

<u>Docket No. 20180049-EI</u> Comprehensive Exhibit List for Entry into Hearing Record July 9, 2019					
EXH #	Witness	I.D. # As Filed	Exhibit Description	Issue Nos.	Entered
STAFF					
1		Exhibit List	Comprehensive Exhibit List		
FLORIDA POWER & LIGHT COMPANY - DIRECT					
2	Manuel B. Miranda	MBM-1	Satellite View of Hurricane Irma.	2-5, 7, 8, 9	
3	Manuel B. Miranda	MBM-2	FPL's T&D Hurricane Irma Restoration Costs.	2-5, 7, 8, 9	
4	Keith Ferguson	KF-1	FPL Hurricane Irma Final Storm Restoration Costs as of May 31, 2018.	1-11	
5	Keith Ferguson	KF-2	FPL Hurricane Irma Incremental Cost and Capitalization Approach as of May 31, 2018.	1-11	
OFFICE OF PUBLIC COUNSEL - DIRECT					
6	Helmuth W. Schultz, III	HWS-1	Qualifications of Helmuth W. Schultz, III.	1-11, 1A, 4A, 4B, 11A	
7	Helmuth W. Schultz, III	HWS-2	Schedules A through I. Confidential DN. 00556-2019	1-11, 1A, 4A, 4B, 11A	
8	Helmuth W. Schultz, III	HWS-3	Transcript of Depositions of FPL's corporate representative panel on Nov. 15, 2018 and Dec. 13, 2018, with deposition exhibits. Confidential DN. 00556-2019	1-11, 1A, 4A, 4B, 11A	

FLORIDA POWER & LIGHT COMPANY – REBUTTAL					
9	Manuel B. Miranda	MBM-3	OPC Responses to FPL Interrogatory Nos. 13-17, 1. Confidential DN. 03135-2019	2-5, 7, 8, 9	
10	Manuel B. Miranda	MBM-4	Aerial View of an FPL Staging Site.	2-5, 7, 8, 9	
11	Thomas W. Gwaltney	TWG-1	FPL Responses to OPC Interrogatory Nos. 51,132-134, 137, 138, 140-146, 174-182.	4, 5	
12	Thomas W. Gwaltney	TWG-2	OPC Responses to FPL Interrogatory Nos. 44-49.	4, 5	
13	Ronald R. Reagan	RR-1	OPC Response to FPL Interrogatory No. 13.	4, 8, 5	
14	Ronald R. Reagan	RR-2	OPC Response to FPL Interrogatory No. 19.	4, 8, 5	
15	Ronald R. Reagan	RR-3	FPL Original and Amended Responses to OPC Request for Production of Documents 9	4, 8, 5	
16	Ronald R. Reagan	RR-4	FPL Original and Amended Responses to OPC Interrogatory No. 162.	4, 8, 5	
17	Kristin Manz	KM-1	FPL Response and Confidential Attachment to OPC Interrogatory No. 156. Confidential DN. 03135-2019	4, 5	
18	Kristin Manz	KM-2	FPL Response and Confidential Attachment to OPC Interrogatory No. 154. Confidential DN. 03135-2019	4, 5	

19	Kristin Manz	KM-3	FPL Responses and Attachments to OPC Interrogatory Nos. 148 and 174, and Production of Documents No. 35 Confidential DN. 03135-2019	4, 5	
20	Keith Ferguson	KF-3	FPL Updated Hurricane Irma Costs as of December 31, 2018.	1-11	
21	Keith Ferguson	KF-4	FPL Updated Hurricane Irma Incremental Cost and Capitalization Approach as of December 31, 2018.	1-11	
22	Keith Ferguson	KF-5	OPC Response to FPL Interrogatory No. 27	1-11	
STAFF HEARING EXHIBITS					
23	Miranda (1, 3, 4, 14, 15, 17, 22, 28, 32, 33) Ferguson (2, 5, 6, 7-10, 11-14, 16, 18, 19, 20, 21, 23-27, 29-31, 33, 34) DeVarona (14, 28)		FPL's response to OPC's 1 st Interrogatories Nos. 1 – 34. Additional files contained on Staff Hearing Exhibits CD for No. 2. Confidential DN. 04545-2019 <i>[Bates No. 00001 – 00046]</i>	1, 2, 3, 4, 5, 7, 8, 10	

24	Ferguson (35, 36, 37, 38-43, 45, 46, 49, 52, 53) Miranda (37, 51) Gwaltney (44) DeVarona (47, 48, 50)		FPL's response to OPC's 2 nd Interrogatories Nos. 35 – 53. Confidential DN. 04545-2019 <i>[Bates No. 00047 – 00074]</i>	1, 2, 3, 4, 5, 7, 8, 9	
25	Miranda (54-60, 63, 64, 75, 76, 79, 80, 83, 84) Gwaltney (54-56, 58, 83, 84) Reagan (57) DeVarona (70, 78) Ferguson (61, 62, 65-69, 70, 71-75, 76, 77-78, 81-82)		FPL's response to OPC's 3 rd Interrogatories Nos. 54 – 84. Additional files contained on Staff Hearing Exhibits CD for Nos. 61, 62, and 71. Confidential DN. 04545-2019 <i>[Bates No. 00075 – 00111]</i>	1,2, 3, 4, 5, 7, 8, 9	
26	Manz (85- 120, 122-126)		FPL's response to OPC's 4 th Interrogatories 85 - 120, 122, 126. <i>[Bates No. 00112 – 00156]</i>	4,5, 8	
27	Gwaltney (127)		FPL's response to OPC's 5 th Interrogatories 127. Confidential DN. 04545-2019 <i>[Bates No. 00157 – 000159]</i>	4	

28	Manz (130, 131, 139) Reagan (129, 138, 142, 145, 148) Gwaltney (132-137, 138, 140, 147)		FPL's response to OPC 6 th Interrogatories 129 – 148. Additional files contained on Staff Hearing Exhibits CD for No. 130. <i>[Bates No. 00160 – 00185]</i>	4, 5, 8	
29	Ferguson (149-153)		FPL's response to OPC 7 th Interrogatories 149 - 153 Additional files contained on Staff Hearing Exhibits CD for Nos. 151. Confidential DN. 04545-2019 <i>[Bates No. 000186 – 00192]</i>	1, 4, 9	
30	Manz (154-156, 174) Ferguson (157, 158, 164-172, 174) Miranda (159-161, 163) Reagan (162, 173)		FPL's response to OPC's 8 th Interrogatories 154 – 174. Additional files contained on Staff Hearing Exhibits CD for Nos. 157, 158, and 170. Confidential DN. 04545-2019 <i>[Bates No. 00193 – 00219]</i>	2, 3, 4, 5, 8, 9	
31	Gwaltney (175-182)		FPL's response to OPC's 9 th Interrogatories 175-182. <i>[Bates No. 00220 – 00229]</i>	4, 5, 8	
32	Ferguson (183-187)		FPL's response to OPC's 10 th Interrogatories 183-187. <i>[Bates No. 00230 – 00236]</i>	1, 2, 3, 4, 10	

33	Miranda (188-192, 194-196) Reagan (193) Ferguson (197-200)		FPL's response to OPC's 11 th Interrogatories Nos. 188-200. Confidential DN. 04545-2019 <i>[Bates No. 00237 – 00254]</i>	2, 3, 4, 5	
34	Ferguson (201-208, 209, 210-213) Manz (201-208, 209)		FPL's response to OPC's 12 th Interrogatories Nos. 201-213. Confidential DN. 04545-2019 <i>[Bates No. 00255 – 00274]</i>	1, 4, 5, 8, 10	
35	Gwaltney (214-243)		FPL's response to OPC's 13 th Interrogatories Nos. 214-238, 238a, 239, 239a, 240-243. <i>[Bates No. 00275 – 00308]</i>	4, 5, 8	
36	Miranda (1-3,11) Ferguson (4-5) Manz (6-10) Reagan (11)		FPL's response to OPC's 1 st Production of Documents Nos. 1 – 11. Additional files contained on Staff Hearing Exhibits CD for Nos. 1, 2, 4, 5. <i>[Bates No. 00309 – 00326]</i>	4, 5, 7, 8, 9	
37	DeVarona (12, 16) Ferguson (12, 14-16) Manz (13)		FPL's response to OPC's 2 nd Production of Documents Nos. 12 – 16. Additional files contained on Staff Hearing Exhibits CD for No. 15. <i>[Bates No. 00327– 00332]</i>	4, 5, 8	

38	Manz (17, 18) Reagan (19, 20, 21, 24) Gwaltney (22) DeVarona (23) Ferguson (25, 26)		FPL's response to OPC's 3 rd Production of Documents 17 – 26. Confidential DN. 04545-2019 <i>[Bates No. 00333 – 00343]</i>	4, 5, 8	
39	Manz (27)		FPL's responses to OPC 4 th Production of Documents Nos. 27. <i>[Bates No. 00344 – 00345]</i>	4	
40	Manz (28-31)		FPL's response to OPC's 5 th Production of Documents Nos. 28 - 31 Confidential DN. 04545-2019 <i>[Bates No. 00346 – 00350]</i>	4	
41	Gwaltney (32)		FPL's response to OPC's 6 th Production of Documents No. 32. Confidential DN. 04545-2019 <i>[Bates No. 00351– 00352]</i>	4	
42	Manz (33-35) Gwaltney (33-34) Manz (33-34) Reagan (35)		FPL's response to OPC's 7 th Production of Documents Nos. 33 - 35 Confidential DN. 04545-2019 <i>[Bates No. 00353 – 00356]</i>	4, 8	

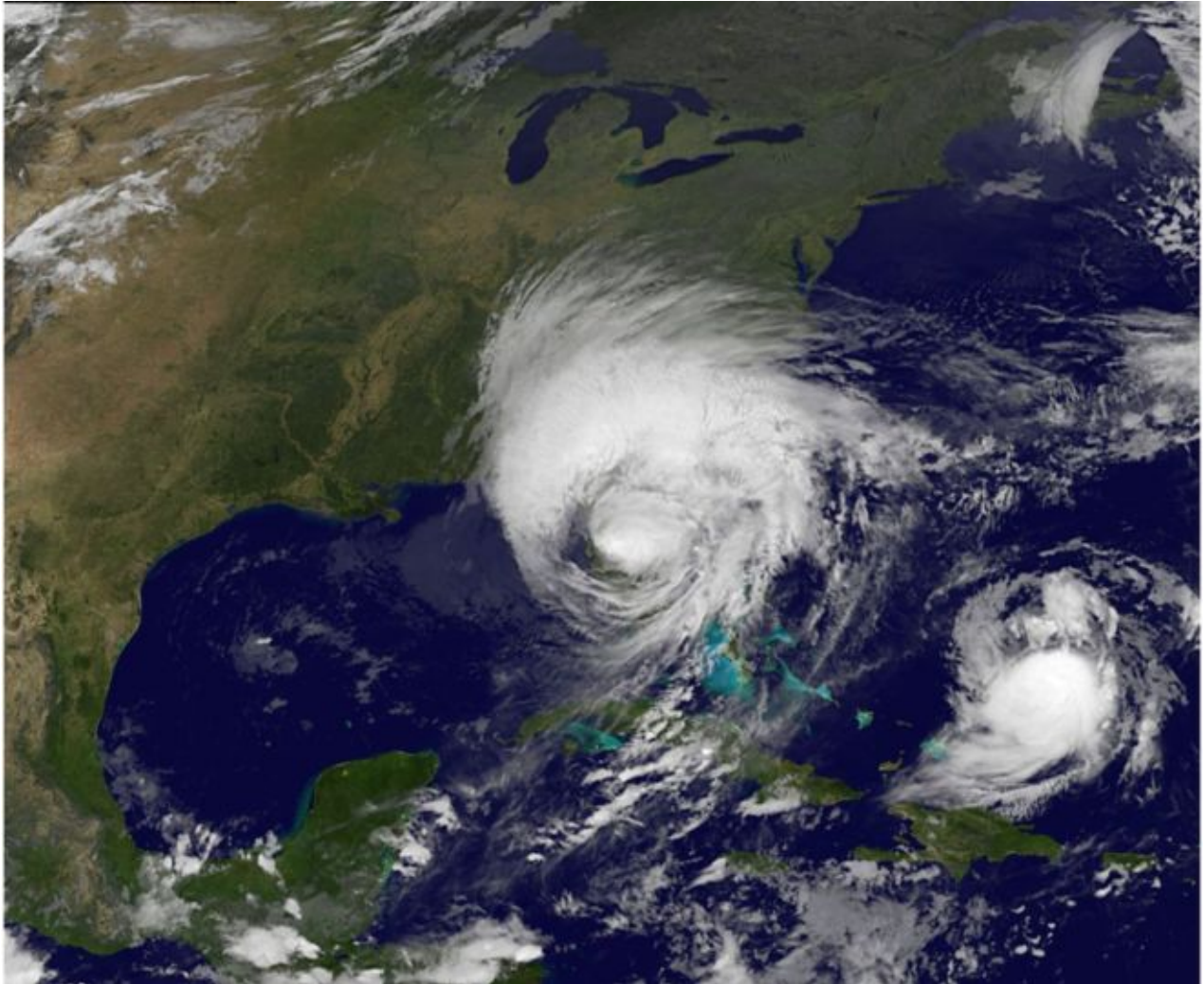
43	Gwaltney (36) Reagan (36-39)		FPL's response to OPC's 8 th Production of Documents Nos. 36 – 39. Confidential DN. 04545-2019 <i>[Bates No. 00357 – 00361]</i>	4	
44	Reagan (41) Gwaltney (41)		FPL's response to OPC's 9 th Production of Documents No. 41. Confidential DN. 04545-2019 <i>[Bates No. 00362 – 00363]</i>	4	
45	Gwaltney (58, 60)		FPL's response to OPC's 10 th Production of Documents Nos. 58 and 60. <i>[Bates No. 00364 – 00366]</i>	4	
46	Miranda (1-4, 5) Gwaltney (1) DeVarona (5, 6)		FPL's responses to Staff's 1 st Interrogatories Nos. 1 – 6. <i>[Bates No. 00367 – 00375]</i>	4, 5	
47	Miranda (7, 8) Reagan (8)		FPL's response to Staff's 2 nd Interrogatories Nos. 7-8. <i>[Bates No. 00376 – 00382]</i>	4	
48	Gwaltney (9, 10-13) Ferguson (14, 15)		FPL's response to Staff's 3 rd Interrogatories Nos. 9-15. <i>[Bates No. 00383 – 00392]</i>	4, 5, 9	
49	Schultz (1-23)		OPC's response to FPL's 1 st Interrogatories Nos. 5, 10, 13- 21, and 23. <i>[Bates No. 00393 – 00404]</i>	4, 8	
50	Schultz (24-70)		OPC's response to FPL's 2 nd Interrogatories Nos. 24 – 65. <i>[Bates No. 00405 – 00423]</i>	1, 2, 3, 4, 5, 8, 10	

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51	Schultz (71-86)		OPC's response to FPL's 3 rd Interrogatories Nos. 74-75, 78- 83. [Bates No. 00424 – 00430]	4	
52	Schultz (87-106)		OPC's response to FPL's 4 th Interrogatories Nos. 87 - 106. [Bates No. 00431 – 00442]	4, 5, 8	
53	Schultz (1, 2, 6-8)		OPC's response to FPL's 1 st Production of Documents Nos. 1, 2, and 6-8. [Bates No. 00443 – 00447]	4	
54	Schultz (24-26, 30, 43, 62-66, 70, 73)		OPC's response to FPL's 2 nd Production of Documents Nos. 24-26, 30, 43, 62-66, 70, 73. [Bates No. 00448 – 00459]	1, 2, 3, 4, 5, 8, 10	
55	Schultz (82, 87 – 88)		OPC's response to FPL's 3 rd Production of Documents Nos. 82, 87-88 [Bates No. 00460 – 00464]	4	
56	Schultz (1-18)		OPC's response to Staff's 1 st Interrogatories Nos. 1- 18 [Bates No. 00465– 00476]	4, 5, 8	
57			Joint Motion Of The Office Of Public Counsel And Florida Power & Light Company To Approve Stipulations and Settlement Agreement dated June 6, 2019. [Bates No. 00477 – 00496]		
58			FPL response to Staff's 1 st Data Request Nos. 1-17. Confidential DN. 04995-2019 [Bates No. 00497 – 00514]		

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59	Miranda		FPL response to Staff's 2d Data Request Nos. 1-6. Confidential DN 05135-2019 <i>[Bates No. 00515 – 00521]</i>		
60	Schultz		Excerpts from Exhibit HWS-3 Confidential DN 05204-2019 <i>[Bates No. 00522 – 00522]</i>		



FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 2
PARTY: FLORIDA POWER & LIGHT COMPANY -
DIRECT
DESCRIPTION: Manuel B. Miranda MBM-1

FPL's T&D Hurricane Irma Restoration Costs (A)

(000s)

<u>Major Cost Category</u>	<u>Transmission</u>	<u>Distribution</u>	<u>Total T&D</u>	<u>% of Total T&D</u>
Regular Payroll & Related Costs (B)	\$ 1,656	\$ 12,333	\$ 13,989	1%
Overtime Payroll & Related Costs (B)	2,372	29,490	31,862	2%
Contractors (C)	22,104	908,169	930,273	70%
Vehicle & Fuel	401	23,366	23,767	2%
Materials & Supplies	7,384	35,181	42,565	3%
Logistics	798	271,303	272,101	21%
Other	1,018	4,971	5,989	1%
Total (D)	\$ 35,731	\$ 1,284,813	\$ 1,320,544	100%

(A) Includes costs associated with follow-up work

(B) Represents total payroll charged to business unit (function) being supported - see KF-1, footnote (C).

(C) Includes line clearing - \$1,120 for Transmission and \$138,788 for Distribution

(D) Totals may not add due to rounding

FLORIDA PUBLIC SERVICE COMMISSION DOCKET: 20180049-EI EXHIBIT: 3 PARTY: FLORIDA POWER & LIGHT COMPANY - DIRECT DESCRIPTION: Manuel B. Miranda MBM-2

Florida Power & Light Company
Hurricane Irma Final Storm Restoration Costs
through May 31, 2018
(\$000s)

			Storm Costs By Function (A)							
			Steam & Other (1)	Nuclear (2)	Transmission (3)	Distribution (4)	General (B) (5)	Customer Service (6)		Total (7)
LINE NO.										
1	<u>Storm Restoration Costs</u>									
2	Regular Payroll and Related Costs (C)		\$520	\$513	\$1,656	\$12,333	\$1,231	\$501	\$16,753	
3	Overtime Payroll and Related Costs (C)		970	2,305	2,372	29,490	1,946	1,579	38,663	
4	Contractors		9,777	21,187	20,984	769,381	3,003	755	825,088	
5	Line Clearing		0	0	1,120	138,788	0	0	139,908	
6	Vehicle & Fuel		96	0	401	23,366	13	1	23,876	
7	Materials & Supplies		542	1,357	7,384	35,181	628	214	45,305	
8	Logistics		21	213	798	271,303	144	517	272,996	
9	Other (D)		190	225	1,018	4,971	7,755	1,657	15,817	
10	Total Storm Related Restoration Costs		Sum of Lines 2 - 9	\$12,116	\$25,801	\$35,731	\$1,284,813	\$14,720	\$5,223	\$1,378,405
11										
12	<u>Less: Capitalizable Costs (E)</u>									
13	Regular Payroll and Related Costs		\$0	\$0	\$458	\$5,389	\$0	\$0	\$5,847	
14	Contractors		0	6,300	5,511	60,384	208	0	72,404	
15	Materials & Supplies		0	0	6,538	21,632	22	204	28,397	
16	Other		0	0	47	874	0	0	921	
17	Third-Party Reimbursements (F)		0	0	0	-2,440	0	0	-2,440	
18	Total Capitalizable Costs		Sum of Lines 13 - 17	\$0	\$6,300	\$12,554	\$85,839	\$230	\$204	\$105,128
19										
20	Less: Third-Party Reimbursements (F)		0	0	0	2,440	0	0	2,440	
21										
22	Less: Below-the-Line/Thank You Ads		0	0	0	0	822	0	822	
23										
24	Total Storm Restoration Costs Charged to Base O&M		Lines 10 - 18 - 20 - 22	\$12,116	\$19,501	\$23,177	\$1,196,534	\$13,667	\$5,019	\$1,270,014

Notes:

(A) Storm costs are as of May 31, 2018. Totals may not add due to rounding.

(B) General plant function reflects restoration costs associated with FPL's Human Resources, External Affairs, Information Technology, Real Estate, Marketing and Communications, Energy Marketing & Trading and Legal departments.

(C) Represents total payroll charged to the business unit (function) being supported. For example, an employee that works in Legal but is supporting Distribution during storm restoration would charge their time to

(D) Includes other miscellaneous costs, including payroll and related overheads from affiliate personnel directly supporting storm restoration.

(E) Includes capital associated with follow-up work. See KF-1, page 2 for additional breakout of follow-up work associated with the Transmission and Distribution functions.

(F) Reimbursement from AT&T for net poles replaced by FPL during restoration as a result of the storm.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 4
PARTY: FLORIDA POWER & LIGHT COMPANY - DIRECT
DESCRIPTION: Keith Ferguson KF-1

Florida Power & Light Company
Hurricane Irma Final Storm Restoration Costs
through May 31, 2018
(\$000s)

LINE NO.			Power Delivery Restoration and Follow Up Storm Costs (A)						
			Transmission		Distribution			Total (3)	
			Restoration (1)	Follow up	Restoration (2)	Follow up			
1	<u>Storm Restoration Costs</u>								
2	Regular Payroll and Related Costs (B)		\$1,461	\$195	\$11,822	\$511	\$13,989		
3	Overtime Payroll and Related Costs (B)		2,302	70	27,950	1,540	\$31,862		
4	Contractors		17,815	3,169	705,042	64,339	\$790,365		
5	Line Clearing		961	159	133,447	5,341	\$139,908		
6	Vehicle & Fuel		357	43	23,269	97	\$23,767		
7	Materials & Supplies		4,384	3,000	20,610	14,571	\$42,565		
8	Logistics		798	0	271,303	0	\$272,101		
9	Other (C)		1,004	14	4,808	163	\$5,989		
10	Total Storm Related Restoration Costs		Sum of Lines 2 - 9		\$29,080	\$6,651	\$1,198,252	\$86,562	\$1,320,544
11									
12	<u>Less: Capitalizable Costs</u>								
13	Regular Payroll and Related Costs		\$243	\$215	\$5,075	\$314	\$5,847		
14	Contractors		2,816	2,695	9,634	50,750	65,895		
15	Materials & Supplies		4,108	2,430	11,489	10,143	28,170		
16	Other		0	47	678	196	921		
17	Third-Party Reimbursements (D)		0	0	-2,440	0	-2,440		
18	Total Capitalizable Costs		Sum of Lines 13 - 17		\$7,167	\$5,387	\$24,436	\$61,404	\$98,393
19									
20	Less: Third-Party Reimbursements (D)		0		2,440		2,440		
21									
22	Total Storm Restoration Costs Charged to Base O&M		Lines 10 - 18 - 20		\$21,913	\$1,264	\$1,171,375	\$25,158	\$1,219,711

Notes:

(A) Storm costs are as of May 31, 2018. Totals may not add due to rounding.

(B) Represents total payroll charged to the business unit (function) being supported. For example, an employee that works in Legal but is supporting Distribution during storm restoration would charge their time to Distribution.

(C) Includes other miscellaneous costs, including payroll and related overheads from affiliate personnel directly supporting storm restoration.

(D) Reimbursement from AT&T for net poles replaced by FPL during restoration as a result of the storm.

Florida Power & Light Company
Hurricane Irma Incremental Cost and Capitalization Approach Adjustments
through May 31, 2018
(\$000s)

			Storm Costs By Function(A)						
LINE NO.			Steam & Other (1)	Nuclear (2)	Transmission (3)	Distribution (4)	General (B) (5)	Customer Service (6)	Total (7)
1	Storm Restoration Costs								
2	Regular Payroll and Related Costs (C)		\$520	\$513	\$1,656	\$12,333	\$1,231	\$501	\$16,753
3	Overtime Payroll and Related Costs (C)		970	2,305	2,372	29,490	1,946	1,579	38,663
4	Contractors		9,777	21,187	20,984	769,381	3,003	755	825,088
5	Line Clearing		0	0	1,120	138,788	0	0	139,908
6	Vehicle & Fuel		96	0	401	23,366	13	1	23,876
7	Materials & Supplies		542	1,357	7,384	35,181	628	214	45,305
8	Logistics		21	213	798	271,303	144	517	272,996
9	Other (D)		190	225	1,018	4,971	7,755	1,657	15,817
10	Total Storm Related Restoration Costs	Sum of Lines 2 - 9	\$12,116	\$25,801	\$35,731	\$1,284,813	\$14,720	\$5,223	\$1,378,405
11									
12	Less: Capitalizable Costs (E)								
13	Regular Payroll and Related Costs		\$0	\$0	\$458	\$5,389	\$0	\$0	\$5,847
14	Contractors		0	6,300	5,511	60,384	208	0	72,404
15	Materials & Supplies		0	0	6,538	21,632	22	204	28,397
16	Other		0	0	47	874	0	0	921
17	Third-Party Reimbursements (F)		0	0	0	-2,440	0	0	-2,440
18	Total Capitalizable Costs	Sum of Lines 13 - 17	\$0	\$6,300	\$12,554	\$85,839	\$230	\$204	\$105,128
19									
20	Less: Third-Party Reimbursements (F)		0	0	0	2,440	0	0	2,440
21									
22	Less: Below-the-Line/Thank You Ads		0	0	0	0	822	0	822
23									
24	Total Storm Restoration Costs Charged to Base O&M	Lines 10 - 18 - 20 - 22	\$12,116	\$19,501	\$23,177	\$1,196,534	\$13,667	\$5,019	\$1,270,014
25									
26	Less: ICCA Adjustments								
27	Regular Payroll and Related Costs (G)		\$587	\$179	\$709	\$2,215	\$1,802	\$1,260	\$6,752
28	Line Clearing:								
29	Vegetation Management		0	0	0	5,080	0	0	5,080
30	Vehicle & Fuel:								
31	Vehicle Utilization		0	0	354	3,837	0	0	4,192
32	Fuel		0	0	0	133	0	0	133
33	Other								
34	Legal Claims		0	0	0	244	0	0	244
35	Employee Assistance and Childcare		0	0	0	0	811	123	934
36	Total ICCA Adjustments	Sum of Lines 27 - 36	\$587	\$179	\$1,063	\$11,509	\$2,613	\$1,383	\$17,335
37									
38	Incremental Storm Losses								
39	Regular Payroll and Related Costs	Lines 2 - 13 - 27	-\$67	\$333	\$489	\$4,729	-\$571	-\$760	\$4,153
40	Overtime Payroll and Related Costs	Line 3	970	2,305	2,372	29,490	1,946	1,579	38,663
41	Contractors	Lines 4 - 14	9,777	14,887	15,473	708,997	2,795	755	752,684
42	Line Clearing	Lines 5 - 29	0	0	1,120	133,708	0	0	134,828
43	Vehicle & Fuel	Lines 7 - 31 - 32	96	0	46	19,396	13	1	19,552
44	Materials & Supplies	Lines 7 - 15	542	1,357	846	13,549	606	9	16,908
45	Logistics	Line 8	21	213	798	271,303	144	517	272,996
46	Other	Line 9 - 16 - 22 - 34 - 35	190	225	971	3,854	6,122	1,534	12,896
47	Total Incremental Storm Losses	Sum of Lines 39 - 46	\$11,530	\$19,322	\$22,114	\$1,185,025	\$11,054	\$3,636	\$1,252,680
48									
49	Jurisdictional Factor (H)		0.9513	0.9335	0.9028	0.9999	0.9682	1.0000	
50									
51	Retail Recoverable Incremental Costs	Line 48 * 50	\$ 10,968	\$ 18,037	\$ 19,964	\$ 1,184,867	\$ 10,703	\$ 3,636	\$ 1,248,174

Notes:

(A) Storm costs are as of May 31, 2018. Totals may not add due to rounding.

(B) General plant function reflects restoration costs associated with FPL's Human Resources, External Affairs, Information Technology, Real Estate, Marketing and Communications, Energy Marketing & Trading and Legal departments.

(C) Represents total payroll charged to the business unit (function) being supported. For example, an employee that works in Legal but is supporting Distribution during storm restoration would charge their time to Distribution.

(D) Includes other miscellaneous costs, including payroll and related overheads from affiliate personnel directly supporting storm restoration.

(E) Includes capital associated with follow-up work. See KF-1, page 2 for additional breakout of follow-up work associated with the Transmission and Distribution functions.

(F) Reimbursement from AT&T for net poles replaced by FPL during restoration as a result of the storm.

(G) Represents regular payroll normally recovered through base rate O&M and not charged to the Storm Reserve. The amounts are charged to the employee's normal business unit, which may not be the business unit that the employee supported during the storm. Therefore, in the example in Note C above, if the Legal employee had payroll which cannot be charged to the Storm Reserve, that amount would be charged to Legal (General) whereas the recoverable portion of their time would remain in Distribution.

(H) Jurisdictional Factors are based on factors approved in Docket No. 160021-EI.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 5
PARTY: FLORIDA POWER & LIGHT COMPANY -
DIRECT
DESCRIPTION: Keith Ferguson KF-2

Florida Power & Light Company
Hurricane Irma Incremental Cost and Capitalization Approach Adjustments
through May 31, 2018
(\$000s)

LINE NO.			Power Delivery Restoration and Follow Up Storm Costs (A)				
			Transmission		Distribution		Total (3)
			Restoration (1)	Follow up	Restoration (2)	Follow up	
1	<u>Storm Restoration Costs</u>						
2	Regular Payroll and Related Costs (B)		\$1,461	\$195	\$11,822	\$511	\$13,989
3	Overtime Payroll and Related Costs (B)		2,302	70	27,950	1,540	\$31,862
4	Contractors		17,815	3,169	705,042	64,339	\$790,365
5	Line Clearing		961	159	133,447	5,341	\$139,908
6	Vehicle & Fuel		357	43	23,269	97	\$23,767
7	Materials & Supplies		4,384	3,000	20,610	14,571	\$42,565
8	Logistics		798	0	271,303	0	\$272,101
9	Other (C)		1,004	14	4,808	163	\$5,989
10	Total Storm Related Restoration Costs	Sum of Lines 2 - 9	\$29,080	\$6,651	\$1,198,252	\$86,562	\$1,320,544
11							
12	<u>Less: Capitalizable Costs</u>						
13	Regular Payroll and Related Costs		\$243	\$215	\$5,075	\$314	\$5,847
14	Contractors		2,816	2,695	9,634	50,750	65,895
15	Materials & Supplies		4,108	2,430	11,489	10,143	28,170
16	Other		0	47	678	196	921
17	Third-Party Reimbursements (D)		0	0	-2,440	0	-2,440
18	Total Capitalizable Costs	Sum of Lines 13 - 17	\$7,167	\$5,387	\$24,436	\$61,404	\$98,393
19							
20	Less: Third-Party Reimbursements (D)		0		2,440		2,440
21							
22	Total Storm Restoration Costs Charged to Base O&M	Lines 10 - 18 - 20	\$21,913	\$1,264	\$1,171,375	\$25,158	\$1,219,711
23							
24	<u>Less: ICCA Adjustments (E)</u>						
25	Regular Payroll and Related Costs (F)		\$709	\$0	\$2,215	\$0	\$2,924
26	Line Clearing:						
27	Vegetation Management		0	0	5,080	0	\$5,080
28	Vehicle & Fuel:						
29	Vehicle Utilization		354	0	3,837	0	4,192
30	Fuel		0	0	133	0	133
31	Other						
32	Legal Claims		0	0	244	0	244
33	Employee Assistance and Childcare		0	0	0	0	0
34	Total ICCA Adjustments	Sum of Lines 25 - 33	\$1,063		\$11,509		\$12,572
35							
36	<u>Incremental Storm Losses</u>						
37	Regular Payroll and Related Costs	Lines 2 - 13 - 25	\$509	-\$20	\$4,532	\$197	\$5,218
38	Overtime Payroll and Related Costs	Line 3	2,302	70	27,950	1,540	31,862
39	Contractors	Lines 4 - 14	14,998	474	695,408	13,589	724,469
40	Line Clearing	Lines 5 - 27	961	159	128,367	5,341	134,828
41	Vehicle & Fuel	Lines 6 - 29 - 30	3	43	19,299	97	19,442
42	Materials & Supplies	Lines 7 - 15	276	570	9,120	4,428	14,395
43	Logistics	Line 8	798	0	271,303	0	272,101
44	Other	Line 9 - 16 - 32 - 33	1,004	-33	3,887	-34	4,825
45	Total Incremental Storm Losses	Sum of Lines 37 - 44	\$20,849	\$1,264	\$1,159,866	\$25,158	\$1,207,139
46							
47	Jurisdictional Factor (G)		0.9028	0.9028	0.9999	0.9999	
48							
49	Retail Recoverable Incremental Costs	Line 45 * 47	\$ 18,823	\$ 1,141	\$ 1,159,712	\$ 25,155	\$ 1,204,831

Notes:

(A) Storm costs are as of May 31, 2018. Totals may not add due to rounding.

