



February 14, 2020

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

Subject: Florida Power & Light Company to charge Hurricane Dorian storm-related costs as operating expenses rather than charging them to Account No. 228.1, as authorized by Rule 25-6.0143(1)(h), F.A.C.

Dear Mr. Teitzman,

Pursuant to Rule 25-6.0143(1)(h), F.A.C., Florida Power & Light Company (“FPL”) is notifying the Commission that it charged its incremental Hurricane Dorian storm-related costs as operating expenses rather than charging them to Account No. 228.1. This notice is provided and filed in accordance with Rule 25-6.0143(1)(h), F.A.C. As a result of and in accordance with this decision, FPL will not request cost recovery from its customers for the Hurricane Dorian storm-related costs.

Hurricane Dorian posed an enormous threat to peninsular Florida, and for days was forecasted to make landfall in FPL’s service territory with as much as Category 5 force winds. As such, FPL followed its well developed and systematic plan to respond to such a weather event, which includes obtaining and pre-staging resources in advance of the storm. For Hurricane Dorian, this included pre-staging approximately 17,000 personnel (i.e., FPL employees and external utilities and contractor personnel from 26 states). Even as some of the models subsequently began to project that the storm would turn north and remain offshore, a slight deviation to the west of the modeled track could have been catastrophic for much of Florida’s east coast. During this period, FPL remained prepared for any potential outcome.

After Dorian passed through the Bahamas with its devastating Category 5 strength winds, Dorian’s track shifted to the east and its most damaging impacts fortunately remained offshore as it moved north - sparing FPL and Florida from significant harm and damage. Hurricane Dorian’s outer bands began to directly impact FPL’s service territory on September 1, 2019. Its impacts continued through the morning hours of September 5, as Dorian’s path essentially paralleled the east coast of Florida as it slowly traveled north. Due to its path, FPL’s management areas were affected by the impacts of Dorian.

In total, FPL restored service to more than 160,000 customers. Toppled trees, excess vegetation and wind-blown debris were the leading causes of outages. On average, customers’ outages were restored in just over an hour and no outage exceeded more than 24 hours. FPL’s significant investments over the past decade in smart grid technology, undergrounding power lines and strengthening the energy grid enabled FPL to restore power faster and avoid outages. For example, infrastructure storm-hardened and placed underground performed well, nearly 60 drones were employed to help crews visualize damage in dense or flooded areas and more than 37,000 outages were avoided due to investments in smart grid technology (e.g., automated

feeder switches).

As a result of the preparations for and restoration activities following Hurricane Dorian, FPL incurred significant storm-related costs. Rule 25-6.0143(1)(h), F.A.C., requires a utility opting to charge storm-related costs as operating expenses to provide a schedule of the amounts charged to operating expenses for each incident exceeding \$5 million. FPL has previously advised the Commission that FPL's storm-related costs associated with Hurricane Dorian will exceed this threshold.<sup>1</sup> FPL has not yet concluded its analysis and settlement of all of the storm-related costs associated with Hurricane Dorian, and therefore cannot provide a final schedule of all such costs. However, Exhibit A, which is attached to this letter, reflects the amounts FPL recorded to operating expense by FERC account in 2019 related to Hurricane Dorian.

If you have any questions, please do not hesitate to contact me at (561) 694-3428.

Regards,



Keith Ferguson  
VP Accounting and Controller, FPL

Cc: Andrew Maurey, Director of Accounting & Finance, Florida Public Service Commission  
Judy Harlow, Director of Economics, Florida Public Service Commission  
J.R. Kelly, Public Counsel, Office of Public Counsel

Florida Power & Light Company  

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700 Universe Boulevard, Juno Beach, FL 33408

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<sup>1</sup> See FPL's letter of September 18, 2019 from Keith Ferguson, VP Accounting and Controller of FPL to Adam Teitzman, Commission Clerk.

**Florida Power & Light Company**  
**Hurricane Dorian Storm Restoration Costs as of December 31, 2019**  
**(\$000's)**

LINE NO.	FERC Account	Description	Total System
1	<b><u>Base O&amp;M Expense</u></b>		
2	513	Maintenance of Electric Plant	\$ 6
3	532	Maintenance of Miscellaneous Nuclear	2,851
4	554	Maintenance of Other Power Generation Plant	561
5	573	Maintenance of Miscellaneous Transmission Plant	1,423
6	598	Maintenance of Miscellaneous Distribution Plant	255,523
7	910	Miscellaneous Customer Service	340
8	930	Miscellaneous General Expenses	2,793
9		Total Amount Charged to Base O&M	<u>263,495</u>
10			
11	<b><u>Capital</u></b>		
12	101	Plant in Service	\$ 211
13			
14	<b><u>ICCA Adjustments</u></b>		
15	Various	ICCA Adjustments	\$ 1,914
16			
17	<b><u>Below-the-line Expense</u></b>		
18	426.5	Other Deductions	<u>\$ -</u>
19			
20	<b>Total Hurricane Dorian Storm Restoration Costs <sup>(A)</sup></b>		<b><u><u>265,620</u></u></b>

22 **Notes:**

23 <sup>(A)</sup> Storm costs reflect actuals through December 31, 2019. Amount is subject to change as FPL is still receiving invoices from contractors and mutual aid assistance from other utilities.