

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of 2020-2029 Storm Protection Plan pursuant to Rule 25-6.030, F.A.C., Tampa Electric Company.	DOCKET NO. 20200067-EI
In re: Review of 2020-2029 Storm Protection Plan pursuant to Rule 25-6.030, F.A.C., Duke Energy Florida, LLC.	DOCKET NO. 20200069-EI
In re: Review of 2020-2029 Storm Protection Plan pursuant to Rule 25-6.030, F.A.C., Gulf Power Company.	DOCKET NO. 20200070-EI
In re: Review of 2020-2029 Storm Protection Plan pursuant to Rule 25-6.030, F.A.C., Florida Power & Light Company.	DOCKET NO. 20200071-EI ORDER NO. PSC-2020-0275-PHO-EI ISSUED: August 4, 2020

PREHEARING ORDER

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code (F.A.C.), a Prehearing Conference was held on July 28, 2020, in Tallahassee, Florida, before Commissioner Donald J. Polmann, as Prehearing Officer.

APPEARANCES:

JAMES D. BEASLEY, J. JEFFRY WAHLEN, and MALCOLM N. MEANS, ESQUIRES, Post Office Box 391, Tallahassee, Florida 32302
On behalf of Tampa Electric Company (TECO).

DIANNE M. TRIPLETT, ESQUIRE, 299 First Avenue North, St. Petersburg, FL 33701 and MATTHEW R. BERNIER, ESQUIRE, 106 E. College Avenue, Suite 800, Tallahassee, Florida 32301
On behalf of Duke Energy Florida, LLC (DEF).

RUSSELL A. BADDERS, ESQUIRE, One Energy Place, Pensacola, FL 32520 and JASON A. HIGGINBOTHAM and JOHN T. BURNETT, ESQUIRES, 700 Universe Boulevard, Juno Beach, Florida 33408-0420
On behalf of Gulf Power Company (Gulf).

CHRISTOPHER T. WRIGHT and JOHN T. BURNETT, ESQUIRES, 700 Universe Boulevard, Juno Beach, Florida 33408-0420
On behalf of Florida Power & Light Company (FPL).

JON C. MOYLE, JR. and KAREN PUTNAL, ESQUIRES, 118 North Gadsden Street, Tallahassee, Florida 32312
On behalf of Florida Industrial Power Users Group (FIPUG).

JAMES W. BREW and LAURA WYNN BAKER, ESQUIRES, Stone Mattheis Xenopoulos & Brew, PC, 1025 Thomas Jefferson Street, NW, Eighth Floor, West Tower, Washington, District of Columbia 20007
On behalf of White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs (PCS).

PATRICIA A. CHRISTENSEN, A. MIREILLE FALL-FRY, CHARLES REHWINKEL, and THOMAS A. (TAD) DAVID, ESQUIRES, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400
On behalf of Office of Public Counsel (OPC).

STEPHANIE U. EATON, ESQUIRE, 110 Oakwood Drive, Suite 500, Winston-Salem, North Carolina 27103 and DERRICK PRICE WILLIAMSON and BARRY A. NAUM, ESQUIRES, 1100 Bent Creek Boulevard, Suite 101, Mechanicsburg, Pennsylvania 17050
On behalf of Walmart Inc. (Walmart).

RACHAEL DZIECHCIARZ and CHARLES MURPHY, ESQUIRES, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
On behalf of the Florida Public Service Commission (Staff).

MARY ANNE HELTON, ESQUIRE, Deputy General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
Advisor to the Florida Public Service Commission.

KEITH C. HETRICK, ESQUIRE, General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
Florida Public Service Commission General Counsel.

I. CASE BACKGROUND

Section 366.96(3), Florida Statutes (F.S.), requires each public utility to file a transmission and distribution storm protection plan (SPP) that covers the immediate 10-year

planning period, and explains the systematic approach the utility will follow to achieve the objectives of reducing restoration costs and outage times associated with extreme weather events and enhancing reliability. Pursuant to Section 366.96(5) and (6), F.S., every three years the Florida Public Service Commission (Commission) is required to determine whether it is in the public interest to approve, approve with modification, or deny each utility's transmission and distribution storm protection plan filed in accordance with Commission Rule 25-6.030, F.A.C.

Docket Nos. 20200067-EI, 20200068-EI, 20200069-EI, 20200070-EI, and 20200071-EI were opened to address the storm protection plans for each of the electric utilities that are subject to the requirements of Section 366.96, F.S. Docket No. 20200068-EI was closed by Order No. PSC-2020-0097-PCO-EI, issued on April 6, 2020; the remaining dockets were consolidated for the purpose of the hearing. The dockets will be governed by the procedures set forth in Order No. PSC-2020-0073-PCO-EI, issued March 11, 2020, as modified by Order No. 2020-0122-PCO-EI, issued on April 22, 2020, and as further modified by Order No. PSC-2020-0209-PCO-EI, issued on June 25, 2020, in Docket No. 20200069-EI only.

The Office of Public Counsel (OPC), Walmart Inc. (Walmart), and Florida Industrial Power Users Group (FIPUG) were granted intervention in Docket Nos. 20200067-EI, 20200069-EI, 20200070-EI, and 20200071-EI. White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate –White Springs (PCS) was granted intervention in Docket No. 20200069-EI. The consolidated dockets are scheduled for an administrative hearing from August 10 through 13, 2020.

II. CONDUCT OF PROCEEDINGS

Pursuant to Rule 28-106.211, F.A.C., this Prehearing Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

State buildings are currently closed to the public and other restrictions on gathering remain in place due to COVID-19. Accordingly, the hearing will be conducted remotely, and all parties and witnesses shall be prepared to present argument and testimony by communications media technology. The Commission shall act as the host of the hearing and will use a combination of technologies to ensure full participation. The Commission will employ GoToMeeting as an audio and video platform for the hearing, which will include a telephone number for audio-only participation.

A GoToMeeting invitation shall be provided to counsel for each party. It shall be the responsibility of counsel to provide their clients, client representatives, and witnesses with the invitation, which will allow them to access the hearing, as necessary. Counsel for each party will also be provided the call-in number for audio participation.

Any member of the public who wants to observe or listen to the proceedings may do so by accessing the live video broadcast on each day of the hearing, which is available from the Commission website. Upon completion of the hearing, the archived video will also be available.

III. JURISDICTION

This Commission is vested with jurisdiction over the subject matter by the provisions of Chapter 366.96, F.S. This hearing will be governed by said Chapter and Chapters 25-6, 25-22, and 28-106, F.A.C., as well as any other applicable provisions of law.

IV. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

Information for which proprietary confidential business information status is requested pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., shall be treated by the Commission as confidential. The information shall be exempt from Section 119.07(1), F.S., pending a formal ruling on such request by the Commission or pending return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been made a part of the evidentiary record in this proceeding, it shall be returned to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of this proceeding, it shall be returned to the person providing the information within the time period set forth in Section 366.093, F.S. The Commission may determine that continued possession of the information is necessary for the Commission to conduct its business.

It is the policy of this Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 366.093, F.S., to protect proprietary confidential business information from disclosure outside the proceeding. Therefore, any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, F.S., at the hearing shall adhere to the following:

- (1) When confidential information is used in the hearing that has not been filed as prefiled testimony or prefiled exhibits, parties must follow the procedures for providing confidential electronic exhibits to the Commission Clerk prior to the hearing.
- (2) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise confidentiality. Therefore, confidential information should be presented by electronic exhibit.

If a confidential exhibit has been admitted into evidence, the copy provided to the court reporter shall be retained in the Office of Commission Clerk's confidential files. If such material is admitted into the evidentiary record at hearing and is not otherwise subject to a request for

confidential classification filed with the Commission, the source of the information must file a request for confidential classification of the information within 21 days of the conclusion of the hearing, as set forth in Rule 25-22.006(8)(b), F.A.C., if continued confidentiality of the information is to be maintained.

V. PREFILED TESTIMONY AND EXHIBITS; WITNESSES

Testimony of all witnesses to be sponsored by the parties (and Staff) has been prefiled and will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to timely and appropriate objections. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Summaries of testimony shall be limited to three minutes.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer. After all parties and Staff have had the opportunity to cross-examine the witness, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

The parties shall avoid duplicative or repetitious cross-examination. Further, friendly cross-examination will not be allowed. Cross-examination shall be limited to witnesses whose testimony is adverse to the party desiring to cross-examine. Any party conducting what appears to be a friendly cross-examination of a witness should be prepared to indicate why that witness's direct testimony is adverse to its interests.

VI. ORDER OF WITNESSES

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
<u>Direct</u>		
Gerry R. Chasse	TECO	1A, 2A, 3A, 4A, 7A
Regan B. Haines	TECO	1A, 2A, 3A, 5A
John H. Webster	TECO	1A, 2A, 3A, 5A

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
A. Sloan Lewis	TECO	5A, 6A
Jason D. DeStigter	TECO	2A, 3A, 5A
Jay W. Oliver	DEF	1B, 2B, 3B, 4B, 5B, 7B
Thomas G. Foster	DEF	1B, 6B, 7B
Michael Spoor	GULF	1C-7C
Michael Jarro	FPL	1D-7D
Scott Norwood	OPC	1A-7A and 1B-7B
Lane Kollen	OPC	1A-7A
Helmuth W. Schultz	OPC	1B-7B
Kevin Mara	OPC	1C-7C and 1D-7D
Ralph Smith	OPC	1C-7C and 1D-7D
Lisa V. Perry	Walmart	7A-D
<u>Rebuttal</u>		
Regan B. Haines	TECO	1A, 2A, 3A, 5A
A. Sloan Lewis	TECO	5A, 6A
Jason D. DeStigter	TECO	2A, 3A, 5A
Jay W. Oliver	DEF	1B, 2B, 3B, 4B, 5B
Thomas G. Foster	DEF	1B, 6B, 7B
Michael Spoor	GULF	1C-7C
Michael Jarro	FPL	1D-7D

VII. BASIC POSITIONS

TECO: The Commission should find that it is in the public interest to approve Tampa Electric Company's 2020-2029 Storm Protection Plan without modification because that Plan meets all of the requirements of, and will further all of the objectives of, Section 366.96 of the Florida Statutes and Rule 25-6.030 of the Florida Administrative Code.

DEF: As required by Section 366.96, Florida Statutes (the "SPP Statute"), Rule 25-6.030, F.A.C. (the "SPP Rule"), and the OEP, on April 10, 2020, DEF filed its proposed Storm Protection Plan ("SPP" or the "Plan"). DEF's transmission and distribution SPP covers the immediate 10-year planning period (2020-2029) and explains the systematic approach DEF will follow to achieve the objectives of reducing restoration costs and outage times associated with extreme weather events and enhancing reliability, as demonstrated by the pre-filed testimonies and exhibits of DEF's witness Mr. Jay Oliver; and converted into the 3-year projected rates and revenue requirements as required by the SPP Rule and included in the testimony and exhibit of Mr. Thomas Foster. DEF's SPP, which includes all elements required by the SPP Rule, is in the public interest and should be approved by this Commission.

GULF: Pursuant to Section 366.96, F.S., and Rule 25-6.030, F.A.C., Gulf has proposed a 2020-2029 SPP to reasonably achieve the legislative objectives of promoting the overhead hardening of electrical distribution and transmission facilities, the undergrounding of certain electrical distribution lines, and vegetation management to reduce restoration costs and outage times associated with extreme weather events. Gulf's SPP is largely a continuation and expansion of its existing storm hardening and storm preparedness programs, which were most recently approved in Gulf's 2019-2021 Storm Hardening Plan.¹ These existing hardening and storm preparedness programs have already demonstrated that they have and will continue to increase Transmission and Distribution ("T&D") infrastructure resiliency, reduce outage times, and reduce restoration costs when Gulf's system is impacted by extreme weather events.

In its SPP, Gulf has proposed the following 7 programs:

- Distribution Inspection Program
- Transmission Inspection Program
- Distribution Feeder Hardening Program

¹ See *In re: Review of 2019-2021 Storm Hardening Plan, Gulf Power Company*, Docket No. 20180147-EI, Order No. PSC-2019-0311-PAA-EI (Fla. PSC July 29, 2019).

- Distribution Hardening – Lateral Undergrounding Program
- Transmission Hardening Program
- Vegetation Management – Distribution Program
- Vegetation Management – Transmission Program

Of these seven programs, the following six programs were previously reviewed and approved as part of Gulf's Storm Hardening Plans, storm initiatives, and annual reliability filings: Distribution Inspection, Transmission Inspection, Distribution Feeder Hardening, Transmission Hardening, Vegetation Management – Distribution; and Vegetation Management – Transmission. Gulf's Transmission and Substation Resiliency Program is the only program in Gulf's 2020-2029 SPP that could arguably be considered a completely new program because it has not been previously reviewed by the Commission. The Transmission and Substation Resiliency program, is a subset and expansion of Gulf's existing Transmission Hardening Program. Gulf's proposed Distribution Hardening – Lateral Undergrounding Program is a pilot program that was described in Gulf's Commission approved 2019-2021 Storm Hardening Plan.