(B) Represents total payroll charged to the business unit (function) being supported. For example, an employee that works in Legal but is supporting Distribution during storm restoration would charge their time to Distribution.

(C) Includes other miscellaneous costs, including payroll and related overheads from affiliate personnel directly supporting storm restoration.

(D) Reimbursement from AT&T for net poles replaced by FPL during restoration as a result of the storm.

(E) All ICCA adjustments are reflected in Restoration column.

(F) Represents regular payroll normally recovered through base rate O&M and not charged to the Storm Reserve. The amounts are charged to the employee's normal business unit, which may not be the business unit that the employee supported during the storm. Therefore, in the example in Note C above, if the Legal employee had payroll which cannot be charged to the Storm Reserve, that amount would be charged to Legal (General) whereas the recoverable portion of their time would remain in Distribution. All non-incremental analyses are reflected in the "Restoration" column.

(G) Jurisdictional Factors are based on factors approved in Docket No. 160021-EI.

QUALIFICATIONS OF HELMUTH W. SCHULTZ, III

Mr. Schultz received a Bachelor of Science in Accounting from Ferris State College in 1975. He maintains extensive continuing professional education in accounting, auditing, and taxation. Mr. Schultz is a member of the Michigan Association of Certified Public Accountants

Mr. Schultz was employed with the firm of Larkin, Chapski & Co., C.P.A.s, as a Junior Accountant, in 1975. He was promoted to Senior Accountant in 1976. As such, he assisted in the supervision and performance of audits and accounting duties of various types of businesses. He has assisted in the implementation and revision of accounting systems for various businesses, including manufacturing, service and sales companies, credit unions and railroads.

In 1978, Mr. Schultz became the audit manager for Larkin, Chapski & Co. His duties included supervision of all audit work done by the firm. Mr. Schultz also represents clients before various state and IRS auditors. He has advised clients on the sale of their businesses and has analyzed the profitability of product lines and made recommendations based upon his analysis. Mr. Schultz has supervised the audit procedures performed in connection with a wide variety of inventories, including railroads, a publications distributor and warehouser for Ford and GM, and various retail establishments.

Mr. Schultz has performed work in the field of utility regulation on behalf of public service commission staffs, state attorney generals and consumer groups concerning regulatory matters before regulatory agencies in Alaska, Arizona, California, Connecticut, Delaware, District of Columbia, Florida, Georgia, Kentucky, Kansas, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Jersey, New York, Nevada, North Dakota, Ohio, Pennsylvania, Rhode Island, Texas, Utah, Vermont and Virginia. He has presented expert testimony in regulatory hearings on behalf of utility commission staffs and intervenors on numerous occasions.

Partial list of utility cases participated in:

U-5331

Consumers Power Co.
Michigan Public Service Commission

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 6
PARTY: OFFICE OF PUBLIC COUNSEL -
DIRECT
DESCRIPTION: Helmuth W. Schultz, III

Docket No. 770491-TP	Winter Park Telephone Co. Florida Public Service Commission
Case Nos. U-5125 and U-5125(R)	Michigan Bell Telephone Co. Michigan Public Service Commission
Case No. 77-554-EL-AIR	Ohio Edison Company Public Utility Commission of Ohio
Case No. 79-231-EL-FAC	Cleveland Electric Illuminating Public Utility Commission of Ohio
Case No. U-6794	Michigan Consolidated Gas Refunds Michigan Public Service Commission
Docket No. 820294-TP	Southern Bell Telephone and Telegraph Co. Florida Public Service Commission
Case No. 8738	Columbia Gas of Kentucky, Inc. Kentucky Public Service Commission
82-165-EL-EFC	Toledo Edison Company Public Utility Commission of Ohio
Case No. 82-168-EL-EFC	Cleveland Electric Illuminating Company, Public Utility Commission of Ohio
Case No. U-6794	Michigan Consolidated Gas Company Phase II, Michigan Public Service Commission
Docket No. 830012-EU	Tampa Electric Company, Florida Public Service Commission
Case No. ER-83-206	Arkansas Power & Light Company, Missouri Public Service Commission
Case No. U-4758	The Detroit Edison Company - (Refunds), Michigan Public Service Commission

Case No. 8836	Kentucky American Water Company, Kentucky Public Service Commission
Case No. 8839	Western Kentucky Gas Company, Kentucky Public Service Commission
Case No. U-7650	Consumers Power Company - Partial and Immediate Michigan Public Service Commission
Case No. U-7650	Consumers Power Company - Final Michigan Public Service Commission
U-4620	Mississippi Power & Light Company Mississippi Public Service Commission
Docket No. R-850021	Duquesne Light Company Pennsylvania Public Utility Commission
Docket No. R-860378	Duquesne Light Company Pennsylvania Public Utility Commission
Docket No. 87-01-03	Connecticut Natural Gas State of Connecticut Department of Public Utility Control
Docket No. 87-01-02	Southern New England Telephone State of Connecticut Department of Public Utility Control
Docket No. 3673-U	Georgia Power Company Georgia Public Service Commission
Docket No. U-8747	Anchorage Water and Wastewater Utility Alaska Public Utilities Commission
Docket No. 8363	El Paso Electric Company The Public Utility Commission of Texas

Docket No. 881167-EI	Gulf Power Company Florida Public Service Commission
Docket No. R-891364	Philadelphia Electric Company Pennsylvania Office of the Consumer Advocate
Docket No. 89-08-11	The United Illuminating Company The Office of Consumer Counsel and the Attorney General of the State of Connecticut
Docket No. 9165	El Paso Electric Company The Public Utility Commission of Texas
Case No. U-9372	Consumers Power Company Before the Michigan Public Service Commission
Docket No. 891345-EI	Gulf Power Company Florida Public Service Commission
ER89110912J	Jersey Central Power & Light Company Board of Public Utilities Commissioners
Docket No. 890509-WU	Florida Cities Water Company, Golden Gate Division Florida Public Service Commission
Case No. 90-041	Union Light, Heat and Power Company Kentucky Public Service Commission
Docket No. R-901595	Equitable Gas Company Pennsylvania Consumer Counsel
Docket No. 5428	Green Mountain Power Corporation Vermont Department of Public Service
Docket No. 90-10	Artesian Water Company Delaware Public Service Commission

Docket No. 900329-WS	Southern States Utilities, Inc. Florida Public Service Commission
Case No. PUE900034	Commonwealth Gas Services, Inc. Virginia Public Service Commission
Docket No. 90-1037* (DEAA Phase)	Nevada Power Company - Fuel Public Service Commission of Nevada
Docket No. 5491**	Central Vermont Public Service Corporation Vermont Department of Public Service
Docket No. U-1551-89-102	Southwest Gas Corporation - Fuel Before the Arizona Corporation Commission Southwest Gas Corporation - Audit of Gas Procurement Practices and Purchased Gas Costs
Docket No. U-1551-90-322	Southwest Gas Corporation Before the Arizona Corporation Commission
Docket No. 176-717-U	United Cities Gas Company Kansas Corporation Commission
Docket No. 5532	Green Mountain Power Corporation Vermont Department of Public Service
Docket No. 910890-EI	Florida Power Corporation Florida Public Service Commission
Docket No. 920324-EI	Tampa Electric Company Florida Public Service Commission
Docket No. 92-06-05	United Illuminating Company The Office of Consumer Counsel and the Attorney General of the State of Connecticut
Docket No. C-913540	Philadelphia Electric Co. Before the Pennsylvania Public Utility Commission

Docket No. 92-47	The Diamond State Telephone Company Before the Public Service Commission of the State of Delaware
Docket No. 92-11-11	Connecticut Light & Power Company State of Connecticut Department of Public Utility Control
Docket No. 93-02-04	Connecticut Natural Gas Corporation State of Connecticut Department of Public Utility Control
Docket No. 93-02-04	Connecticut Natural Gas Corporation (Supplemental) State of Connecticut Department of Public Utility Control
Docket No. 93-08-06	SNET America, Inc. State of Connecticut Department of Public Utility Control
Docket No. 93-057-01**	Mountain Fuel Supply Company Before the Public Service Commission of Utah
Docket No. 94-105-EL-EFC	Dayton Power & Light Company Before the Public Utilities Commission of Ohio
Case No. 399-94-297**	Montana-Dakota Utilities Before the North Dakota Public Service Commission
Docket No. G008/C-91-942	Minnegasco Minnesota Department of Public Service
Docket No. R-00932670	Pennsylvania American Water Company Before the Pennsylvania Public Utility Commission

Docket No. 12700	El Paso Electric Company Public Utility Commission of Texas
Case No. 94-E-0334	Consolidated Edison Company Before the New York Department of Public Service
Docket No. 2216	Narragansett Bay Commission On Behalf of the Division of Public Utilities and Carriers, Before the Rhode Island Public Utilities Commission
Case No. PU-314-94-688	U.S. West Application for Transfer of Local Exchanges Before the North Dakota Public Service Commission
Docket No. 95-02-07	Connecticut Natural Gas Corporation State of Connecticut Department of Public Utility Control
Docket No. 95-03-01	Southern New England Telephone Company State of Connecticut Department of Public Utility Control
Docket No. U-1933-95-317	Tucson Electric Power Before the Arizona Corporation Commission
Docket No. 5863*	Central Vermont Public Service Corporation Before the Vermont Public Service Board
Docket No. 96-01-26**	Bridgeport Hydraulic Company State of Connecticut Department of Public Utility Control
Docket Nos. 5841/ 5859	Citizens Utilities Company Before Vermont Public Service Board

Docket No. 5983	Green Mountain Power Corporation Before Vermont Public Service Board
Case No. PUE960296**	Virginia Electric and Power Company Before the Commonwealth of Virginia State Corporation Commission
Docket No. 97-12-21	Southern Connecticut Gas Company State of Connecticut Department of Public Utility Control
Docket No. 97-035-01	PacifiCorp, dba Utah Power & Light Company Before the Public Service Commission of Utah
Docket No. G-03493A-98-0705*	Black Mountain Gas Division of Northern States Power Company, Page Operations Before the Arizona Corporation Commission
Docket No. 98-10-07	United Illuminating Company State of Connecticut Department of Public Utility Control
Docket No. 99-01-05	Connecticut Light & Power Company State of Connecticut Department of Public Utility Control
Docket No. 99-04-18	Southern Connecticut Gas Company State of Connecticut Department of Public Utility Control
Docket No. 99-09-03	Connecticut Natural Gas Corporation State of Connecticut Department of Public Utility Control
Docket No. 980007-0013-003	Intercoastal Utilities, Inc. St. John County - Florida
Docket No. 99-035-10	PacifiCorp dba Utah Power & Light Company Before the Public Service Commission of Utah

Docket No. 6332 **	Citizens Utilities Company - Vermont Electric Division Before the Vermont Public Service Board
Docket No. G-01551A-00-0309	Southwest Gas Corporation Before the Arizona Corporation Commission
Docket No. 6460**	Central Vermont Public Service Corporation Before the Vermont Public Service Board
Docket No. 01-035-01*	PacifiCorp dba Utah Power & Light Company Before the Public Service Commission of Utah
Docket No. 01-05-19 Phase I	Yankee Gas Services Company State of Connecticut Department of Public Utility Control
Docket No. 010949-EI	Gulf Power Company Before the Florida Office of the Public Counsel
Docket No. 2001-0007-0023	Intercoastal Utilities, Inc. St. Johns County - Florida
Docket No. 6596	Citizens Utilities Company - Vermont Electric Division Before the Vermont Public Service Board
Docket Nos. R. 01-09-001 I. 01-09-002	Verizon California Incorporated Before the California Public Utilities Commission
Docket No. 99-02-05	Connecticut Light & Power Company State of Connecticut Department of Public Utility Control
Docket No. 99-03-04	United Illuminating Company State of Connecticut Department of Public Utility Control

Docket Nos. 5841/ 5859	Citizens Utilities Company Probation Compliance Before Vermont Public Service Board
Docket No. 6120/6460	Central Vermont Public Service Corporation Before the Vermont Public Service Board
Docket No. 020384-GU	Tampa Electric Company d/b/a/ Peoples Gas System Before the Florida Public Service Commission
Docket No. 03-07-02	Connecticut Light & Power Company State of Connecticut Department of Public Utility Control
Docket No. 6914	Shoreham Telephone Company Before the Vermont Public Service Board
Docket No. 04-06-01	Yankee Gas Services Company State of Connecticut Department of Public Utility Control
Docket Nos. 6946/6988	Central Vermont Public Service Corporation Before the Vermont Public Service Board
Docket No. 04-035-42**	PacifiCorp dba Utah Power & Light Company Before the Public Service Commission of Utah
Docket No. 050045-EI**	Florida Power & Light Company Before the Florida Public Service Commission
Docket No. 050078-EI**	Progress Energy Florida, Inc. Before the Florida Public Service Commission
Docket No. 05-03-17	The Southern Connecticut Gas Company State of Connecticut Department of Public Utility Control

Docket No. 05-06-04	United Illuminating Company State of Connecticut Department of Public Utility Control
Docket No. A.05-08-021	San Gabriel Valley Water Company, Fontana Water Division Before the California Public Utilities Commission
Docket NO. 7120 **	Vermont Electric Cooperative Before the Vermont Public Service Board
Docket No. 7191 **	Central Vermont Public Service Corporation Before the Vermont Public Service Board
Docket No. 06-035-21 **	PacifiCorp Before the Public Service Commission of Utah
Docket No. 7160	Vermont Gas Systems Before the Vermont Public Service Board
Docket No. 6850/6853 **	Vermont Electric Cooperative/Citizens Communications Company Before the Vermont Public Service Board
Docket No. 06-03-04** Phase 1	Connecticut Natural Gas Corporation Connecticut Department of Public Utility Control
Application 06-05-025	Request for Order Authorizing the Sale by Thames GmbH of up to 100% of the Common Stock of American Water Works Company, Inc., Resulting in Change of Control of California- American Water Company Before the California Public Utilities Commission
Docket No. 06-12-02PH01**	Yankee Gas Company State of Connecticut Department of Public Utility Control

Case 06-G-1332**	Consolidated Edison Company of New York, Inc. Before the NYS Public Service Commission
Case 07-E-0523	Consolidated Edison Company of New York, Inc. Before the NYS Public Service Commission
Docket No. 07-07-01	Connecticut Light & Power Company Connecticut Department of Public Utility Control
Docket No. 07-035-93	Rocky Mountain Power Company Before the Public Service Commission of Utah
Docket No. 07-057-13	Questar Before the Public Service Commission of Utah
Docket No. 08-07-04	United Illuminating Company Connecticut Department of Public Utility Control
Case 08-E-0539	Consolidated Edison Company of New York, Inc. Before the NYS Public Service Commission
Docket No. 080317-EI	Tampa Electric Company Before the Florida Public Service Commission
Docket No. 7488**	Vermont Electric Cooperative, Inc. Before the Vermont Public Service Board
Docket No. 080318-GU	Peoples Gas System Before the Florida Public Service Commission
Docket No. 08-12-07***	Southern Connecticut Gas Company Connecticut Department of Utility Control
Docket No. 08-12-06***	Connecticut National Gas Company Connecticut Department of Utility Control
Docket No. 090079-EI	Progress Energy Florida, Inc. Before the Florida Public Service Commission

Docket No. 7529 **	Burlington Electric Company Before the Vermont Public Service Board
Docket No. 7585****	Green Mountain Power Corporation Alternative Regulation Before the Vermont Public Service Board
Docket No. 7336****	Central Vermont Public Service Company Alternative Regulation Before the Vermont Public Service Board
Docket No. 09-12-05	Connecticut Light & Power Company Connecticut Department of Utility Control
Docket No. 10-02-13	Aquarion Water Company of Connecticut Connecticut Department of Utility Control
Docket No. 10-70	Western Massachusetts Electric Company Massachusetts Department of Public Utilities
Docket No. 10-12-02	Yankee Gas Services Company Connecticut Department of Utility Control
Docket No. 11-01	Fitchburg Gas & Electric Light Company Massachusetts Department of Public Utilities
Case No.9267	Washington Gas Light Company Maryland Public Service Commission
Docket No. 110138-EI	Gulf Power Company Before the Florida Public Service Commission
Case No.9286	Potomac Electric Power Company Maryland Public Service Commission
Docket No. 120015-EI	Florida Power & Light Company Before the Florida Public Service Commission

Docket No. 11-102***	Western Massachusetts Electric Company Massachusetts Department of Public Utilities
Docket No. 8373****	Green Mountain Power Company Alternative Regulation Before the Vermont Public Service Board
Docket No. 110200-WU	Water Management Services, Inc. Before the Florida Public Service Commission
Docket No. 11-102/11-102A	Western Massachusetts Electric Company Massachusetts Department of Public Utilities
Case No.9311	Potomac Electric Power Company Maryland Public Service Commission
Case No.9316	Columbia Gas of Maryland, Inc. Maryland Public Service Commission
Docket No. 130040-EI**	Tampa Electric Company Before the Florida Public Service Commission
Case No.1103	Potomac Electric Power Company Public Service Commission of the District of Columbia
Docket No. 13-03-23	Connecticut Light & Power Company Connecticut Public Utility Regulatory Authority
Docket No. 13-06-08	Connecticut Natural Gas Corporation Connecticut Public Utility Regulatory Authority
Docket No. 13-90	Fitchburg Gas & Electric Light Company Massachusetts Department of Public Utilities
Docket No. 8190**	Green Mountain Power Company Before the Vermont Public Service Board

Docket No. 8191**	Green Mountain Power Company Alternative Regulation Before the Vermont Public Service Board
Case No.9354**	Columbia Gas of Maryland, Inc. Maryland Public Service Commission
Docket No.2014-UN-132**	Entergy Mississippi Inc. Mississippi Public Service Commission
Docket No. 13-135	Western Massachusetts Electric Company Massachusetts Department of Public Utilities
Docket No. 14-05-26	Connecticut Light & Power Company Connecticut Public Utility Regulatory Authority
Docket No. 13-85	Massachusetts Electric Company and Nantucket Electric Company D/B/A/ as National Grid Massachusetts Department of Public Utilities
Docket No. 14-05-26RE01***	Connecticut Light & Power Company Connecticut Public Utility Regulatory Authority
Docket No.2015-UN-049**	Atmos Energy Corporation Mississippi Public Service Commission
Case No.9390	Columbia Gas of Maryland, Inc. Maryland Public Service Commission
Docket No. 15-03-01***	Connecticut Light & Power Company Connecticut Public Utility Regulatory Authority
Docket No. 15-03-02***	United Illuminating Company Connecticut Department of Public Utility Control
Case No.9418***	Potomac Electric Power Company Maryland Public Service Commission

Case No.1135*** Docket No. 15-03-01***	Washington Gas Connecticut Light & Power Company Connecticut Public Utility Regulatory Authority
Case No.1137	Washington Gas Public Service Commission of the District of Columbia
Docket No. 160021-EI	Florida Power & Light Company Before the Florida Public Service Commission
Docket No. 160062-EI	Florida Power & Light Company Before the Florida Public Service Commission
Docket No. 15-149	Western Massachusetts Electric Company Massachusetts Department of Public Utilities
Docket No. 8710	Vermont Gas Systems Inc. Before the Vermont Public Service Board
Docket No. 8698	Vermont Gas Systems Inc. Alternative Regulation Before the Vermont Public Service Board
Docket No. 16-06-042	United Illuminating Company Connecticut Department of Public Utility Control
Docket No. A.16-09-001	Southern California Edison Before the California Public Utilities Commission
Case No. 17-1238-INV**	Vermont Gas Systems Inc. Before the Vermont Public Utility Commission
Case No. 17-3112-INV**	Green Mountain Power Company Before the Vermont Public Utility Commission
Docket No. 17-10-46**	Connecticut Light & Power Company Connecticut Public Utility Regulatory Authority

Docket No. 20170141-SU	KW Resort Utilities Corp. Before the Florida Public Service Commission
Docket No. 2017-0105	The Hawaii Gas Company Before the Hawaii Public Utility Commission
Docket No. 20160251-EI**	Florida Power & Light. Company Before the Florida Public Service Commission
Case No. 18-0409-TF**	Vermont Gas Systems Inc. Before the Vermont Public Utility Commission
Docket No. 2018-00008	Maine Water Company Before the Maine Public Utility Commission
Docket No. 18-05-16**	Connecticut Natural Gas Company Connecticut Public Utility Regulatory Authority
Docket No. 18-05-10**	Yankee Gas Services Company Connecticut Public Utility Regulatory Authority
Docket No. 20180061-EI	Florida Public Utilities Company. Before the Florida Public Service Commission

- * Certain issues stipulated, portion of testimony withdrawn.
- ** Case settled.
- *** Assisted in case and hearings, no testimony presented
- **** Annual filings reviewed and reports filed with Board.

Line No.	Description	Steam & Other	Nuclear	Trans.	Distribution	General	Customer Service	Total
<u>Company Restoration Amounts</u>								
1	Regular Payroll & Related Costs	(67)	333	489	4,729	(571)	(760)	4,153
2	Overtime Payroll & Related Costs	970	2,305	2,372	29,490	1,946	1,579	38,663
3	Contractors	9,777	14,887	15,473	708,997	2,795	755	752,684
4	Line Clearing	0	0	1,120	133,708	0	0	134,828
5	Vehicle & Fuel	96	0	47	19,396	13	0	19,552
6	Materials & Supplies	542	1,357	846	13,548	606	10	16,909
7	Logistics	21	213	798	271,303	144	517	272,996
8	Other	190	225	971	3,853	6,121	1,534	12,894
9	Incremental Storm Costs Per Co.	11,529	19,320	22,116	1,185,024	11,053	3,634	1,252,679
10	Jurisdictional Factor	0.9513	0.9335	0.9028	0.9999	0.9682	1.0000	
11	Requested Recoverable Retail Costs	10,968	18,035	19,966	1,184,867	10,702	3,634	1,248,172
<u>Per OPC</u>								
12	Regular Payroll & Related Costs	0	0	0	0	0	0	0
13	Overtime Payroll & Related Costs	302	717	479	6,129	605	491	8,724
14	Contractors	9,777	1,920	15,473	293,963	2,795	755	324,683
15	Line Clearing	0	0	1,120	133,708	0	0	134,828
16	Vehicle & Fuel	96	0	47	19,396	13	0	19,552
17	Materials & Supplies	542	1,357	846	13,549	606	10	16,910
18	Logistics	21	213	798	245,262	144	517	246,955
19	Other	190	225	971	3,853	6,122	1,534	12,895
20	Incremental Storm Costs Per OPC.	10,928	4,432	19,734	715,860	10,285	3,307	764,547
21	Jurisdictional Factor	0.9513	0.9335	0.9028	0.9999	0.9682	1.0000	
22	Requested Recoverable Retail Costs	10,396	4,137	17,816	715,788	9,958	3,307	761,403
23	OPC Retail Adjustment (L.22 - L.11)	(572)	(13,898)	(2,150)	(469,079)	(743)	(327)	(486,769)
24								
25	Total Adjustment							(486,769)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 7
PARTY: OFFICE OF PUBLIC COUNSEL - DIRECT
DESCRIPTION: Helmuth W. Schultz, III

Line No.	Description	Steam & Other	Nuclear	Trans.	Distribution	General	Customer Service	Total
1	Regular Payroll & Related Costs	520	513	1,656	12,333	1,231	501	16,754
2	Less : Capitalized Costs	0	0	(458)	(5,389)	0	0	(5,847)
3	Less: Non-Incremental Costs	(587)	(179)	(709)	(2,215)	(1,802)	(1,260)	(6,752)
4	Rounding		(1)				(1)	(2)
5	Co. Reported Incremental Costs	(67)	333	489	4,729	(571)	(760)	4,153
6	Jurisdictional Factor	0.9513	0.9335	0.9028	0.9999	0.9682	1.0000	
7	Retail Recoverable Cost Per Co.	(64)	311	441	4,729	(553)	(760)	4,104
8	Co. Reg. PR & Related Costs	(67)	333	489	4,729	(571)	(760)	4,153
9	Capitalized Costs	0	0	458	5,389	0	0	5,847
10	Adjusted Regular Payroll	(67)	333	947	10,118	(571)	(760)	10,000
11	Non-Incremental Costs	67	(333)	(947)	(10,118)	571	760	(10,000)
12	Regular Payroll & Related Costs	0	0	0	0	0	0	0
13	Jurisdictional Factor	0.9513	0.9335	0.9028	0.9999	0.9682	1.0000	
14	Retail Costs Per OPC	0	0	0	0	0	0	0
15	OPC Adjustment (L.5 - L.12)	67	(333)	(489)	(4,729)	571	760	(4,153)
16	OPC Retail Adjustment (L.15 - L. 9)	64	(311)	(441)	(4,729)	553	760	(4,104)
17	Capitalization Assigned to Overtime	0	0	(458)	(5,389)	0	0	(5,847)
18	Total Non-incremental Adjustment (L.15 + L.17)							(10,000)

Source: Lines 1-3 , line 5 are from Company Exhibit KF-2.

Line No.	Description	Steam & Other	Nuclear	Trans.	Distribution	General	Customer Service	Total
1	Overtime Payroll & Related Costs	970	2,305	2,372	29,490	1,946	1,579	38,662
2	Less : Capitalized Costs	0	0	0	0	0	0	0
3	Less: Non-Incremental Costs	0	0	0	0	0	0	0
4	Rounding	0	0	0	0	0	0	1
5	Co. OT. PR & Related Costs	970	2,305	2,372	29,490	1,946	1,579	38,663
6	Jurisdictional Factor	0.9513	0.9335	0.9028	0.9999	0.9682	1.0000	
7	Retail Recoverable Cost Per Co.	923	2,152	2,141	29,487	1,884	1,579	38,166
8	Co. OT. PR & Related Costs	970	2,305	2,372	29,490	1,946	1,579	38,662
9	Less: Non-Incremental Costs	(436)	(1,036)	(1,066)	(13,258)	(875)	(710)	(17,381)
10	OPC Reclassification Adjustment	0	0	(458)	(5,389)	0	0	(5,847)
		534	1,269	848	10,843	1,071	869	15,434
11	OPC Capitalization Adjustment	(232)	(552)	(369)	(4,714)	(466)	(378)	(6,710)
12	Overtime Payroll & Related Costs	302	717	479	6,129	605	491	8,723
13	Jurisdictional Factor	0.9513	0.9335	0.9028	0.9999	0.9682	1.0000	
14	Retail Costs Per OPC	287	669	433	6,129	586	491	8,595
15	OPC Adjustment (L.5 - L.13)	(668)	(1,588)	(1,893)	(23,361)	(1,341)	(1,088)	(29,938)
16	OPC Retail Adjustment (L.15 - L. 9)	(636)	(1,482)	(1,709)	(23,358)	(1,298)	(1,088)	(29,571)

Source: Lines 1 and 6 are from Company Exhibit KF-2.
Line 9 is from Schedule B Page 4 of 4.
Line 10 is from Schedule B Page 1 of 4
Line 11 is from Schedule B Page 3 of 4

Florida Power & Light
Storm Restoration Costs Related to Hurricane Irma
Overtime Payroll

Docket No. 20180049-EI
Exhibit No. HWS-2
Schedule B
Page 3 of 4

Line No.	Description	Amounts	Amounts	Source
1	Regular Payroll & Related Costs Capitalized		5,847,000	Co. Exhibit KF-2
2	Hourly Labor Rate (LVM)		140.46	OPC IR No. 76
3	Capitalized Hours		41,628	Line 1 / Line 2
4	Estimated Overtime Hourly Rate	\$63		
5	Overhead Rate 6.29%	1.0629		Sch. B P. 4
6	Labor and Overhead	67		Line 4 x Line 5
7	FPL Employees	3		
8	Calculated Labor & Payroll Overhead Rate	200	200	
9	Estimated Labor & Overhead Cost		8,339,906	Line 3 x Line 8
10	Incremental Vehicle Expense per Co.	19,552,000		Co. Exhibit KF-2
11	Incremental Overtime Expense per Co.	38,663,000		Co. Exhibit KF-2
12	Estimated Vehicle Cost Percentage	50.57%	4,217,517	Line 10 / Line 11
13	OPC Estimated Loaded Overtime Cost (LVM)		12,557,422	
14	Co. Estimated Loaded Regular Payroll Rate (LVM)		5,847,000	
15	Additional Adjustment for Capitalized Overtime		(6,710,422)	

Source: Lines 4 and 7 are based on responses to OPC IR's 78 and 79 in Docket No. 20160251-EI.

Line No.	Description	Steam & Other	Nuclear	Trans.	Distribution	General	Customer Service	Total
1	Regular Payroll & Related Costs	520	513	1,656	12,333	1,231	501	16,754
2	Regular Payroll	456	450	1,453	10,823	1,079	439	14,699
3	Overhead Cost	64	63	203	1,510	152	62	2,055
4	Overhead Percentage	14.09%	14.08%	13.94%	13.96%	14.08%	14.10%	13.98%
5	Overtime Payroll & Related Costs	970	2,305	2,372	29,490	1,946	1,579	38,662
6	Overtime Payroll	911	2,168	2,227	27,761	1,827	1,482	36,376
7	Overhead Cost	59	137	145	1,729	119	97	2,286
8	Overhead Percentage	6.48%	6.32%	6.53%	6.23%	6.52%	6.51%	6.29%
		<u>2017</u>			<u>2018</u>			
		Regular	Overtime	Total	Regular	Overtime	Total	
9	O&M Base Payroll Expensed	484,913	74,259	559,172	0	0	0	
10	Base Rates O&M Expense	511,977	55,457	567,435				
11	Incremental (Non-Incremental)	(27,064)	18,801	(8,263)				
12	2017 Storm Regular Payroll	14,493			207			14,699
13	2017 Storm Overtime Payroll		36,182			193		36,376
14	Non-Incremental Adjustment to Overtime		<u>(17,381)</u>					

Source: Lines 1 and 5 are from Company Exhibit KF-2.
Lines 2 and 12 are from response to OPC Interrogatory No. 18.
Lines 6 and 13 are from response to OPC Interrogatory No. 19.
Line 9 is from response to OPC Interrogatory No. 72.
Line 10 is from response to OPC Interrogatory No. 73.

Line No.	Description	Steam & Other	Nuclear	Trans.	Distribution	General	Customer Service	Total
1	Contractors	9,777	21,187	20,984	769,381	3,003	755	825,087
2	Less : Capitalized Costs	0	(6,300)	(5,511)	(60,384)	(208)	0	(72,403)
3	Less: Non-Incremental Costs						0	0
4	Rounding							0
5	Co. Contractor Costs	9,777	14,887	15,473	708,997	2,795	755	752,684
6	Jurisdictional Factor	0.9513	0.9335	0.9028	0.9999	0.9682	1.0000	
7	Retail Reported Cost Per Co.	9,301	13,897	13,969	708,926	2,706	755	749,554
8	Co. Contractor Costs	9,777	14,887	15,473	708,997	2,795	755	752,684
9	Excessive Rate Adjustment				(60,055)			(60,055)
10	Excessive Mobilization Adjustment				(30,016)			(30,016)
11	Excessive Standby Adjustment				(4,165)			(4,165)
12	Duplicate Payment Adjustment				(4,069)			(4,069)
13	Not Assigned Adjustment		(12,967)		(37,975)			(50,942)
14								0
15	OPC Capitalization Adjustment	0	0	0	(278,754)	0	0	(278,754)
16	OPC Contractor Costs	9,777	1,920	15,473	293,963	2,795	755	324,683
17	Jurisdictional Factor	0.9513	0.9335	0.9028	0.9999	0.9682	1.0000	
18	Retail Costs Per OPC	9,301	1,792	13,969	293,934	2,706	755	322,457
19	OPC Retail Adjustment (L.18 - L. 7)	0	(12,105)	0	(414,992)	0	0	(427,097)

Source: Lines 1, 2, 3 and 6 are from Company Exhibit KF-2.

