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-VIA ELECTRONIC FILING -

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

Re: Docket No 20190131-EU – In Re: Proposed Adoption of Rule 25-6.030., F.A.C., Storm Protection Plan and Rule 25-6.031, F.A.C., Storm Protection Cost Recovery Clause, etc. (Staff's First Data Request)

Dear Mr. Teitzman:

Enclosed please find FPL's responses to Staff's First Data Request, Nos. 1 through 4.

Please contact me at (561) 691-2512 should you or your Staff have any questions or concerns regarding this filing.

Sincerely,

/s/Kenneth M. Rubin
Kenneth M. Rubin

Enclosures

Florida Power & Light Company
Docket No: 20190131-EU
Staffs First Data Request
Request No: 1

QUESTION:

Commission Rule 25-6.030, Storm Protection Plan, F.A.C., is being proposed to implement newly enacted Section 366.96, Florida Statutes (F.S.). In accordance with the statute and the attached staff draft rule, utilities are required to file an updated Storm Protection Plan at least every three years.

- a) Please explain whether or not you anticipate that the new statutory and Commission rule requirement will result in a need by your company to perform additional analyses, system reprogramming, or to make other business process changes to prepare for submission with the Commission the first Storm Protection Plan.
- b) If the answer to 1a is affirmative, please describe the additional work that will be conducted.
- c) Please provide an estimate of the additional (i.e., incremental) costs to your company per year for the next five years of the additional work described in your answer to 1b.

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

(a) Based on Staff's current draft of proposed Rule 25-6.030, FPL anticipates that it will be required to perform additional analyses and make business process changes to prepare its initial Storm Protection Plan (SPP) filing. At this time, FPL is still evaluating whether any system reprogramming is required.

(b) While all work required to complete its initial SPP filing is still being evaluated by FPL, additional work required would include: developing program estimates for reductions in outage times and restoration costs; developing means to identify and capture certain costs details (e.g., fixed and variable, vegetation labor and equipment); project start and completion dates; developing/quantifying implementation alternatives that could mitigate rate impacts for each of the first three years of the SPP; revenue requirement and rate impact calculations of the SPP; and actual vs. estimated costs for completed programs/projects with associated rate impacts.

(c) FPL is unable to provide an estimate of the additional resources required to prepare and file a SPP. However, at this time, FPL anticipates that it may be able to satisfy the vast majority (if not all) items identified in its response to (b) above with existing resources and, therefore, the incremental cost to prepare and file the SPP is expected to be minimal (if any). Moreover, if the Commission repeals the requirement in Rule 25-6.0432, F.A.C., for utilities to prepare and file a storm hardening plan (SHP) because it is no longer necessary in view of the new SPP requirement, then eliminating the workload for preparing an SHP likely will be a partial offset to the workload for preparing an SPP.

Additionally, any incremental costs, if any are ultimately incurred, will be incurred as a result of the enactment of section 366.96, Florida Statutes, rather than the adoption of either proposed Rule 25-6.030 or Rule 25-6.031.

Florida Power & Light Company
Docket No: 20190131-EU
Staffs First Data Request
Request No: 2

QUESTION:

Commission Rule 25-6.031, Storm Protection Plan Cost Recovery Clause, F.A.C., is being proposed to implement newly enacted Section 366.96, Florida Statutes (F.S.). In accordance with the statute and the staff draft rule, utilities may petition for recovery of Commission-approved transmission and distribution storm protection plan costs through the Storm Protection Plan Cost Recovery Clause.

- a) Please explain whether or not you anticipate participating in the annual Storm Protection Plan Cost Recovery Clause hearings.
- b) If the answer to 2a is affirmative, please describe the additional work that will be conducted to file annual petitions for recovery of storm protection plan costs and associated cost recovery factors.
- c) Please provide an estimate of the additional (i.e., incremental) costs to your company per year for the next five years of the additional work described in your answer to 2b.

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

- (a) FPL is anticipating that it will participate in the annual Storm Protection Plan Cost Recovery Clause (SPPCRC) hearings.
- (b) While all work required to file annual SPPCRC petitions for recovery of SPP costs and associated SPPCRC factors is still being evaluated by FPL, additional work required would include: development of testimony and associated exhibits (e.g., plan and cost details for final true-up, estimated true-up and projected periods); and development of SPPCRC factors.
- (c) FPL is unable to provide an estimate of the additional resources required to file for annual recovery of SPP costs and associated cost recovery factors. However, at this time, FPL anticipates that it may be able to satisfy the vast majority (if not all) items identified in its response to (b) above with existing resources and, therefore, the incremental cost to prepare and file the SPP is expected to be minimal (if any).

Additionally, any incremental costs, if any are ultimately incurred, will be incurred as a result of the enactment of section 366.96, Florida Statutes, rather than the adoption of either proposed Rule 25-6.030 or Rule 25-6.031.

Florida Power & Light Company
Docket No: 20190131-EU
Staffs First Data Request
Request No: 3

QUESTION:

Please explain whether or not you anticipate that the billing of new storm protection cost recovery factors will result in the need by your company to perform any system reprogramming and provide an estimate of the additional cost to your company to bill a new factor per year for the next five years if the storm protection cost recovery clause is incorporated on customers' bills in the non-fuel energy charge.

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

Modifications to FPL's billing system to accommodate billing of the new storm protection cost recovery clause charge will result in an estimated cost of \$300,000, assuming the charge will be embedded in the non-fuel energy charge. However, this estimated incremental cost will be incurred as a result of the specific requirement in section 366.96(7), Florida Statutes, that storm protection costs be recovered "through a charge separate and apart from its base rates," rather than by the terms of either proposed Rule 25-6.030 or Rule 25-6.031.

Florida Power & Light Company
Docket No: 20190131-EU
Staffs First Data Request
Request No: 4

QUESTION:

Please discuss any economic impacts to the utility and its customers that may occur as a result of Section 366.96, F.S. and attached draft rules 25-6.030 and 25-6.031, F.A.C.

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

Section 366.96, F.S. and draft rules 25-6.030 and 25-6.031 provide a mechanism for utilities to propose storm protection plans (SPP) for Commission review and approval, and for clause recovery of costs that are prudently incurred to implement approved SPPs. Conceptually, the financial impact of this mechanism would be to provide cost savings and other economic benefits from the reduced restoration costs and outage times to customers and improved overall service reliability for customers resulting from the implementation of an SPP, and recovery of approved costs incurred in its implementation. At this time, however, FPL cannot predict what the elements of its initial proposed SPP would be, much less whether or not the Commission would approve it as proposed. Therefore, FPL cannot provide a quantitative estimate of the financial benefits and costs of the SPP to FPL and its customers.

Additionally, any incremental costs, if any are ultimately incurred, will be incurred as a result of the enactment of section 366.96, Florida Statutes, rather than the adoption of either proposed Rule 25-6.030 or Rule 25-6.031.