Gulf's SPP includes descriptions of the estimated costs and benefits of the SPP programs and criteria to select and prioritize the SPP projects, as well as additional details for the first three years of the SPP. Gulf's SPP also provides the estimated revenue requirements for each SPP program, and the estimated rate impact for the first three years of the SPP. Gulf's SPP provides the information required by and is fully consistent with Rule 25-6.030, F.A.C. The Commission can use and compare all of the information it specifically required Gulf to provide in the SPP to determine if, pursuant to Section 366.96, F.S., the programs and projects included in the SPP are in the public interest and should be approved.

No parties dispute that Gulf's SPP programs will achieve the legislative objectives of reducing restoration costs and outage times associated with extreme weather events. Indeed, as explained by Gulf witness Spoor, OPC's testimony suggests that it would not be unreasonable for the Commission to allow Gulf to implement six (6) out of the seven (7) Gulf proposed SPP programs because they are existing "core programs" that have also been used for many years; have been reviewed by the Commission as part of Gulf's Storm Hardening Plans, storm initiatives, and annual reliability filings; and Gulf has demonstrated that these programs have and will continue to reduce outage times due to extreme weather conditions as provided in Sections II and IV and Appendix C to Exhibit MS-1. Thus, the only contested programs are the following three programs OPC identifies as new initiatives: Gulf's proposed Distribution Hardening – Lateral Undergrounding Program and two programs that are subsets of Gulf's existing

Transmission Hardening Program – Gulf’s proposed Substation Flood Monitoring and Hardening Program and proposed Transmission and Substation Resiliency Program. It is Gulf’s position that the only new program in its 2020-2029 SPP is the proposed Transmission and Substation Resiliency Program.

OPC argues that the Commission should apply new resiliency standards when reviewing utility proposed SPP expenditures to ensure that the approved projects meaningfully improve resiliency. OPC is improperly attempting to re-litigate the Storm Protection Plan Rule 25-6.030, F.A.C., approved by this Commission and add a new resiliency test that is not prescribed by the Rule. There is no need to develop a new resiliency standard or test because the Florida Legislature and Commission have already defined storm resiliency for purposes of SPP in Section 366.96, F.S., and Rule 25-6.030, F.A.C. – reduction in restoration costs and outage times associated with extreme weather conditions. Gulf has demonstrated in Sections II and IV, and Appendix C of Exhibit MS-1 that each of its SPP programs will improve storm resiliency by reducing restoration costs and outages associated with extreme weather conditions.

OPC also recommends that further cost-benefit analyses and storm damage assessment modeling should be performed for Gulf’s SPP programs and projects. OPC is, once again, improperly attempting to re-litigate the Storm Protection Plan Rule 25-6.030, F.A.C., approved by this Commission and add formulaic cost-benefit analyses and cost-effectiveness tests that were not prescribed by the Rule. There is nothing in Section 366.96, F.S., or Rule 25-6.030, F.A.C., that prescribes or requires a cost-benefit analysis or cost-effectiveness test for the SPP programs and projects. Instead, Rule 25-6.030(3)(d)(4), F.A.C., requires the SPP to include a “comparison” of the estimated costs and estimated benefits for each SPP program, which Gulf provided in the following portions of its SPP: Section II: the “Comparison of Costs and Benefits” included in each SPP program description in Section IV; and Appendix C of Exhibit MS-1. Further, storm hardening is not a simple cost-effective proposition as suggested by OPC’s recommendation. OPC focuses only on program costs and savings in restoration costs (*i.e.*, a strictly quantitative analysis), and completely ignores the qualitative component required by both the Statute and Rule – reduction in outage times associated with extreme weather conditions.

Gulf’s Distribution Hardening – Lateral Undergrounding Program is in the pilot phase. As a result, Gulf intends to learn from the information that it collects and use it to further analyze and scope the program in to the future, just as Florida Power & Light Company (“FPL”) did with its pilot. As explained by FPL witness Jarro, what OPC witness Mara fails to observe is that OPC’s strict cost-effectiveness approach to undergrounding laterals is not required by Rule 25-6.030, F.A.C., or Section 366.96, F.S., is not how Florida has pursued storm hardening for the last 14 years, and is contrary to Section 366.96, F.S., which

expressly promotes the undergrounding of distribution laterals. As is the case with all of the historical storm hardening programs that Gulf has done over the past 14 years, the benefits of those efforts have not and reasonably cannot be measured on restoration cost savings alone. That is why the Florida Legislature deliberately charged the Commission with determining whether a proposed storm protection plan is “in the public interest” and not whether the plan meets any sort of strict, mathematical cost/benefit comparison. OPC cannot now substitute its preference or judgment on this point for that of the legislature.

Gulf properly included a comparison of costs and benefits for its proposed Substation Flood Monitoring and Hardening Program in its SPP. Gulf’s proposed Substation Flood Monitoring and Hardening Program was included in Gulf’s 2019-2021 Storm Hardening Plan and was implemented following the 2018 storm season based on data from the National Oceanic and Atmospheric Administration (“NOAA”) Sea, Lake and Overland Surges from Hurricanes (“SLOSH”) model used to define potential maximum flooding conditions. Gulf’s proposed program in its SPP has been presented to target a very specific and limited number of substations based on the SLOSH model and is intended to mitigate costs arising from damage to Gulf’s substation infrastructure following a severe weather event. As an example, Gulf identified a switch house that sustained over \$750,000 in wind damage following a severe weather event.

Gulf properly included a methodology to select and prioritize storm protection projects and also properly included a comparison of costs and benefits for its proposed Transmission and Substation Resiliency Program in its SPP. Gulf indicated in its SPP that this program was designed to invest in the overall resiliency of the electric grid at the transmission and substation level by removing critical single points of failure that have the potential to impact larger numbers of customers for extended period of time. Gulf also indicated in its SPP that the proposed program will build redundancy into the system to improve resiliency, eliminate the frequency and duration of outages, and shorten restoration times following major weather events.

Finally, OPC recommends that the economic impacts of COVID-19 on the Florida economy should be considered by the Commission in reviewing Gulf’s SPP, and that Gulf should re-file or file an update to its plan in 2022 to consider the impacts of the pandemic and the effects to Florida citizens and businesses. As explained by Gulf witness Spoor, while Gulf recognizes that the COVID-19 pandemic has caused hardships for customers and the communities it serves, Gulf must not delay its efforts and should continue working to improve the resiliency of the energy grid, particularly given that hurricanes will continue to threaten Gulf’s territory and customers regardless of economic conditions.

For all the reasons discussed above, and as explained in more detail in the direct and rebuttal testimony provided by Gulf witness Spoor, Gulf's proposed 2020-2029 SPP is in the public interest and should be approved. Gulf's proposed 2020-2029 SPP complies with the requirements and objectives of Section 366.96, F.S., and Rule 25-6.030, F.A.C., and provides a systematic approach to achieve the legislative objectives of reducing restoration costs and outage times associated with extreme weather events.

FPL: Pursuant to Section 366.96, F.S., and Rule 25-6.030, F.A.C., FPL has proposed a 2020-2029 SPP to reasonably achieve the legislative objectives of promoting the overhead hardening of electrical distribution and transmission facilities, the undergrounding of certain electrical distribution lines, and vegetation management to reduce restoration costs and outage times associated with extreme weather events. FPL's SPP is largely a continuation and expansion of its existing storm hardening and storm preparedness programs, which were most recently approved in FPL's 2019-2021 Storm Hardening Plan.² These existing hardening and storm preparedness programs have already demonstrated that they have and will continue to increase T&D infrastructure resiliency, reduce outage times, and reduce restoration costs when FPL's system is impacted by extreme weather events. FPL performed an analysis of Hurricanes Matthew and Irma that indicated the restoration construction man-hours ("CMH"), days to restore, and storm restoration costs for these storms would have been significantly higher without FPL's storm hardening programs.³

In its SPP, FPL has proposed the following 8 programs:

- Pole Inspections – Distribution Program
- Structures/Other Equipment Inspections – Transmission Program
- Feeder Hardening (EWL) – Distribution Program
- Lateral Hardening (Undergrounding) – Distribution Program
- Wood Structures Hardening (Replacing) – Transmission Program
- Substation Storm Surge/Flood Mitigation –Program

² See *In re: Petition for Approval of Florida Power & Light Company's 2019-2021 Storm Hardening Plan pursuant to Rule 25-6.0342, F.A.C.*, Docket No. 20180144-EI, Order No. PSC-2019-0364-CO-EI (Fla. PSC Aug. 27, 2019) (making Order No. PSC-2019-0301-PAA-EI issued on July 29, 2019, effective and final).

³ See FPL's Third Supplemental Response to Staff's First Data Request No. 29 ("Third Supplemental Amended") in Docket No. 20170215-EI, which is provided as Appendix A to Exhibit MJ-1.

- Vegetation Management – Distribution Program
- Vegetation Management – Transmission Program

With the exception of the new Substation Storm/Surge Mitigation Program and the proposal to transition FPL’s existing three-year Storm SSUP Pilot to a system-wide Lateral Hardening (Undergrounding) – Distribution Program,⁴ each of these storm hardening programs and storm preparedness initiatives (*i.e.*, six out of eight) have been in place since 2007 and have been reviewed and approved as part of FPL’s Storm Hardening Plans, storm initiatives, and annual reliability filings.

FPL’s SPP includes descriptions of the estimated costs and benefits of the SPP programs and criteria to select and prioritize the SPP projects, as well as additional details for the first three years of the SPP. FPL’s SPP also provides the estimated revenue requirements for each SPP program, and the estimated rate impact for the first three years of the SPP. FPL’s SPP provides the information required by and is fully consistent with Rule 25-6.030, F.A.C. The Commission can use and compare all of the information it specifically required FPL to provide in the SPP to determine if, pursuant to Section 366.96, F.S., the programs and projects included in the SPP are in the public interest and should be approved.

No parties dispute that FPL’s SPP programs will achieve the legislative objectives of reducing restoration costs and outage times associated with extreme weather events. Indeed, as explained by FPL witness Jarro, OPC essentially agrees with six (6) out of the eight (8) FPL SPP programs because they are existing “core programs” that have also been used for many years; have been reviewed by the Commission as part of FPL’s Storm Hardening Plans, storm initiatives, and annual reliability filings; and FPL has demonstrated that these programs have and will continue to reduce outage times due to extreme weather conditions as provided in Sections II and IV and Appendix A to Exhibit MJ-1. Further, OPC essentially agrees with FPL’s proposed Substation Storm Surge/Flood Mitigation – Program but recommends that FPL consider a relocation alternative for the St. Augustine Substation, which, as explained by FPL witness Jarro, would be costlier than raising the equipment above the flood level at the existing site as proposed. Thus, the only truly contested program is FPL’s proposal to transition the existing Storm Secure Underground Pilot (“SSUP”) during 2021-2029 to a system-wide Lateral Hardening (Undergrounding) – Distribution Program to provide the benefits of underground lateral hardening throughout its system.

⁴ Although OPC opposes FPL’s Lateral Hardening (Undergrounding) – Distribution Program, the continuation of the SSUP Pilot through the end of 2020 and the transition to a system-wide lateral underground program in 2021 were both approved in FPL’s 2019-2021 Storm Hardening Plan. *See In re: Petition for Approval of Florida Power & Light Company’s 2019-2021 Storm Hardening Plan pursuant to Rule 25-6.0342, F.A.C.*, Docket No. 20180144-EI, Order No. PSC-2019-0364-CO-EI (Fla. PSC Aug. 27, 2019) (making Order No. PSC-2019-0301-PAA-EI issued on July 29, 2019, effective and final).

OPC argues that the Commission should apply new resiliency standards when reviewing utility proposed SPP expenditures to ensure that the approved projects meaningfully improve resiliency. OPC is improperly attempting to re-litigate the Storm Protection Plan Rule 25-6.030, F.A.C., approved by this Commission and add a new resiliency test that is not prescribed by the Rule. There is no need to develop a new resiliency standard or test because the Florida Legislature and Commission have already defined storm resiliency for purposes of SPP in Section 366.96, F.S., and Rule 25-6.030, F.A.C. – reduction in restoration costs and outage times associated with extreme weather conditions. FPL has demonstrated in Sections II and IV, and Appendix A of Exhibit MJ-1 that each of its SPP programs will improve storm resiliency by reducing restoration costs and outages associated with extreme weather conditions.

OPC also recommends that further cost-benefit analyses and storm damage assessment modeling should be performed for FPL's SPP programs and projects. OPC is, once again, improperly attempting to re-litigate the Storm Protection Plan Rule 25-6.030, F.A.C., approved by this Commission and add formulaic cost-benefit analyses and cost-effectiveness tests that were not prescribed by the Rule. There is nothing in Section 366.96, F.S., or Rule 25-6.030, F.A.C., that prescribes or requires a cost-benefit analysis or cost-effectiveness test for the SPP programs and projects. Instead, Rule 25-6.030(3)(d)(4), F.A.C., requires the SPP to include a "comparison" of the estimated costs and estimated benefits for each SPP program, which FPL provided in the following portions of its SPP: Section II; the "Comparison of Costs and Benefits" included in each SPP program description in Section IV; and Appendix A of Exhibit MJ-1. Further, storm hardening is not a simple cost-effective proposition as suggested by OPC's recommendation. OPC focuses only on program costs and savings in restoration costs (*i.e.*, a strictly quantitative analysis), and completely ignores the qualitative component required by both the Statute and Rule – reduction in outage times associated with extreme weather conditions.