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Line No.	Description	Amounts	Amounts	Source
1	Regular Payroll & Related Costs Capitalized		72,404,000	Co. Exhibit KF-2
2	Hourly Labor Rate (LVM)			OPC IR No. 76
3	Capitalized Hours		474,221	Line 1 / Line 2
4	Average Contractor Rate			Schedule C, Page 3
5	Contractor Employees			
6	Calculated Labor & Payroll Overhead Rate			Line 4 x Line 5
7	Estimated Labor & Overhead Cost			Line 3 x Line 8
8	Vehicle Expense	0		
9	Meals, Per Diem	0		
10	Estimated Vehicle/ Miscellaneous Cost		0	
11	OPC Estimated Loaded Overtime Cost (LVM)			
12	Co. Estimated Capitalization Rate (LVM)		72,404,000	
13	Adjustment for Contractor Capitalization		(278,754,105)	

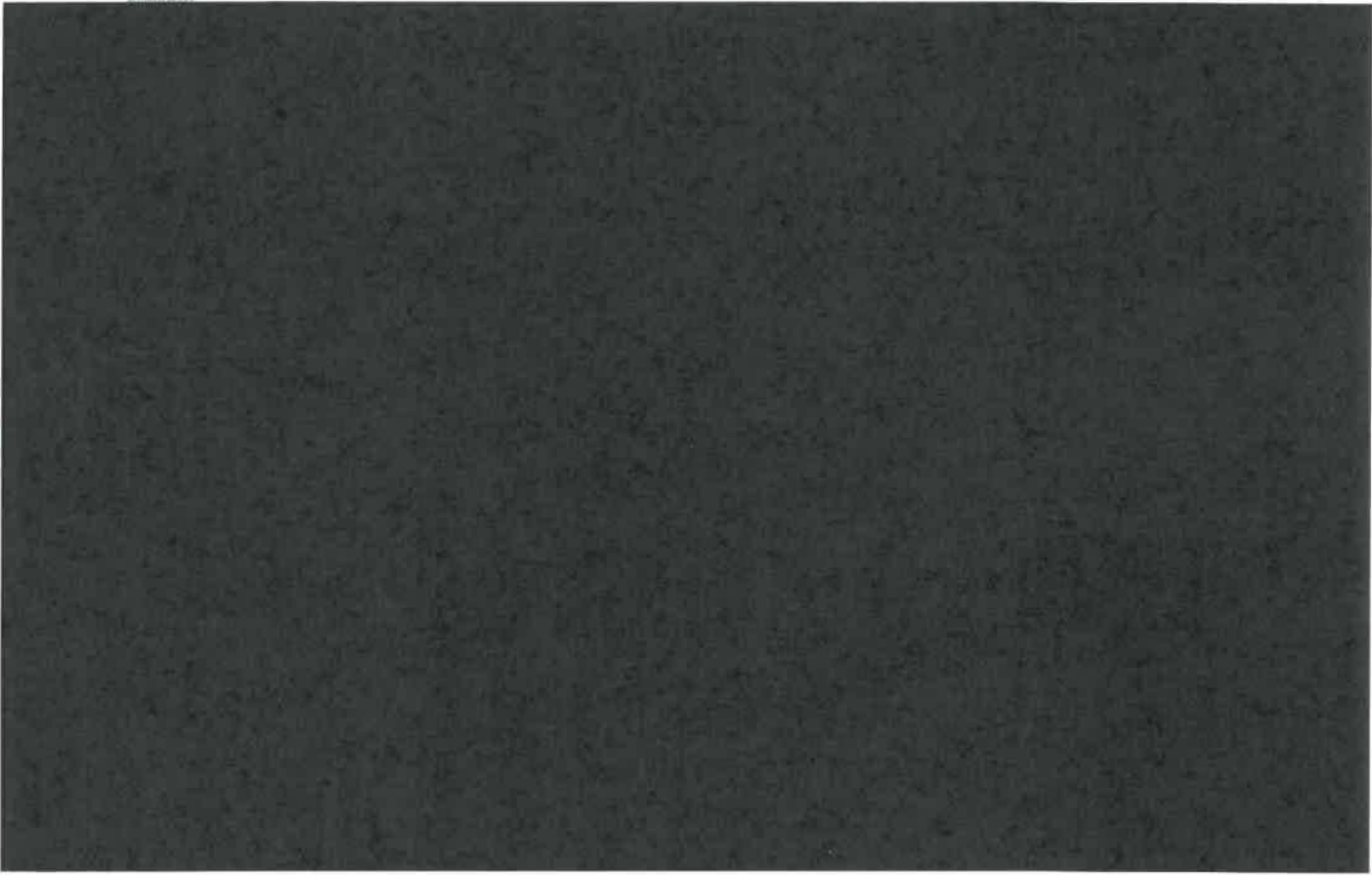
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Florida Power & Light
Storm Restoration Costs Related to Hurricane Irma
Contractor Billing Summary

Docket No. 20160251-41
Schedule C
Exhibit No. MVCS2
Page 3 of 6

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Line No.	Document Reference	Vendor	Hours	Avg Rate	Labor/Fringe	Equip Units	Fuel	Expenses	Misc	Total	W-29 Amount	Deduction	Adjust	Fees	W/OB/DEM/OB	Surety	Pages	W-29 U-25
Contractor Summary																		



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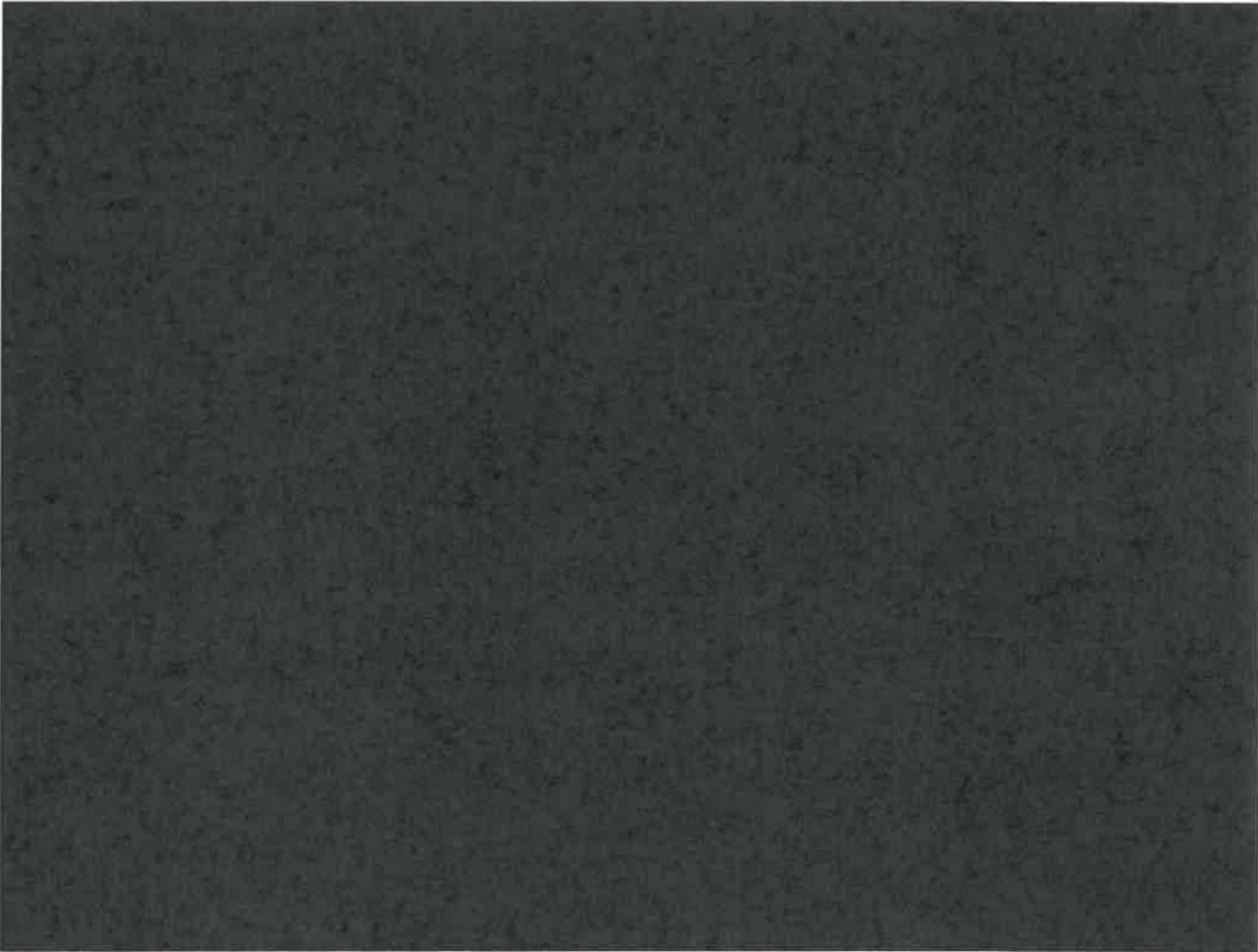


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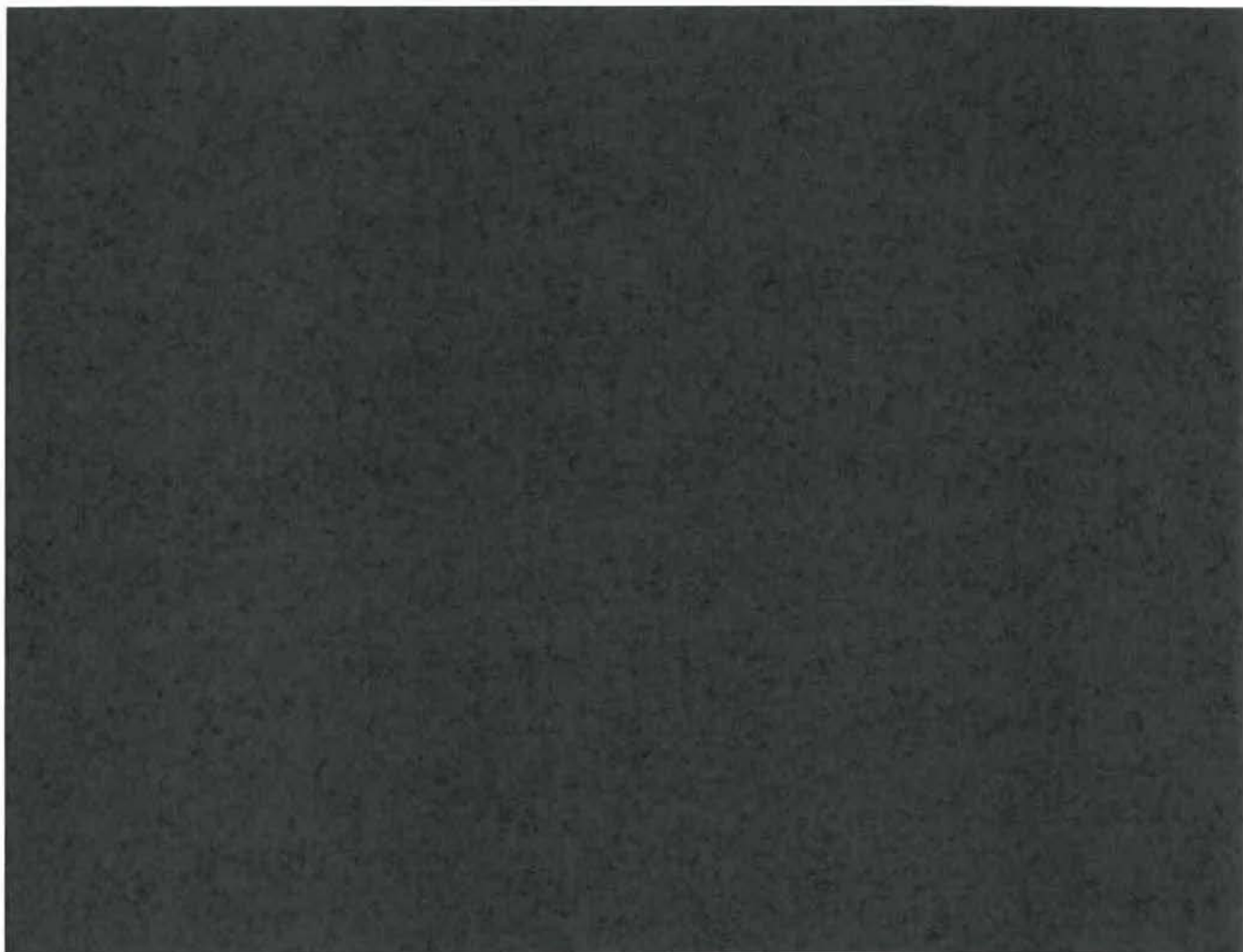
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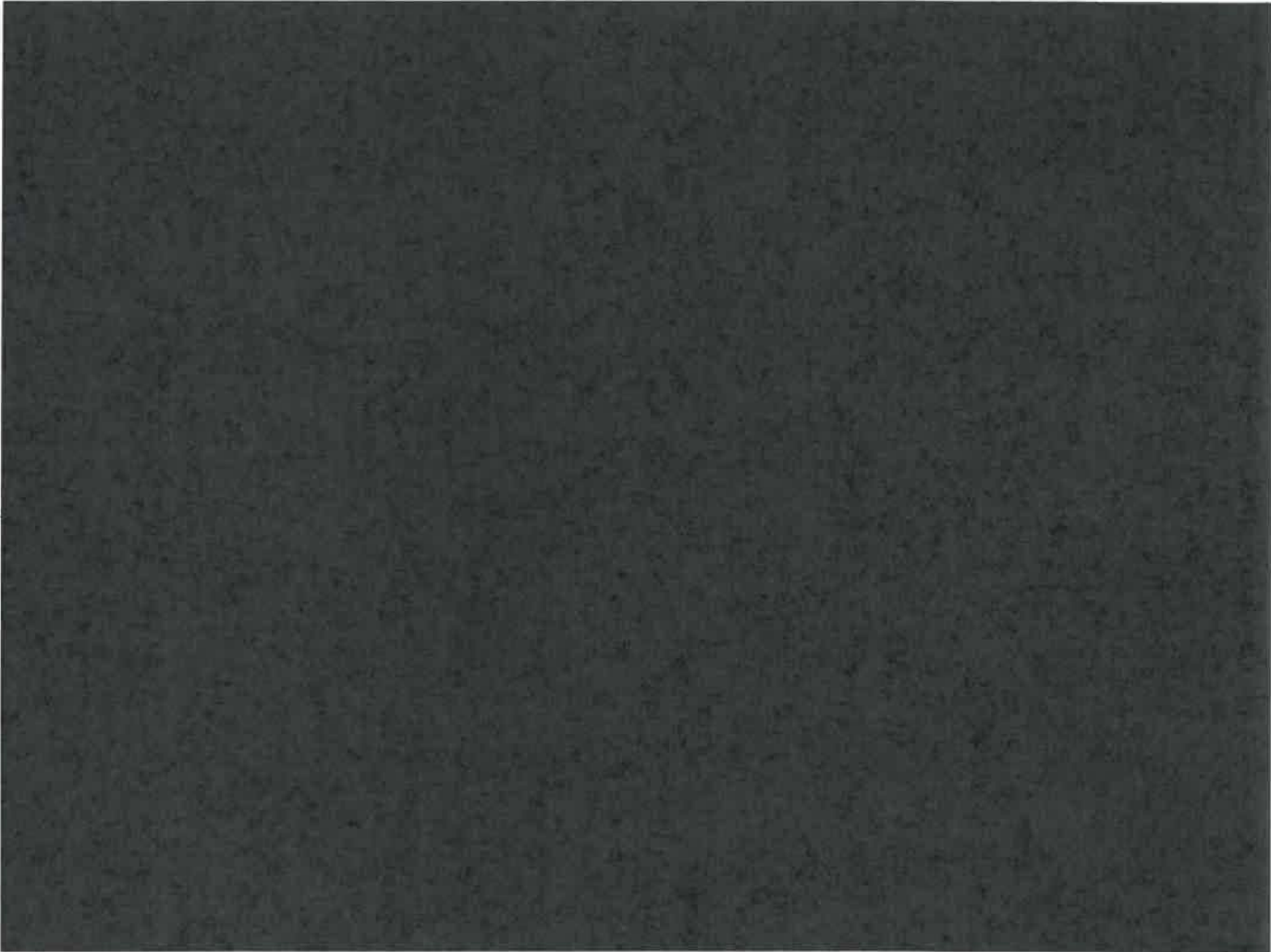
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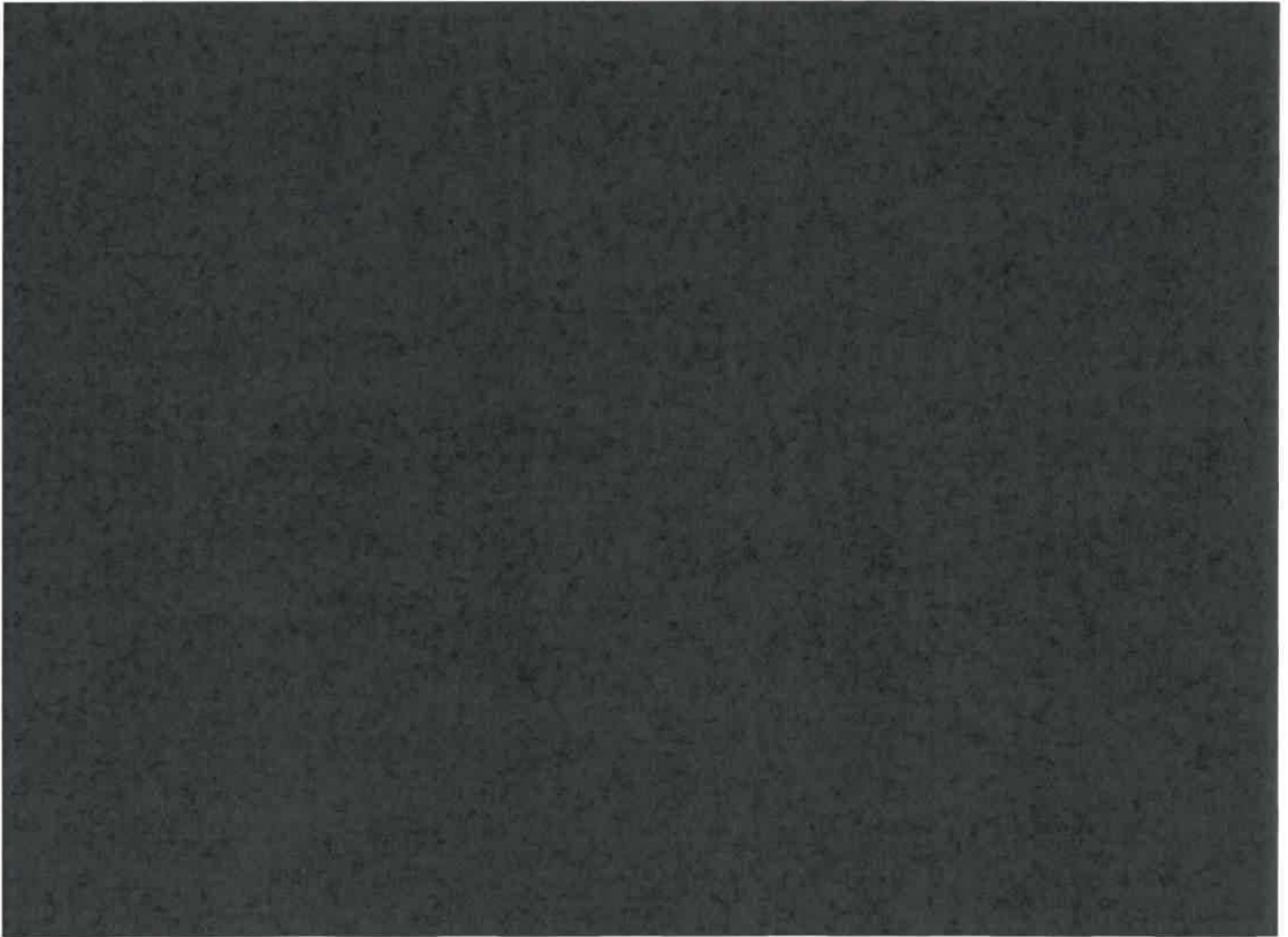
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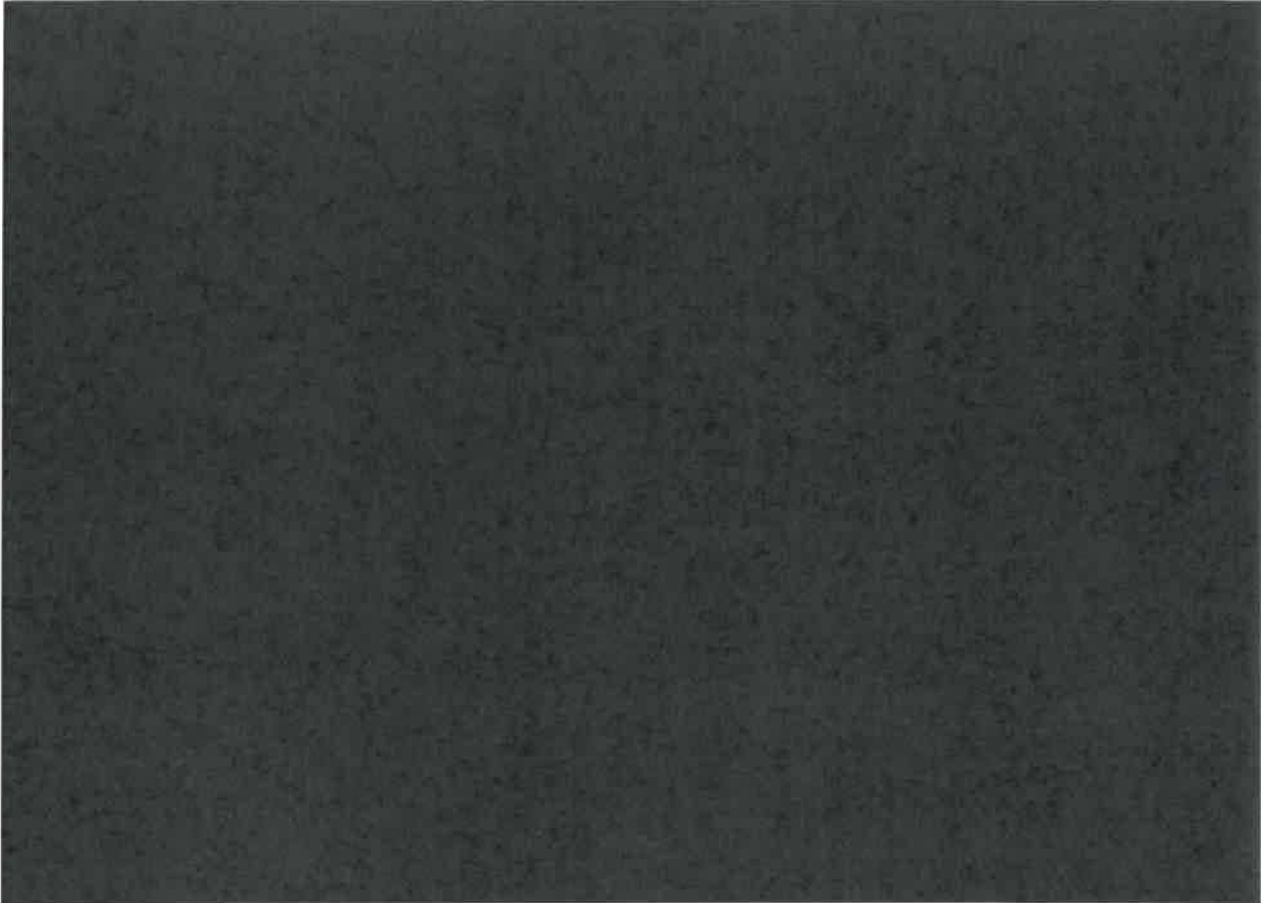
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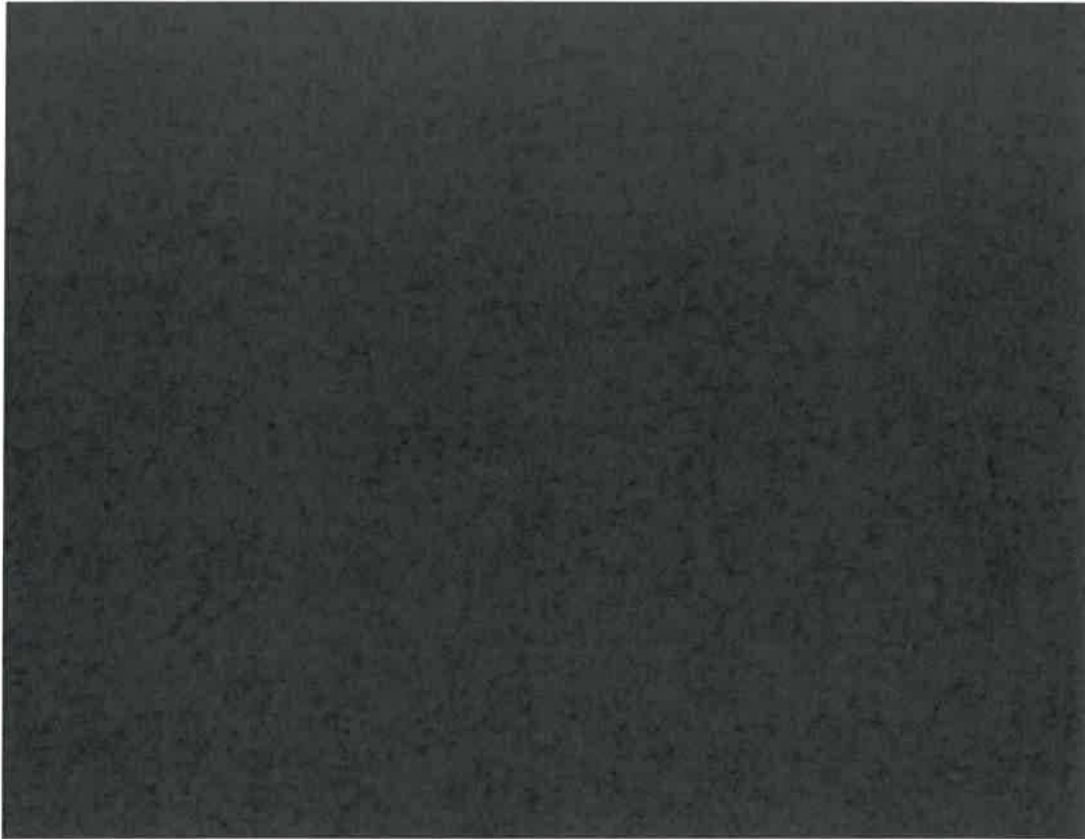
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Exhibit No. HWS-2
Schedule C

Page 6 (a) of 6

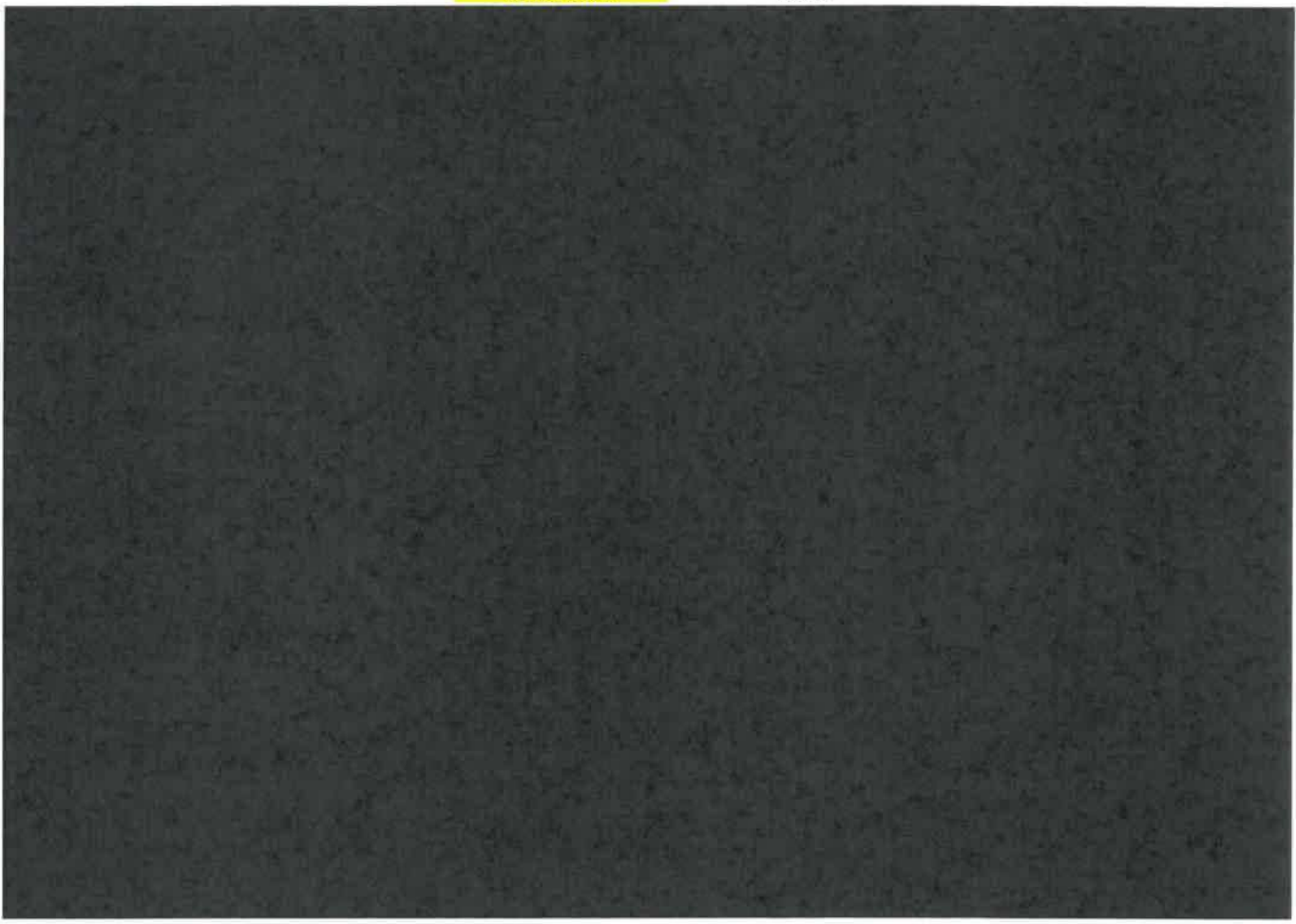


Line No.	Description	Steam & Other	Nuclear	Trans.	Distribution	General	Customer Service	Total
1	Line Clearing	0	0	1,120	138,788	0	0	139,908
2	Less: Non-Incremental Costs	0	0	0	5,080	0	0	5,080
3	Less : Capitalized Costs	0	0	0	0	0	0	0
4	Company Requested Line Clearing	0	0	1,120	133,708	0	0	134,828
5	Jurisdictional Factor	0.9513	0.9335	0.9028	0.9999	0.9682	1.0000	
6	Retail Reported Cost Per Co.	0	0	1,011	133,695	0	0	134,706
7	Co. Line Clearing Costs	0	0	1,120	138,788	0	0	139,908
8	Non-Incremental Costs	0	0	0	(5,080)	0	0	(5,080)
9	Unsupported Cost Adjustment	0	0	0	0	0	0	0
10	Line Clearing	0	0	1,120	133,708	0	0	134,828
11	Jurisdictional Factor	0.9513	0.9335	0.9028	0.9999	0.9682	1.0000	
12	Retail Costs Per OPC	0	0	1,011	133,695	0	0	134,706
13	OPC Retail Adjustment (L.15 - L. 9)	0	0	0	0	0	0	0

Source: Lines 1, 2, 3, 4 and 5 are from Company Exhibit KF-2.

