinel)



By **Larry Barszewski**
South Florida Sun Sentinel

APRIL 19, 2019, 5:55 PM

If a hurricane strikes South Florida this year, be prepared for prolonged power outages.

Little progress has been made since **Hurricane Irma** two years ago in dealing with the main culprit of knocked-out electricity: trees, vegetation and other debris being blown onto power lines. While Florida Power & Light is making its electrical grid more resilient to help restore power faster, the system remains vulnerable to damage from the massive amounts of trees and vegetation planted underneath or close to power lines.

Broward County came up with a possible solution last year, one that it said could be a model for cities and other local governments, but it was recently short-circuited by a lack of cash.

Commissioners **passed a tough law** in May requiring people living in unincorporated areas to remove problem trees and vegetation or face fines. It also restricted residents from planting trees near power lines, based on how tall the trees were

expected to grow, using FPL's Right Tree, Right Place program for guidance.

The county attempted to make the new rules palatable to residents, saying it would work with FPL to remove problem trees and foliage already too close to the lines before having fines kick in for non-compliance next month.

Instead, sticker shock set in over the cost of the work — estimated at \$6.5 million just in the county's small unincorporated area — and no agreement was reached with FPL for the work, Commissioner Barbara Sharief said.

“When they kept saying they couldn't do anything, or do it quicker, I said just forget it,” Sharief said.

FPL spokesman Bill Orlove said the company follows a set schedule for trimming and clearing of vegetation near power lines. It would have had to alter plans elsewhere to do the work needed in the unincorporated area.

“FPL clears main power lines every three years and neighborhood lines every six years, on average,” Orlove said. “The company trims 15,000 miles of vegetation from power lines each year — the distance of a round trip from Miami to Tokyo.” It spends more than \$60 million a year on tree trimming and vegetation management.

Sharief pushed for the law after personally enduring 10 days without power at her Miramar home following Irma. Sharief says she did her part by making sure her trees were trimmed appropriately, but that didn't help because of neighbors who hadn't trimmed theirs.

Almost 2.5 million homes and businesses lost power during Irma in Palm Beach, Broward and Miami-Dade counties, roughly 90 percent of FPL's customers.

The county is now looking for a different approach. It's not going to put the removal cost all at once on homeowners.

“The cost was just insurmountable to take it out,” Sharief said. “If we let homeowners do it a little bit at a time, then maybe we can make some headway.”

The county plans to eliminate the fines it created last year and not punish people who don't remove problem trees. It would prohibit the planting of new trees near power lines. A few incentives would continue: Trees endangering power lines wouldn't need a permit to be taken down and they wouldn't have to be replaced with another tree on the property.

It may not be much, given the amount of problem vegetation already out there, but officials say something has to be done to keep even more vegetation from ensnaring power lines.

“It's a start to a solution, until we find a way to help alleviate the cost,” Broward Mayor Mark Bogen said. “We'll hopefully figure out other ways to address the matter.”

A major part of the problem is homeowners wanting to hide their views of ugly power lines, Sharief said. The proposed policy will be no more new trees under power lines “to make them look pretty,” she said.

Many cities have regulations to promote their tree canopies — more than half the county's cities are certified as Tree Cities by the national Arbor Day Foundation. Some include requirements that homeowners replace trees they take down with a new tree somewhere else on their property. Sharief wants cities with those regulations to waive them for removing trees near power lines.

Peter Burke, the county's tree preservation program manager, said it's a balancing act between encouraging tree growth and the environmental benefits a healthy canopy provides communities — reducing heat levels, increasing wildlife habitat, absorbing carbon dioxide — and the problems posed by having trees near power lines.

“The county has the desire to increase and enhance its tree canopy, but it also wants to protect along power lines as well,” Burke said. “In a perfect world, all these power lines would be underground.”

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NEWS STATE



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By: Jim Saunders, The News Service of Florida



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