Although OPC witness Mara admits that undergrounding laterals provides much greater resiliency during extreme weather events, OPC apparently does not support FPL's Lateral Hardening (Undergrounding) – Distribution Program because, according to OPC's witness, it is not cost effective from a purely quantitative basis. But what OPC witness Mara fails to observe is that OPC's strict cost-effectiveness approach is not required by Rule, 25-6.030, F.A.C., or Section 366.96, F.S., is not how Florida has pursued storm hardening for the last 14 years, and is contrary to Section 366.96, F.S., which expressly promotes the undergrounding of distribution laterals. As is the case with all of the historical storm hardening programs that FPL has done over the past 14 years, the benefits of those efforts have not and reasonably cannot be measured on restoration cost savings alone. That is why the Florida Legislature deliberately charged the

Commission with determining whether a proposed storm protection plan is “in the public interest” and not whether the plan meets any sort of strict, mathematical cost/benefit comparison. OPC cannot now substitute its preference or judgment on this point for that of the Florida Legislature.

Although OPC witness Mara agrees with FPL’s proposal to prioritize laterals for undergrounding on a feeder basis, OPC recommends that not all laterals on a selected feeder should be undergrounded and, instead, proposes an arbitrary limit of no more than 10 or 15 laterals per feeder be converted to underground under FPL’s Lateral Hardening (Undergrounding) – Distribution Program. OPC overlooks that the priority for selection of laterals remains the same as its Commission-approved SSUP Pilot. As explained by FPL witness Jarro, FPL is using a feeder based approach for its deployment of the Lateral Hardening (Undergrounding) – Distribution Program because one of the lessons learned from the SSUP Pilot is that implementing projects at the feeder level provides a less costly solution (by approximately 12-20%) from an engineering, permitting, and construction standpoint compared to deploying on a single lateral basis.

Finally, OPC recommends that the economic impacts of COVID-19 on the Florida economy should be considered by the Commission in reviewing FPL’s SPP, and that FPL should re-file or file an update to its plan in 2022 to consider the impacts of the pandemic and the effects to Florida citizens and businesses. As explained by FPL witness Jarro, while FPL recognizes that the COVID-19 pandemic has caused hardships for customers and the communities it serves, FPL must not delay its efforts and should continue working to improve the resiliency of the energy grid, particularly given that hurricanes will continue to threaten FPL’s territory and customers regardless of economic conditions.

For all the reasons discussed above, and as explained in more detail in the direct and rebuttal testimony provided by FPL witness Jarro, FPL’s proposed 2020-2029 SPP is in the public interest and should be approved. FPL’s proposed 2020-2029 SPP complies with the requirements and objectives of Section 366.96, F.S., complies with Rule 25-6.030, F.A.C., and provides a systematic approach to achieve the legislative objectives of reducing restoration costs and outage times associated with extreme weather events.

OPC: The OPC’s basic position in this case is that the Commission’s determinations regarding the Storm Protection Plans (SPP) that have been filed must be consistent with the public policy contained in Section 366.96, Florida Statutes. The OPC supports the goal of the legislature in encouraging cost-effective measures to enhance the resiliency and reliability of investor owned electric utilities’ (IOUs) existing infrastructure for the benefits of customers and the state as a whole. The OPC has focused on whether the appropriate cost-benefit analyses (CBA) have been performed and, to the extent they have, whether the

CBA support the programs and projects contained in the SPPs filed by the IOUs. Where the CBA is inadequate, the SPP programs should be denied and/or an updated SPP—with CBA deficiencies corrected—filed in 2022.

Another area of focus has been the whether the SPPs and the estimated rate impacts are consistent with the prohibition against double recovery of costs contained in section 366.96(8). The OPC submits that the Commission and the IOUs have taken an impermissibly narrow approach to separating the SPP rule process (rule 25-6.030, F.A.C. from the SPPCRC process (rule 25-6.031, F.A.C.) in a way that could hinder the accurate separation of base rate and clause cost recovery. To this end the OPC has entered into stipulated resolutions of matters contained in the SPP and the SPPCRC dockets to minimize the potential for double recovery of costs to the greatest extent possible with the intention that there should be no double recovery.

Finally, the OPC is concerned that customer impacts from the COVID-19 pandemic are still unknown and have the potential for creating severe economic hardship in all aspects of life. The impact could be felt for years to come and coupled with the expected filing of base rate cases by all four IOUs in 2021, the compound impact of both could be significant. We have asked that the Commission take steps in both its public interest and its rate impact determinations to carefully consider the impacts of the pandemic on customers. To this end, the OPC requests that the IOUs be instructed to file updated SPPs in 2022 that more accurately capture the affordability of proposed SPP measures, sufficient CBA analyses and the interaction of SPP cost recovery and rate impacts with the base rate case requests pending in 2021.

FIPUG: Each utility presenting a Storm Protection Plan for approval in this proceeding must demonstrate, in accordance with applicable law, that its storm protection / storm hardening efforts and activities are reasonable, prudent, and specifically authorized by section 366.96, Florida Statutes. Utilities must further demonstrate that programs and the costs associated with storm protection / storm hardening efforts and activities will not be subject to duplicate cost recovery under the utility's base rates and the Storm Protection Plan Cost Recovery Clause.

PCS: PCS Phosphate is a signatory to the proposed 2020 SPP/SPPCRC Agreement filed by Duke Energy Florida, LLC (“Duke” or “DEF”) on July 17, 2020, concerning DEF’s initial Storm Protection Plan (“SPP”). PCS supports Duke’s petition for approval of its SPP to the extent that it conforms with this stipulation and the requirements of the Storm Protection Plan Recovery statute, 366.96, F.S.

The proposed stipulation recognizes the need to address the proper allocation of SPP costs for clause purposes in DEF’s next base rate case. As required by Section 366.96(8), F.S., the stipulation aims to mitigate potentially duplicative

recovery of Duke storm hardening program costs that were addressed in DEF's 2017 Second Revised and Restated Settlement Agreement ("Settlement Agreement") approved by the Commission in Order No. PSC-2017-0451-AS-EU. That Settlement Agreement, and specifically the general allocation of costs adopted in that Agreement, did not contemplate the subsequent enactment of Section 366.96, F.S. Accordingly, in the utility's next base rate it shall be necessary to both apportion SPP costs between base rate and clause recovery and reasonably allocate the recovery of such costs in accordance with accepted cost causation principles.

WALMART: The Commission should carefully consider whether the SPPs proposed by the Companies are in the public interest. The Florida Legislature determined that there are four (4) factors the Commission must consider when determining whether to approve, approve with modifications, or deny SPPs. These factors include the extent to which the SPP will reduce restoration costs and power outage times, how practical a certain location selected for transmission and distribution ("T&D") infrastructure is relative to the utility's service territory, the cost/benefit to customers, and the impact on customers' bills. F.S. § 366.96(4)(a)-(d).

Walmart believes it would be in the public interest for the Commission to direct that the Companies collaborate with Walmart and other interested stakeholders during the interim period before their next required updated SPPs to develop ways in which customer-sited generation may be utilized as part of the SPP in order to strengthen the T&D systems and provide customers with lower restoration costs, shorter outage periods, and more reliable electric service overall.

Walmart had presented the testimony of Mr. Chriss, but the parties have agreed to address the issues raised by Mr. Chriss in the SPP Clause Docket, 20200092-EI as noted below. Accordingly, Walmart intends to request that Mr. Chriss be waived from appearing at the Hearing in these consolidated dockets.

STAFF: Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

VIII. ISSUES AND POSITIONS

ISSUE 1A: Does TECO's 2020-2029 Storm Protection Plan contain all of the elements required by Rule 25-6.030, Florida Administrative Code?

TECO: Yes. (Witnesses: Chasse, Haines, Webster)

DEF: No position.

GULF: No position.

FPL: No position.

OPC: No. As explained on pages 15-16 of OPC witness Norwood's direct testimony, TECO has not provided sufficient details regarding the cost-benefit analysis ("CBA") calculations for proposed SPP programs, as required by Rule 25-6.030(3)(d), F.A.C. While the Company has provided summary results for the total estimated costs and benefits of each proposed SPP program, and a summary of major input assumptions, the underlying data provided was limited pursuant to claims that the analysis was developed using a proprietary model. Without this detail, the intervenors and the Commission may be unable to fully verify and calculate the rate impact as required by Section 366.96, Florida Statutes and Rule 25-6.030, F.A.C.

FIPUG: No. As explained on pages 15-16 of OPC witness Norwood's direct testimony, TECO has not provided sufficient details regarding the cost-benefit analysis ("CBA") calculations for proposed SPP programs, as required by Rule 25-6.030(3)(d), F.A.C. While the Company has provided summary results for the total estimated costs and benefits of each proposed SPP program, and a summary of major input assumptions, the underlying data provided was limited pursuant to claims that the analysis was developed using a proprietary model. Without this detail, the intervenors and the Commission may be unable to fully verify and calculate the rate impact as required by Section 366.96, Florida Statutes and Rule 25-6.030, F.A.C.

PCS: No position.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 1B: **Does DEF's 2020-2029 Storm Protection Plan contain all of the elements required by Rule 25-6.030, Florida Administrative Code?**

TECO: No position.

DEF: Yes. (Witnesses: Oliver, Foster)

GULF: No position.

FPL: No position.

OPC: No. As explained on pages 15-16 of OPC witness Norwood's direct testimony, while the Company has provided summary results for the total estimated costs and benefits of each proposed SPP Program, and a summary of major input assumptions, the lack of complete details as to how referenced benefits and costs were calculated for each SPP program, a breakdown of the total costs and benefits by type, or the calculations of the benefit-cost ratios for each proposed Program, limits the ability of parties and the Commission to verify the CBA results. DEF has only provided a presentation of information and not an analysis of the information, which would require an explanation of how the information was developed. This opaque nature of the information and limited access to the details necessary to confirm the reasonableness of DEF's CBA for the \$18.6 billion SPP is problematic for the OPC.

FIPUG: No. As explained on pages 15-16 of OPC witness Norwood's direct testimony, while the Company has provided summary results for the total estimated costs and benefits of each proposed SPP Program, and a summary of major input assumptions, the lack of complete details as to how referenced benefits and costs were calculated for each SPP program, a breakdown of the total costs and benefits by type, or the calculations of the benefit-cost ratios for each proposed Program, limits the ability of parties and the Commission to verify the CBA results. DEF has only provided a presentation of information and not an analysis of the information, which would require an explanation of how the information was developed. This opaque nature of the information and limited access to the details necessary to confirm the reasonableness of DEF's CBA for the \$18.6 billion SPP is problematic. [REDACTED]

PCS: Agree with OPC to the extent consistent with the proposed stipulation filed on July 17, 2020.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 1C: Does Gulf's 2020-2029 Storm Protection Plan contain all of the elements required by Rule 25-6.030, Florida Administrative Code?

TECO: No position.

- DEF:** No position.
- GULF:** Yes. Gulf's 2020-2029 SPP includes all of the information required by Rule 25-6.030(3), F.A.C. (*Gulf witness Spoor*)
- FPL:** No position.
- OPC:** Yes, technically Gulf's 2020-2029 SPP appears to contain all of the required elements. However, Gulf did not provide a description and comparison of how each program in its SPP will reduce restoration costs and outage times as required by Rule 25-6.030(3)(b), (3)(d)(1) and (3)(d)(4), F.A.C. As also discussed in detail in the response to Issue 7C, below, superficial satisfaction of the elements required by Rule 25-6.030, F.A.C. does not mean that the SPP necessarily should be approved without modification.
- FIPUG:** Gulf's 2020-2029 SPP appears to contain all of the required elements, except that Gulf did not provide a description and comparison of how each program in its SPP will reduce restoration costs and outage times as required by Rule 25-6.030(3)(b), (3)(d)(1) and (3)(d)(4), F.A.C. As also discussed in detail in the response to Issue 7C, below, superficial satisfaction of the elements required by Rule 25-6.030, F.A.C. does not mean that the SPP necessarily should be approved without modification.
- PCS:** No position.
- WALMART:** No position.
- STAFF:** Staff has no position pending evidence adduced at the hearing.
- ISSUE 1D: Does FPL's 2020-2029 Storm Protection Plan contain all of the elements required by Rule 25-6.030, Florida Administrative Code?**
- TECO:** No position.
- DEF:** No position.
- GULF:** No position.
- FPL:** Yes. FPL's 2020-2029 SPP includes all of the information required by Rule 25-6.030(3), F.A.C. (*FPL witness Jarro*)

OPC: Yes, technically FPL's 2020-2029 SPP appears to contain all of the required elements. However, FPL did not provide a least cost option for the St. Augustine substation project as required by Rule 25-6.030(3)(i), F.A.C. As also discussed in detail in the response to Issue 7D, below, superficial satisfaction of the elements required by Rule 25-6.030, F.A.C. does not mean that the SPP necessarily should be approved without modification.