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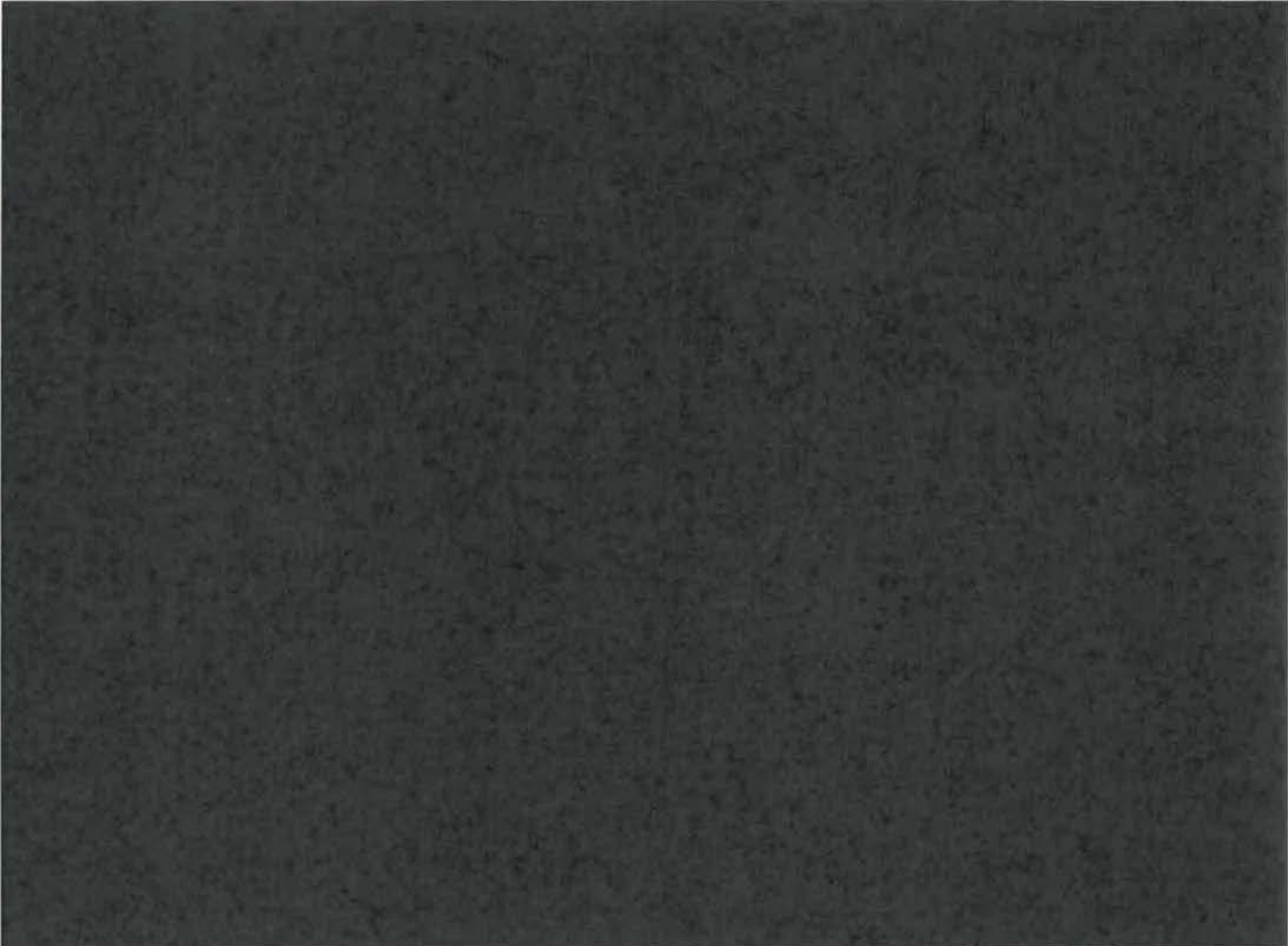
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Exhibit No. HWS-2
Schedule D

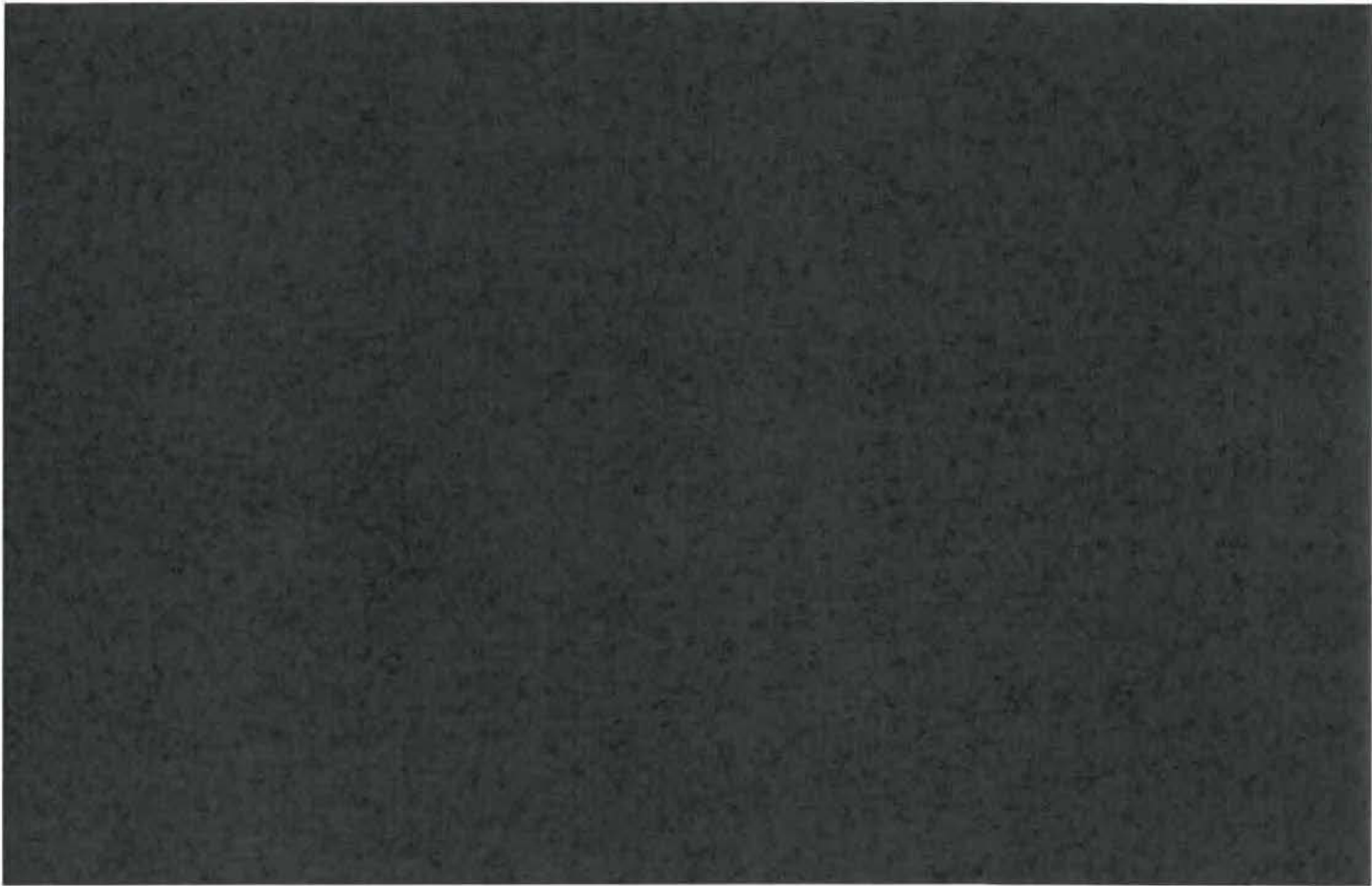
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Exhibit No. HWS-2
Schedule D

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Docket No. 20180049-EI
Exhibit No. HWS-2
Schedule D

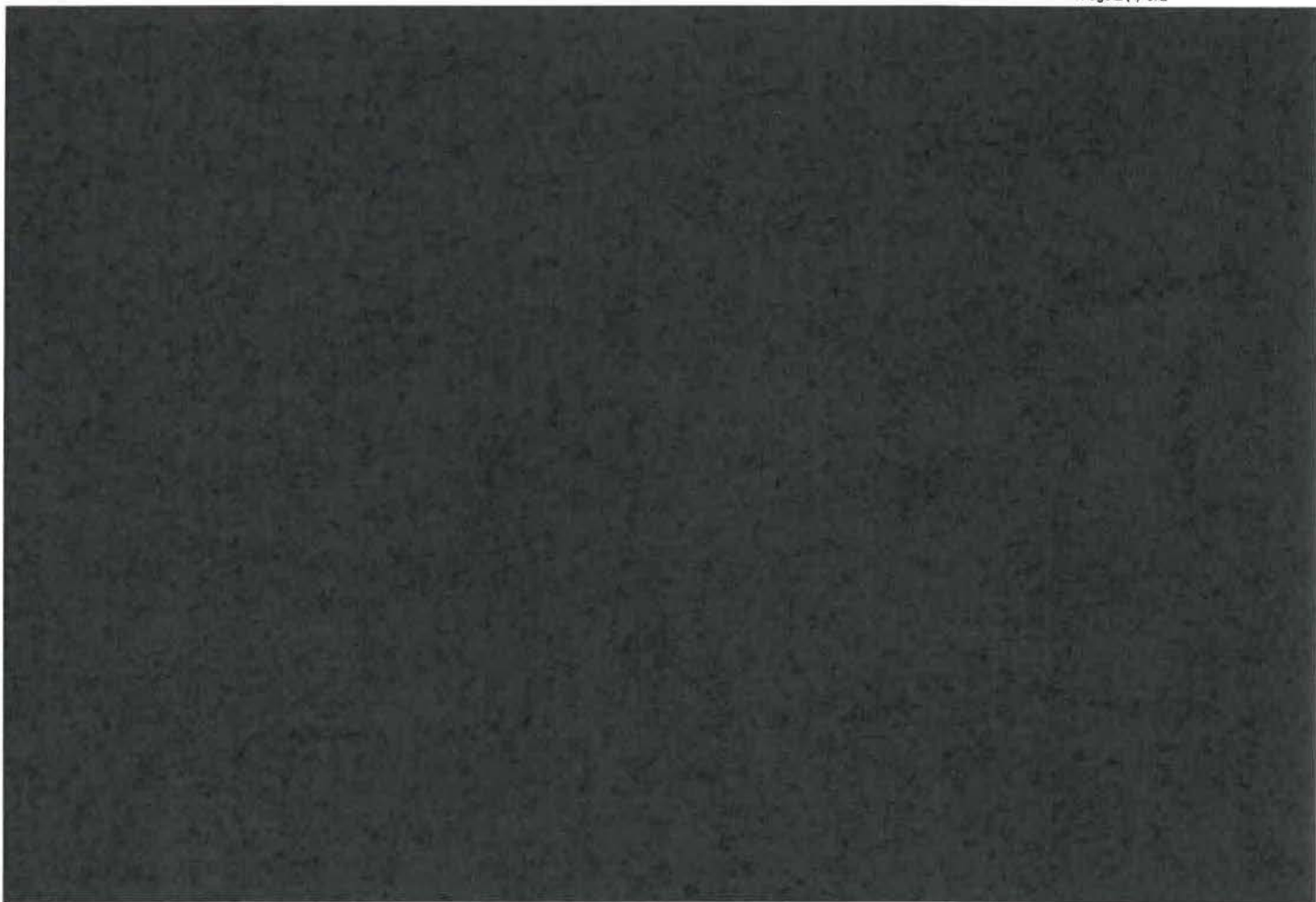
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Exhibit No. HWS-2
Schedule D

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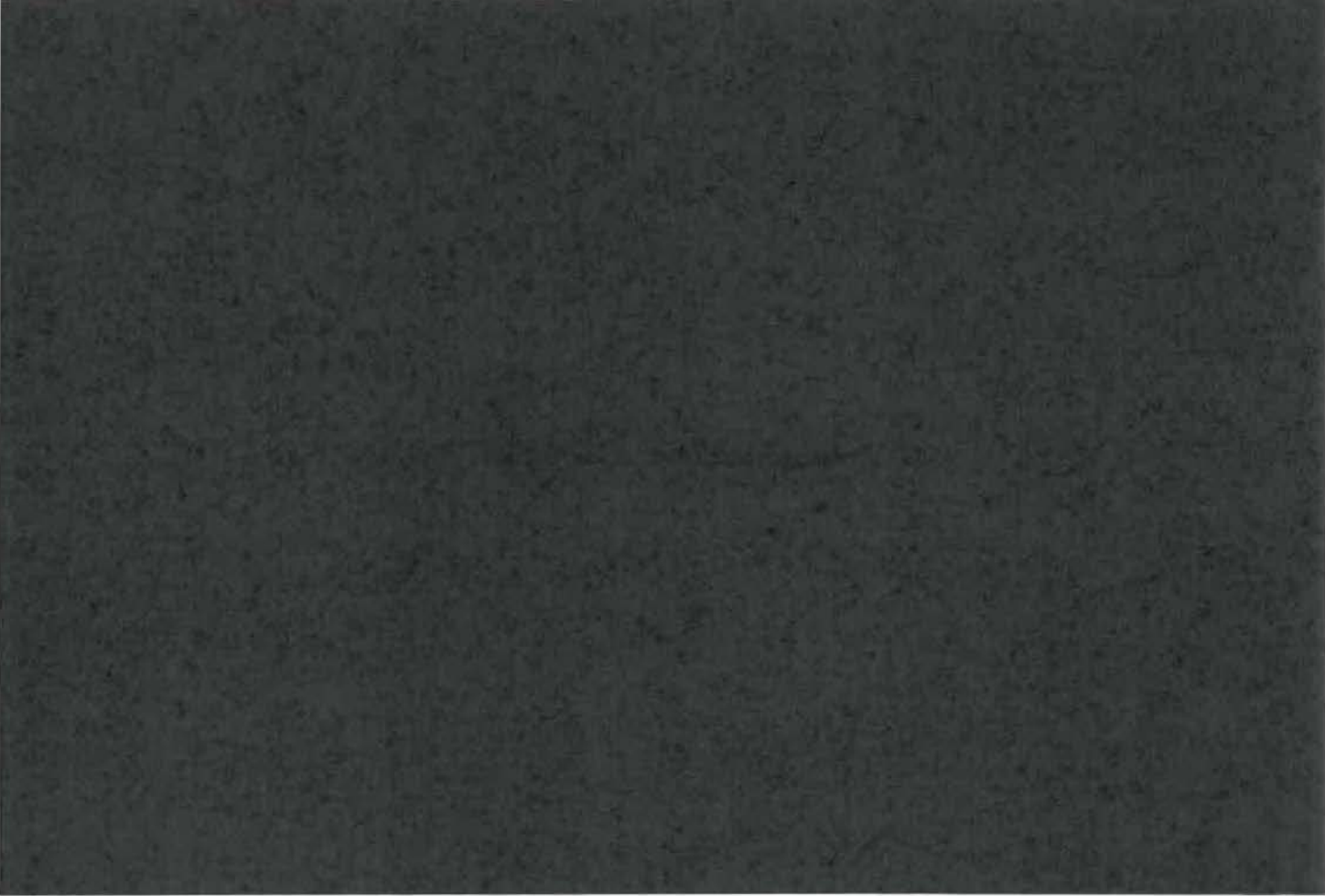


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Exhibit No. HWS-2
Schedule D

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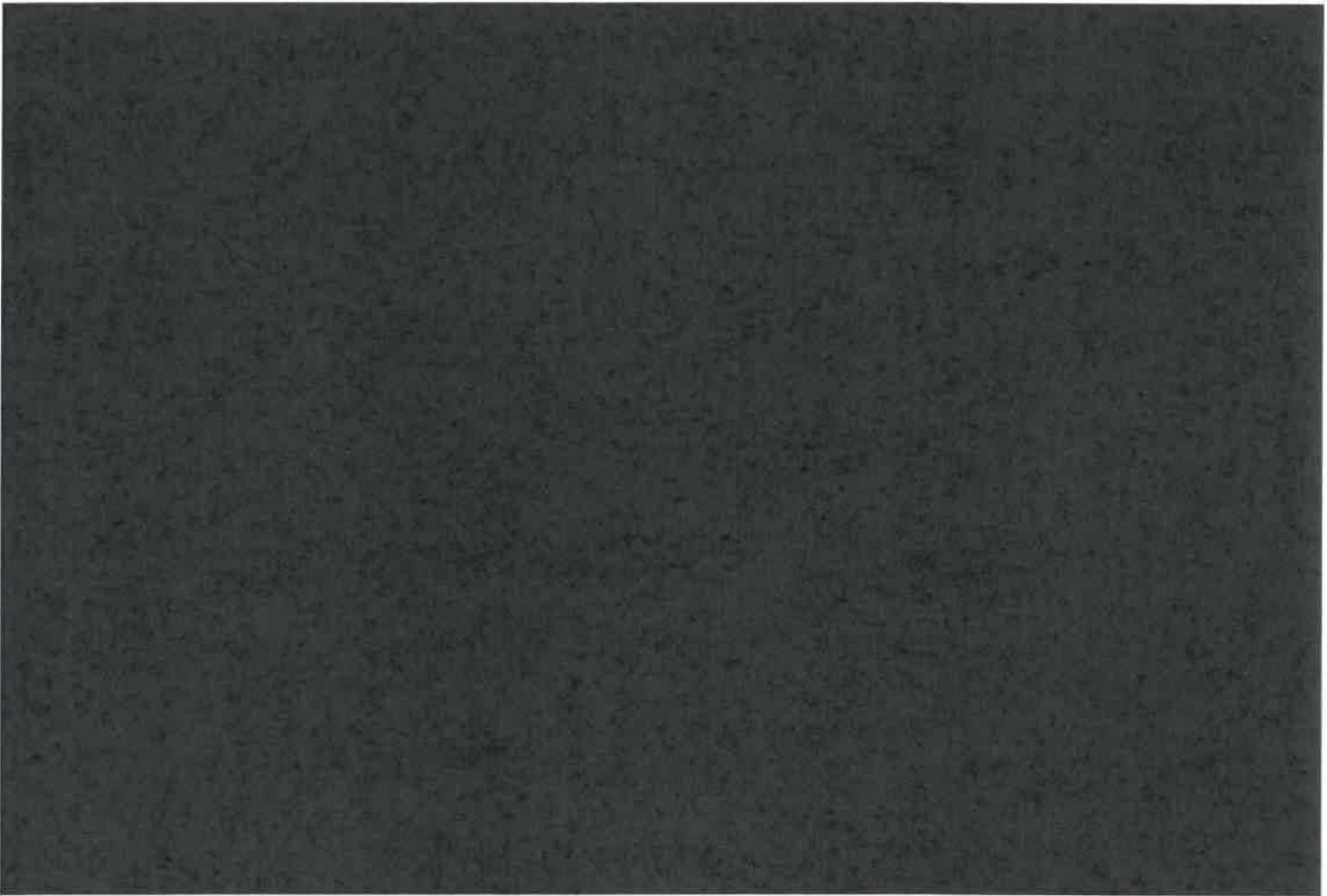


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Schedule D

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Schedule D

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Line No.	Description	Steam & Other	Nuclear	Trans.	Distribution	General	Customer Service	Total
1	Vehicle & Fuel	96	0	401	23,366	13	0	23,876
2	Less: Non-Incremental Costs	0	0	354	3,970	0	0	4,324
3	Less : Capitalized Costs	0	0	0	0	0	0	0
4	Co. Requested Vehicle & Fuel	96	0	47	19,396	13	0	19,552
5	Jurisdictional Factor	0.9513	0.9335	0.9028	0.9999	0.9682	1.0000	
6	Retail Recoverable Cost Per Co.	91	0	42	19,394	13	0	19,540
7	Co. Rev. Vehicle & Fuel Costs	96	0	401	23,366	13	0	23,876
8	Non-Incremental Costs	0	0	(354)	(3,970)	0	0	(4,324)
9	Capitalized Costs	0	0	0	0	0	0	0
10	Vehicle & Fuel Costs	96	0	47	19,396	13	0	19,552
11	Jurisdictional Factor	0.9513	0.9335	0.9028	0.9999	0.9682	1.0000	
12	Retail Costs Per OPC	91	0	42	19,394	13	0	19,540
13	OPC Retail Adjustment (L.15 - L. 9)	0	0	0	0	0	0	0

Source: Lines 1, 2, 3, 4 and 5 are from Company Exhibit KF-2.

Line No.	Description	Steam & Other	Nuclear	Trans.	Distribution	General	Customer Service	Total
1	Materials & Supplies	542	1,357	7,384	35,181	628	214	45,306
2	Less: Non-Incremental Costs	0	0	0	0	0	0	0
3	Less : Capitalized Costs	0	0	6,538	21,632	22	204	28,396
4	Co. Requested Mat. & Supplies	542	1,357	846	13,549	606	10	16,910
5	Jurisdictional Factor	0.9513	0.9335	0.9028	0.9999	0.9682	1.0000	
6	Retail Recoverable Cost Per Co.	516	1,267	764	13,548	587	10	16,691
7	Co. Materials & Supplies	542	1,357	7,384	35,181	628	214	45,306
8	Non-Incremental Costs	0	0	0	0	0	0	0
9	Capitalized Costs	0	0	(6,538)	(21,632)	(22)	(204)	(28,396)
10	Materials & Supplies	542	1,357	846	13,549	606	10	16,910
11	Jurisdictional Factor	0.9513	0.9335	0.9028	0.9999	0.9682	1.0000	
12	Retail Costs Per OPC	516	1,267	764	13,548	587	10	16,691
13	OPC Retail Adjustment (L.15 - L. 9)	0	0	0	0	0	0	0

Source: Lines 1, 2, 3, 4 and 5 are from Company Exhibit KF-2, Page 1 of 2.

Line No.	Description	Steam & Other	Nuclear	Trans.	Distribution	General	Customer Service	Total
1	Logistics	21	213	798	271,303	144	517	272,996
2	Less: Non-Incremental Costs	0	0	0	0	0	0	0
3	Less : Capitalized Costs	0	0	0	0	0	0	0
4	Company Reported Logistics	21	213	798	271,303	144	517	272,996
5	Jurisdictional Factor	0.9513	0.9335	0.9028	0.9999	0.9682	1.0000	
6	Retail Recoverable Cost Per Co.	20	199	720	271,276	139	517	272,872
7	Company Logistics	21	213	798	271,303	144	517	272,996
8	Unjustified	0	0	0	(26,041)	0	0	(26,041)
9	Capitalized Costs	0	0	0	0	0	0	0
10	Logistics Cost	21	213	798	245,262	144	517	246,955
11	Jurisdictional Factor	0.9513	0.9335	0.9028	0.9999	0.9682	1.0000	
12	Retail Costs Per OPC	20	199	720	245,237	139	517	246,833
13	OPC Retail Adjustment (L.15 - L. 9)	0	0	0	(26,039)	0	0	(26,039)

Source: Lines 1, 2,3, 4 and 5 are from Company Exhibit KF-2, Page 1 of 2.

Entire page confidential

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Line No.	Description	Steam & Other	Nuclear	Trans.	Distribution	General	Customer Service	Total
1	Other	190	225	1,018	4,971	7,755	1,657	15,816
2	Less : Capitalized Costs	0	0	(47)	(874)	0	0	(921)
3	Less: Non-Incremental Costs	0	0	0	(244)	(811)	(123)	(1,178)
4	Rounding							1
5	Co. Subtotal Other	190	225	971	3,853	6,944	1,534	13,718
6	Thank You Adds					(822)		(822)
7	Company Reported Other	190	225	971	3,853	6,122	1,534	12,896
8	Jurisdictional Factor	0.9513	0.9335	0.9028	0.9999	0.9682	1.0000	
9	Retail Recoverable Cost Per Co.	181	210	877	3,853	5,927	1,534	12,581
10	Co. Revised Other	190	225	971	3,853	6,122	1,534	12,896
11	Non-Incremental Costs							0
12	Capitalized Costs	0	0	0	0		0	0
13	Other Costs	190	225	971	3,853	6,122	1,534	12,896
14	Jurisdictional Factor	0.9513	0.9335	0.9028	0.9999	0.9682	1.0000	
15	Retail Costs Per OPC	181	210	877	3,853	5,927	1,534	12,581
16	OPC Retail Adjustment (L.15 - L. 9)	0	0	0	0	0	0	0

Source: Lines 1,2 and 3 are from Company Exhibit KF-2.

Line No.	Description	Steam & Other	Nuclear	Trans.	Distribution	General	Customer Service	Total
1	Capitalizable Costs	0	6,300	12,554	85,839	230	204	105,127
2						0	0	0
3						0	0	0
4	Co. Capital Costs	0	6,300	12,554	85,839	230	204	105,127
5	Jurisdictional Factor	0.9513	0.9335	0.9028	0.9999	0.9682	1.0000	
6	Retail Capital Cost Per Co.	0	5,881	11,334	85,830	223	204	103,472
7	Co. Capital Costs	0	6,300	12,554	85,839	230	204	105,127
8	Payroll Adjustment	232	552	369	4,714	466	378	6,710
9	Contractor Adjustment	0	0	0	278,754	0	0	278,754
10	OPC Capital Costs	232	6,852	12,923	369,307	696	582	390,591
11	Total Capital Cost Adjustment	232	552	369	283,468	466	378	285,464
12	Jurisdictional Factor	0.9513	0.9335	0.9028	0.9999	0.9682	1.0000	
13	Retail Capital Cost Per OPC.	221	515	333	283,440	451	378	285,337

Source: Line 1 is from Company Exhibit KF-2

EXHIBIT B

Exhibit HWS - 3 is confidential in its entirety

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 8
PARTY: OFFICE OF PUBLIC COUNSEL - DIRECT
DESCRIPTION: Helmuth W. Schultz, III HWS-3

13. Please explain whether Mr. Schultz has participated in the retention or management of storm restoration crews during a storm event. If your response is anything other than an unqualified “no,” please identify the storm event, the company Mr. Schultz assisted, and provide a description of Mr. Schultz’s role, duties, and activities in retaining or managing the restoration crews during the storm event.

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Further, the interrogatory is vague and/or seeks information that is overbroad or unduly burdensome. Without waiving this objection, OPC responds below.

RESPONSE: No.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 9
PARTY: FLORIDA POWER & LIGHT
COMPANY – REBUTTAL
DESCRIPTION: Manuel B. Miranda MBM-3

14. Please explain whether Mr. Schultz has personally participated in or observed a utility's storm restoration activities during a storm event. If your response is anything other than an unqualified "no," please also state the following:

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Further, the interrogatory is vague and/or seeks information that is overbroad or unduly burdensome. Without waiving this objection, OPC responds below.

- a. Identification of the utilities participated and/or observed;

RESPONSE: While Mr. Schulz's ability to provide his expert evaluation of the recoverability of storm restoration costs is not dependent on his personal participation or observation of a utility's storm restoration, Mr. Schultz has observed the restoration process by a utility and/or its contractors subsequent to storm events over the last 30 years, including windstorms, thunderstorms, tornadoes, and snowstorms in Michigan. Mr. Schultz has not participated in the storm restoration activities on behalf of any utility.

- b. Whether Mr. Schultz was a participant or an observer;

RESPONSE: In any applicable instances, he was an observer.

- c. If Mr. Schultz was a participant, please describe his specific responsibilities;

RESPONSE: N/A.

- d. If Mr. Schultz was an observer, identify the individual or entity that retained Mr. Schultz as an observer; and

RESPONSE: No one retained Mr. Schultz to observe storm recovery activities. Mr. Schultz undertook these observation opportunities as a matter of self-education to familiarize himself with processes and procedures as well as whether damage caused could be attributed to any specific factors (i.e. vegetation management).

e. Identification of the storm event, year occurred, and location.

RESPONSE: Most of these storms were not named or identifiable. They occurred periodically over the last 30 years.

15. Please explain whether Mr. Schultz has physically been to an active crew staging site for utility storm restoration activities during a storm event. If your response is anything other than an unqualified “no,” identify the storm event and the name of the utility involved, and provide a description of the crew staging site, including the location and number and types of crews at the site.

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Further, the interrogatory is vague and/or seeks information that is overbroad or unduly burdensome. Without waiving this objection, OPC responds below.

RESPONSE: No.

16. Please explain whether Mr. Schultz has personally participated in or observed a utility’s storm logistics activities during a storm event, including but not limited to the provision of meals, laundry services, accommodations, fueling of vehicles, maintenance and repair of vehicles, and other similar activities related to the operation of a storm restoration effort. If your response is anything other than an unqualified “no,” please identify the storm event and name of the utilities with

which he participated and/or that he observed, and provide a description of Mr. *

Schultz's role, duties, and activities during the storm event.

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Further, the interrogatory is vague and/or seeks information that is overbroad or unduly burdensome. Without waiving this objection, OPC responds below.

RESPONSE: No, because personally participating in or observing a utility's storm logistics activities during a storm event is unnecessary to perform the analyses that Mr. Schultz performs.

17. Please explain whether Mr. Schultz has personally participated in or observed a utility's storm mobilization activities during a storm event. If your response is anything other than an unqualified "no," please identify the storm event and name of the utilities with which he participated and/or that he observed, and provide a description of Mr. Schultz's role, duties, and activities during the storm event.

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Further, the interrogatory is vague and/or seeks information that is overbroad or unduly burdensome. Without waiving this objection, OPC responds below.

RESPONSE: While Mr. Schultz's ability to provide his expert evaluation of the recoverability of storm restoration costs is not dependent on his personal participation or observation of a utility's storm mobilization activities during a storm event, Mr. Schultz has observed mobilizing activities by a utility and/or its contractors subsequent to storm events over the last 30 years, including windstorms, thunderstorms, tornadoes, and snowstorms in Michigan.

19. Please explain whether Mr. Schultz has personally negotiated contractor rates for storm restoration, line clearing, damage assessment, or vegetation crews in anticipation of or during a storm event. If your response is anything other than an unqualified “no,” please also state the following:

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Further, the interrogatory is vague and/or seeks information that is overbroad or unduly burdensome. Without waiving this objection, OPC responds below.

RESPONSE: No.

- a. Identification of the storm event, year occurred, and location;

RESPONSE: N/A

- b. Description of Schultz’s role, duties, and activities;

RESPONSE: N/A

- c. Identify the contractors involved in the negotiation;

RESPONSE: N/A

- d. Identify the negotiated rates;

RESPONSE: N/A

- e. Identify the scope of work performed by each contractor.

RESPONSE: N/A

DECLARATION

I sponsored the answers to Interrogatories from FPL's 1st Set of Interrogatories (Nos. 1-23) to the Office of Public Counsel in Docket No. PSC-20180049-EI, and hereby state the responses are true and correct based on my personal knowledge and belief.

Under penalties of perjury, I declare that I have read the forgoing declaration and the interrogatory answers identified above, and the facts stated therein are true and correct to the best of my personal knowledge and belief.



Signature

Helmut W. Schultz III

Date: FEBRUARY 19, 2019



FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 10
PARTY: FLORIDA POWER & LIGHT
COMPANY – REBUTTAL
DESCRIPTION: Manuel B. Miranda MBM-4

Docket No. 20180049-EI
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Florida Power & Light Company
Docket No. 20180049-EI
OPC's Second Set of Interrogatories
Interrogatory No. 51
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QUESTION:

Refer to the response to OPC Interrogatory No. 26 referring to support employees. Please explain whether this reference includes outside contractors and if so, please further explain what the requirements are for these outside contractors with respect to utilization of food and lodging arranged for by the Logistics vendor(s).

RESPONSE:

Yes, support employees (personnel), as referenced in FPL's response to OPC's First Set of Interrogatories No. 26, include both employees and contractors. During the restoration effort, meals and lodging are provided for all restoration site support personnel, including contractors. While all site support personnel are required to utilize food and lodging provided by logistics vendors, due to timing and availability, there may be instances where it is necessary for support personnel to obtain their own meals and/or lodging during the restoration effort. For example, there are cases where support personnel are required to travel to a different or newly opened site, thereby requiring support personnel to obtain their own meals and/or lodging while travelling to their next assignment.

FLORIDA PUBLIC SERVICE COMMISSION DOCKET: 20180049-EI EXHIBIT: 11 PARTY: FLORIDA POWER & LIGHT COMPANY – REBUTTAL DESCRIPTION: Thomas W. Gwaltney TWG-1

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Florida Power & Light Company
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Interrogatory No. 132
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QUESTION:

Please refer to Dep. p. 87-92, p. 90, line 4-6; 91, line 2; 92, line 1-7. Please explain the results of your research regarding whether the vendor who submitted invoices related to SAP Documents 5003723263 / 5202660352 was on standby from September 11-13, 2018, and if the vendor was on standby for those days, explain the reason.

RESPONSE:

FPL's research revealed that the travel team charged standby time on 9/11-9/13. On 9/11, for safety reasons, the team incurred standby time waiting for the storm to clear. On 9/12, the team incurred standby time as a result of FPL evaluating the best location(s) on the west coast to send the resources based on preliminary damage reports and the availability and functionality of our proposed staging sites. Once FPL made its determination, the travel team was told to mobilize on 9/12 from Orlando to TB1 (Charlotte County Airport) shortly before 16:00. The team arrived at approximately 21:00 hours. On the morning of 9/13, the team incurred 6 hours of standby time while FPL finalized the operational aspects of staging site TB1. The team prepared their vehicles, loaded their trucks with the necessary material, and received their restoration assignment for the work they performed later that day.

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Interrogatory No. 133
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QUESTION:

Please refer to Dep. pp. 105, line 3-10; 107, line 15-18, 109, line 17-18; 109-110, lines 23-25, 1. Please explain the results of your research regarding why the vendor who submitted invoices related to SAP Docs. 5003723985 and 5202660536 was reimbursed for 24 hours straight on September 8, 2018.

RESPONSE:

On September 7, 2017, this team started travelling at 21:00 from Atlanta, GA and drove through the night arriving at staging site NF3 (Lake City, FL) on September 8, 2017 at 13:34. The team was on-boarded, and then left Lake City at 17:00 on September 8, 2017 travelling to Orlando through heavy traffic and checked into the hotel at 24:00. Although some of the time should have been coded differently, the vendor appropriately billed for 24 straight hours.

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QUESTION:

Please refer to Dep. p. 118, lines 4-14. Please explain why the vendor who submitted the invoice related to SAP Doc. 5003770546 was reimbursed for 16 hours of overtime for travel from Daytona to Hallandale.