FIPUG: FPL's 2020-2029 SPP appears to contain all of the required elements, except that FPL did not provide a least cost option for the St. Augustine substation project as required by Rule 25-6.030(3)(i), F.A.C. As also discussed in detail in the response to Issue 7D, below, superficial satisfaction of the elements required by Rule 25-6.030, F.A.C. does not mean that the SPP necessarily should be approved without modification.

PCS: No position.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 2A: To what extent is TECO's 2020-2029 Storm Protection Plan expected to reduce restoration costs and outage times associated with extreme weather events and enhance reliability?

TECO: Tampa Electric's Storm Protection Plan will significantly reduce restoration costs and outage times associated with extreme weather events and will enhance reliability. The five programs analyzed by 1898 & Co. are expected to reduce restoration costs by \$397-\$578 million and reduce CMI by 31.5-31.8 percent over the next fifty years depending on future storm frequency and intensity. The company's Vegetation Management Program is expected to improve SAIFI by 15.3 percent, SAIDI by 9.6 percent, and reduce restoration costs by 22.2 percent. (Witnesses: Chasse, Haines, Webster, DeStigter)

DEF: No position.

GULF: No position.

FPL: No position.

OPC: As shown in Table 3 on page 15 of OPC witness Norwood's direct testimony, TECO forecasts that the Company's \$1.462 billion SPP will

produce outage restoration cost benefits of approximately \$396 million over 50 years, which equates to an annual average outage restoration cost savings of just under \$8 million per year. As noted on page 16 of OPC witness Norwood's direct testimony, TECO forecasts that the SPP will reduce outage times associated with extreme weather events by approximately 29 minutes per year. Although these benefits are not guaranteed, if achieved, the 29 minute per year reduction in outage times due to the SPP would improve TECO's annual service reliability by only 0.0055% (29 minutes / 525,600 minutes per year = 0.0055%).

FIPUG: As shown in Table 3 on page 15 of OPC witness Norwood's direct testimony, TECO forecasts that the Company's \$1.462 billion SPP will produce outage restoration cost benefits of approximately \$396 million over 50 years, which equates to an annual average outage restoration cost savings of just under \$8 million per year. As noted on page 16 of OPC witness Norwood's direct testimony, TECO forecasts that the SPP will reduce outage times associated with extreme weather events by approximately 29 minutes per year. Although these benefits are not guaranteed, if achieved, the 29 minute per year reduction in outage times due to the SPP would improve TECO's annual service reliability by only 0.0055% (29 minutes / 525,600 minutes per year = 0.0055%).

PCS: No position.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 2B: **To what extent is DEF's 2020-2029 Storm Protection Plan expected to reduce restoration costs and outage times associated with extreme weather events and enhance reliability?**

TECO: No position.

DEF: The SPP's expected reduction in restoration costs and outage times associated with extreme weather events is provided in Exhibit No. __ (JWO-2), and further detailed in Rebuttal Exhibit No. __ (JWO-6). Page 4 of Rebuttal Exhibit No. __ (JWO-6) demonstrates the annual ongoing expected reduction in restoration costs and outage times associated with extreme weather events as a result of DEF's 2020-2029 Storm Protection Plan. The expected reductions in restoration costs and outage times are reasonable and achievable. (Witness: Oliver)

GULF: No position.

FPL: No position.

OPC: As shown in Table 2 on page 17 of OPC witness Norwood's direct testimony, DEF forecasts that the Company's \$5.8 billion SPP will produce outage restoration cost benefits of approximately \$2.4 billion over 30 years, which equates to an annual average outage restoration cost savings of \$80 million per year. As noted on page 17 of OPC witness Norwood's direct testimony, although EWE outage time on DEF's system has averaged 214 minutes per year since 2006 (the first year DEF collected EWE outage data) the Company forecasts that the SPP will reduce outage times associated with extreme weather events by approximately 622 minutes per year. Although this forecasted outage reduction is nearly 3 times the historical level, and not guaranteed, if achieved, the forecasted reduction in outage time due to the SPP would improve DEF's annual service reliability by only 0.1% ($622 \text{ minutes} / 525,600 \text{ minutes per year} = 0.1\%$).

FIPUG: As shown in Table 2 on page 17 of OPC witness Norwood's direct testimony, DEF forecasts that the Company's \$5.8 billion SPP will produce outage restoration cost benefits of approximately \$2.4 billion over 30 years, which equates to an annual average outage restoration cost savings of \$80 million per year. As noted on page 17 of OPC witness Norwood's direct testimony, although EWE outage time on DEF's system has averaged 214 minutes per year since 2006 (the first year DEF collected EWE outage data) the Company forecasts that the SPP will reduce outage times associated with extreme weather events by approximately 622 minutes per year. Although this forecasted outage reduction is nearly 3 times the historical level, and not guaranteed, if achieved, the forecasted reduction in outage time due to the SPP would improve DEF's annual service reliability by only 0.1% ($622 \text{ minutes} / 525,600 \text{ minutes per year} = 0.1\%$).

PCS: Agree with OPC to the extent consistent with the proposed stipulation filed on July 17, 2020.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 2C: To what extent is Gulf's 2020-2029 Storm Protection Plan expected to reduce restoration costs and outage times associated with extreme weather events and enhance reliability?

TECO: No position.

DEF: No position.

GULF: Gulf has demonstrated in Sections II and IV, and Appendix C of Exhibit MS-1 that each of its SPP programs have and will continue to provide increased T&D infrastructure resiliency, reduced outage times, and reduced restoration costs when Gulf's system is impacted by severe weather events. Importantly, these benefits include both quantitative and qualitative components consistent with Section 366.96, F.S., and Rule 25-6.030, F.A.C. With the exception of the new Transmission and Substation Resiliency Program, each of Gulf's storm hardening programs and storm preparedness initiatives have been reviewed and approved as part of Gulf's Storm Hardening Plans, storm initiatives, and annual reliability filings. As demonstrated by recent storm events, these programs have been successful in reducing restoration costs and outage times following major storms, as well as improving day-to-day reliability. Continuing these previously-approved storm hardening and storm preparedness programs in the SPP, together with the proposed Transmission and Substation Resiliency Program is appropriate and crucial to further mitigate restoration costs and outage times. (*Gulf witness Spoor*)

FPL: No position.

OPC: The Company has not presented sufficient information to fully evaluate the 2020-2029 SPP and determine the extent to which it is expected to reduce restoration costs and outage times associated with extreme weather events and enhance reliability. Gulf did not provide any quantifiable benefits in terms of reduced restoration costs nor reductions in outage times for the projects and programs contained in its 2020-2029 SPP. The SPP only contains information specific enough for a cursory evaluation for the first year, 2020. Beyond this first year, the programs outlined in Gulf's SPP do not contain enough information to fully evaluate extent to which the plan is expected to reduce restoration costs and outage times associated with extreme weather events and enhance reliability. Therefore, it is unknown if there are any benefits. While OPC believes there are benefits, it is incumbent on Gulf to provide the data required to properly compare the identifiable benefits to the identifiable costs.

FIPUG: The Company has not presented sufficient information to fully evaluate the 2020-2029 SPP and determine the extent to which it is expected to reduce restoration costs and outage times associated with extreme weather events and enhance reliability. Gulf did not provide any quantifiable benefits in terms of reduced restoration costs nor reductions in outage times for the projects and programs contained in its 2020-2029 SPP. The SPP only contains information specific enough for a cursory evaluation for the first year, 2020. Beyond this first year, the programs outlined in Gulf's SPP do not contain enough information to fully evaluate extent to which the plan is expected to reduce restoration costs and outage times associated with extreme weather events and enhance reliability. Therefore, it is unknown if there are any benefits. It is incumbent on Gulf to provide the data required to properly compare any identifiable benefits to the identifiable costs.

PCS: No position.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 2D: **To what extent is FPL's 2020-2029 Storm Protection Plan expected to reduce restoration costs and outage times associated with extreme weather events and enhance reliability?**

TECO: No position.

DEF: No position.

GULF: No position.

FPL: FPL has demonstrated in Sections II and IV, and Appendix A of Exhibit MJ-1 that each of its SPP programs have and will continue to provide increased T&D infrastructure resiliency, reduced outage times, and reduced restoration costs when FPL's system is impacted by severe weather events. Importantly, these benefits include both quantitative and qualitative components consistent with Section 366.96, F.S., and Rule 25-6.030, F.A.C. With the exception of the new Substation Storm/Surge Mitigation Program and the proposal to transition FPL's existing three-year lateral underground pilot to a system-wide lateral underground program, each of FPL's storm hardening programs and storm preparedness initiatives have been in place since 2007 and have been reviewed and approved as part of FPL's Storm Hardening Plans, storm initiatives, and

annual reliability filings. As demonstrated by recent storm events, these programs have been successful in reducing restoration costs and outage times following major storms, as well as improving day-to-day reliability. Continuing these previously-approved storm hardening and storm preparedness programs in the SPP, together with the new Substation Storm/Surge Mitigation Program and the proposal to transition FPL's existing three-year lateral underground pilot to a system-wide lateral underground program, is appropriate and crucial to further mitigate restoration costs and outage times. (*FPL witness Jarro*)

OPC:

The Company has not presented sufficient information to fully evaluate the 2020-2029 SPP and determine the extent to which it is expected to reduce restoration costs and outage times associated with extreme weather events and enhance reliability. FPL's past storm protection programs have yielded cost benefits between \$1.9 billion to \$3.1 billion over a 40-year net present value. However, no specific value was provided for improving outage times caused by extreme weather events. The SPP only contains information specific enough for cursory evaluation for the first year, 2020.

FPL's cost benefits do not include reductions in restoration costs for Lateral Hardening (Undergrounding) because FPL did not include any quantifiable benefits for undergrounding laterals. FPL's basis for the undergrounding program was "the performance of the underground facilities caused by vegetation during Hurricanes Matthew and Irma" (Ex MJ-1 Page 27 of 48). FPL was unable to provide reductions in either restoration costs or restoration in outage times for a program with projected costs of over \$5.1 billion. Beyond this first year, the programs outlined in FPL's SPP do not contain enough information to evaluate extent to which the plan is expected to reduce restoration costs and outage times associated with extreme weather events and enhance reliability.

FIPUG:

The Company has not presented sufficient information to fully evaluate the 2020-2029 SPP and determine the extent to which it is expected to reduce restoration costs and outage times associated with extreme weather events and enhance reliability. FPL's past storm protection programs have yielded cost benefits between \$1.9 billion to \$3.1 billion over a 40-year net present value. However, no specific value was provided for improving outage times caused by extreme weather events. The SPP only contains information specific enough for cursory evaluation for the first year, 2020.

FPL's cost benefits do not include reductions in restoration costs for Lateral Hardening (Undergrounding) because FPL did not include any quantifiable benefits for undergrounding laterals. FPL's basis for the undergrounding program was "the performance of the underground

facilities caused by vegetation during Hurricanes Matthew and Irma” (Ex MJ-1 Page 27 of 48). FPL was unable to provide reductions in either restoration costs or restoration in outage times for a program with projected costs of over \$5.1 billion. Beyond this first year, the programs outlined in FPL’s SPP do not contain enough information to evaluate extent to which the plan is expected to reduce restoration costs and outage times associated with extreme weather events and enhance reliability.

PCS: No position.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 3A: To what extent does TECO’s 2020-2029 Storm Protection Plan prioritize areas of lower reliability performance?

TECO: The company’s methodology for prioritizing Storm Protection Projects incorporates reliability performance during extreme weather. Projects were prioritized based on their benefit to cost ratio, meaning those projects that will deliver the highest customer benefit at the lowest relative cost are prioritized higher. Furthermore, historical outage data and trim data were incorporated into the Vegetation Management Program design. (Witness: Chasse, Haines, Webster, DeStigter)

DEF: No position.

GULF: No position.

FPL: No position.

OPC: As noted on page 20 of OPC witness Norwood’s direct testimony, the historical reliability of TECO’s system has been excellent, averaging 99.98% including extreme weather events since 2010. Although OPC did not specifically evaluate the extent to which TECO prioritized areas of lower reliability performance, the Company’s forecasted net improvement in system reliability due to the proposed SPP is only approximately 0.0055% (29 minutes per year in outage reduction), which is extremely small and therefore would provide little improvement to TECO’s system reliability performance.

FIPUG: As noted on page 20 of OPC witness Norwood’s direct testimony, the historical reliability of TECO’s system has been excellent, averaging

99.98% including extreme weather events since 2010. Pursuant to analysis as described by OPC, the Company's forecasted net improvement in system reliability due to the proposed SPP is only approximately 0.0055% (29 minutes per year in outage reduction), which is extremely small and therefore would provide little improvement to TECO's system reliability performance.

PCS: No position.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 3B: To what extent does DEF's 2020-2029 Storm Protection Plan prioritize areas of lower reliability performance?

TECO: No position.

DEF: The prioritization methodology for each SPP Program includes the "Probability of Damage" from extreme weather events for each major asset component. Historical reliability performance of these assets is correlated with simulated future weather exposure conditions. This technique prioritizes areas of lower reliability performance. This is more fully described in Exhibit No. __ (JWO-2). (Witness: Oliver)

GULF: No position.

FPL: No position.

OPC: As shown on Table 3 on page 21 of OPC witness Norwood's direct testimony, the historical reliability of DEF's system has been very good, averaging 99.93% including extreme weather events since 2010. Although OPC did not specifically evaluate the extent to which DEF's proposed SPP prioritized areas of lower reliability performance, the Company's forecasted net improvement in system reliability due to the proposed SPP would be only approximately 0.1% (622 minutes per year in outage reduction), which is very small, and therefore would provide little improvement to DEF's system reliability performance.

FIPUG: As shown on Table 3 on page 21 of OPC witness Norwood's direct testimony, the historical reliability of DEF's system has been very good, averaging 99.93% including extreme weather events since 2010. Pursuant to analysis as described by OPC, the Company's forecasted net

improvement in system reliability due to the proposed SPP would be only approximately 0.1% (622 minutes per year in outage reduction), which is very small, and therefore would provide little improvement to DEF's system reliability performance.

PCS: Agree with OPC to the extent consistent with the proposed stipulation filed on July 17, 2020.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 3C: To what extent does Gulf's 2020-2029 Storm Protection Plan prioritize areas of lower reliability performance?

TECO: No position.

DEF: No position.

GULF: Gulf's 2020-2029 SPP prioritizes areas of lower reliability performance. A description of the criteria used to select and prioritize storm protection projects is included in the description of each SPP program provided in Section IV of Exhibit MS-1. Gulf has selected, prioritized, and deployed all of its historical storm hardening programs in a deliberate and effective manner over the past fourteen years and Gulf is employing this same approach for its SPP programs. (*Gulf witness Spoor*)

FPL: No position.

OPC: Many of Gulf's programs are system wide type programs that do not prioritize specific areas of lower performance. These programs include vegetation management, and pole inspections. The Distribution Feeder Hardening program which is spread throughout the system uses a set of performance criteria to prioritize projects. The Lateral Undergrounding Program is a pilot program which uses performance criteria to prioritize undergrounding projects. The Transmission Hardening Program is not prioritized by areas of lower reliability performance but rather is based on the number of customers impacted and the estimated time of restoration.

FIPUG: Many of Gulf's programs are system wide type programs that do not prioritize specific areas of lower performance. These programs include vegetation management, and pole inspections. The Distribution Feeder Hardening program which is spread throughout the system uses a set of performance criteria to prioritize projects. The Lateral Undergrounding

Program is a pilot program which uses performance criteria to prioritize undergrounding projects. The Transmission Hardening Program is not prioritized by areas of lower reliability performance but rather is based on the number of customers impacted and the estimated time of restoration.

PCS: No position.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 3D: To what extent does FPL's 2020-2029 Storm Protection Plan prioritize areas of lower reliability performance?

TECO: No position.

DEF: No position.

GULF: No position.

FPL: FPL's 2020-2029 SPP prioritizes areas of lower reliability performance. A description of the criteria used to select and prioritize storm protection projects is included in the description of each SPP program provided in Section IV of Exhibit MJ-1. FPL has selected, prioritized, and deployed all of its historical storm hardening programs in a deliberate and effective manner over the past fourteen years and FPL is employing this same approach for its SPP programs. (*FPL witness Jarro*)

OPC: Many of FPL's programs are system wide type programs that do not prioritize specific areas of lower performance. These programs include vegetation management, and pole inspections. The Distribution Feeder Hardening program which is spread throughout the system uses a set of performance criteria to prioritize projects. The Transmission Hardening Program is based on performance criteria to prioritize projects.

FPL's Lateral Undergrounding program prioritizes reliability upgrades based on the overall feeder performance. Once selected, all laterals on the feeder are undergrounded regardless of the outage history of the individual lateral. OPC believes the priority methods used in the SUPP pilot program which considered the performance of laterals to determine which should be undergrounded is a superior method.

FIPUG: Many of FPL's programs are system wide type programs that do not prioritize specific areas of lower performance. These programs include vegetation management, and pole inspections. The Distribution Feeder Hardening program which is spread throughout the system uses a set of performance criteria to prioritize projects. The Transmission Hardening Program is based on performance criteria to prioritize projects.

FPL's Lateral Undergrounding program prioritizes reliability upgrades based on the overall feeder performance. Once selected, all laterals on the feeder are undergrounded regardless of the outage history of the individual lateral. The priority methods used in the SUPP pilot program which considered the performance of laterals to determine which should be undergrounded is a superior method.

PCS: No position.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 4A: **To what extent is TECO's 2020-2029 Storm Protection Plan regarding transmission and distribution infrastructure feasible, reasonable, or practical in certain areas of TECO's service territory, including, but not limited to, flood zones and rural areas?**

TECO: There are no areas of the company's service area where it would be impractical, unfeasible, or imprudent to harden. All components of the transmission and distribution system can be hardened to achieve resiliency benefits. (Witnesses: Chasse, Haines)

DEF: No position.

GULF: No position.

FPL: No position.

OPC: OPC has not specifically evaluated whether projects included in TECO's proposed SPP are feasible, or practical in specific areas such as flood zones and rural areas. However, OPC's overall conclusion is that TECO's proposed SPP would be very costly, and that the SPP is not needed, not cost-effective, and expected by TECO to provide only an extremely small improvement (0.0055%) to TECO's already excellent system reliability performance.

FIPUG: FIPUG has not specifically evaluated whether projects included in TECO's proposed SPP are feasible, or practical in specific areas such as flood zones and rural areas. However, FIPUG adopts the overall conclusion stated by OPC that TECO's proposed SPP would be very costly, and that the SPP is not needed, not cost-effective, and expected by TECO to provide only an extremely small improvement (0.0055%) to TECO's already excellent system reliability performance.

PCS: No position.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 4B: **To what extent is DEF's 2020-2029 Storm Protection Plan regarding transmission and distribution infrastructure feasible, reasonable, or practical in certain areas of DEF's service territory, including, but not limited to, flood zones and rural areas?**

TECO: No position.

DEF: The model used to produce DEF's SPP, detailed in Exhibit No. __ (JWO-4), considered the geographic location and characteristics of each asset as part of the analysis of the feasibility and reasonableness of implementing the various SPP Programs at each given location. (Witness: Oliver)

GULF: No position.

FPL: No position.

OPC: OPC has not specifically evaluated whether projects included in DEF's proposed SPP are feasible, or practical in specific areas such as flood zones and rural areas. However, OPC's overall conclusion is that DEF's proposed SPP would be very costly, and that the SPP is not needed, not cost-effective, and expected by DEF to provide only a very small (0.1%) improvement to DEF's already excellent system reliability performance.

FIPUG: FIPUG has not specifically evaluated whether projects included in DEF's proposed SPP are feasible, or practical in specific areas such as flood zones and rural areas. However, FIPUG adopts the overall conclusion stated by OPC that DEF's proposed SPP would be very costly, and that the SPP is not needed, not cost-effective, and expected by DEF to provide

only a very small (0.1%) improvement to DEF's already excellent system reliability performance.

PCS: Agree with OPC to the extent consistent with the proposed stipulation filed on July 17, 2020.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 4C: **To what extent is Gulf's 2020-2029 Storm Protection Plan regarding transmission and distribution infrastructure feasible, reasonable, or practical in certain areas of Gulf's service territory, including, but not limited to, flood zones and rural areas?**

TECO: No position.

DEF: No position.

GULF: As explained in Section II of Exhibit MS-1, Gulf has not identified any areas of its service area where its SPP programs would not be feasible, reasonable, or practical. While all of Gulf's SPP programs are system-wide initiatives, annual activities are prioritized based on certain factors such as last inspection date, last trim date, reliability performance, and efficient resource utilization. At this time, there is no area specifically targeted or prioritized for enhanced performance based on its geographical location. The criteria and factors used to select and prioritize projects within each SPP program are provided in Section IV of Exhibit MS-1. (*Gulf witness Spoor*)

FPL: No position.

OPC: In general Gulf's SPP projects are feasible, reasonable and/or practicable. The exception is Gulf's program to eliminate critical single point of failure through its transmission and substation resiliency program. OPC notes that Gulf has provided no information on how this program will be implemented. Further, OPC believes there are options to solve single point failure. (See Mara testimony page 22 and 23).

FIPUG: In general Gulf's SPP projects are feasible, reasonable and/or practicable. The exception is Gulf's program to eliminate critical single point of failure through its transmission and substation resiliency program. FIPUG adopts the analysis presented by OPC that Gulf has provided no information on

how this program will be implemented, and that there are options to solve single point failure. (See Mara testimony page 22 and 23).

PCS: No position.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 4D: **To what extent is FPL's 2020-2029 Storm Protection Plan regarding transmission and distribution infrastructure feasible, reasonable, or practical in certain areas of FPL's service territory, including, but not limited to, flood zones and rural areas?**

TECO: No position.

DEF: No position.

GULF: No position.

FPL: As explained in Section II of Exhibit MJ-1, FPL has not identified any areas of its service territory where its SPP programs would not be feasible, reasonable, or practical. While all of FPL's SPP programs are system-wide initiatives, annual activities are prioritized based on certain factors such as last inspection date, last trim date, reliability performance, and efficient resource utilization. At this time, there is no area specifically targeted or prioritized for enhanced performance based on its geographical location. The criteria and factors used to select and prioritize projects within each SPP program are provided in Section IV of Exhibit MJ-1. *(FPL witness Jarro)*

OPC: FPL's SPP projects are feasible, and/or practicable. The reasonableness of a program is based in part on the cost-benefit of such a project. So while undergrounding laterals is feasible and practical, FPL has failed to show that this program reasonable.

FIPUG: FPL's SPP projects are feasible, and/or practicable. The reasonableness of a program is based in part on the cost-benefit of such a project. So while undergrounding laterals is feasible and practical, FPL has failed to show that this program reasonable.

PCS: No position.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 5A: What are the estimated costs and benefits to TECO and its customers of making the improvements proposed in the 2020-2029 Storm Protection Plan

TECO: Tampa Electric estimates that the total costs for its Storm Protection Plan for the 2020-2029 period are \$1,920 million, resulting in a total revenue requirement of \$972 million for all Storm Protection Programs or Activities, regardless of where they are recovered. The five programs analyzed by 1898 & Co. are expected to reduce restoration costs by \$397 - \$578 million and reduce CMI by 31.5-31.8 percent over the next fifty years depending on future storm frequency and intensity. The company's Vegetation Management Program is expected to improve SAIFI by 15.3 percent, SAIDI by 9.6 percent, and reduce restoration costs by 22.2 percent. (Witness: Haines, Webster, Lewis, DeStigter)

DEF: No position.

GULF: No position.

FPL: No position.

OPC: As shown in Table 3 on page 15 of OPC witness Norwood's direct testimony, according to TECO's estimates, which are not guaranteed and cannot be verified, the Company's proposed SPP would cost approximately \$1.46 billion and produce benefits of approximately \$396.9 million, resulting in a net economic loss (cost) to customers of approximately \$1.1 billion over 50 years.

FIPUG: As shown in Table 3 on page 15 of OPC witness Norwood's direct testimony, according to TECO's estimates, which are not guaranteed and cannot be verified, the Company's proposed SPP would cost approximately \$1.46 billion and produce benefits of approximately \$396.9 million, resulting in a net economic loss (cost) to customers of approximately \$1.1 billion over 50 years.

PCS: No position.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 5B: What are the estimated costs and benefits to DEF and its customers of making the improvements proposed in the 2020-2029 Storm Protection Plan

TECO: No position.

DEF: The estimated costs and benefits are discussed in detail in Exhibit No. ___ (JWO-2), broken out by each Program, and further detailed in Rebuttal Exhibit No. ___ (JWO-6). Further, the total estimated cost of the first three-years of the Plan are provided in Exhibit No. ___ (JWO-3). (Witness: Oliver)

GULF: No position.

FPL: No position.

OPC: As shown in Table 2 on page 17 of OPC witness Norwood's direct testimony, according to DEF's estimates, which are not guaranteed and cannot be verified, the Company's proposed SPP would cost approximately \$5.8 billion and produced benefits of approximately \$2.4 billion, resulting in a net economic loss (cost) to customers of approximately \$3.4 billion over 30 years.

FIPUG: As shown in Table 2 on page 17 of OPC witness Norwood's direct testimony, according to DEF's estimates, which are not guaranteed and cannot be verified, the Company's proposed SPP would cost approximately \$5.8 billion and produced benefits of approximately \$2.4 billion, resulting in a net economic loss (cost) to customers of approximately \$3.4 billion over 30 years.

PCS: Agree with OPC to the extent consistent with the proposed stipulation filed on July 17, 2020.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 5C: What are the estimated costs and benefits to Gulf and its customers of making the improvements proposed in the 2020-2029 Storm Protection Plan?

TECO: No position.

DEF: No position.