RESPONSE:

The mobilization regular and mobilization overtime rates are the same. Crews billed all hours as overtime but because the regular and overtime rates were the same there was no dollar impact on mobilization. The team was bedded down in Deltona on September 14, 2017. They were picked up at the hotel September 15, 2017 at 06:00 and bussed back to the Daytona staging site where they were fed, prepared their trucks for travel and then travelled to the Gulfstream Staging Site. Once the team reached the staging site they received their restoration assignment and began to load their trucks with the necessary material. Research has not identified any documentation regarding the activities performed by the vendor once they arrived at the Gulfstream staging site. The Production Lead would have reviewed and approved the activities.

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QUESTION:

Please refer to Dep. p. 151, line 6-7; p. 152, line 6-13. Please explain the results of your research into the circumstances around the invoice related to SAP Doc. 5003975155, including but not limited to, the crew's notation about the lack of fuel, water and food at the BB&T staging center. Please explain the results of your research into the amount of resources pre-staged in place on Sept. 9, 2018.

RESPONSE:

On September 9, 2017, the crew identified on the invoice related to SAP Doc. 5003975155 arrived at the BBT staging center at 14:15. On this date, the BBT staging center was not yet fully operational (pre-storm); however, cots were available for the crew. Food and fuel were not yet available at the staging center, so food and fuel were on per diem at that time. On September 9, 2017, FPL had over 3,700 external line resources pre-staged system wide. The number of resources pre-staged at the BBT staging center on September 9, 2017 was very fluid and a precise number is not readily available.

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QUESTION:

Please refer to Dep. p. 179, line 15. Please explain the results of your research into why fuel was charged and reimbursed for the invoice related to SAP doc 5004014366, and whether the fuel was charged during the vendor's mobilization period. Please identify the contract provision authorizing the reimbursement of such non-FPL-provided fuel.

RESPONSE:

The crew was approved by the FPL Supervisor to charge fuel during the restoration event when a fueling issue arose at the staging site (FM Kennel Club). The crew charged for fuel while working in the field if they were unable to get back to refuel at the staging site or if it was a more productive use of the resources to authorize the crew to obtain fuel in the area where they were working. While there is no written contract provision authorizing reimbursement for non-FPL provided fuel during restoration, FPL representatives had the authority to authorize these fuel purchases when it served to increase efficiencies in the restoration process or when there were fueling issues at the staging sites.

There is no written contract provision authorizing reimbursement for fuel purchased during mobilization or demobilization. Absent approval by FPL, vendors should not have been reimbursed for fuel purchased during mobilization or demobilization. FPL will reflect adjustments for costs associated with fuel purchased by vendors during mobilization and demobilization without authorization from FPL on Exhibits KF-1 and KF-2 and will seek reimbursement from the vendors where specific instances are identified.

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QUESTION:

Please refer to Dep. pp. 195, line 8; p. 197, line 5; p. 198, line 2. Please explain the reason for different mobilization times for employees in the crew related to SAP Doc. 52025648620, including an explanation of the home base(s) of each individual sub-group, if any, within the crew.

RESPONSE:

The statement and invoice referenced in the deposition is related to demobilization, not mobilization. The subject invoice contained three different travel teams from Illinois. However, the three travel teams departed from three different locations. One team departed from the Flagler Dog Track (CE1) Miami, FL, one team travelled from the Pompano Harness Dog Track (PM1) Ft Lauderdale, FL and the other team travelled from the Sarasota Fairgrounds (MS1). As such, these travel teams would have different demobilization times based on their different starting points.

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QUESTION:

Please refer to Dep. p. 205, line 10-11. Please explain the results of your research referenced on p. 205, including the location of the crew's home base, where they demobilized from and to, the start and end dates of their demobilization, and whether they were reimbursed for 32 hours of demobilization, as indicated in SAP Doc. 5202648695.

RESPONSE:

The crews included in this invoice are embedded contractor crews that typically work in Daytona, but worked at the St. Lucie Fairgrounds (TC1) for Hurricane Irma. After being released from TC1 on September 22, the crews worked 16 hours (Hurricane Irma follow-up work) at their home location in Daytona on September 23, 2017. The crew was not reimbursed for 32 hours of demobilization, they were reimbursed for 16 hours of demobilization and 16 hours of work time.

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QUESTION:

Please refer to Dep. p. 208, lines 11-20. Please explain whether the crew related to SAP Doc. 5202660583 was reimbursed for fuel during mobilization, and if so, why they were reimbursed for fuel during mobilization, and how many of the hours billed and reimbursed were mobilization or demobilization time, as opposed to "on system" or regular work hours. Please identify the contract provision authorizing the reimbursement of such non-FPL-provided fuel.

RESPONSE:

The fuel charged and paid on this invoice is associated with fuel purchased during the restoration effort. It is not associated mobilization/demobilization. Since this crew was staying at hotels located far east of the FPL BB&T (WG1) staging site, the Production Lead approved this crew's fuel purchases and deviation from the contract to improve the crew's efficiency/productivity. None of the hours billed on SAP document 5202660583 included mobilization or demobilization.

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QUESTION:

Please refer to Dep. p. 211, line 16; p. 212, line 16. Please explain the results of your research into whether this vendor was reimbursed for working 42 hours straight, as reflected on SAP Doc. 5202660599, and if the vendor was reimbursed for 42 hours straight, explain the reason.

RESPONSE:

The vendor was in fact reimbursed for 42 straight hours as reflected on SAP Doc. 5202660599. However, research indicates that the first 20 hours were actually travel time to FPL's service territory. When they arrived the vendor provided restoration work from midnight until 10:00 pm for an additional 22 hours. Therefore, although the initial 20 hours should probably have been identified as mobilization time, the vendor was appropriately reimbursed for the 42 hours.

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QUESTION:

Please refer to Dep. p. 213, line 6-25. Please explain why this vendor was reimbursed for 48 hours to mobilize, including an explanation of how many of those 48 hours were spent traveling.

RESPONSE:

The vendor was reimbursed for mobilization for 45 hours, not 48 hours. The team travelled on September 12, 2017 from Methuen, MA to Pine Grove, PA for a total of 17 hours. The team travelled on September 13, 2017 from Pinegrove, PA to Hardeeville, SC for 17 hours. The team travelled on September 14, 2017 from Hardeeville, SC to Miami-Dade County, Fla. for 11 hours.

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QUESTION:

Please refer to Dep. p. 224-225, 230-231. Please explain the results of your research into the reason the crew stopped in Panama City, and why it appears they were reimbursed for 32 hours of mobilization (as reflected in SAP Doc. 5202661051) for what is normally a 13 hour drive.

- a. Please explain why the crew was reimbursed for fuel, including what, if any, exception to the general rule or contract provision on reimbursement for fuel purchased during mobilization applied to them.
- b. If an exception applied, please state whether there is documentation of FPL's approval of the exception, and list the department and employee name of the employee who made the approval.
- c. Please identify the contract provision authorizing the reimbursement of non-FPL-provided fuel in this instance.

RESPONSE:

On September 9, 2017, the crew travelled 16 hours from Victoria, TX to Hammond, LA. On September 10, 2017, the crew travelled 16 hours from Hammond, LA to Lake City, and from Lake City back to Panama City, Florida as the storm was passing through the state.

- a. There is no written contract provision authorizing reimbursement for fuel purchased during mobilization. Absent approval by FPL, which did not occur in this instance, the vendor should not have been reimbursed for fuel purchased during mobilization. FPL will seek reimbursement from the vendor for payments made for reimbursement of fuel expenses incurred during mobilization without authorization from FPL and will reflect adjustments for these costs on Exhibits KF-1 and KF-2.
- b. See response to subpart (a).
- c. See response to subpart (a).

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QUESTION:

Please refer to Dep. p. 233, lines 5-14. Please explain why the crew associated with SAP Doc 5202661094 was reimbursed for working 40 hours straight without a break.

RESPONSE:

This team did not work 40 hours straight without a break. The team began work at 06:00 on September 20, 2017 performing restoration work; however, due to lodging issues, FPL agreed to pay for the team to sleep in their trucks and get rest before starting the next day's work on September 21, 2017. The team worked their normal shift on September 21, 2017 at which time the lodging issues were resolved.

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QUESTION:

Please list and explain all journal entries for the billing discussed at Dep. p. 501 regarding Dep. Exhibits 22 and 23, including but not limited to the journal entry that purportedly reflects the credit memo referenced on line 25 of Dep. p. 501.

RESPONSE:

FPL recorded a credit memo in December 2018 for the amount reflected in Document No. 5202661125 referenced on page 501, line 25 of the deposition transcript. As of the date of this response, the vendor has worked off the entire balance of this credit memo, please see confidential Attachment No. 1. The credit memo will be reflected as a reduction on FPL's final cost report that will be submitted with FPL's rebuttal testimony, which will reflect Hurricane Irma costs and transactions through December 2018. There are no journal entries necessary to reflect the credit memo in Hurricane Irma final costs.

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QUESTION:

Refer to Dep. pp. 392-397 and Dep. Ex. 24, please explain why, for each employee listed, the vendor was reimbursed for 18 hours of work per day for an entire week, instead of the 16 hours reflected on the timesheets; describe whether the time billed was standby time, regular work time or otherwise; describe the communications and documentation which led FPL to resolve the discrepancy between the timesheets and invoices in favor of paying for 18 hours; and explain why the crew was reimbursed for more than 12 hours of standby each day.

RESPONSE:

After the deposition, FPL contacted the Production Lead (PL) who had oversight of these crews. The PL recalled that these specific crews traveled from Pembroke Pines to Pompano daily to support Hurricane Irma restoration efforts (which added paid travel time to hours working on restoration) and also validated that the 18 hours billed were for work time, not standby time. While FPL does not possess written documentation of this approval that resolved the apparent discrepancy between the hours entered on the timesheets and the actual hours for which these crews were paid, per its process, Accounts Payable would have contacted Power Delivery prior to paying the invoice) (most likely by phone, to obtain validation that the invoice was accurate. This is consistent with the way the process was described at pages 392 through 397 of the panel deposition of FPL witnesses taken December 13, 2018.

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QUESTION:

Regarding Dep. Ex. 25, discussed at Dep. pp. 400-405, in which the vendor wrote that this crew's work consisted of "button up" work, please explain the results of your research on this invoice, including but not limited to, what exactly the crew did that day, if not the work reflected on the invoice; explain whether this crew was embedded or non-embedded, whether or not the time billed and paid was standby time, and please explain the communications and documentation which you claim helped FPL to determine what work the crew did that day.

RESPONSE:

Based on conversations with the Production Lead, it was confirmed that on 9/5 and 9/6, the crew in question (an embedded crew) performed "button up" work and, on 9/7 and 9/8, the crew worked at the service center assisting with typical service center pre-storm activities (e.g., securing vehicles, tools, equipment and materials). The time was billed and paid as standby time; however, the work and standby hourly rates are the same.

"Button up" work involves returning parts of the electrical system that have been temporarily altered (e.g., where there is work in-progress and temporary construction methods have been used) back to their normal state - before the approaching storm impacts FPL's service territory. Addressing these temporary construction situations (e.g., where temporary construction arms have been installed on a pole), eliminates potential weak links in the system. Button-up work also involves switching the system back to its the normal state and securing current construction sites (e.g., securing equipment, tools and materials).

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QUESTION:

Please refer to Dep. Ex. 26, discussed on Dep. pp. 406-409. Please explain the results of your research into the issues regarding this invoice discussed during the deposition, including but not limited to, the name discrepancies on this invoice in which each member of the crew appeared to bill 16 hours per day, but where the names of at least four crew members do not appear on the individual daily time sheets as having completed any work on some days.

RESPONSE:

OPC's Ninth Set of Interrogatories No. 177 purports to ask about "the names of at least four crew members (that) do not appear on the individual daily time sheets as having completed any work on some days." To be clear, the discussion at pages 406 through 409 of the deposition involved the names of precisely four crew members – not "*at least*" four crew members. And although OPC's Ninth Set of Interrogatories No. 177 suggests that the deposition questioning involved a discussion about whether the four crew members "completed any work on *some* days", in fact the questioning only related to whether the four crew members worked on a single day, that being September 12, 2017. FPL notes that the four crew members in question were included in the time sheets for all of the other days of the week of September 11 through September 17, 2017 and on the weekly time report.

As described by FPL in the deposition, as part of the review process a representative of FPL's Accounts Payable group would have contacted the Production Lead (PL) who signed the timesheet to verify that the four crew members were working on the system on September 12, notwithstanding the fact that their names weren't reflected on the daily time sheet for that specific day. As described elsewhere in the deposition, these communications between Accounts Payable and the PLs frequently occurred through telephone calls. In this instance, FPL has been unable to locate any written documentation of the communication, a fact which is not at all unexpected in light of the verification process described in the deposition. Given that the pay for the hours for the one day in question for those four individuals was not deducted from the invoice, the PL must have validated that the billing was correct.

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QUESTION:

Please refer to Document No. 5202656873, discussed on Dep. pp. 410-417, please explain the results of your research into the questions asked about this invoice, including but not limited to whether and how FPL determined the travel time reflected in the invoice was reasonable, describe the communications (verbal and written) between the crew and FPL employees, including but not limited to travel coordinators, the research acquisition room, Ready System, and Power Delivery personnel, which supported the decision to approve and pay the invoice.

RESPONSE:

FPL believes the travel distances/times are reasonable based on FPL's research and review. FPL's REDI system included notes that indicated discussions between FPL's travel coordinator and the contractor team occurred regarding their travel to provide restoration services to FPL's customers. Based on a conversation with a representative from the contractor's company, on September 7, the team traveled from Shepherdsville, Kentucky through Calhoun, Georgia (approximately 333 miles) and Cartersville, Georgia (another approximately 26 miles) and nearly made it to Atlanta, Georgia (another approximately 21 miles), when they were informed that FPL's processing site was not yet ready to accept them and the team needed to seek lodging for the night. Due to the team needing lodging and parking for their vehicles, they decided to turn around and proceed back to Cartersville, Georgia (approximately 21 miles). While some of the team was able to secure lodging in Cartersville, other members of the team traveled back to Calhoun because they were unable to secure lodging in Cartersville that could accommodate both their lodging needs and the parking of their vehicles (another approximately 26 miles). FPL is unable to determine what additional discussions took place internally to approve and pay the invoice, however, as noted above, FPL believes the travel time to be reasonable.

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QUESTION:

Please refer to Dep. Ex. 27, discussed on Dep. pp. 417-422. Please explain the results of your research into the issues discussed during the deposition, including but not limited to, the crews who billed for 22 hours straight and 40 hours straight, what work each crew was doing during those time periods, and the communications between FPL and the vendor to request and approve billing for those blocks of time.

RESPONSE:

On 9/11 the crews were performing restoration work in the West Palm Beach area. Per discussion with the Production Lead who had oversight responsibilities for these crews, it was confirmed that at the end of their 16-hour shift, the crews were sent to a hotel in Ft. Pierce. Upon arrival, the crews learned the hotel had lost power and would not accept guests, and the crews were sent back to the FPL staging site, where accommodations were not available and it required them to sleep in their trucks for several hours that night. Due to the lack of proper accommodations, the crews' time was approved for pay due to the extenuating circumstances. The team started their normal shift at 6:00AM on 9/12 and performed restoration work until 10:00PM.

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Interrogatory No. 180
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QUESTION:

Please refer to Dep. Ex. 28 and Document No. 5202714784 discussed on Dep. pp. 438-444. Please explain the results of your research into the issues discussed during the deposition, including but not limited to, whether the billing on both invoices was appropriate based on the description of work contained in the invoices, what FPL knows about the work performed by the subject crew(s) and the accuracy of the billing rates on the invoices relative to the rates listed in the vendor's contract. Please indicate whether or not Document No. 5202714784 was paid.

RESPONSE:

FPL confirms that Document No. 5202714784 was paid and the accuracy of the billing rates on the invoices relative to the rates listed on the vendor's contract. The work performed by the crews on 9/11 was storm restoration work. FPL is unable to substantiate the exact amount of time charged to standby vs. storm restoration work on 9/11, as it may have been misclassified for part of the day. Work rates and standby rates are the same for this contractor.

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QUESTION:

Please refer to Dep. Ex. 29, discussed on Dep. pp. 472-475. Please explain the results of your research into the issues discussed during the deposition, including but not limited to, verification of the work of the employee who was listed on weekly time report, but not on the daily time sheets; the meaning of the notation "MM"; the policy regarding verifying and striking vendor employees from time sheets (see Bates No. 024664 and deletion of "Admin" employee); explain why employees identified as "Mech" and "Safety" are billed individually, in light of the first paragraph on Bates No. 073683, while "Admin" employees listed on Bates 024665 and 024649 are not stricken.

RESPONSE:

Based upon FPL's research, the support for the employee's daily time that was recorded on the weekly time report on Bates No. 024531 was actually recorded and included on another travel team's daily time sheets (see Bates Nos. 024599 – 024604). As can be seen on that travel team's weekly time report (Bates Nos. 024588 and 024589), the time for that employee for that week was not included in that travel team's weekly time report. Also, employees identified as "Admin", "Safety" or "Mech" were not entitled to pay, per the information contained on Bates No. 073683. FPL is initiating the process of obtaining reimbursement from the vendor for the amounts paid for associated with entries coded as "Admin", "Safety" or "Mech". MM refers to Meterman; in this case the meterman was also qualified to perform line work and is entitled to pay, per the information contained on Bates No. 073683. If a Production Lead encounters personnel on a timesheet that is not eligible for pay, the name and/or time is typically stricken, which indicates the time is not entitled for pay.

Docket No. 20180049-EI
Resolution of Contractor Cost "Problems" -
FPL Responses to OPC Interrogatories
Exhibit TGW-1, Page 22 of 22

Florida Power & Light Company
Docket No. 20180049-EI
OPC's Ninth Set of Interrogatories
Interrogatory No. 182
Page 1 of 1

QUESTION:

Please refer to Dep. Ex. 30, discussed on Dep. pp. 489-492. Please explain the results of your research into the issues discussed during the deposition, including but not limited to, the reason this crew was, according to their own notes, on standby status, but was allowed to bill 12 hours rather than the 10 hour maximum standby time outlined in FPL's standard SOW contract attachment Exhibit A1; explain all communications and documentation, if any, indicating all of the time billed was not standby time; explain whether this crew was embedded or non-embedded, and the reason, if any, the crew entered their time on a form labeled non-embedded, if that was not an accurate description of their status.

RESPONSE:

The following information was obtained from conversations with the Production Lead (PL) and a representative of the referenced contractor. The crews were formed using a combination of embedded and non-embedded personnel from the referenced contractor that were working on various FPL projects in FPL's North and Treasure Coast management areas. On 9/7-9/10, these crews were performing pre-storm "button up" work related to various on-going construction activities (e.g., feeder hardening and reliability program work) that were in progress at that time.

As indicated in FPL's answer to OPC's Ninth Set of Interrogatories No. 176, "button up" work involves returning parts of the electrical system that have been temporarily altered (e.g., where there is work in-progress and temporary construction methods have been used) back to their normal state - before the approaching storm impacts FPL's service territory. Addressing these temporary construction situations (e.g., where temporary construction arms have been installed on a pole), eliminates potential weak links in the system. Button-up work also involves switching the system back to its the normal state and securing current construction sites (e.g., securing equipment, tools and materials).

Time noted as standby time on the time sheets on 9/7-9/10 was actually for button up work. It should be noted that as indicated on Deposition Exhibit 30, there was no difference between the rate paid to the referenced contractor for standby time and for work time.

On 9/11, these crews were brought together in order to begin restoration work in the Treasure Coast management area.

44. See page 49, lines 20-21 and page 50, lines 1-2 of Mr. Schultz's direct testimony. Please explain whether Mr. Schultz has ever traveled as part of a utility storm restoration crew. If your answer is anything other than an unqualified "no," please identify the name of the company and identify the crew, the relevant dates of travel, the type and number of vehicles involved, the starting and destination points, the total miles traveled, and the total travel time.

Response: No.

45. See page 49, lines 20-21 and page 50, lines 1-2 of Mr. Schultz's direct testimony. Please indicate whether Mr. Schultz has ever driven a utility truck at 60 miles-per-hour as part of a convoy.

Response: No.

46. See page 49, lines 20-21 and page 50, lines 1-2 of Mr. Schultz's direct testimony. Does Mr. Schultz agree that traffic conditions could impact the time it takes a utility storm restoration crew to travel a given distance? If your answer is anything other than an unqualified "yes," please explain your response in detail.

Response: Yes.

47. See page 49, lines 20-21 and page 50, lines 1-2 of Mr. Schultz's direct testimony. Did Mr. Schultz perform any independent research into the traffic conditions surrounding the utility storm restoration crews that he believes charged for excessive mobilization/demobilization time? If your answer is anything other than an unqualified "no", please list the sources of this research and explain how it was utilized in your analysis.

Response: No.

48. See page 49, lines 20-21 and page 50, lines 1-2 of Mr. Schultz's direct testimony. Does Mr. Schultz agree that weather conditions could impact the time it takes a utility storm restoration crew to travel a give distance? If your answer is anything other than an unqualified "yes," please explain your response in detail.

Response: Yes.

49. See page 49, lines 20-21 and page 50, lines 1-2 of Mr. Schultz's direct testimony. Does Mr. Schultz agree that it would take longer for utility vehicles, such as a bucket truck, digger, or truck hauling a trailer of equipment, to travel a distance than it would for typical residential vehicle to travel the same distance over the same route? If your answer is anything other than an unqualified "yes," please explain your response in detail.

Response: No. The time of travel is dependent on the driver and passengers more so than the vehicle itself. Mr. Schultz has driven hundreds of thousands of miles, and in these travels has observed utility contractor vehicles and contractors that provide restoration service to utilities (in convoys) traveling at the same speed as other vehicles and in some cases even faster than other vehicles.

DECLARATION

I sponsored the answers to Interrogatories from FPL's 2nd Set of Interrogatories (Nos. 24-70) to the Office of Public Counsel in Docket No. PSC-20180049-EI, and hereby state the responses are true and correct based on my personal knowledge and belief.

Under penalties of perjury, I declare that I have read the forgoing declaration and the interrogatory answers identified above, and the facts stated therein are true and correct to the best of my personal knowledge and belief.


Signature

Helmuth W. Schultz III

Date: MARCH 11, 2019

13. Please explain whether Mr. Schultz has participated in the retention or management of storm restoration crews during a storm event. If your response is anything other than an unqualified "no," please identify the storm event, the company Mr. Schultz assisted, and provide a description of Mr. Schultz's role, duties, and activities in retaining or managing the restoration crews during the storm event.

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Further, the interrogatory is vague and/or seeks information that is overbroad or unduly burdensome. Without waiving this objection, OPC responds below.

RESPONSE: No.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 13
PARTY: FLORIDA POWER & LIGHT COMPANY –
REBUTTAL
DESCRIPTION: Ronald R. Reagan RR-1

DECLARATION

I sponsored the answers to Interrogatories from FPL's 1st Set of Interrogatories (Nos. 1-23) to the Office of Public Counsel in Docket No. PSC-20180049-EI, and hereby state the responses are true and correct based on my personal knowledge and belief.

Under penalties of perjury, I declare that I have read the forgoing declaration and the interrogatory answers identified above, and the facts stated therein are true and correct to the best of my personal knowledge and belief.



Signature

Helmut W. Schultz III

Date: FEBRUARY 19, 2019

19. Please explain whether Mr. Schultz has personally negotiated contractor rates for storm restoration, line clearing, damage assessment, or vegetation crews in anticipation of or during a storm event. If your response is anything other than an unqualified "no," please also state the following:

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Further, the interrogatory is vague and/or seeks information that is overbroad or unduly burdensome. Without waiving this objection, OPC responds below.

RESPONSE: No.

- a. Identification of the storm event, year occurred, and location;

RESPONSE: N/A

- b. Description of Schultz's role, duties, and activities;

RESPONSE: N/A

- c. Identify the contractors involved in the negotiation;

RESPONSE: N/A

- d. Identify the negotiated rates;

RESPONSE: N/A

- e. Identify the scope of work performed by each contractor.

RESPONSE: N/A

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 14
PARTY: FLORIDA POWER & LIGHT COMPANY –
REBUTTAL
DESCRIPTION: Ronald R. Reagan RR-2

DECLARATION

I sponsored the answers to Interrogatories from FPL's 1st Set of Interrogatories (Nos. 1-23) to the Office of Public Counsel in Docket No. PSC-20180049-EI, and hereby state the responses are true and correct based on my personal knowledge and belief.

Under penalties of perjury, I declare that I have read the forgoing declaration and the interrogatory answers identified above, and the facts stated therein are true and correct to the best of my personal knowledge and belief.



Signature

Helmuth W. Schultz III

Date: FEBRUARY 19, 2019

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Evaluation of storm restoration costs for Florida
Power & Light Company related to Hurricane Irma

Docket No. 20180049-EI

Filed: April 24, 2019

ERRATA SHEET OF RONALD R. REAGAN

March 15, 2019 –Rebuttal Testimony

<u>PAGE #</u>	<u>LINE #</u>	<u>CHANGE</u>
Page 4	13-14	Delete page 4, lines 13-14 and insert the following in its place: “Exhibits RR-3 and RR-3A are FPL’s written responses to OPC Request for Production of Documents No. 9 (without the confidential supporting documents)”
Page 4	16	Delete page 4, line 16, and insert the following in its place: “Exhibits RR-4 and RR-4A are FPL’s responses to OPC Interrogatory No. 162.”
Page 27	8	Delete “No”
Page 27	12	Add “and amended response” after “response”
Page 27	14	Delete “in fact”
Page 27	14	Add “and amended response” after “response
Page 27	15	Add “original and amended” after “Copies of”
Page 27	17	Add “Exhibit RR-4A” after “Exhibit RR-4”; delete “Exhibit “RR-5” and add “Exhibit RR-3 and RR-3A”

<u>EXHIBIT #</u>	<u>CHANGE</u>
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Exhibit RR-3A	Add FPL’s Amended Response to OPC Request for Production of Documents No. 9
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Exhibit RR-4A	Add FPL’s Amended Response to OPC Interrogatory No. 162
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FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 15
PARTY: FLORIDA POWER & LIGHT COMPANY –
REBUTTAL
DESCRIPTION: Ronald R. Reagan RR-3

**Florida Power & Light Company
Docket No. 20180049-EI
OPC's First Request for Production of Documents
Request No. 9 - Amended
Page 1 of 1**

QUESTION:

Logistics. For the logistic costs incurred, provide the supporting invoices (including all supporting detail provided by the vendor) for invoices over \$50,000, and provide all invoices for P Card charges over \$10,000.

AMENDED RESPONSE:

By agreement of counsel for OPC and FPL, the threshold for documents responsive to OPC's First Request for Production of Documents No. 9 for the logistic costs incurred has been modified from \$50,000 to \$75,000. Because this request asks only for invoices and supporting detail, FPL has not included documents related to accruals. Based upon the agreement noted herein and the explanation related to accruals, please see the confidential documents provided with this response.

In addition to the documents produced with FPL's Response to OPC's First Request for Production No. 9 on July 31, 2018, please see two additional confidential documents which were inadvertently omitted from the voluminous documents produced with FPL's response to OPC's First Request for Production of Documents No. 9.

Florida Power & Light Company
Docket No. 20180049-EI
OPC's First Request for Production of Documents
Request No. 9
Page 1 of 1

QUESTION:

Logistics. For the logistic costs incurred, provide the supporting invoices (including all supporting detail provided by the vendor) for invoices over \$50,000, and provide all invoices for P Card charges over \$10,000.

RESPONSE:

By agreement of counsel for OPC and FPL, the threshold for documents responsive to OPC's First Request for Production of Documents No. 9 for the logistic costs incurred has been modified from \$50,000 to \$75,000. Because this request asks only for invoices and supporting detail, FPL has not included documents related to accruals. Based upon the agreement noted herein and the explanation related to accruals, please see the confidential documents provided with this response.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Evaluation of storm restoration costs for Florida
Power & Light Company related to Hurricane Irma

Docket No. 20180049-EI

Filed: April 24, 2019

ERRATA SHEET OF RONALD R. REAGAN

March 15, 2019 –Rebuttal Testimony

<u>PAGE #</u>	<u>LINE #</u>	<u>CHANGE</u>
Page 4	13-14	Delete page 4, lines 13-14 and insert the following in its place: “Exhibits RR-3 and RR-3A are FPL’s written responses to OPC Request for Production of Documents No. 9 (without the confidential supporting documents)”
Page 4	16	Delete page 4, line 16, and insert the following in its place: “Exhibits RR-4 and RR-4A are FPL’s responses to OPC Interrogatory No. 162.”
Page 27	8	Delete “No”
Page 27	12	Add “and amended response” after “response”
Page 27	14	Delete “in fact”
Page 27	14	Add “and amended response” after “response
Page 27	15	Add “original and amended” after “Copies of”
Page 27	17	Add “Exhibit RR-4A” after “Exhibit RR-4”; delete “Exhibit “RR-5” and add “Exhibit RR-3 and RR-3A”

<u>EXHIBIT #</u>	<u>CHANGE</u>
-------------------------	----------------------

Exhibit RR-3A	Add FPL’s Amended Response to OPC Request for Production of Documents No. 9
---------------	--------------------------------------------------------------------------------

Exhibit RR-4A	Add FPL’s Amended Response to OPC Interrogatory No. 162
---------------	------------------------------------------------------------

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 16
PARTY: FLORIDA POWER & LIGHT
COMPANY – REBUTTAL
DESCRIPTION: Ronald R. Reagan RR-4

Docket No. 20180049-EI
FPL's Amended Response to Interrogatory No. 162
Exhibit RR-4A, Page 1 of 1

Florida Power & Light Company
Docket No. 20180049-EI
OPC's Eighth Set of Interrogatories
Interrogatory No. 162 - Amended
Page 1 of 1

QUESTION:

Logistics. Refer to response to POD No. 9. Explain why you failed to produce invoices for numerous costs listed in the excel attachment to your response to POD 9 (i.e. only meal counts were included in the file). To the extent invoices were produced for some costs, explain why the invoice amounts for those costs are different from the amounts included on the excel sheet that lists invoice amounts.

AMENDED RESPONSE:

Contrary to the statement in OPC's Eighth Set of Interrogatories No. 162, all invoices, with the exception of two which were inadvertently omitted from the voluminous documents produced with FPL's response to OPC's Request for Production No. 9 and which have now been provided with FPL's Supplemental Response to OPC's Request for Production No. 9, and other supporting documents for the costs identified in the excel attachment that were above the threshold agreed to by FPL and OPC have been provided at Bates Nos. FPL 000623 – 001394 and Bates Nos. FPL 100225 – FPL 100256.

The primary difference in amounts for some invoices and the amounts reflected on the excel sheet was due to sales tax being assessed. FPL has a Direct Pay Permit from the FL Dept. of Revenue and as such we normally don't pay the sales tax to the vendors. FPL self-accrues and pays any applicable taxes directly to the State.

QUESTION:

Logistics. Refer to response to POD No. 9. Explain why you failed to produce invoices for numerous costs listed in the excel attachment to your response to POD 9 (i.e. only meal counts were included in the file). To the extent invoices were produced for some costs, explain why the invoice amounts for those costs are different from the amounts included on the excel sheet that lists invoice amounts.

RESPONSE:

Contrary to the statement in OPC's Eighth Set of Interrogatories No. 162, all invoices and other supporting documents for the costs identified in the excel attachment that were above the threshold agreed to by FPL and OPC were provided at Bates # FPL 00623 - 001394.

The primary difference in amounts for some invoices and the amounts reflected on the excel sheet was due to sales tax being assessed. FPL has a Direct Pay Permit from the FL Dept. of Revenue and as such we normally don't pay the sales tax to the vendors. FPL self- accrues and pays any applicable taxes directly to the State.

Florida Power & Light Company
Docket No. 20180049-EI
OPC's Eighth Set of Interrogatories
Interrogatory No. 156
Page 1 of 2

QUESTION:

Contractor Cost. Refer to FPL's response to OPC Interrogatory No. 20. Please identify any and all additional duplicate invoices or amounts FPL paid to vendors it used for the response to Hurricane Irma, aside from the invoices discussed during the deposition sessions on November 15 and December 13, 2018.