- GULF:** The estimated costs for each SPP program, including the estimated annual capital costs and operating expenses, are provided in Section IV and Appendix C of Exhibit MS-1. With the exception of the proposed Distribution Hardening – Lateral Undergrounding Program pilot, which will be largely based on FPL’s Commission-approved Storm Secure Undergrounding Pilot program, and Gulf’s proposed Transmission and Substation Resiliency Program, the average annual cost for each SPP program is consistent with historical costs. Each of its SPP programs have and will continue to provide increased T&D infrastructure resiliency, reduced restoration time, and reduced restoration costs when Gulf’s system is impacted by severe weather events. A detailed summary of the benefits of Gulf’s SPP is provided in Section II of the SPP, and the benefits of each program are provided in Section IV of the SPP. (*Gulf witness Spoor*)
- FPL:** No position.
- OPC:** Gulf’s SPP shows anticipated costs for each proposed program and provides a total estimated cost for Gulf’s 2020-2029 SPP as \$998,790,000. However, the benefits are entirely unquantified and/or unquantifiable. The benefits should be stated in terms of avoided costs or other quantifiable benefits, such as projected savings for storm restoration as a result of the proposed SPP. In addition to not fully satisfying the statutory requirement, this lack of quantifiable benefits creates the risk that some SPP programs that are not cost-effective may be approved. As explained in response to Issue 7C below, such quantifiable costs and benefits are necessary to properly determine whether the SPP is in the public interest.
- FIPUG:** Gulf’s SPP shows anticipated costs for each proposed program and provides a total estimated cost for Gulf’s 2020-2029 SPP as \$998,790,000. However, the benefits are entirely unquantified and/or unquantifiable. The benefits should be stated in terms of avoided costs or other quantifiable benefits, such as projected savings for storm restoration as a result of the proposed SPP. In addition to not fully satisfying the statutory requirement, this lack of quantifiable benefits creates the risk that some SPP programs that are not cost-effective may be approved. As explained in response to Issue 7C below, such quantifiable costs and benefits are necessary to properly determine whether the SPP is in the public interest.
- PCS:** No position.
- WALMART:** No position.
- STAFF:** Staff has no position pending evidence adduced at the hearing.

ISSUE 5D: What are the estimated costs and benefits to FPL and its customers of making the improvements proposed in the 2020-2029 Storm Protection Plan?

TECO: No position.

DEF: No position.

GULF: No position.

FPL: The estimated costs for each SPP program, including the estimated annual capital costs and operating expenses, are provided in Section IV and Appendix C of Exhibit MJ-1. With the exception of the new Substation Storm/Surge Mitigation Program and the proposal to transition FPL's existing three-year Storm Secure Underground Program Pilot to a system-wide Lateral Hardening (Undergrounding) – Distribution Program, the average annual cost for each SPP program is consistent with historical costs. Each of its SPP programs have and will continue to provide increased T&D infrastructure resiliency, reduced outage times, and reduced restoration costs when FPL's system is impacted by severe weather events. A detailed summary of the benefits of FPL's SPP is provided in Section II of the SPP, and the benefits of each program are provided in Section IV of the SPP. (*FPL witness Jarro*)

OPC: FPL gave the total estimated costs for FPL's 2020-2029 SPP as \$10.24 billion. Additionally, FPL provided an estimate for storm restoration costs savings due to hardening in Appendix A of their application, although they did not provide an overall cost benefit for all projects. FPL's 40-year net present value range in benefits was \$1.9 billion to \$3.1 billion. OPC's expert analysis of the 40-year net present value of the cost of the 2020-2029 SPP is \$10.8 billion (See errata sheet). Thus the cost of the SPP is 3 to 5 times higher than the benefits. Moreover, the benefits in the form of avoided cost savings are lacking, creating risks that SPP programs would be approved that are not cost-effective. As explained in response to Issue 7D below, such quantifiable costs and benefits are necessary to properly determine whether the SPP is in the public interest.

FIPUG: FPL gave the total estimated costs for FPL's 2020-2029 SPP as \$10.24 billion. Additionally, FPL provided an estimate for storm restoration costs savings due to hardening in Appendix A of their application, although they did not provide an overall cost benefit for all projects. FPL's 40-year net present value range in benefits was \$1.9 billion to \$3.1 billion. FIPUG adopts OPC's expert analysis showing the 40-year net present value of the cost of the 2020-2029 SPP is \$10.8 billion (See errata sheet). Thus the cost of the SPP is 3 to 5 times higher than the benefits. Moreover, the benefits

in the form of avoided cost savings are lacking, creating risks that SPP programs would be approved that are not cost-effective. As explained in response to Issue 7D below, such quantifiable costs and benefits are necessary to properly determine whether the SPP is in the public interest.

PCS: No position.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 6A: What is the estimated annual rate impact resulting from implementation of TECO's 2020-2029 Storm Protection Plan during the first 3 years addressed in the plan?

TECO: The following table shows the full rate impact of the SPP on typical bills

Tampa Electric's Storm Protection Plan "Total Cost" Customer Bill Impacts (in percent)				
Customer Class				
	Residential 1000 kWh	Residential 1250 kWh	Commercial 1 MW 60 percent Load Factor	Industrial 10 MW 60 percent Load Factor
2020	1.50	1.48	1.44	0.55
2021	2.22	2.21	2.14	0.84
2022	3.09	3.06	2.98	1.13
2023	4.12	4.07	3.95	1.46

(Witness: Lewis)

DEF: No position.

GULF: No position.

FPL: No position.

OPC: The Company provided an estimate of the incremental customer rate impact for the ten-year life of the SPP based on the sum of the return of and on the incremental capitalized cost and the incremental expenses. The Company calculated the total customer rate impact as \$972.165 million over the ten-year life of the SPP.

In a Settlement Agreement approved by the Commission in Order No. PSC-2020-0224-AS-EI, issued on June 30, 2020, (“TECO Settlement Order”) OPC and TECO agreed to a base rate reduction consistent with the amount TECO plans to recover. *See* TECO Settlement Order at 5 (“Based on the company’s current plan to seek cost recovery under the SPPCRC in 2020, the company has calculated, and the Parties agree, that Tampa Electric’s 2-year average actual annual O&M expense amounts for the Six Activities for 2018 and 2019 totals \$15.0 million per year as shown on Exhibit One and the grossed-up amount of the annual base revenue reduction is \$15,010,800.”)

FIPUG: The Company provided an estimate of the incremental customer rate impact for the ten-year life of the SPP based on the sum of the return of and on the incremental capitalized cost and the incremental expenses. The Company calculated the total customer rate impact as \$972.165 million over the ten-year life of the SPP.

In a Settlement Agreement approved by the Commission in Order No. PSC-2020-0224-AS-EI, issued on June 30, 2020, (“TECO Settlement Order”) OPC and TECO agreed to a base rate reduction consistent with the amount TECO plans to recover. *See* TECO Settlement Order at 5 (“Based on the company’s current plan to seek cost recovery under the SPPCRC in 2020, the company has calculated, and the Parties agree, that Tampa Electric’s 2-year average actual annual O&M expense amounts for the Six Activities for 2018 and 2019 totals \$15.0 million per year as shown on Exhibit One and the grossed-up amount of the annual base revenue reduction is \$15,010,800.”)

PCS: No position.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 6B: **What is the estimated annual rate impact resulting from implementation of DEF’s 2020-2029 Storm Protection Plan during the first 3 years addressed in the plan?**

- TECO:** No position.
- DEF:** The estimated annual rate impacts for the first 3 years of DEF's SPP are provided in Exhibit No. __ (JWO-2), page 40 of 40. (Witness: Foster).
- GULF:** No position.
- FPL:** No position.
- OPC:** At this point, the OPC has not identified the specific dollar amount of rate impacts of the first three years of DEF's pending SPP. The impact for projected 2021 costs for recovery in the year 2021 is not believed to be material while the impact for 2022 will be more accurately determined in conjunction with the Agreement that DEF, OPC and PCS entered into and filed on July 17, 2020 (if approved) and with the potential filing of a 2022 test year base rate case by DEF. The actual bill impact will be a function of shifting cost recovery from base rates to clause recovery and the net impact after holding all other things constant will be the true rate impact. DEF's estimated \$105 million cost recovery in the SPPCRC in 2022 is only one side of the equation and must be consistent with section 366.96(8) and, upon Commission approval, the July 17th Agreement.
- FIPUG:** FIPUG has not identified the specific dollar amount of rate impacts of the first three years of DEF's pending SPP and adopts the OPC's determination that the impact for projected 2021 costs for recovery in the year 2021 is not believed to be material while the impact for 2022 will be more accurately determined in conjunction with the Agreement that DEF, OPC and PCS entered into and filed on July 17, 2020 (if approved) and with the potential filing of a 2022 test year base rate case by DEF. The actual bill impact will be a function of shifting cost recovery from base rates to clause recovery and the net impact after holding all other things constant will be the true rate impact. DEF's estimated \$105 million cost recovery in the SPPCRC in 2022 is only one side of the equation and must be consistent with section 366.96(8) and, upon Commission approval, the July 17th Agreement.
- PCS:** Agree with OPC.
- WALMART:** No position.
- STAFF:** Staff has no position pending evidence adduced at the hearing.

ISSUE 6C: What is the estimated annual rate impact resulting from implementation of Gulf’s 2020-2029 Storm Protection Plan during the first 3 years addressed in the plan?

TECO: No position.

DEF: No position.

GULF: Gulf anticipates the programs included in the SPP will have zero bill impacts on customer bills during the first year of the SPP and only minimal bill increases for years two and three of the SPP. As provided in Section VII of Exhibit MS-1, the hypothetical rate impacts for Gulf’s typical residential, commercial, and industrial customers for the first three years of the SPP (2020-2022), without regard for the fact that Gulf remains under a general base rate freeze pursuant to a Commission-approved settlement agreement, are as follows for 2020, 2021, and 2022, respectively: Residential (RS) \$0.00118/kWh, \$0.002067/kWh, and \$0.00317/kWh; Commercial (GSD) \$0.00102/kWh, \$0.00177/kWh, and \$0.00270/kWh; and Industrial (PX) \$0.00087/kWh, \$0.00158/kWh and \$0.00240/kWh. The estimated rate impacts are based on the total estimated costs, as of the time of the April 10, 2020 filing date, for all programs included in the SPP regardless of whether those costs will be recovered in Gulf’s Storm Protection Plan Cost Recovery Clause or through base rates. The actual costs incurred for each SPP program will be addressed in the Storm Protection Plan Cost Recovery Clause dockets. *(Gulf witness Spoor)*

FPL: No position.

OPC: Gulf Exhibit MS-1 shows estimated annual rate increases as follows:

Estimated Rate Impact Resulting from 2020-2029 Storm Protection Plan
 (Amounts are per kWh)

	2020	2021	2022
Residential	\$0.00118	\$0.00206	\$0.00317
Commercial	\$0.00102	\$0.00177	\$0.00270
Industrial	\$0.00087	\$0.00158	\$0.00240

The estimated rate impacts are based on the total program costs reflected in this filing (which could vary by as much as 10% to 15%, regardless of whether those costs will be recovered in the Company’s SPPRC or through base rates), without regard to for the fact that pursuant to a

Commission approved settlement agreement, Gulf remains under a general base rate freeze until base rates are next established by the Commission.

FIPUG: Gulf Exhibit MS-1 shows estimated annual rate increases as follows:

Estimated Rate Impact Resulting from 2020-2029 Storm Protection Plan
(Amounts are per kWh)

	2020	2021	2022
Residential	\$0.00118	\$0.00206	\$0.00317
Commercial	\$0.00102	\$0.00177	\$0.00270
Industrial	\$0.00087	\$0.00158	\$0.00240

The estimated rate impacts are based on the total program costs reflected in this filing (which could vary by as much as 10% to 15%, regardless of whether those costs will be recovered in the Company's SPPRC or through base rates), without regard to for the fact that pursuant to a Commission approved settlement agreement, Gulf remains under a general base rate freeze until base rates are next established by the Commission.

PCS: No position.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 6D: **What is the estimated annual rate impact resulting from implementation of FPL's 2020-2029 Storm Protection Plan during the first 3 years addressed in the plan?**

TECO: No position.

DEF: No position.

GULF: No position.

FPL: FPL anticipates the programs included in the SPP will have zero bill impacts on customer bills during the first year of the SPP and only minimal bill increases for years two and three of the SPP. As provided in Section VII of Exhibit MJ-1, the hypothetical rate impacts for FPL's typical residential, commercial, and industrial customers for the first three years of the SPP (2020-2022), without regard for the fact that FPL remains under a general base rate freeze pursuant to a Commission-approved settlement agreement through December 31, 2021, are as follows for 2020,

2021, and 2022, respectively: Residential (RS-1) \$0.00251/kWh, \$0.00357/kWh, and \$0.00478/kWh; Commercial (GSD-1) \$0.81/kW, \$1.15/kW, and \$1.54/kW; and Industrial (GSLDT-3) \$0.05/kW, \$0.08/kW and \$0.10/kW. The estimated rate impacts are based on the total estimated costs, as of the time of the April 10, 2020 filing date, for all programs included in the SPP regardless of whether those costs will be recovered in FPL’s Storm Protection Plan Cost Recovery Clause or through base rates. The actual costs incurred for each SPP program will be addressed in the Storm Protection Plan Cost Recovery Clause dockets. (*FPL witness Jarro*)

OPC: FPL Corrected Exhibit MJ-1 shows estimated annual rate increases as follows:

Estimated Rate Impact Resulting from 2020-2029 Storm Protection Plan
 (Amounts are per kWh)

	2020	2021	2022
Residential	\$0.00250	\$0.00357	\$0.00478
Commercial	\$ 0.81	\$ 1.15	\$ 1.54
Industrial	\$ 0.05	\$ 0.08	\$ 0.10

The estimated rate impacts for the first three years of the SPP, without regard to for the fact that FPL remains under a general base rate freeze December 31, 2021, pursuant to a Commission approved settlement agreement, are based on the total program costs reflected in this filing (which could vary by as much as 10% to 15%, regardless of whether those costs will be recovered in the Company’s SPPRC or through base rates).