RESPONSE:

Aside from the invoices discussed during the deposition sessions, FPL's Accounts Payable process identified and FPL credited or reversed the following vendor invoices between February 2018 and October 2018 – prior to the depositions:

Doc No	Bates No	Ref	Amount	PO	Activity
5202632083	48160	66559676	\$253,984.64	2000250535	Same ref different amounts
5202632912	50557	66559676	\$145,919.54	2000250993	Refund on vendor check 451777 dated 2/19/2018
5202633179	50545	66559838	\$108,065.10	2000250990	Refund on vendor check 451777 dated 2/19/2018
5202667866	25622	35137	\$446,858.90	2000255188	Reversed on 2/7/2018
5202626883	48053	35137	\$446,858.90	2000250515	
5202667862	25567	35240	\$303,366.88	2000255200	Reversed on 10/11/2018
5202663914	24992	35240	\$303,366.88	2000254086	
5202737250	38120	156225	\$671,670.27	2000262512	
5202648719	18284	156225	\$655,556.67	2000252379	Refund on vendor check 144512 dated 3/29/2018
5202692840	33312	3	\$217,124.92	2000258174	
5202747215	39237	3 IRMA	\$227,519.00	2000263394	Reversed on 8/23/2018

As part of FPL's standard payment close out process, the Accounts Payable team performs a review of all invoice amounts against FPL SAP system to correct any discrepancies at that time. FPL has not at this time identified any additional duplicate invoices that were paid for Hurricane Irma restoration.

It should be noted that the questions raised during the deposition related to Exhibits 31 (Document No. 5202655953) and 32 (Document No. 5202656335) were addressed during the deposition and further in FPL's answer to OPC's Eighth Set of Interrogatories No. 154. As explained during the deposition and in FPL's answer to OPC's Eighth Set of Interrogatories No., the invoice represented by Exhibit 31 had been reversed in February of 2018. Questions raised during the deposition related to Exhibits 22 (Document No. 5202661125) and 23 (Document 5202656856) were addressed in FPL's answers to OPC's Sixth Set of Interrogatories No. 148 and OPC's Eighth Set of Interrogatories No. 174 and FPL's Response to OPC's Seventh Request for Production of Documents No. 35 As explained in FPL's responses to OPC's Sixth Set of Interrogatories No. 148 and OPC's Eighth Set of Interrogatories No. 174 and FPL's response to

Florida Power & Light Company
Docket No. 20180049-EI
OPC's Eighth Set of Interrogatories
Interrogatory No. 156
Page 1 of 2

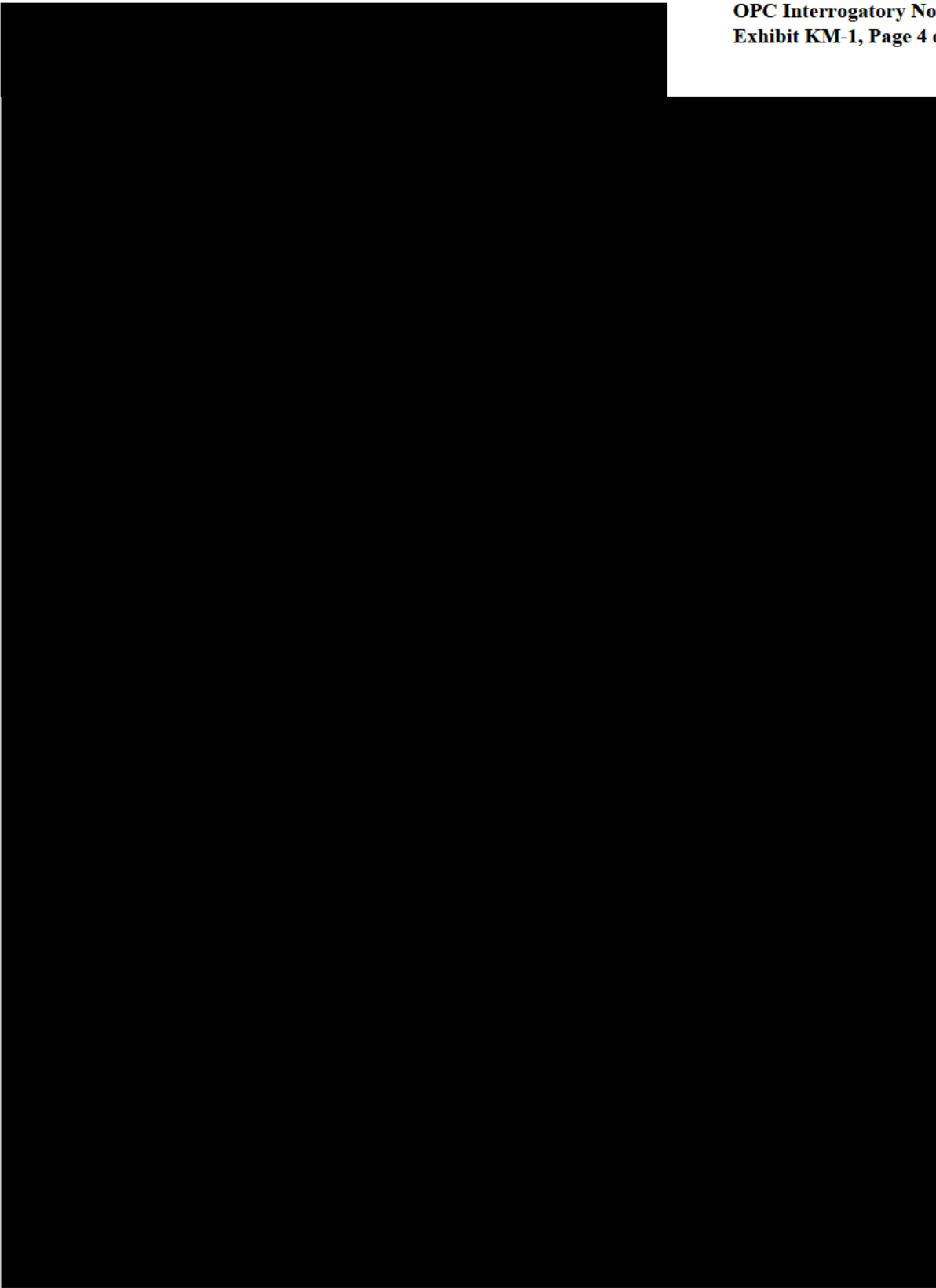
OPC's Seventh Request for Production of Documents No. 35, the invoice identified as Exhibit 22 discussed during the November 15 and December 13, 2018 depositions has been remedied through the issuance of a credit memo for the full amount. The referenced reversal and credit will be reflected as a reduction on FPL's final cost report that will be submitted with FPL's rebuttal testimony.

In addition to the foregoing, approximately 60 invoices totaling \$12MM were identified by FPL during the initial vendor invoice review process and were either rejected by FPL and not paid to the vendors, or if paid were subsequently credited or reversed. These reconciliations occurred prior to June 1, 2018 as reflected on the attached spreadsheet. Additionally, there were numerous instances where vendor invoices were adjusted or reduced as part of FPL's standard storm invoice review process prior to payment being issued.

[REDACTED]

[REDACTED]

[REDACTED]



FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 18
PARTY: FLORIDA POWER & LIGHT
COMPANY – REBUTTAL
DESCRIPTION: Kristin Manz KM-2

Docket No. 20180049-EI
FPL's response and
confidential attachment to OPC Interrogatory 154
Exhibit KM-2, Page 1 of 3

Florida Power & Light Company
Docket No. 20180049-EI
OPC's Eighth Set of Interrogatories
Interrogatory No. 154

QUESTION:

Refer to the deposition transcript, pp. 499-500 which reference Exhibits 31 and 32. Identify the following: the date on which a "credit or reversal" occurred, the FERC account to which the credit or reversal was posted, where the credit or reversal is reflected on the Attachment to your response to Interrogatory No. 20, whether the reversal was the result of a credit issued by the vendor, and state whether or not FPL issued payments for both invoices before a credit or reversal was processed.

RESPONSE:

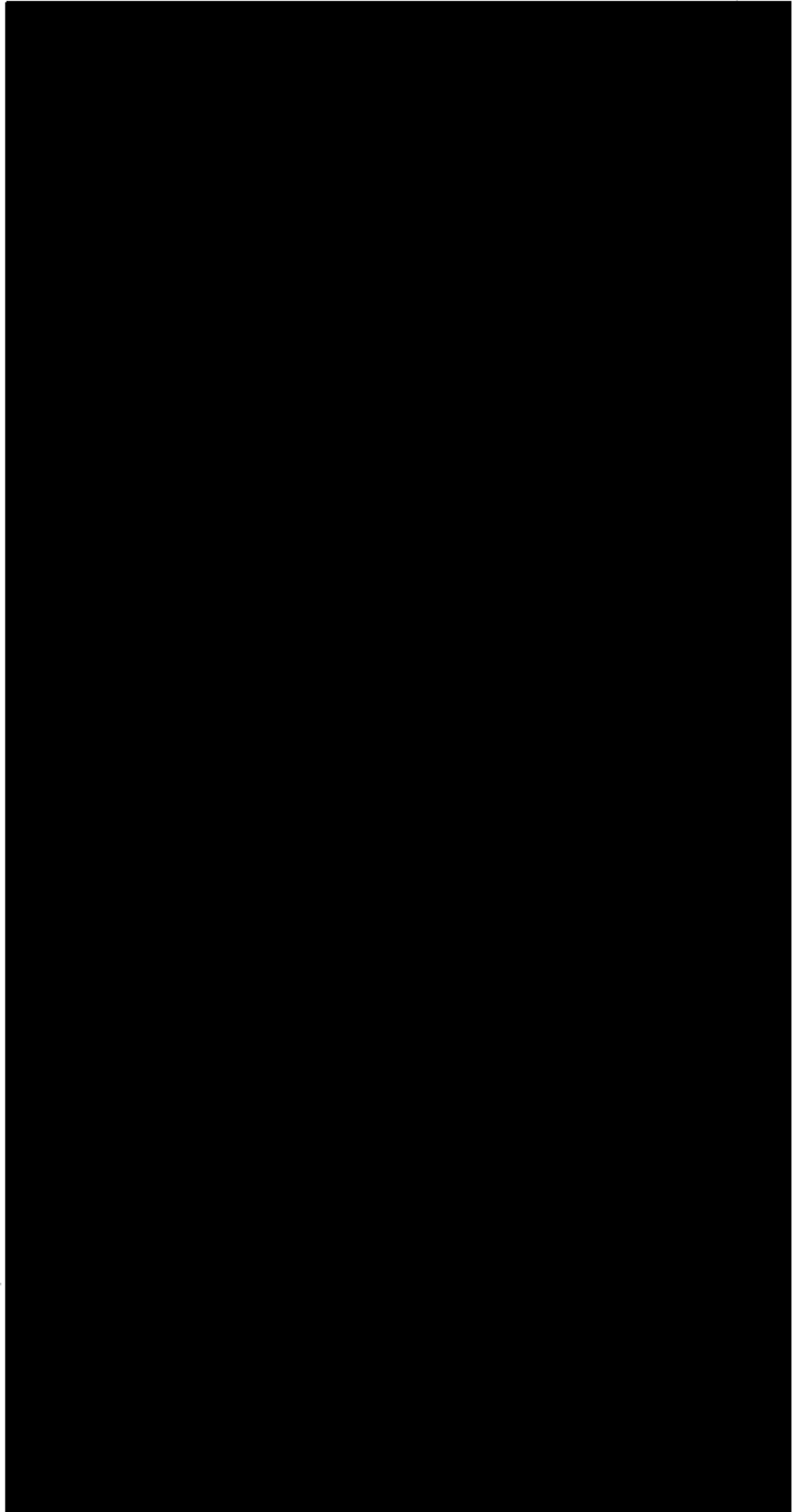
As indicated in the deposition of the FPL panel, FPL was fully reimbursed by the vendor for the payment made on the invoice marked as Exhibit 31. The reimbursement occurred through two separate transactions. First, the vendor delivered a check to FPL dated December 12, 2017 in the amount of \$243,831.63. Second, the vendor had received from FPL a check in the amount of \$54,288.00 for payment on a separate invoice, and that check had not yet been cashed when it was determined that the vendor would be required to reimburse FPL for the payment made on the invoice marked as Exhibit 31, along with another reconciliation requiring the vendor to reimburse FPL an additional sum of approximately \$4,600.00. The vendor agreed not to cash or deposit the check for \$54,288.00 and returned the check to FPL. As a result, FPL was fully reimbursed for the payment made to the vendor for the invoice marked as Exhibit 31, and the vendor was fully reimbursed for the work documented on the invoice marked as Exhibit 32.

The credit memo in the amount of \$243,831.63 was posted to FERC account 186 on 2/19/18. It is reflected on Excel line 4720 on the "Contractor Detail" tab of the Attachment to Interrogatory 20 (see screenshot below). The reason the credit memo is less than the total amount of the reimbursement is due to an agreement between the vendor and FPL that the payment on the unrelated invoice in the amount of \$54,288.00 would be cancelled.

Attached please find a copy of the referenced check from the vendor dated December 12, 2017 in the amount of \$243,831.63 and a copy of the check from FPL to the vendor in the amount of \$54,288.00 which was returned to FPL by the vendor.

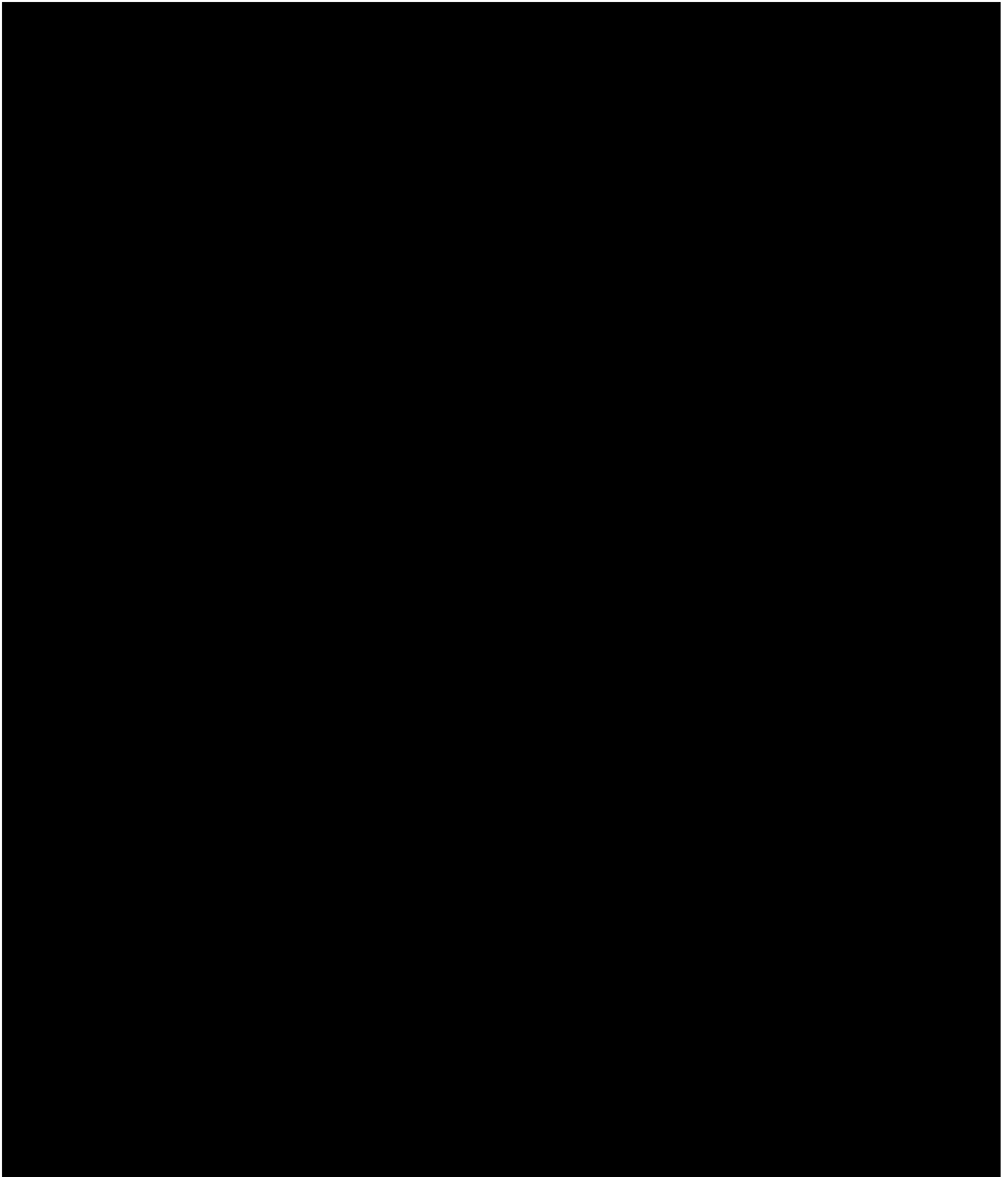
1	Pd	Ref Num	Ven	Vendor Descript	Time: Posting date	Amount	SEPT	IO BU	FUNCTION	Expense Group	Restoration/Fc
4720	#	1800153791	#	Not assigned	2/19/2018	(243,831.63)		DISTRIBUTION	Distribution	Contractor	Restoration

CONFIDENTIAL



CONFIDENTIAL

Docket No. 20180049-EI
FPL's response and
confidential attachment to OPC Interrogatory 154
Exhibit KM-2, Page 3 of 3



**Docket No. 20180049-EI
FPL's responses and attachments to OPC
Interrogatories 148 and 174 and Production of Documents No. 35
Exhibit KM-3, Page 1 of 5**

**Florida Power & Light Company
Docket No. 20180049-EI
OPC's Sixth Set of Interrogatories
Interrogatory No. 148
Page 1 of 1**

QUESTION:

Please refer to Dep. p. 243, lines 3-15. Please explain the results of your research into SAP documents 5202661125 and 5202656856, including but not limited to whether double billing occurred, and whether credit memos or any other documentation exists to demonstrate that any double-billing was reversed or canceled out; please identify any such credit memos or other documentation which reflects the reversal or cancellation of reimbursement for double-billing.

RESPONSE:

FPL's review indicates that the vendor associated with this contractor was inadvertently reimbursed for SAP invoice document 5202661125. FPL contacted the contractor's representative who advised that they submitted the two separate invoices to bill FPL for labor expenses they incurred to bring resources for storm support which they believed were covered by the contract between the contractor and FPL. As a result of these communications, the contractor understood that the labor expenses included in SAP invoice document 5202661125 are not reimbursable under the contract and that the FPL payment made for said invoice would need to be reimbursed. The contractor agreed and in an email communication committed to reimburse FPL through a credit memo to be applied against future work performed. As a result, FPL will reflect this adjustment in a revised Exhibit KF-2 to be filed in this docket.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 19
PARTY: FLORIDA POWER & LIGHT COMPANY –
REBUTTAL
DESCRIPTION: Kristin Manz KM-3

**Docket No. 20180049-EI
FPL's responses and attachments to OPC
Interrogatories 148 and 174 and Production of Documents No. 35
Exhibit KM-3, Page 2 of 5**

**Florida Power & Light Company
Docket No. 20180049-EI
OPC's Eighth Set of Interrogatories
Interrogatory No. 174
Page 1 of 1**

QUESTION:

Please list and explain all journal entries for the billing discussed at Dep. p. 501 regarding Dep. Exhibits 22 and 23, including but not limited to the journal entry that purportedly reflects the credit memo referenced on line 25 of Dep. p. 501.

RESPONSE:

FPL recorded a credit memo in December 2018 for the amount reflected in Document No. 5202661125 referenced on page 501, line 25 of the deposition transcript. As of the date of this response, the vendor has worked off the entire balance of this credit memo, please see confidential Attachment No. 1. The credit memo will be reflected as a reduction on FPL's final cost report that will be submitted with FPL's rebuttal testimony, which will reflect Hurricane Irma costs and transactions through December 2018. There are no journal entries necessary to reflect the credit memo in Hurricane Irma final costs.

Docket No. 20180049-EI
FPL's responses and attachments to OPC
Interrogatories 148 and 174 and Production of Documents No. 35
Exhibit KM-3, Page 3 of 5

Florida Power & Light Company
Docket No. 20180049-EI
OPC's Seventh Request for Production of Documents
Request No. 35
Page 1 of 1

QUESTION:

Please refer to Interrogatory 148. Please produce any and all credit memos or other documentation which reflects the reversal or cancellation of reimbursement for double-billing.

RESPONSE:

Please see attached confidential and non-confidential responsive documents.

Docket No. 20180049-EI

**FPL's responses and attachments to OPC Interrogatories 148 and
174 and Production of Documents No. 35**

Exhibit KM-3, Page 4 of 5

CONFIDENTIAL

Florida Power & Light Company

Docket No. 20180049-EI

OPC's Eighth Set of Interrogatories

Interrogatory No. 174

Attachment No. 1

Page 1 of 1

Order		Account		Time: Posting Date	IO Inputs DEC 2018 - DEC 2018
S01100000146	Miami Dade CC-North-Irma-2017	5751800	OUTSIDE SVCS: Contractor T&D Substations	12/19/2018	\$ (1,223,187)

Docket No. 20180049-EI
Updated Hurricane Irma Costs as of
December 31, 2018
Exhibit KF-3, Page 1 of 1

Florida Power & Light Company
Hurricane Irma Storm Restoration Costs
through December 31, 2018
(\$000s)

LINE NO.	Storm Costs By Function (A)						Total (7)
	Steam & Other (1)	Nuclear (2)	Transmission (3)	Distribution (4)	General (B) (5)	Customer Service (6)	
1	<u>Storm Restoration Costs</u>						
2		\$520	\$516	\$1,594	\$11,771	\$1,240	\$501
3	Regular Payroll and Related Costs (C)	970	2,306	2,435	28,819	1,948	1,579
4	Overtime Payroll and Related Costs (C)	9,492	21,464	21,177	764,793	2,921	755
5	Contractors	0	0	1,135	141,773	0	0
6	Line Clearing	96	0	401	23,399	13	1
7	Vehicle & Fuel	542	1,604	7,995	31,514	739	214
8	Materials & Supplies	21	213	803	272,166	144	517
9	Logistics	385	169	1,034	6,231	7,442	1,657
10	Other (D)						
11	Total Storm Related Restoration Costs	Sum of Lines 2 - 9					
12		\$12,026	\$26,272	\$36,574	\$1,280,467	\$14,446	\$5,223
13	Less Capitalizable Costs (E)						
14	Regular Payroll and Related Costs	\$0	\$0	\$243	\$5,075	\$0	\$0
15	Contractors	0	6,250	4,445	57,395	208	0
16	Materials & Supplies	0	0	6,079	19,949	22	204
17	Other	0	0	0	770	0	0
18	Third-Party Reimbursements (F)	0	0	0	-2,440	0	0
19	Total Capitalizable Costs	Sum of Lines 13 - 17					
20		\$0	\$6,250	\$10,767	\$80,748	\$230	\$204
21	Less Third-Party Reimbursements (F)	0	0	0	2,440	0	0
22	Less Below-the-Line/Thank You Ads	0	0	0	0	822	0
23							
24	Total Storm Restoration Costs Charged to Base O&M	Lines 10 - 18 - 20 - 22					
		\$12,026	\$20,022	\$25,806	\$1,197,279	\$13,394	\$5,019
							\$1,273,545

Notes

(A) Storm costs are as of December 31, 2018. Totals may not add due to rounding.

(B) General plant function reflects restoration costs associated with FPL's Human Resources, External Affairs, Information Technology, Real Estate, Marketing and Communications, Energy Marketing & Trading and Legal departments.

(C) Represents total payroll charged to the business unit (function) being supported. For example, an employee that works in Legal but is supporting Distribution during storm restoration would charge their time to

(D) Includes other miscellaneous costs, including payroll and related overheads from affiliate personnel directly supporting storm restoration.

(E) Includes capital associated with follow-up work.

(F) Reimbursement from AT&T for net poles replaced by FPL during restoration as a result of the storm.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 20
PARTY: FLORIDA POWER & LIGHT COMPANY –
REBUTTAL
DESCRIPTION: Keith Ferguson KF-3

Docket No. 20180049-EI
Updated Hurricane Irma Incremental Cost and
Capitalization Approach Adjustments as of
December 31, 2018
Exhibit KF-4, Page 1 of 1

Florida Power and Light
Hurricane Irma Incremental Cost and Capitalization Approach Adjustments
through December 31, 2018
(\$000s)

			Storm Costs By Function(A)						Total (7)
			Steam & Other (1)	Nuclear (2)	Transmission (3)	Distribution (4)	General (B) (5)	Customer Service (6)	
LINE NO.									
1	<u>Storm Restoration Costs</u>								
2	Regular Payroll and Related Costs (C)		520	516	1,594	11,771	1,240	501	\$16,142
3	Overtime Payroll and Related Costs (C)		970	2,306	2,435	28,819	1,948	1,579	38,058
4	Contractors		9,492	21,464	21,177	764,793	2,921	755	820,602
5	Line Clearing		0	0	1,135	141,773	0	0	142,908
6	Vehicle & Fuel		96	0	401	23,399	13	1	23,909
7	Materials & Supplies		542	1,604	7,995	31,514	739	214	42,608
8	Logistics		21	213	803	272,166	144	517	273,864
9	Other (D)		385	169	1,034	6,231	7,442	1,657	16,917
10	Total Storm Related Restoration Costs	Sum of Lines 2 - 9	\$12,026	\$26,272	\$36,574	\$1,280,467	\$14,446	\$5,223	\$1,375,008
11									
12	<u>Less: Capitalizable Costs (E)</u>								
13	Regular Payroll and Related Costs		\$0	\$0	\$243	\$5,075	\$0	\$0	\$5,318
14	Contractors		0	6,250	4,445	57,395	208	0	68,298
15	Materials & Supplies		0	0	6,079	19,949	22	204	26,254
16	Other		0	0	0	770	0	0	770
17	Third-Party Reimbursements (F)		0	0	0	-2,440	0	0	-2,440
18	Total Capitalizable Costs	Sum of Lines 13 - 17	\$0	\$6,250	\$10,767	\$80,748	\$230	\$204	\$98,200
19									
20	Less: Third-Party Reimbursements (F)		0	0	0	2,440	0	0	2,440
21									
22	Less: Below-the-Line/Thank You Ads		0	0	0	0	822	0	822
23									
24	Total Storm Restoration Costs Charged to Base O&M	Lines 10 - 18 - 20 - 22	\$12,026	\$20,022	\$25,806	\$1,197,279	\$13,394	\$5,019	\$1,273,545
25									
26	<u>Less: ICCA Adjustments</u>								
27	Regular Payroll and Related Costs (G)		\$587	\$179	\$709	\$2,215	\$1,802	\$1,260	\$6,752
28	Line Clearing								
29	Vegetation Management		0	0	0	5,080	0	0	5,080
30	Vehicle & Fuel								
31	Vehicle Utilization		0	0	354	3,837	0	0	4,192
32	Fuel		0	0	0	133	0	0	133
33	Other								
34	Legal Claims		0	0	0	244	0	0	244
35	Employee Assistance and Childcare		0	0	0	0	811	123	934
36	Total ICCA Adjustments	Sum of Lines 27 - 36	\$587	\$179	\$1,063	\$11,509	\$2,613	\$1,383	\$17,335
37									
38	<u>Incremental Storm Losses</u>								
39	Regular Payroll and Related Costs	Lines 2 - 13 - 27	-\$67	\$337	\$642	\$4,481	-\$562	-\$760	\$4,071
40	Overtime Payroll and Related Costs	Line 3	970	2,306	2,435	28,819	1,948	1,579	38,058
41	Contractors	Lines 4 - 14	9,492	15,214	16,731	707,398	2,713	632	752,180
42	Line Clearing	Lines 5 - 29	0	0	1,135	136,693	0	0	137,828
43	Vehicle & Fuel	Lines 7 - 31 - 32	96	0	46	19,429	13	1	19,585
44	Materials & Supplies	Lines 7 - 15	542	1,604	1,917	11,565	717	9	16,353
45	Logistics	Line 8	21	213	803	272,166	144	517	273,864
46	Other	Line 9 - 16 - 22 - 35 - 36	385	169	1,034	5,218	5,809	1,657	14,271
47	Total Incremental Storm Losses	Sum of Lines 43 - 50	\$11,439	\$19,843	\$24,743	\$1,185,770	\$10,781	\$3,636	\$1,256,211
48									
49	Jurisdictional Factor (H)		0.9506	0.9326	0.9013	0.9999	0.9675	1.0000	
50									
51	Retail Recoverable Incremental Costs	Line 48 * 50	\$ 10,874	\$ 18,506	\$ 22,301	\$ 1,185,614	\$ 10,430	\$ 3,636	\$ 1,251,361

Notes:

(A) Storm costs are as of December 31, 2018. Totals may not add due to rounding.

(B) General plant function reflects restoration costs associated with FPL's Human Resources, External Affairs, Information Technology, Real Estate, Marketing and Communications, Energy Marketing & Trading and Legal departments.

(C) Represents total payroll charged to the business unit (function) being supported. For example, an employee that works in Legal but is supporting Distribution during storm restoration would charge their time to Distribution.

(D) Includes other miscellaneous costs, including payroll and related overheads from affiliate personnel directly supporting storm restoration.

(E) Includes capital associated with follow-up work.

(F) Reimbursement from AT&T for net poles replaced by FPL during restoration as a result of the storm.

(G) Represents regular payroll normally recovered through base rate O&M and not charged to the Storm Reserve. The amounts are charged to the employee's normal business unit, which may not be the business unit that the employee supported during the storm. Therefore, in the example in Note C above, if the Legal employee had payroll which cannot be charged to the Storm Reserve, that amount would be charged to Legal (General) whereas the recoverable portion of their time would remain in Distribution. All non-incremental analyses are reflected in the "Restoration" column.

(H) Jurisdictional Factors are based on factors approved in Docket No. 160021-EI.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 21
PARTY: FLORIDA POWER & LIGHT COMPANY –
REBUTTAL
DESCRIPTION: Keith Ferguson KF-4

27. See page 27, lines 6-9 of Mr. Schultz's direct testimony. Does Mr. Schultz agree that a utility's actual annual payroll expense may fluctuate (higher or lower) after base rates have been established? If your response is anything other than an unqualified "yes," please explain your response in detail and whether Mr. Schultz believes a utility should charge a fixed payroll expense after base rates have been established regardless of the actual payroll expense that is incurred.

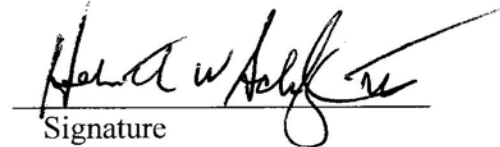
Response: Yes.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 22
PARTY: FLORIDA POWER & LIGHT COMPANY –
REBUTTAL
DESCRIPTION: Keith Ferguson KF-5

DECLARATION

I sponsored the answers to Interrogatories from FPL's 2nd Set of Interrogatories (Nos. 24-70) to the Office of Public Counsel in Docket No. PSC-20180049-EI, and hereby state the responses are true and correct based on my personal knowledge and belief.

Under penalties of perjury, I declare that I have read the forgoing declaration and the interrogatory answers identified above, and the facts stated therein are true and correct to the best of my personal knowledge and belief.



Signature

Helmuth W. Schultz III

Date: MARCH 11, 2019

23

FPL's response to OPC's 1st Interrogatories Nos.
1 – 34.

**Additional files contained on Staff Hearing
Exhibits CD for No. 2.**

Confidential DN. 04545-2019

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 23
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Miranda (1, 3, 4, 14, 15, 17, 22, 28, 32,
33)Ferguson (2, 5, 6, 7-10, 11-14, 16, 18, 19, 20, 21, 23...

QUESTION:

Storm Timeline. Provide a timeline summary, by district, indicating when the first costs were incurred, when the majority of the mobilization began, when the storm began, the peak storm time, when the storm ended, when demobilization started, when the majority of final costs were incurred and when the final cost was incurred (i.e. when follow-up work was completed).

RESPONSE:

FPL's Power Delivery (Distribution and Transmission) business unit system is divided into distribution management areas rather than districts. As a result, FPL is providing applicable responsive information by distribution management area.

When the storm began, the peak storm time and when the storm ended, by FPL distribution management area, is provided below:

<u>Management Area</u>	<u>Began</u>	<u>Peak</u>	<u>Ended</u>
South Dade	9/9	9/10	9/11
Central Dade	9/9	9/10	9/11
West Dade	9/9	9/10	9/11
North Dade	9/9	9/10	9/11
Gulfstream	9/9	9/10	9/11
Wingate	9/9	9/10	9/11
Pompano	9/9	9/10	9/11
Boca Raton	9/9	9/10	9/11
West Palm	9/9	9/10	9/11
Treasure Coast	9/9	9/10	9/11
Brevard	9/9	9/10	9/11
Central Florida	9/9	9/11	9/11
North Florida	9/10	9/11	9/11
Naples	9/9	9/10	9/11
Toledo Blade	9/9	9/10	9/11
Manasota	9/9	9/10	9/11

FPL is providing the remaining requested storm information (below) at the Power Delivery system level since it is not maintained at the distribution management area level. Additionally, since costs are not maintained in a way that allows FPL to provide costs on a day-to-day basis, FPL is providing its best estimates for the requested items below:

When the first costs were incurred:	9/6
When the majority of the mobilization began:	9/6 – 9/11
When demobilization started:	9/22
When the majority of final costs were incurred:	9/9 – 9/22

The majority of the follow-up work has been completed as of May 31, 2018 and the costs associated with completing the remainder of the follow-up work have been estimated and accrued.

QUESTION:

System. Provide a summary of distribution miles that identifies the number of miles, the number of poles, the amount of conductor and the number of transformers by district and for each district provide the number of miles, the number of poles, the amount of conductor and the number of transformers that were impacted by Irma.

RESPONSE:

Please see FPL's response in Attachment No. 1 for the number of poles, the number of transformers, and conductor in miles by county as of August 31, 2017, which was just prior to Hurricane Irma. While FPL cannot say with certainty that every piece of equipment in FPL's service territory was directly impacted by the storm, all poles, transformers and conductor in FPL's service territory were exposed to Hurricane Irma.

QUESTION:

Mobilization/Demobilization. Provide a summary, by function, listing the contractor and line clearing costs for mobilization and demobilization.

RESPONSE:

Hurricane Irma mobilization/demobilization costs for distribution non-mutual aid utility line contractors (approximately 67% of total distribution line contractor resources) were \$124.0 million or approximately 25% of the total amount paid (\$495.5 million) to distribution non-mutual aid utility line contractors. While mobilization/demobilization costs are included in the costs paid to mutual aid utilities, line clearing and other contractors per agreements/contracts, currently, these costs are not available as they are not always specifically identified on invoices and/or aggregated.

QUESTION:

Third Party Billing. Was the Company billed by any third party pole owners for pole replacements performed by the third party? If so, provide a summary of costs billed by each third party.

RESPONSE:

AT&T replaced 58 FPL distribution poles as a result of Hurricane Irma, at a total cost of \$166,622. The \$166,622 was deducted from the \$2,607,091 AT&T owed to FPL for the 936 AT&T poles that FPL replaced as a result of Hurricane Irma. See also FPL's responses to OPC's First Set of Interrogatories No. 32 and OPC's First Request For Production of Documents No. 3.

QUESTION:

Cost Summary. Provide a summary of costs by function in a format similar to that provided for Hurricane Matthew (i.e. Exhibit KO - 2).

RESPONSE:

As a result of the enactment of the Tax Cuts and Jobs Act of 2017 in December 2017, FPL decided to forego seeking incremental recovery of Hurricane Irma storm restoration costs under FPL's 2016 Stipulation and Settlement Agreement and recognized the incremental costs that would have been charged to the storm reserve as base operations and maintenance ("O&M") expense. Therefore, the ICCA methodology is not applicable to the Hurricane Irma O&M expenses. However, to facilitate review of the storm restoration costs, FPL has included the non-incremental O&M adjustments to its final Hurricane Irma storm restoration costs as of May 31, 2018 on Attachment No. 1 to this response as if the ICCA methodology had been applied in accordance with the Rule 25-6.0143, Use of Accumulated Provision Accounts 228.1, 228.2 and 228.4, Florida Administrative Code ("F.A.C") ("the Rule").

QUESTION:

Payroll. Explain why regular payroll should be included in the storm-related costs and identify the amount of regular payroll included, by function, on each line.

RESPONSE:

Note, FPL is not seeking any incremental recovery for the storm costs through either a surcharge or depletion of the storm reserve and, therefore, the Incremental Cost and Capitalization Approach ("ICCA") is not applicable to the Hurricane Irma storm restoration costs. As a result of the enactment of the Tax Cuts and Jobs Act of 2017 ("Tax Act") in December 2017, FPL decided to forego seeking incremental recovery of Hurricane Irma storm restoration costs under FPL's 2016 Stipulation and Settlement Agreement and recognized the incremental costs that would have been charged to the storm reserve as base operations and maintenance ("O&M") expense. As a result, the incremental regular payroll expense that would have been charged to the storm reserve under the ICCA method and in the absence of FPL's decision to apply tax savings to Hurricane Irma storm costs were charged to base O&M.

Although the ICCA method is not applicable to the Hurricane Irma Storm restoration costs, FPL has provided a schedule in Attachment No. 1 to its response to OPC's First Set of Interrogatories No. 5 that includes the non-incremental O&M adjustments to its final Hurricane Irma storm restoration costs as if the ICCA methodology had been applied in accordance with the Rule 25-6.0143. See lines 2, 13, 27 and 40 on Attachment No. 1 to FPL's response to OPC's First Set of Interrogatories No. 5 for the amount of incremental regular payroll and related capital and ICCA adjustments for Hurricane Irma storm costs if the ICCA method applied.

In general, FPL regular payroll costs recovered through base O&M are non-incremental and would not be charged to the storm reserve if the ICCA method was applicable. Under Rule 25-6.0143, when read in its entirety, non-capital regular payroll expenses that are directly related to storms and are not part of the FPL's normal, day-to-day regular payroll O&M expenses may be charged to the storm reserve. Additionally, FPL regular payroll normally recovered through capital or cost recovery clauses can be charged to the storm reserve based on paragraphs 21 and 22 of Order No. PSC-2006-0464-FOF-EI, Docket No. 20060038-EI: "otherwise, the costs would effectively be disallowed because there is no provision to recover those costs in base rate operation and maintenance costs...."

QUESTION:

Overhead Costs. For payroll costs, if an overhead rate was used for benefits and other related costs, provide the respective overhead rates and an explanation of how the rates were determined.

RESPONSE:

The payroll overhead rates are applied to different payroll bases depending on the type of costs that are being charged. For example, the payroll tax overhead rate is applied to all payroll since all payroll is subject to payroll taxes. The benefits overhead rate, however, is only applied to eligible straight time payroll. In addition, the overhead rates may be updated periodically to ensure proper allocation of the charges if forecasted costs significantly change. Below are the overhead pool categories, costs included and the 2017 and 2018 rate.

OVERHEAD POOL ⁽¹⁾	COSTS INCLUDED IN RATE	2017 RATE		2018 RATE	
		Sept - Nov	Dec ⁽²⁾	Jan - Mar	Apr - May
Funded Welfare	Medical, dental, 401k, life insurance, etc.	14.03%	24.69%	14.17%	15.18%
Unfunded Service	Pension Service Cost, Post-employment benefit costs, Retiree medical service costs	6.21%	.86%	5.48%	5.88%
Unfunded Benefits	Pension credit, retiree medical costs	(12.70%)	(28.35%)	(14.59%)	(15.81%)
Payroll Taxes	FICA, FUTA and SUTA	6.52%	6.52%	6.52%	6.52%

(1) Regular payroll is subject to funded welfare, unfunded service, unfunded benefits, and payroll taxes; Overtime payroll is only subject to payroll taxes.

(2) In December 2017 all of the overhead rates were adjusted to clear the pools for fiscal year end.

The rates are determined during the budgeting cycle.

For the Benefits' overheads (Funded Welfare, Unfunded Service, Unfunded Benefits), the following calculation is used.

$$\frac{\text{Budgeted applicable benefits costs}}{\text{Budgeted eligible straight time payroll}}$$

For the Payroll Tax, the following calculation is used and takes into account FICA and state unemployment limits.

Prior year payroll taxes
Prior year payroll wage base

QUESTION:

Payroll. Identify the amount of any incentive compensation included in the costs charged to the storm by function.

RESPONSE:

FPL did not include any costs for incentive compensation for FPL employees in its total amount of Hurricane Irma storm costs.

QUESTION:

Overheads. For the same time period storm costs were recorded, provide the respective overhead rates used for recording the normal general operating costs for the Company and explain any difference between the normal rates and the rates used for storm costs.

RESPONSE:

The following benefits and payroll tax overheads were applied to payroll for purposes of calculating amounts that would otherwise be recoverable in the absence of FPL's decision to apply tax savings in lieu of seeking collection of these costs. Below are the overhead pool categories, the types of costs included, and the 2017 and 2018 rates. These rates were applied to Hurricane Irma storm costs with the exception of FPL Performance Incentive. FPL did not include any costs for incentive compensation for FPL employees in its total amount of Hurricane Irma storm costs. Other than the FPL Performance Incentive which, as indicated above, was not included in any storm-related costs, there were no other differences between the normal (i.e., non-storm) overhead rates and the overhead rates used for the calculation of storm costs.

OVERHEAD POOL ⁽¹⁾	COSTS INCLUDED IN RATE	2017 RATE		2018 RATE
		Sept - Nov	Dec⁽²⁾	Jan - May
Funded Welfare	Medical, dental, 401k, life insurance, etc.	14.03%	24.69%	14.17%
Unfunded Service	Pension Service Cost, Post-employment benefit costs, Retiree medical service costs	6.21%	.86%	5.48%
Unfunded Benefits	Pension credit, retiree medical costs	(12.70%)	(28.35%)	(14.59%)
Payroll Taxes	FICA, FUTA and SUTA	6.52%	6.52%	6.52%
FPL Performance Incentive ⁽³⁾	FPL Performance Incentive (Exempt, Non-Executive)	12.78%	46.86%	16.70%

- (1) Regular payroll is subject to funded welfare, unfunded service, unfunded benefits, and payroll taxes; Overtime payroll is only subject to payroll taxes.
- (2) In December 2017 all of the overhead rates were adjusted to clear the pools.
- (3) FPL did not include any costs for incentive compensation for FPL employees in its Hurricane Irma storm costs.

QUESTION:

Storm Accounting Policies and Procedures. Provide a detailed explanation of how the storm costs were accounted for (i.e., by cost code or other designation), including the designation used, how the costs were charged to specific functions, how materials and supplies were accounted for (i.e., withdrawn from inventory and charged to the storm, etc.), how vehicle and fuel costs were tracked or assigned, and how contractors and vendors were instructed to account for capital work.

RESPONSE:

Storm Cost Accounting and Tracking:

FPL establishes unique functional (i.e., distribution, transmission, etc.) internal orders ("IOs") for each storm to aggregate the total amount of storm restoration costs incurred for financial reporting and regulatory recovery purposes. The Company uses these IOs to account for all costs directly associated with restoration. All storm restoration costs charged to storm IOs are captured in Federal Energy Regulatory Commission ("FERC") Account 186, Miscellaneous Deferred Debits. Typically, for named storm events, storm costs charged to FERC Account 186 are subsequently cleared and charged to the storm reserve if eligible or, if not, to base O&M expense, capital, or below-the-line expense. For Hurricane Irma, storm costs that would otherwise be recoverable in the absence of FPL's decision to apply tax savings in lieu of seeking collection of these costs, were charged to base O&M expense instead of the storm reserve.

Material and Supplies:

As materials are requested at the staging sites, a "reservation" is created in SAP detailing the items and quantity requested. As Physical Distribution Command Center picks the material it is charged to the work order associated with the staging site to which it is being sent. Once the storm is complete, any materials returned are credited back to the same work order.

Vehicle and Fuel:

Vehicle utilization and vehicle fuel costs are tracked by storm internal orders.

Contractors and Capital Work:

Specific instructions do not apply to contractors and vendors for accounting for capital work because capital materials are tracked as described above. The normal cost of labor is applied to capital materials installed during the storm event through FPL's Distribution Work Management System (WMS), and the total capital cost (normal labor + materials) is recorded to capital. As noted above under FPL's Storm Cost Accounting and tracking process, for Irma, incremental labor costs beyond the normal labor cost that are incurred as a result of performing the work in storm-restoration conditions were charged to base O&M.

QUESTION:

Provide a summary of the number of poles replaced, by function, by month and location, and identify whether the replacement was capitalized; if capitalized, list the amount of cost capitalized.

RESPONSE:

See Attachment No. 1 to this response for the requested information, which reflects the number of poles capitalized during storm restoration. Please note that this attachment does not include detailed information associated with follow up work because FPL has not completed the unitization at the utility account level in its property accounting system. However, the total follow up costs for Transmission and Distribution has been provided as a separate line item in FPL's response to OPC's First Set of Interrogatories No. 30. FPL estimates capitalized follow up work will be unitized by September 30, 2018, at which time a supplemental response will be provided.

QUESTION:

Provide a summary of the number of miles of conductor replaced, by function, by month and location, and identify whether the replacement was capitalized; if capitalized, list the amount of cost capitalized.

RESPONSE:

See Attachment No. 1 to this response for the requested information, which reflects capitalized conductor replaced during storm restoration. Please note that this attachment does not include detailed information associated with follow up work because FPL has not completed the unitization at the utility account level in its property accounting system. However, the total follow up costs for Transmission and Distribution has been provided as a separate line item in FPL's response to OPC's First Set of Interrogatories No. 30. FPL estimates capitalized follow up work will be unitized by September 30, 2018, at which time a supplemental response will be provided.

QUESTION:

Provide a summary of the number of transformers replaced, by function, by month and location, and identify whether the replacement was capitalized; if capitalized, list the amount of cost capitalized.

RESPONSE:

See Attachment No. 1 to this response for the requested information, which reflects capitalized transformers replaced during Hurricane Irma storm restoration. Please note that this attachment does not include detailed information associated with follow up work because FPL has not completed the unitization at the utility account level in its property accounting system. However, the total follow up costs for Transmission and Distribution has been provided as a separate line item in FPL's response to OPC's First Set of Interrogatories No. 30. FPL estimates capitalized follow up work will be unitized by September 30, 2018, at which time a supplemental response will be provided.

QUESTION:

Contractors. Explain in detail any and all services, by function, performed by outside contractors (i.e. capital pole & wire work, plant repairs, etc.).

RESPONSE:

FPL interprets this question to be specific to contractors included on the Contractor line item of FPL's Preliminary Final Costs, Exhibit KF-1, which will be filed with the Commission on August 31, 2018. Based on FPL's preliminary Irma costs, the below services were performed by outside contractors.

Distribution:

Line Contractors – Repaired/replaced facilities (e.g., poles, wire, cable, transformers and other equipment) and restored service;

Mutual Assistance – Repaired/replaced facilities (e.g., poles, wire, cable, transformers and other equipment) and restored service – performed by mutual assistance companies;

Other Contractors - Performed patrols of damaged facilities to assess, identify and document damage and supervised external crews; provided environment assessment and abatement services; operation of special equipment (e.g., cranes, drones); provided engineering services (e.g., assisted with engineering facilities needing to be replaced); performed maintenance of traffic control services; provided other staff/administrative/miscellaneous services

Follow-up – Performed inspections/assessments and repaired/replaced facilities (e.g., poles, wire, cable, transformers, street lights, other equipment and necessary targeted line clearing) to restore FPL's facilities to their pre-storm condition (includes associated labor, equipment, vehicle/fuel and materials);

Transmission:

Line Contractors – Repaired/replaced facilities (e.g., poles, wire, cable, transformers and other equipment) and restored service – executed by outside contractors;

Other Contractors – Performed patrols of damaged facilities to assess, identify and document damage and supervise external crews; provided environment assessment and abatement services; operation of special equipment (e.g., cranes, drones); provided engineering services (e.g., assisted with engineering facilities needing to be replaced); performed maintenance of traffic control services; provide other staff/administrative/miscellaneous services.

Steam & Other (Power Generation):

Equipment and Materials – Primarily related to costs associated with tank roof repairs. Contractor services included air monitoring of the site and surrounding area, site security services of terminal, removal of rain water from tanks, modification and transfer of jet fuel, operating personnel to monitor terminal transfer operations during night time operations, construction and installation of temporary piping to move jet fuel, firefighting services should a fire break out, cleaning and gas freeing tanks, design and modification of the tanks to be fixed.

PGD Site Repairs and Cleanup – Primarily related to costs associated with multiple FPL-PGD sites consisting of the following: Insulation repairs, scaffold rental, equipment rental, and site

cleanup at multiple sites including Turkey Point, Martin Plant Unit 1 and 2, Manatee Lab, Manatee Fuel Terminal, Sanford Plant, Cape Canaveral and Fort Myers.

Nuclear:

Security - Security Storm Riders support;

Beach Repair and Dredging – St. Lucie beach erosion and restoration; St. Lucie intake canal dredging from headwall to the intake bridge.

Buildings/Structures – Turkey Point support facilities water intrusion, replacing insulation, site cleanup; St. Lucie and Turkey Point roof replacement and repairs to multiple buildings; St. Lucie and Turkey Point A/C repairs on multiple buildings; Turkey Point lighting replacement, poles and fixtures;

Emergency Siren System Support - St. Lucie and Turkey Point Emergency Siren System restoration which included exchanging batteries in sirens, charging batteries for sirens assisting in siren repair and support restoration of siren control equipment.

General:

Corporate and External Affairs:

Solar repairs made to various DG sites. Repairs made to the Manatee Lagoon facility. Contractor special crews used to clear debris and lines to help open roads immediately after a storm passes so that emergency and restoration personnel can get through at the Emergency Operations Center.

Marketing and Communications:

Aerial Photographers - Photography and/or video to document damage after the storm

Thank You Ads and Public Service Announcements: Public service announcements regarding key storm-related issues such as safety and service restoration estimates and thank you ads to customers and foreign utilities.

Human Resources & Corporate Services:

Building Services – Securing physical assets, such as corporate offices, substations and service centers, as necessary prior to the storm. After the storm passed, assets were assessed and any with damage were repaired to be returned to pre-storm condition.

Debris Removal – This included debris removal for corporate offices, substations and service centers and replacement of any damaged vegetation as required by the towns, cities and counties, including specific focus to avoid notice of violations (NOVs).

Other contractors – This included some employee assistance items and childcare, but primarily was contractors completing any repairs to the physical assets due to storm damage. This may have included fence repairs, gate repairs, leak repair and clean up, additional janitorial, and temporary generator hook up.

Information Management:

IT contractor services to support critical storm systems like TCMSII (Trouble Call Management System that tracks tickets and trouble reports for the Customer Service systems) during restoration.

Customer Service:

Child Care - Vendors provide on-site childcare services for Customer Care employees working on restoration efforts. Childcare services provide screened, CPR/First Aid trained experienced employees that work with children. Security personnel are also contracted to support child care.

Call Outsourcer and Temporary Employees - Vendors handle inbound contacts from customers for transactions with FPL including outage reporting and inquiries.

Electrical Contractor Services – Vendors provide electrical contracting services to repair or replace smart meter network equipment (access points, relays and batteries) impacted as a result of Hurricane Irma.

QUESTION:

Contractors. Identify whether contractors set poles and provide the number of poles set by contractors.

RESPONSE:

Line contractors and mutual aid utility personnel did set poles needing to be replaced as a result of Hurricane Irma; however, FPL is unable to provide the number of poles set by these entities, as this information is not specifically identified/tracked during emergency response events. See FPL's response to OPC's First Set of Interrogatories No. 11, for the total number of poles replaced as a result of Hurricane Irma.

QUESTION:

Contractors. Explain in detail how the contractors' capital work is capitalized.

RESPONSE:

The amount of capital costs for each storm event is determined by applying part (1)(d) of Rule 25-6.0143, Use of Accumulated Provision Accounts 228.1, 228.2 and 228.4, Florida Administrative Code ("F.A.C"), which states that "...the normal cost for the removal, retirement and replacement of those facilities in the absence of a storm" should be the basis for calculating storm restoration capital.

FPL's utilizes its Work Management Systems, WMS for Distribution and Project Update and Reporting (PUR) for Transmission to calculate capitalized contractor work. Labor cost is applied to capital materials installed during storm restoration by creating work requests through WMS and PUR. For work incurred during restoration, the capital labor cost is allocated between contractor and regular payroll based on WMS predetermined construction man hours (CMH) and capital labor split between FPL employees and contractors required to perform the installation of the material. The 2017 normal condition labor rate is then applied to the CMH and capital labor split to obtain capital contractor cost. The follow-up work capital labor split between FPL employees and contractors is known because this work is planned.

There remained some follow-up work to be completed as of May 31, 2018 at which time FPL finalized the cost estimate, but this work has been fully scoped and has been subject to fixed price bids such that the capital labor cost can be estimated using similar work. The estimate for the follow-up work to be completed is included in the cost summary in Attachment No. 1 to FPL's response to OPC's First Set of Interrogatories No. 5.

QUESTION:

Contractors. Do outside contractors bill for vehicles like diggers, bucket trucks, pick-up trucks, wire trailers, etc.? If so, explain why they are not reflected on the Company generated invoices for the vendors' labor and if not, explain how the Company was able to get vendors to exclude this billing.

RESPONSE:

Yes. Outside contractors do bill for vehicles, though the manner in which vehicles are billed for line contractors is different from the process used for line clearing contractors. The hourly rates charged for the work performed by outside line contractors are inclusive of labor, vehicles and equipment, and as a result the invoices for line contractors do not reflect a breakdown of charges specifically attributable to vehicles.

For the process used by line clearing contractors, please see FPL's response to OPC's First Set of Interrogatories No. 22.

QUESTION:

Regular Payroll. Provide a summary of the regular payroll by week and by function (i.e., this includes only payroll and excludes overheads and/or other related costs).

RESPONSE:

Please see Attachment No. 1 for total regular payroll by week and function as reflected on line 2 of FPL's response to OPC First Set of Interrogatories No. 5. Please note, the amounts in the attachment exclude payroll overheads. See FPL's response to OPC's First Set of Interrogatories No. 7 for the overhead rates applied to regular payroll.

QUESTION:

Overtime Payroll. Provide a summary of the overtime payroll by week and by function (i.e., this includes only payroll and excludes overheads and/or other related costs).

RESPONSE:

Please see Attachment No. 1 for total overtime payroll by week and function as reflected on line 3 of FPL's response to OPC First Set of Interrogatories No. 5. Please note, the amounts in the attachment exclude payroll overheads. See FPL's response to OPC's First Set of Interrogatories No. 7 for the overhead rates applied to overtime payroll.

QUESTION:

Contractors. Provide a summary of costs (listing each invoice) by function, by contractor.

RESPONSE:

Please see FPL's response in Confidential Attachment No. 1 for a summary of total contractor costs including invoices – PO and non-PO, storm cost accruals and other accounting activity related to Hurricane Irma by function and by contractor.

QUESTION:

Line Clearing. Provide a summary of costs (listing each invoice) by function, by line clearing contractor.

RESPONSE:

Please see FPL's response in Confidential Attachment No. 1 for a summary of total line clearing costs related to Hurricane Irma by contractor. Please note that a listing of each invoice is not readily available; however, FPL has provided the purchase order number for each vendor. In addition, all line clearing services provided relate to tree trimming for the Distribution and Transmission functions.

QUESTION:

Line Clearing. Do outside line clearing contractors bill for vehicles like diggers, bucket trucks, pick-up trucks, wire trailers, etc.? If so, explain why they are not reflected on the Company generated invoices for the vendors labor and if not, explain how the Company was able to get vendors to exclude this billing.

RESPONSE:

Yes. Outside line clearing contractors do bill for vehicles and equipment as itemized charges on their invoices.

QUESTION:

Vehicle & Fuel. Provide a summary of costs by function identifying the costs by type (i.e., overhead charge, invoiced, contractor/vendor charge, other, etc.).

RESPONSE:

Please see FPL's response in Attachment No. 1 for vehicle and fuel by function and costs by type.

QUESTION:

Vehicle & Fuel. Provide a summary of costs by function, by vendor.

RESPONSE:

Please see FPL's confidential response in Attachment No. 1 for vehicle and fuel cost by function and vendor.

QUESTION:

Materials & Supplies. Provide a summary of costs, by period charged, by function, by type of costs.

RESPONSE:

Please see FPL's response in Attachment No. 1 for the requested information.

QUESTION:

Logistics. Explain in detail any and all costs that are charged to logistics and how the costs were determined to be reasonable (i.e., did the Company get bids or make a comparison of lodging costs, etc.).

RESPONSE:

The costs categorized as logistics relate to the establishment and operation of storm restoration sites, and support employees who are working on storm restoration (i.e., lodging, meals, buses). The invoices and costs are managed by personnel in FPL's supply chain organization that perform a logistics function during storms.

The majority of logistics expenses are tied to pre-established contracts that are competitively bid. With an understanding that not all scenarios are foreseen, contracts/agreements are established as needed during a named storm event.

Acquisition of lodging (hotels) is determined at time of event based on the resources working or travelling to a particular area each day and the availability of hotel rooms in that area. With respect to availability, it is important to note that FPL is potentially competing with evacuees while attempting to secure lodging as close as possible to staging sites. Contracts are negotiated based on demand and location by a pre-established 3rd party lodging provider. Alternative lodging (e.g., mobile sleepers, cots) is determined based on pre-established contracts that are competitively bid.

QUESTION:

Logistics. Provide a summary of costs by type (including listing each invoice), by function, by vendor.

RESPONSE:

While FPL does not aggregate all logistic costs by type at the requested level of detail, logistics invoices above \$50,000 were provided in FPL's response to OPC's First Request for Production of Documents No. 9. Additionally, FPL does aggregate some of the requested information at a high level by function in the following categories 1) buses; 2) lodging; and 3) restoration sites and other supporting facilities, which have been provided in confidential Attachment No. 1 to this response.

QUESTION:

Other. Explain any and all types of costs that are included in "Other" and provide a summary of costs, by type, by function.

RESPONSE:

Costs reflected in the Other cost category represent miscellaneous costs including contractors, affiliate payroll and related overheads from affiliate personnel directly supporting storm preparations (securing critical equipment, storm riders, etc.) and restoration to pre-storm status, as well as freight, meals, telecommunications and security. Note, because the cost categories do not exist in FPL's general ledger and are used for storm reporting purposes only, costs that may be classified as Other in one function may be classified in a different category for another function, depending on the nature and relative materiality of the cost.

Please see FPL's response in Attachment No. 1 for a summary of Other costs by function and type.

QUESTION:

Non-Incremental Costs. Provide a summary of non-incremental costs by type, by function and explain how the costs were determined.

RESPONSE:

As a result of the enactment of the Tax Cuts and Jobs Act of 2017 ("Tax Act") in December 2017, FPL decided to forego seeking incremental recovery of Hurricane Irma storm restoration costs under FPL's 2016 Stipulation and Settlement Agreement ("Settlement Agreement") and recognized the incremental costs that would have been charged to the storm reserve as base operations and maintenance ("O&M") expense. Therefore, the ICCA methodology is not applicable to the Hurricane Irma O&M expenses. However, to facilitate review of the storm restoration costs, FPL has included the non-incremental O&M adjustments to its final Hurricane Irma storm restoration costs as of May 31, 2018 in Attachment No. 1 of FPL's response to OPC's First Set Interrogatories No. 5, as if the ICCA methodology had been applied in accordance with the Rule 25-6.0143, Use of Accumulated Provision Accounts 228.1, 228.2 and 228.4, Florida Administrative Code ("F.A.C") ("the Rule").

Below is a summary of the types of non-incremental costs included on Line 37 of Attachment No. 1 of FPL's response to OPC's First Set Interrogatories No. 5.

Regular Payroll: FPL non-incremental payroll of \$6.752 million was calculated by applying the Company's payroll budget O&M percentage for September 2017 by cost center to payroll costs incurred for employees supporting storm restoration.

Vehicle Utilization: All FPL owned vehicle utilization costs charged to storm internal orders (IOs) are considered non-incremental. These costs supported the Transmission and Distribution function and totaled \$4.192 million for Hurricane Irma.

Vegetation Management: Based on the ICCA methodology in Rule 25-6.0143(1)(f)(8), tree trimming costs that exceed the prior year three-year average for the month of an event may be recovered through the storm reserve. If the current year base rate tree trimming expense exceeds the prior year three-year average, then the tree trimming storm costs would be in excess of the average and therefore recoverable through the storm reserve. If the current year base rate expense tree trimming cost does not exceed the prior year three-year average, only the portion of the tree trimming storm costs that exceed the prior year three-year average would be recoverable through the storm reserve, and the rest would be charged to O&M. FPL followed this methodology for Hurricane Irma and determined that \$5.080 million was non-incremental, all of which were related to the Distribution function.

Fuel: Fuel costs incurred by FPL's fleet services directly related to storm restoration are charged directly to the storm IOs. Fuel costs that exceed the prior year three-year average for the month of an event are considered incremental for recovery through the storm reserve. If the current year base rate fuel expense exceeds the prior year three-year average, then the fuel storm costs would be in excess of the average and therefore recoverable through the storm reserve. If the

current year base rate fuel expense does not exceed the prior year three-year average, only the portion of the fuel storm costs that exceed the prior year three-year average would be recoverable through the storm reserve, and the rest would be charged to O&M. FPL followed this methodology for Hurricane Irma and determined that \$0.133 million was non-incremental. These costs are reflected in the Distribution function.

Legal Claims: Certain claims were paid primarily related to property damage caused by FPL personnel and contractors incurred during the event. These claims totaled \$0.244 million which were charged to O&M and reflected in the Distribution function.

Childcare: Childcare in the amount of \$0.934 million was considered a form of employee assistance and was considered non-incremental. These costs are reflected in the General and Customer Service function.

QUESTION:

Capitalized Cost. Provide a detailed summary, by function, that shows an itemization of plant costs by type (i.e. poles, conductor, cross arms, transformers, etc.) that were capitalized, and list the associated quantities.

RESPONSE:

See Attachment No. 1 to this response for the requested information. Please note that this attachment does not include detailed information associated with follow up work because FPL has not completed the unitization at the utility account level in its property accounting system. However, the total follow up costs for Transmission and Distribution have been provided as a separate line item in Attachment No. 1. FPL estimates capitalized follow up work will be unitized by September 30, 2018, at which time a supplemental response will be provided.

QUESTION:

Capitalized Cost. Provide a detailed summary, by function, that shows an itemization of costs by type (i.e. labor, vehicles, lodging, etc.).

RESPONSE:

See lines 13 through 17 of Attachment No. 1 to FPL's response to OPC's First Set of Interrogatories No. 5 for a detailed summary of capitalized costs by type.

QUESTION:

Third-Party Reimbursement. Provide an explanation of how the costs for any and all third party reimbursements were tracked and billed, and include a summary of poles replaced along with the associated cost.

RESPONSE:

Reimbursement tracking and costs to be paid (1) by AT&T for poles replaced by FPL and (2) by FPL for distribution poles replaced by AT&T were determined consistent with the June 2007 amendment to the FPL/AT&T joint use agreement. Copies of the confidential amendment, invoice, and the detailed reimbursement calculations have been provided in FPL's response to OPC's First Request For Production of Documents No. 3. The amount of the FPL invoice, \$2,440,469, consists of the cost for FPL to replace 936 AT&T poles (\$2,607,091), less the cost for AT&T to replace 58 FPL poles (\$166, 622). See also FPL's response to OPC's First Set of Interrogatories No. 4.

QUESTION:

Capitalization. Provide the amounts capitalized using the Company's CMH rate and provide a sample calculation of each of the respective types of cost capitalized for Hurricane Irma (i.e. poles, wire, transformers, etc.).

RESPONSE:

See lines 13 and 14 of Attachment No. 1 to FPL's response to OPC's First Set of Interrogatories No. 5 for the amounts capitalized using FPL's CMH rate and Attachment No. 1 of this response for an example from Work Management System and Project Update and Reporting for how capitalized follow up costs are determined for poles, breakers, conductors, and transformers.

QUESTION:

Capitalization. Provide a summary of the costs capitalized based on actual contractors' time and costs, and based on Company employees' actual time and costs, with a detailed explanation as to how the costs were tracked separately from other restoration costs.

RESPONSE:

FPL does not track actual specific capital work performed by contractors vs. employees, due to the nature of storm restoration repair work, as FPL's priority is to restore service as safely and quickly as possible. FPL's capitalized storm costs are based on the normal cost of removal, retirement and replacement of assets in the absence of a storm and include the normal cost of labor, material and overheads.

FPL's capitalized costs were calculated based on the following methods.

Transmission & Distribution (T&D)

Restoration Capital - During storm restoration, specific internal orders ("IOs") are established to track all storm related costs. Upon completion of restoration, FPL's business units, along with the Accounting department, review all work performed during restoration that would meet the capitalization criteria in accordance with FPL's capitalization policy. Labor and overhead (engineering) is applied to capital materials installed (materials and supplies issued less returns) during the storm event through FPL's Work Management System ("WMS"), for Distribution and Project Update and Reporting ("PUR") for Transmission. The total amount charged to capital cost is the sum of labor, materials, and overheads.

Follow-up Capital – Post storm restoration, FPL surveys remaining damage by using either visual patrols or thermovision. This identification of damage is used to create work requests in FPL's WMS to assign the work and, from the design of the repairs, FPL obtains an estimated CMH (construction man hour) to perform the work. FPL uses its current standard contractor dollar/CMH in order to develop its estimate for the contractor part of the follow-up restoration work. All follow-up work is incremental to FPL's normal workload, and the majority of this work is contracted out. Once final costs are known and follow-up is complete, estimates are trued up to actuals.