FIPUG: FPL Corrected Exhibit MJ-1 shows estimated annual rate increases as follows:

Estimated Rate Impact Resulting from 2020-2029 Storm Protection Plan
 (Amounts are per kWh)

	2020	2021	2022
Residential	\$0.00250	\$0.00357	\$0.00478
Commercial	\$ 0.81	\$ 1.15	\$ 1.54
Industrial	\$ 0.05	\$ 0.08	\$ 0.10

The estimated rate impacts for the first three years of the SPP, without regard to for the fact that FPL remains under a general base rate freeze December 31, 2021, pursuant to a Commission approved settlement agreement, are based on the total program costs reflected in this filing

(which could vary by as much as 10% to 15%, regardless of whether those costs will be recovered in the Company's SPPRC or through base rates).

PCS: No position.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

**ISSUE 7A: Is it in the public interest to approve, approve with modification, or deny
TECO's 2020-2029 Storm Protection Plan?**

TECO: It is in the public interest to approve Tampa Electric's 2020-2029 Storm Protection Plan without modification because that Plan meets all of the requirements of, and will further all of the objectives of, Section 366.96 of the Florida Statutes and Rule 25-6.030 of the Florida Administrative Code. (Witnesses: Chasse, Haines, Webster)

DEF: No position.

GULF: No position.

FPL: No position.

OPC: As explained on pages 29-30 of OPC witness Norwood's direct testimony, TECO's proposed SPP is not needed or in the public interest at this time, therefore, the Commission should consider approving with modifications TECO's proposed SPP, contingent upon the filing of an updated Plan in 2022, so that analysis of alternatives to the SPP can be conducted, and so longer-term COVID-19 impacts on Plan costs and implementation can be further evaluated.

FIPUG: As explained on pages 29-30 of OPC witness Norwood's direct testimony, TECO's proposed SPP is not needed or in the public interest at this time, therefore, the Commission should consider approving with modifications TECO's proposed SPP, contingent upon the filing of an updated Plan in 2022, so that analysis of alternatives to the SPP can be conducted, and so longer-term COVID-19 impacts on Plan costs and implementation can be further evaluated.

PCS: No position.

WALMART: Walmart believes the public interest would benefit if the Commission directs each utility to collaborate with interested stakeholders during the interim period before their next required updated SPPs to develop ways in which customer-sited generation may be utilized as part of the SPP in order to strengthen the T&D systems and provide customers with lower restoration costs, shorter outage periods, and more reliable electric service overall.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 7B: Is it in the public interest to approve, approve with modification, or deny DEF's 2020-2029 Storm Protection Plan?

TECO: No position.

DEF: Yes, the Commission should determine that DEF's SPP is in the public interest and should be approved without modification. (Witnesses: Oliver, Foster)

GULF: No position.

FPL: No position.

OPC: As explained on pages 29-30 of OPC witness Norwood's direct testimony, DEF's proposed SPP is not needed or in the public interest at this time, therefore, the Commission should consider approving with modifications DEF's proposed SPP, contingent upon the filing of an updated Plan in 2022, so that analysis of alternatives to the SPP can be conducted, and so longer-term COVID-19 impacts on Plan costs and implementation can be further evaluated.

FIPUG: As explained on pages 29-30 of OPC witness Norwood's direct testimony, DEF's proposed SPP is not needed or in the public interest at this time, therefore, the Commission should consider approving with modifications DEF's proposed SPP, contingent upon the filing of an updated Plan in 2022, so that analysis of alternatives to the SPP can be conducted, and so longer-term COVID-19 impacts on Plan costs and implementation can be further evaluated.

PCS: Agree with OPC to the extent consistent with the proposed stipulation filed on July 17, 2020.

WALMART: Walmart believes the public interest would benefit if the Commission directs each utility to collaborate with interested stakeholders during the interim period before their next required updated SPPs to develop ways in which customer-sited generation may be utilized as part of the SPP in order to strengthen the T&D systems and provide customers with lower restoration costs, shorter outage periods, and more reliable electric service overall.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 7C: Is it in the public interest to approve, approve with modification, or deny Gulf's 2020-2029 Storm Protection Plan?

TECO: No position.

DEF: No position.

GULF: Gulf's SPP meets the objectives of Section 366.96, F.S., satisfies the requirements of Rule 25-6.030, F.A.C., is in the public interest, and should be approved without modification. Gulf's SPP provides a systematic approach to achieve the legislative objectives of reducing restoration costs and outage times associated with extreme weather events and enhancing reliability. Gulf's SPP programs are largely a continuation and expansion of Gulf's already successful and ongoing storm hardening and storm preparedness programs previously approved by the Commission, as well as a new Transmission and Substation Resiliency Program. Gulf's SPP programs will continue to provide increased T&D infrastructure resiliency, reduced restoration time, and reduced restoration costs when Gulf's system is impacted by extreme weather events. These benefits of the SPP will be provided with zero bill impacts on customer bills during the first year of the SPP and only minimal bill increases for years two and three of the SPP. (*Gulf witness Spoor*)

FPL: No position.

OPC: Gulf has failed to provide quantifiable data regarding the benefits of the proposed projects in the SPP. Without this data, the Commission does not have enough information to evaluate the sufficiency of the SPP. As first mentioned in response to Issue 5C, above, Gulf-proposed SPP programs that are not cost-effective, *i.e.*, programs for which the avoided cost savings and reductions in outage time from extreme weather event are not expected to exceed the cost of the proposed SPP program. While continuation of existing programs is not opposed by OPC, new or

significantly expanded SPP programs should not be approved unless there are realistic expectations that such new or significantly expanded programs will be cost-effective. Additionally, standard reliability and maintenance programs designed to maintain day-to-day safety and reliability as SPP programs or projects should not be approved as SPP programs. For several of its proposed SPP programs, the Company has failed to clearly differentiate between its proposed SPP program and standard reliability and maintenance programs designed to maintain day-to-day safety and reliability. With the information currently contained in Gulf's SPP, the Commission cannot determine if approving the SPP, approving the SPP with modifications, or denying the SPP is in the public interest. Therefore, the SPP should be denied or approved with modifications. It should not be approved.

FIPUG:

Gulf has failed to provide quantifiable data regarding the benefits of the proposed projects in the SPP. Without this data, the Commission does not have enough information to evaluate the sufficiency of the SPP. As first mentioned in response to Issue 5C, above, Gulf-proposed SPP programs that are not cost-effective, *i.e.*, programs for which the avoided cost savings and reductions in outage time from extreme weather event are not expected to exceed the cost of the proposed SPP program. While continuation of existing programs is not opposed by FIPUG, new or significantly expanded SPP programs should not be approved unless there are realistic expectations that such new or significantly expanded programs will be cost-effective. Additionally, standard reliability and maintenance programs designed to maintain day-to-day safety and reliability as SPP programs or projects should not be approved as SPP programs. For several of its proposed SPP programs, the Company has failed to clearly differentiate between its proposed SPP program and standard reliability and maintenance programs designed to maintain day-to-day safety and reliability. With the information currently contained in Gulf's SPP, the Commission cannot determine if approving the SPP, approving the SPP with modifications, or denying the SPP is in the public interest. Therefore, the SPP should be denied or approved with modifications. It should not be approved.

PCS:

No position.

WALMART:

Walmart believes the public interest would benefit if the Commission directs each utility to collaborate with interested stakeholders during the interim period before their next required updated SPPs to develop ways in which customer-sited generation may be utilized as part of the SPP in order to strengthen the T&D systems and provide customers with lower

restoration costs, shorter outage periods, and more reliable electric service overall.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 7D: Is it in the public interest to approve, approve with modification, or deny FPL's 2020-2029 Storm Protection Plan?

TECO: No position.

DEF: No position.

GULF: No position.

FPL: FPL's SPP meets the objectives of Section 366.96, F.S., satisfies the requirements of Rule 25-6.030, F.A.C., is in the public interest, and should be approved without modification. FPL's SPP provides a systematic approach to achieve the legislative objectives of reducing restoration costs and outage times associated with extreme weather events and enhancing reliability. FPL's SPP programs are largely a continuation and expansion of FPL's already successful and ongoing storm hardening and storm preparedness programs previously approved by the Commission, as well as a new storm hardening program to protect T&D substations and equipment from storm surge and flooding due to extreme weather events. FPL's SPP programs will continue to provide increased T&D infrastructure resiliency, reduced outage times, and reduced restoration costs when FPL's system is impacted by extreme weather events. These benefits of the SPP will be provided with zero bill impacts on customer bills during the first year of the SPP and only minimal bill increases for years two and three of the SPP. (*FPL witness Jarro*)

OPC: The Commission should approve the SPP with modifications. As first mentioned in response to Issue 5D, above, it generally is not in the public interest to approve SPP programs that are not cost-effective, *i.e.*, to approve programs for which the avoided cost savings and reductions in outage time from extreme weather event are not expected to exceed the cost of the proposed SPP program. While continuation of existing already approved programs is not opposed by OPC, new or significantly expanded SPP programs should not be approved unless there are realistic expectations that such new programs or significantly expanded programs would be cost-effective. Additionally, standard reliability and maintenance programs designed to maintain day-to-day safety and reliability as SPP programs or projects should not be approved as SPP programs.

FPL's core programs; Distribution - Pole Inspections, Transmission – Inspections, Distribution - Vegetation Management, and Transmission - Vegetation Management have been developed and in use for many years as part of FPL's approved Storm Hardening Program. These projects which have a three-year total expenditure of \$476.6 million are necessary for system resiliency as well as system reliability and should continue. The Commission lacks an updated total program cost-benefit analysis on a forward-looking basis. Therefore, the remaining projects including Distribution-Feeder Hardening, Distribution Lateral Hardening (undergrounding), Transmission-Replacing Wood Structures, and Substation Storm Surge/Flood Mitigation should be denied.

FIPUG:

The Commission should approve the SPP with modifications. As first mentioned in response to Issue 5D, above, it generally is not in the public interest to approve SPP programs that are not cost-effective, *i.e.*, to approve programs for which the avoided cost savings and reductions in outage time from extreme weather event are not expected to exceed the cost of the proposed SPP program. While continuation of existing already approved programs is not opposed by FIPUG, new or significantly expanded SPP programs should not be approved unless there are realistic expectations that such new programs or significantly expanded programs would be cost-effective. Additionally, standard reliability and maintenance programs designed to maintain day-to-day safety and reliability as SPP programs or projects should not be approved as SPP programs.

FPL's core programs; Distribution - Pole Inspections, Transmission – Inspections, Distribution - Vegetation Management, and Transmission - Vegetation Management have been developed and in use for many years as part of FPL's approved Storm Hardening Program. These projects which have a three-year total expenditure of \$476.6 million are necessary for system resiliency as well as system reliability and should continue. The Commission lacks an updated total program cost-benefit analysis on a forward-looking basis. Therefore, the remaining projects including Distribution-Feeder Hardening, Distribution Lateral Hardening (undergrounding), Transmission-Replacing Wood Structures, and Substation Storm Surge/Flood Mitigation should be denied.

PCS:

No position.

WALMART:

Walmart believes the public interest would benefit if the Commission directs each utility to collaborate with interested stakeholders during the interim period before their next required updated SPPs to develop ways in which customer-sited generation may be utilized as part of the SPP in

order to strengthen the T&D systems and provide customers with lower restoration costs, shorter outage periods, and more reliable electric service overall.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 8A: Should Docket No. 20200067-EI be closed?

TECO: Yes.

DEF: No position.

GULF: No position.

FPL: No position.

OPC: No. The docket should remain open to ensure that the SPPs are and continue to be in the public interest by evaluating whether the SPPs as currently written facilitate the recovery of costs through the SPP and SPPCRC, while those same costs are recovered through base rates.

FIPUG: Yes, after entry of a Final Order.

PCS: No position.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 8B: Should Docket No. 20200069-EI be closed?

TECO: No position.

DEF: Yes.

GULF: No position.

FPL: No position.

OPC: No. The docket should remain open to ensure that the SPPs are and continue to be in the public interest by evaluating whether the SPPs as

currently written facilitate the recovery of costs through the SPP and SPPCRC, while those same costs are recovered through base rates.

FIPUG: Yes, after entry of a Final Order.

PCS: No position.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 8C: Should Docket No. 20200070-EI be closed?

TECO: No position.

DEF: No position.

GULF: Yes. This docket should be closed upon the issuance of an appropriate order approving Gulf's proposed SPP without modification.

FPL: No position.

OPC: No. The docket should remain open to ensure that the SPPs are and continue to be in the public interest by evaluating whether the SPPs as currently written facilitate the recovery of costs through the SPP and SPPCRC, while those same costs are recovered through base rates.

FIPUG: Yes, after entry of a Final Order.

PCS: No position.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 8D: Should Docket No. 20200071-EI be closed?

TECO: No position.

DEF: No position.

GULF: No position.

FPL: Yes. This docket should be closed upon the issuance of an appropriate order approving FPL’s proposed SPP without modification.

OPC: No. The docket should remain open to ensure that the SPPs are and continue to be in the public interest by evaluating whether the SPPs as currently written facilitate the recovery of costs through the SPP and SPPCRC, while those same costs are recovered through base rates.

FIPUG: Yes, after entry of a Final Order.

PCS: No position.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

IX. EXHIBIT LIST

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
<u>Direct</u>			
Docket No. 20200067-EI			
Gerry R. Chasse	TECO	(GRC-1)	Tampa Electric’s 2020-2029 Storm Protection Plan
Regan B. Haines	TECO	(RBH-1)	1. Projected Costs Versus Benefits by Program 2. Project Detail – Distribution Lateral Undergrounding Program 3. Project Detail – Transmission Asset Upgrades Program 4. Project Detail – Distribution Overhead Feeder Hardening Program
A. Sloan Lewis	TECO	(ASL-1)	Total Revenue Requirements by Program

Docket No. 20200069-EI

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Jay W. Oliver	DEF	(JWO-1)	DEF 2020 Project-Level Detail
Jay W. Oliver	DEF	(JWO-2)	DEF SPP Plan Program Summaries
Jay W. Oliver	DEF	(JWO-3)	DEF SPP 3-year Investment Summary
Jay W. Oliver	DEF	(JWO-4)	DEF SPP Support
Jay W. Oliver	DEF	(JWO-5)	DEF Service Area
Thomas G. Foster	DEF	(JWO-2)	DEF SPP Plan Program Summaries -Revenue Requirements and Rate Impact
Docket No. 2020070-EI			
Michael Spoor	GULF	MS-1	Gulf Power Company's 2020-2029 Storm Protection Plan.
Michael Spoor	GULF	MS-2	Gulf Power Company's 2019-2021 Storm Hardening Plan.
Michael Spoor	GULF	MS-3	Post Storm Analysis of Gulf Transmission Facilities.
Docket No. 20200071-EI			
Michael Jarro	FPL	MJ-1	Florida Power & Light Company 2020-2029 Storm Protection Plan, as corrected by an Errata submitted on May 12, 2020, correcting an inadvertent error on pages 46 and 47 and by a Second Errata submitted on July 13, 2020, correcting a scrivener's error on page 2 of Appendix C.

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Docket No. 20200067-EI			
Scott Norwood	OPC	SN-1	Background and Experience of Scott Norwood
Scott Norwood	OPC	SN-2	SAIDI Adjustment for Hurricane Irma
Scott Norwood	OPC	SN-3	EIA 861 Distribution Reliability Survey data
Lane Kollen	OPC	LK-1	Curriculum Vitae
Lane Kollen	OPC	LK-2	Responses to OPC POD 27 and OPC IRR 53
Lane Kollen	OPC	LK-3	Response to OPC POD 13
Docket No. 20200069-EI			
Helmuth W. Schultz, III	OPC	HWS-1	Experience and Qualifications
Helmuth W. Schultz, III	OPC	HWS-2	2020 Planned Targeted Underground
Helmuth W. Schultz, III	OPC	HWS-3	2020 Planned Deteriorated Conductor
Helmuth W. Schultz, III	OPC	HWS-4	2020 Planned Distribution Pole Replacement/Inspection
Helmuth W. Schultz, III	OPC	HWS-5	2020 Planned Transmission Pole Replacement
Scott Norwood	OPC	SN-1	Background and Experience of Scott Norwood
Scott Norwood	OPC	SN-2	DEF's Response to OPC's Interrogatory 3-96
Scott Norwood	OPC	SN-3	DEF's Responses OPC Interrogatories 3-109 and 3-110
Scott Norwood	OPC	SN-4	DEF's Response to OPC Interrogatory 3-98

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Scott Norwood	OPC	SN-5	Comparison of Historical and Forecasted EWE SAIDI Impacts
Scott Norwood	OPC	SN-6	DEF's Response to OPC Interrogatories 2-49 and 2-50 and OPC 2-23
Scott Norwood	OPC	SN-7	DEF's Response to OPC Interrogatory 8-251
Scott Norwood	OPC	SN-8	DEF's Responses to OPC Interrogatories 3-116 and 3-117
Scott Norwood	OPC	SN-9	DEF's SPP Program CBA Costs and Benefits
Scott Norwood	OPC	SN-10	SPP Program Benefit/Cost Ratios Excluding Non-Electric Benefits
Scott Norwood	OPC	SN-11	DEF's response to OPC Interrogatory 8-249
Scott Norwood	OPC	SN-12	DEF's responses to OPC Interrogatories 2-46 and 2-47
Scott Norwood	OPC	SN-13	2018 EIA 861 Distribution Reliability Survey Data
Scott Norwood	OPC	SN-14	DEF's response to OPC's Interrogatory 3-122
Scott Norwood	OPC	SN-15	DEF's response to OPC's POD 2-22
Docket No. 20200070-EI			
Ralph Smith	OPC	RCS-1	Qualifications of Ralph C. Smith
Kevin Mara	OPC	KJM-1	Curriculum Vitae of Kevin J. Mara
Docket No. 20200071-EI			
Ralph Smith	OPC	RCS-1	Qualifications of Ralph C. Smith

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Kevin Mara	OPC	KJM-1	Curriculum Vitae of Kevin J. Mara
Kevin Mara	OPC	KJM-2	Proposed Storm Protection Plan Budgets
Docket Nos. 20200067-EI, 20200069-EI, 20200070-EI, and 20200071-EI			
Lisa V. Perry	Walmart	LVP-1	Witness Qualifications Statement
Lisa V. Perry	Walmart	LVP-2	Walmart's Responses to POD Numbers 5 and 6

Rebuttal

Docket No. 20200069-EI

Jay W. Oliver	DEF	(JWO-6)	Excerpts of DEF's responses to OPC discovery requests
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Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

X. PROPOSED STIPULATIONS

On July 20, 2020, Walmart, TECO, DEF, Gulf, and FPL stipulated that the following issue proposed for inclusion by Walmart in this consolidated SPP proceeding will be deferred for the Commission's consideration in the SPP cost recovery proceeding, Docket No. 20200092-EI:

Should the Commission reject the proposed illustrative SPP rate designs of DEF and Gulf, which recover SPP costs from demand-metered customers through a \$/kWh energy charge or defer that issue to the SPP Clause Docket, 20200092-EI?

In its Prehearing Statement, Walmart also noted that if the stipulation is approved, it intends to request that Mr. Chriss' appearance be waived from the hearing. The parties to the stipulation have agreed that they may offer revisions to the phrasing of the issue in accordance with the standard issue identification process in Docket No. 20200092-EI. OPC and FIPUG took no position on the stipulation. PCS did not respond.

XI. PENDING MOTIONS

On July 17, 2020, DEF submitted a Motion to Approve 2020 SPP/CRC Settlement Agreement (Motion). The Motion is supported by OPC and PCS. Walmart did not object to the Motion, and FIPUG did not respond. In its Motion, DEF states that the signatories have established the reasonable costs DEF should be permitted to recover through the SPP cost recovery clause proceeding in 2021, subject to Commission review for prudence in the normal course of the clause proceeding, and assuming DEF's SPP is approved without modification. DEF maintains that the agreement is intended to avoid potentially time consuming issues and contentious issues about which SPP costs are "incremental" and whether DEF is seeking "double recovery" of certain costs. The agreement is also intended to promote transparency and simplify the review of costs. This Motion is scheduled for an administrative hearing on September 1, 2020, by Order No. 2020-0273-PCO-EI, issued on July 31, 2020, in Docket Nos. 20200069-EI and 20200092-EI.

On July 27, 2020, OPC, Gulf, FPL, and Walmart submitted a Joint Motion for Expedited Approval of a Stipulation and Settlement Agreement (Joint Motion). The Joint Motion resolves all matters in Docket Nos. 20200070-EI and 20200071-EI, and a partial resolution of matters in the SPP cost recovery docket, Docket No. 20200092-EI. FIPUG took no position on the Joint Motion. PCS is not a party in Docket Nos. 20200070-EI and 20200071-EI. This Joint Motion will require full Commission review, and appears to be appropriate to take up as a preliminary issue at the pleasure of the Presiding Officer.

On July 27, 2020, Walmart submitted a Motion to Add Supplemental Exhibit LVP-2 to the direct testimony of witness Perry in Docket Nos. 20200067-EI, 20200069-EI, 20200070-EI, 20200071-EI. No party objected to the motion.

XII. PENDING CONFIDENTIALITY MATTERS

None.

XIII. POST-HEARING PROCEDURES

If no bench decision is made, each party shall file a post-hearing statement of issues and positions. A summary of each position, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of this Prehearing Order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words. If a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

Pursuant to Rule 28-106.215, F.A.C., a party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 40 pages and shall be filed at the same time.

XIV. RULINGS

Opening statements, if any, shall not exceed five minutes per party, with the exception of OPC. OPC shall have ten minutes for opening statements.

Each witness shall be given three minutes for a summary of their testimony.

The parties shall provide cross-examination exhibits, including impeachment exhibits, to the Commission Clerk by **August 3, 2020**, following the procedures set forth in Attachment A. The exhibits that are pre-filed and designated as cross-examination or impeachment exhibits shall not be viewed by opposing witnesses or opposing counsel or otherwise have their contents or identity communicated to such witnesses or counsel.

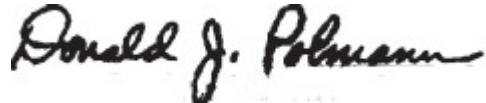
The stipulation submitted by Walmart on July 20, 2020, is approved, and the testimony of Walmart witness Chriss and Exhibit SWC-1 is withdrawn.

The Motion to Add Supplemental Exhibit LVP-2 to the direct testimony of witness Perry, submitted by Walmart on July 27, 2020, is granted.

It is therefore,

ORDERED by Commissioner Donald. J. Polmann, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Commissioner Donald J. Polmann, as Prehearing Officer, this 4th day of August, 2020.



DONALD J. POLMANN, Ph.D., P.E.
Commissioner and Prehearing Officer
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

ATTACHMENT A

Requirements related to providing Cross-Examination Exhibits prior to Hearing

By August 3, 2020, each party must provide the Commission Clerk an electronic copy of all cross-examination exhibits, including impeachment exhibits, the party plans to use during the hearing. All cross-examination exhibits must be provided to the Clerk's Office on either USB flash drives or CDs. Confidential documents must be placed on one USB flash drive or CD, and non-confidential exhibits must be placed on a different or separate USB flash drive or CD. This is because the Clerk's Office will process the confidential exhibits, and will transmit all non-confidential exhibits to the General Counsel's Office for processing. All USB flash drives or CDs provided to the Clerk's Office must be clearly labeled as confidential or non-confidential, and the label must also include the Docket Number(s) and the name of the party providing the exhibits.

Each party must also provide to the Clerk by August 3, 2020, a table listing the exhibit numbers and short titles of each cross examination exhibit provided to the Clerk. Pursuant to Rule 25-22.006(3), F.A.C., a notice of intent to request confidential classification must be filed for all confidential information.

Each party must pre-number each exhibit with the following sequential numbering system that clearly denotes confidential exhibits. For example, DEF will pre-identify its cross-examination exhibits DEF-1, DEF-2, DEF-3, etc. All confidential exhibits must include the letter "C" placed after the number. Thus, if DEF's third exhibit is confidential, it will be labeled DEF-3C.

Each exhibit must be saved as a separate electronic file, and each file must be labeled with the exhibit number that reflects the information contained in the exhibit. The exhibit number will serve as the filename in the virtual folder during the hearing. Each exhibit must also include a cover page that includes the exhibit number. In addition, each exhibit must include sequentially numbered pages. The page numbers must be placed in the upper right hand corner of each page.

The confidential and non-confidential cross-examination exhibits will be made available to the parties in virtual folders the day before the hearing. The cross-examination exhibits will be made available to the parties for the sole purpose of providing the witnesses and their counsel with the opportunity to print the exhibits or download them to their electronic devices for use during the hearing.⁵ The parties must not view or read the exhibits prior to the hearing. Parties will be provided usernames and passwords by Commission staff that will give them access to the confidential exhibits and any other confidential information that will be used during the hearing. By August 3, 2020, parties must provide the Commission Clerk with the list of names of those persons who should be given a user name and password to access confidential information.

⁵ Microsoft Chrome is the best internet browser to use to access the virtual folder.