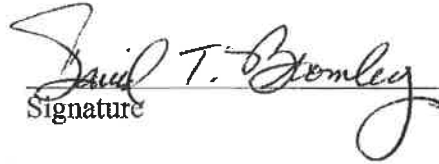
Non-T&D Functions

The capital costs for other functional areas are determined based on an estimate of the work performed and is then likewise recorded to the balance sheet in accordance with FPL's capitalization policy and trued-up to actuals once the work is complete.

DECLARATION

I sponsored the answer to Interrogatory No. 3 and co-sponsored the answers to Interrogatory Nos. 28 and 33 from the Office of Public Counsel's First Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.


Signature

David T. Bromley

Date: August 10, 2018

DECLARATION

I sponsored the answers to Interrogatory Nos. 5, 6, 11-13, 16, 18, 19, 23-27, and 29-31, and co-sponsored the answers to Nos. 28 and 33 from the Office of Public Counsel First Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.


Signature

Keith Ferguson

Date: 8/14/2018

DECLARATION

I co-sponsored the answer to Interrogatory No. 28 from the Office of Public Counsel First Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the response is true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answer identified above, and that the facts stated therein are true.



Signature

Eduardo DeVarona

Date: AUGUST 14, 2018

DECLARATION

I sponsored the answers to Interrogatory Nos. 20 and 21 from the Office of Public Counsel First Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.


Signature

Keith Ferguson

Date: 7/31/2018

DECLARATION

I sponsored the answers to Interrogatory Nos. 2, 7-10, and 34, and co-sponsored the answer to No. 14 from the Office of Public Counsel First Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.

A handwritten signature in blue ink, appearing to read "Keith Ferguson", is written over a horizontal line.

Signature

Keith Ferguson

Date: June 15, 2018

DECLARATION

I sponsored the answers to Interrogatory Nos. 1, 4, 15, 17, 22 and 32, and co-sponsored the answer to No. 14 from the Office of Public Counsel First Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.


Signature

David T. Bromley

Date: June 15, 2018

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FPL's response to OPC's 2nd Interrogatories Nos.
35 – 53.

Confidential DN. 04545-2019

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 24
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Ferguson (35, 36, 37, 38-43, 45, 46, 49,
52, 53)Miranda (37, 51)Gwaltney (44)DeVarona (47, 48,

QUESTION:

Refer to the response to OPC Interrogatory No. 6. The response indicates that "FPL decided to forego seeking incremental recovery of Hurricane Irma storm restoration costs under FPL's 2016 Stipulation and Settlement Agreement".

- a. Is it FPL's position that it has the sole right to decide how costs would be recovered for Hurricane Irma and that Commission authority is not required for this election? If so, provide the specific cite in the 2016 Stipulation and Settlement Agreement that the Company is relying on?
- b. Please explain why over \$4 million of regular payroll dollars have been included in FPL's cost recovery?

RESPONSE:

- a. Subpart (a) of this Interrogatory suggests a possible misunderstanding of FPL's answer to OPC's First Set of Interrogatories No. 6. FPL's answer to OPC's First Set of Interrogatories No. 6 made clear that the 2016 Settlement Agreement (Section 6) gives an option, but does not require, FPL to seek incremental storm cost recovery. FPL decided to forego that option with respect to Hurricane Irma storm restoration costs. Because another option was available through the framework of the 2016 Settlement Agreement, FPL decided to forego seeking an incremental charge from customers for the recovery of Hurricane Irma storm restoration costs. Instead, FPL recorded Hurricane Irma storm-related costs as a base operation and maintenance ("O&M") expense in accordance with Rule 25-6.0143(1)(h) Use of Accumulated Provision Accounts 228.1, 228.2 and 228.4, Florida Administrative Code ("the Rule"). Part (1)(h) of the Rule states that "a utility may, at its own option, charge storm-related costs as operating expenses rather than charging them to Account No. 228.1." This is what FPL opted to do rather than implementing the interim incremental storm charge permitted by Section 6 of the 2016 Settlement Agreement. This is the approach that FPL presented to OPC on a couple of occasions in early 2018. It has always been FPL's position that Hurricane Irma storm-related costs would be subject to the Commission's review, regardless of whether an incremental charge was requested.
- b. To be clear, FPL is not seeking through this proceeding to establish a charge for the recovery of *any* incremental Hurricane Irma costs (including but not limited to regular payroll and related costs) for replenishment of the storm reserve. This is discussed in the FPL Direct Testimony of Keith Ferguson. Rather, these storm restoration costs were recorded as base O&M expense.

The "over \$4 million of regular payroll dollars" referenced in Subpart (b) of this Interrogatory refers to the \$4.153 million of regular payroll and related costs reflected on page 1 of Exhibit KF-2 that would have been charged to the storm reserve under the ICCA methodology in the absence of FPL's decision to record the Hurricane Irma storm costs as a base O&M expense. Because the ICCA methodology is not applicable to the Hurricane Irma storm restoration costs, FPL provided Exhibit KF-2 – Hurricane Irma Incremental Cost and Capitalization Approach Adjustments - for informational purposes only. For purposes of

Exhibit KF-2, FPL calculated the amount of regular payroll expense that would have been incurred in the absence of the storm (*i.e.*, the non-incremental payroll expense) by using the budgeted amount of payroll expense for the year in which Hurricane Irma occurred. This budgeted amount of regular payroll was the Company's normal, day-to-day regular payroll O&M expense that normally would be charged to and recovered through FPL's base rates. As a result of the Hurricane Irma storm restoration efforts, FPL incurred an additional regular payroll expense of \$4.153 million in excess of this budgeted amount. This incremental regular payroll expense reflects the resources that were diverted from capital and other clause related projects to assist with the Hurricane Irma storm restoration effort and, but for the storm, would have been recovered as capital or through cost recovery clauses. If FPL had sought incremental storm cost recovery pursuant to Section 6 of the 2016 Settlement Agreement, these costs would have been appropriately charged to the storm reserve based on paragraphs 21 and 22 of Order No. PSC-2006-0464-FOF-EI, Docket No. 20060038-EI.

QUESTION:

Refer to the response to OPC Interrogatory No.11. Is the cost reflected in the response the total capital cost (i.e. material, labor, OH, etc.)? If some costs are not included in the capital amount, please explain what costs are not included and why these costs are not included.

RESPONSE:

The costs reflected in FPL's response to OPC'S First Set of Interrogatories No. 11 do include material, labor and overheads based on the estimated cost of completing this work under normal (non-storm) conditions.

QUESTION:

Refer to the response to OPC Interrogatory No. 11. Please explain why the average cost by division varied significantly (i.e. St Johns was \$676.53 and Collier County was \$1,109.37).

RESPONSE:

Pole costs are a function of material (e.g., pole height, class, type – wood/concrete), labor and equipment costs (e.g., cranes). Generally, taller, stronger poles are costlier and require more labor and/or equipment to install. The primary reason for the disparity in the average pole cost, St. Johns County vs. Collier County, results from larger poles being installed in Collier County. For example, only 7% of the poles installed in Collier County were less than 40 feet tall, while in St. Johns County, 37% of the poles installed were less than 40 feet tall.

QUESTION:

Refer to the response to OPC Interrogatory No. 12. Is the cost reflected in the response the total capital cost (i.e. material, labor, OH, etc.)? If some costs are not included in the capital amount, please explain what costs are not included and why these costs are not included?

RESPONSE:

The costs reflected in FPL's response to OPC's First Set of Interrogatories No. 12 do include material, labor and overheads based on the estimated cost of completing this work under normal (non-storm) conditions.

QUESTION:

Refer to the response to OPC Interrogatory No. 13. Is the cost reflected in the response the total capital cost (i.e. material, labor, OH, etc.)? If some costs are not included in the capital amount, please explain what costs are not included and why these costs are not included?

RESPONSE:

The costs reflected in FPL's response to OPC's First Set of Interrogatories No. 13 do include material, labor and overheads based on the estimated cost of completing this work under normal (non-storm) conditions.

QUESTION:

Refer to the response to OPC Interrogatory No.16. Please explain in detail how the predetermined construction man hours are determined including: a) how the normal condition labor rate is modified to account for the work being performed as part of storm restoration; and b) how the labor rate accounts for the hourly rate being charged by either employees and/or outside contractors.

RESPONSE:

The predetermined construction man hours (CMH) referenced in FPL's response to OPC's First Set of Interrogatories No. 16 are based on historical labor studies for the type of work being performed during normal conditions. Also, as provided in FPL's response to OPC's First Set of Interrogatory No. 16, FPL did not modify its normal condition labor rate to account for the storm restoration work being capitalized. Instead, the labor rate applied by FPL was the 2017 normal condition labor rate and capital labor split (employee/contractor), as required by Rule 25-6.0143.

QUESTION:

Refer to the response to OPC Interrogatory No. 18. Please explain why the totals for regular payroll do not match the amounts in the response to OPC Interrogatory No. 5, line 1.

RESPONSE:

As noted in FPL's response to OPC's First Set of Interrogatories No. 18, the amounts provided in Attachment No. 1 to the response exclude payroll overheads, while the amounts presented on line 2 of Attachment No. 1 to FPL's response to OPC's First Set of Interrogatories No. 5 include the payroll overheads. See FPL's response to OPC's First Set of Interrogatories No. 7 for the overhead rates applied to regular payroll.

Note, regular payroll is presented on line 2 of Attachment No. 1 to FPL's response to OPC's First Set of Interrogatories No. 5.

QUESTION:

Refer to the response to OPC Interrogatory No. 19. Please explain why the totals for overtime payroll do not match the amounts in the response to OPC Interrogatory No. 5, line 2.

RESPONSE:

As noted in FPL's response to OPC's First Set of Interrogatories No. 19, the amounts provided in Attachment No. 1 to the response exclude payroll overheads, while the amounts presented on line 3 of Attachment No. 1 to FPL's response to OPC's First Set of Interrogatories No. 5 include the payroll overheads. See FPL's response to OPC's First Set of Interrogatories No. 7 for the overhead rates applied to regular payroll.

Note, overtime payroll is presented on line 3 of Attachment No. 1 to FPL's response to OPC's First Set of Interrogatories No. 5.

QUESTION:

Refer to the response to OPC Interrogatory No. 20 and POD No. 6. Please explain why some vendor descriptions are listed as "Not Assigned" and why there is no vendor number in some instances but rather a "#" sign.

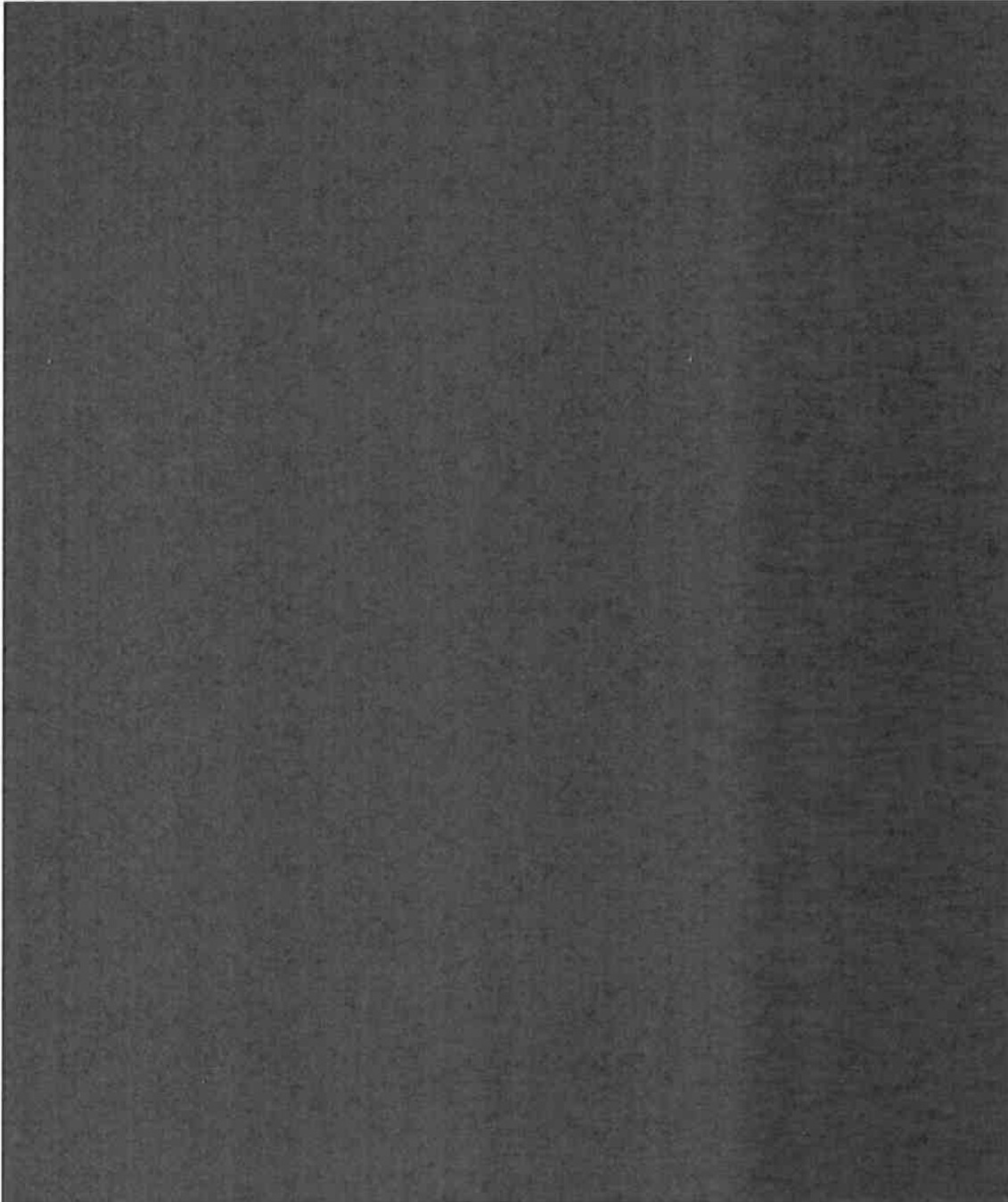
RESPONSE:

Items listed as vendor descriptions "Not Assigned" and vendor numbers of # indicate a non-purchase order invoice or accrual related to vendors whose contracts had not been pre-negotiated but whose services were needed and therefore were retained shortly before or during the restoration effort. Note, the purpose of the schedule included in FPL's response to OPC's First Set of Interrogatories No. 20 was to provide a summary of contractor costs by function, and its contents should be reviewed independently of FPL's response to OPC's First Request for Production of Documents No. 6. The purpose of the schedule provided in FPL's response to OPC's First Request for Production of Documents No. 6 was to provide a roadmap and a more convenient way to locate specific invoices provided at and above the agreed upon threshold.

QUESTION:

Refer to the response to OPC Interrogatory No. 20 and POD No. 6. Please provide a listing identifying all vendors that FPL made arrangements with through the Southeastern Electric Exchange.

RESPONSE:





QUESTION:

Refer to the response to OPC Interrogatory No. 20. Please explain what the column header "Document Type" refers to, provide a summary of the two letter references, and provide a description of what the entry is.

RESPONSE:

See the below table for document type descriptions for Document Types included on FPL's response to OPC's First Set of Interrogatories No. 20.

Item	Description	Additional Description
RE	PO Invoice	Invoice with associated Purchase Order (PO)
RS	Framework Invoice	Site Entered Invoice
SA	G/L account document	FPL non-reversing Journal Entry
TL	Temp Labor Mgmt. Fee	Management fee charged for temporary labor
WE	Goods receipt	Confirmation of receipt against PO
YY	FPL Accrual Postings	FPL Reversing Accrual Entry
YZ	FPL Reverse Accruals	Accrual Reversal
ZM	Site AP Invoice	Non-PO Invoice entered locally

QUESTION:

Refer to the response to OPC Interrogatory No. 20. Please explain what a "GL Account Document" is and identify the supporting documentation, if any, provided for this cost in the response to OPC POD No. 6.

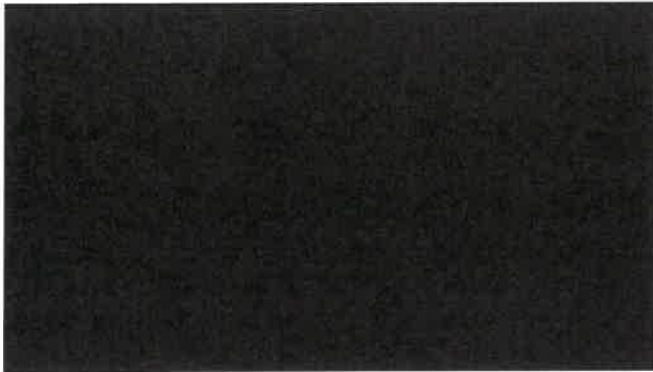
RESPONSE:

"GL Account Document" refers to general ledger journal entries in FPL's SAP system. These costs were not included in FPL's response to OPC's First Request for Production of Documents No. 6, which requested contractor invoices by function.

QUESTION:

Refer to the response to OPC Interrogatory No. 20. Please provide an explanation of what services or goods were provided by the following vendors included in the listing for Customer Service:

- a.
- b.
- c.
- d.
- e.
- f.
- g.
- h.
- i.
- j.



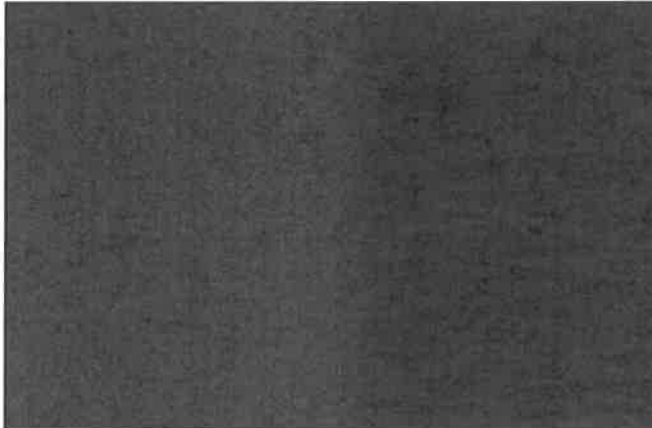
RESPONSE:

- a. [REDACTED]: Provided transportation services to deliver smart meter network equipment to areas damaged by storm.
- b. [REDACTED]: Provided electrical contracting services to repair or replace smart meter network equipment.
- c. [REDACTED] Provided additional security personnel at customer care centers
- d. [REDACTED]: Provided nursing services to support customer care centers.
- e. [REDACTED]: Provided child care services at customer care centers.
- f. [REDACTED]: Provided electrical contracting services to repair or replace smart meter network equipment.
- g. [REDACTED] Provided temporary staffing to support customer care centers.
- h. [REDACTED] Provided temporary staffing to support customer care centers.
- i. [REDACTED]: Provided temporary staffing to support customer care centers.
- j. [REDACTED] Provided temporary staffing to support customer care centers.

QUESTION:

Refer to the response to OPC Interrogatory No. 20. Please provide an explanation of what services or goods were provided by the following vendors included in the listing for General:

- a.
- b.
- c.
- d.
- e.
- f.
- g.
- h.
- i.
- j.
- k.
- l.



RESPONSE:

- a. [REDACTED] - Vendor provided HR support via a consulting agreement to act as a Backup Incident Commander for three different storm sites.
- b. [REDACTED] - Provided IT technical staff to operate the IT Operations Technology Center (OTC) on a 24x7 schedule to monitor network and key systems and quickly address any Network outages for the Enterprise including voice and cellular networks.
- c. [REDACTED] - Provided transportation services to our employees to ensure they were able to get to their work location, even if the normal route of transportation was unavailable.
- d. [REDACTED] - Consulting services for additional staffing of the Emergency Operations Center.
- e. [REDACTED] - Provided temporary home repair services to our employees that were unable to complete the repairs themselves due to being on storm assignment.
- f. [REDACTED] - Provided child care services at customer care centers and at the corporate office (JB) to ensure employees could work their storm assignment.
- g. [REDACTED] - No services were provided under the General function. The invoice for \$22,000 was re-classified to the Distribution function on GL document 115393719.
- h. [REDACTED] - Assisted with repairing the damage caused by Hurricane Irma at Manatee Lagoon.
- i. [REDACTED] - No services were provided under the General function. The invoice for \$24,038 was re-classified to the Distribution function on GL document 116895442 which also re-classified two additional invoices. The additional invoices relate to vendor provide Extendo/Patrol services and Production Leads to assist in restoration efforts.

- j. [REDACTED] – Provided tree removal services to employees for the sole purpose of allowing employees to safely and quickly return to work to assist in restoration efforts.
- k. [REDACTED] - In a similar role to what they perform year round for the Company, [REDACTED] prepared and safeguarded physical assets, managed increased janitorial demands, completed repairs and cleaned up at the Company's facilities following the storm.
- l. [REDACTED] - Provided lodging at an inland hotel for our critical employees in multiple business units that needed to exit their homes due to evacuation requirements and to ensure they were able to get to their work location as soon as possible after the storm passed.

QUESTION:

Refer to the response to OPC POD No. 6. Did the Company provide the invoices for General and Customer Service for all amounts over \$25,000?

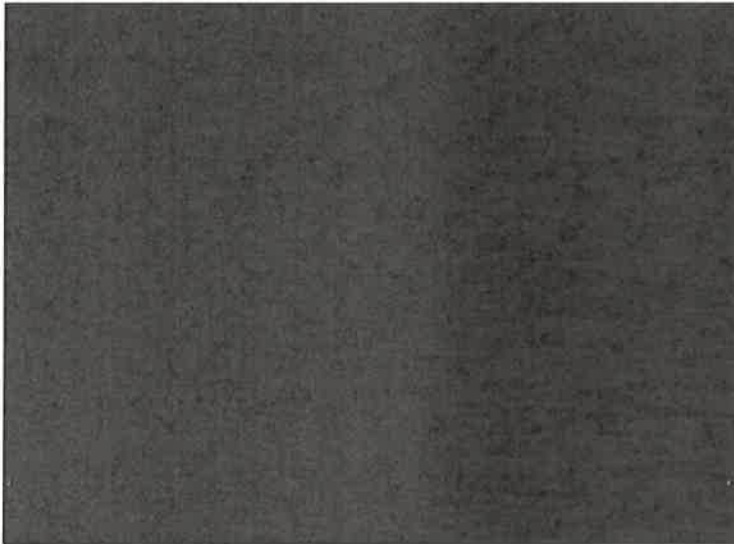
- a. If not, please explain why not.
- b. If so, please explain why a test search using the search function did not find listings for Document Numbers 5114703554, 5114714274 and 5114714389 in the response to POD No. 6.

RESPONSE:

- a.&b. FPL inadvertently omitted General and Customer Service invoices greater than \$25,000 and less than \$75,000. See FPL's response to OPC's Second Request for Production of Documents No. 13 for the outstanding invoices.

QUESTION:

Refer to the response to OPC Interrogatory No. 20. Please provide an explanation of what services or goods were provided by the following vendors included in the listing for Steam & Other:



RESPONSE:

- a. [REDACTED]: Provided harvester services to remove problematic vegetation from Martin plant cooling pond created by the hurricane.
- b. [REDACTED]: Provided supervision, labor, equipment, materials and supplies and materials to repair intake footbridge at Cape Canaveral.
- c. [REDACTED]: Provided labor and equipment for tree removal and cleanup at Ft. Myers.
- d. [REDACTED]: Provided security guards at Port Terminal.
- e. [REDACTED]: Provided supervision, labor, materials, equipment, installation repairs, scaffold rental, equipment rental and site cleanup at multiple sites.
- f. [REDACTED]: Provided services needed for demobilization and removal of scaffolding, equipment trailers and trucks in post storm preparation at Turkey Pt. (Turbine pedestal repairs.) Installation and removal of surge wall at Manatee Terminal.
- g. [REDACTED]: Provided supervision, labor and materials for Shoreline stabilization (Pre-Hurricane Rip Rap Placement) at Cape Canaveral.
- h. [REDACTED]: Supervision labor and equipment for pre and post storm clean up and repairs at various sites.
- i. [REDACTED]: Provided supervision and labor to install and rent temporary generators at Sanford,
- j. [REDACTED]: Provided supervision, labor, and equipment to preform repairs/clean up at PV solar sites, Desoto, Space Coast, Manatee, Babcock and Citrus.

- k. [REDACTED]: Cleaned cooling tower screens at Martin Plant, emergent Hurricane trash rack cleaning at Riviera Plant, and cleaned intake screens at West County Plant.
- l. [REDACTED]: Provided supervision, labor, materials and equipment to re-attach intake grass barrier, intake grass removal and signage repair at Martin, Barley Barber Swamp cleanup. Replaced guard shed at Martin and skylight panel installation and replacement.
- m. [REDACTED]: Provided emergency response to deal with water in the fuel oil storage tanks, product pumping for draining the tanks and tank cleaning and gas freeing.
- n. [REDACTED]: Provided supervision, labor, materials and equipment to preform roof repairs to stores building at Turkey Point Plant.
- o. [REDACTED]: Performed Plant Sanford maintenance building awning repairs and concrete work.

QUESTION:

Refer to the response to OPC Interrogatory No. 26 referring to support employees. Please explain whether this reference includes outside contractors and if so, please further explain what the requirements are for these outside contractors with respect to utilization of food and lodging arranged for by the Logistics vendor(s).

RESPONSE:

Yes, support employees (personnel), as referenced in FPL's response to OPC's First Set of Interrogatories No. 26, include both employees and contractors. During the restoration effort, meals and lodging are provided for all restoration site support personnel, including contractors. While all site support personnel are required to utilize food and lodging provided by logistics vendors, due to timing and availability, there may be instances where it is necessary for support personnel to obtain their own meals and/or lodging during the restoration effort. For example, there are cases where support personnel are required to travel to a different or newly opened site, thereby requiring support personnel to obtain their own meals and/or lodging while travelling to their next assignment.

QUESTION:

Refer to the response to OPC Interrogatory No. 28. Please explain why the total for Distribution Other does not match the amount in the response to OPC Interrogatory No. 5, line 9.

RESPONSE:

FPL will file an amended response to OPC's First Set of Interrogatories No. 5 to properly reflect \$1.242 million as Distribution Overtime Payroll and Related Costs rather than Distribution Other. The total for Distribution Other is \$4.971 million and Distribution Overtime Payroll is \$29.490 million. Note, these costs have been properly reflected on Exhibits KF-1 – Hurricane Irma Final Storm and Restoration Costs, and KF-2 - Hurricane Irma Incremental Cost and Capitalization Approach Adjustments.

QUESTION:

Refer to the response to OPC Interrogatory No. 21 (listed all invoices paid by vendor for the storm) and POD No. 7 (invoices by vendor that were in excess of \$75,000). Please explain why based on the listing in response to OPC Interrogatory No. 21, the amounts of the invoices received in response to OPC POD No. 7 by vendors does not equal the total invoice amounts listed on OPC Interrogatory No.21 by vendor.

- a. Please explain whether invoice amounts in response to OPC Interrogatory No. 21 that were in excess of \$75,000 are supported by invoices provide in response to OPC POD No. 7.
- b. If not, please explain why the supporting invoices where not provide in response to OPC POD No. 7.
- c. Please explain whether any amount listed in OPC Interrogatory No. 21 in excess of \$75,000 may be a sum of multiple invoices. (i.e. OPC Interrogatory No. 21 list for [REDACTED] document 2000250804, for a total cost of \$294,215, yet in response to OPC POD No. 7, PDF A the only invoice for document 2000250804 located, totaled \$104,403).

RESPONSE:

- a. Invoice amounts reflected in FPL's response to OPC's First Set of Interrogatories No. 21 represent the total line clearing costs by purchase order and vendor associated with Hurricane Irma costs. The invoices provided in FPL's response to OPC's First Request for Production of Documents No. 7 are a subset of the total line clearing costs shown in OPC First Set of Interrogatories No. 21, as FPL provided pursuant to OPC's request, and thus support those actual invoices above the \$75,000 threshold. OPC and FPL agreed to invoice threshold amounts for OPC's First Request for Production of Documents No. 7 as a representative sample of the total line clearing costs, therefore it was not necessary for the all invoice amounts reflected in FPL's answer to OPC's First Set of Interrogatories No. 21 to match up with the invoices provided in response to OPC's First Request for Production of Documents No. 7. See FPL's answer to subpart (b) below for the purpose of FPL's answer to OPC's First Set of Interrogatories No. 21.
- b. As stated in the response to OPC's First Set of Interrogatories No. 21, FPL provided a summary of line clearing costs in aggregate by purchase order because a listing of each invoice for line clearing costs by contractor was not readily available. A purchase order may have multiple invoices paid against it. The purpose of the schedule included in FPL's response to OPC's First Set of Interrogatories No. 21 was to provide a summary of all line clearing costs by function, and its contents should be reviewed independently of FPL's response to OPC's First Request for Production of Documents No. 7. The purpose of the schedule provided in FPL's response to OPC's First Request for Production of Documents No. 7 was to provide a roadmap and more convenient way to locate specific invoices provided at and above the agreed upon \$75,000 threshold.

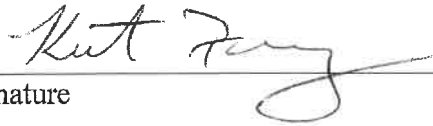
- c. The amounts reflected in FPL's response to OPC's First Set of Interrogatories No. 21 are listed by purchase order and may be the sum of multiple invoices.

DECLARATION

I sponsored the answers to Interrogatory Nos. 35, 36, 38-43, 45, 46, 49, 52 and 53, and co-sponsored the answer to No. 37 from the Office of Public Counsel Second Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.

Signature

A handwritten signature in black ink, appearing to read "Keith Ferguson", written over a horizontal line.

Keith Ferguson

Date:

10/22/2018

DECLARATION

I sponsored the answers to Interrogatory Nos. 44 and 51, and co-sponsored the answer to No. 37 from the Office of Public Counsel Second Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.


Signature

David T. Bromley

Date: October 19, 2018

DECLARATION

I sponsored the answers to Interrogatory Nos. 47, 48, and 50 from the Office of Public Counsel Second Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.

Signature

Eduardo DeVarona

Date: OCTOBER 5, 2018

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FPL's response to OPC's 3rd Interrogatories Nos.
54 - 84

**Additional files contained on Staff Hearing
Exhibits CD for Nos. 61, 62, 71.**

Confidential DN. 04545-2019

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 25
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Miranda (54-60, 63, 64, 75, 76, 79, 80, 83,
84)Gwaltney (54-56, 58, 83, 84)Reagan (57)DeVarona

QUESTION:

Refer to the testimony of Manuel Miranda at page 9, lines 11-16. Please explain whether during preparation prior to storm, which included identifying available assistance resources, the Company formally committed to compensating those available assistance resources at that exact time or at some point in time after making the commitment (i.e. how was it determined when the assistance could begin charging time).

RESPONSE:

Compensation for mutual assistance utilities responding to requests for mutual assistance is provided per mutual assistance procedures and guidelines. A responding mutual assistance utility can begin to charge time and other costs when: (1) a request for its resources has been made and the responding utility agrees to provide its resources; and (2) the mutual assistance utility providing resources begins to incur personnel and/or equipment expenses (e.g., preparing employees and/or equipment for travel in support of restoration efforts).

QUESTION:

Refer to the testimony of Manuel Miranda at page 9, lines 18-22. Please explain whether during preparation prior to storm, including confirming commitment for restoration personnel, the Company formally commits to compensating those restoration personnel resources at that time.

RESPONSE:

Compensation for restoration personnel resources is provided per mutual assistance procedures and guidelines (for mutual assistance utilities) and restoration contracts/agreements (for all other non-mutual assistance restoration resources). This would include when compensation commences/terminates, what does/does not merit compensation and the rate of compensation. Generally, FPL is responsible for compensating external restoration personnel when FPL commits to obtain those restoration resources and those restoration resources incur expenses associated with supporting FPL's restoration efforts.

QUESTION:

Refer to the testimony of Manuel Miranda at page 13, lines 6-8. The testimony states that at 72 to 48 hours FPL "may" begin to financially commit to acquire necessary resources. Please clarify whether the time frame is prior to the date of the storms impact and how it is determined when the commitment is to be made.

RESPONSE:

Yes, the "72 to 48 hours" reference is prior to the projected impact of the storm. FPL's determination to commit to external resources is made when it has determined that the storm's impact is likely/imminent and external resources are necessary to assist with restoration efforts. Various factors are considered when making this determination including the probability/scale/location of the storm, its projected impact (e.g., estimated damage and construction man hours to restore service), travel time/distance of available restoration/support resources and costs associated with securing such resources.

QUESTION:

Refer to the testimony of Manuel Miranda at page 14, lines 6-13. Please explain in detail what FPL does to evaluate the reasonableness of the various rates charged by contractors and when those charges are applicable (i.e. when the rates begin and end).

RESPONSE:

As a result of already having a number of contractual agreements with power line and vegetation contractors throughout the U.S., many of which are with contractors that FPL utilizes during normal operations, FPL has knowledge of market conditions and contractor rates. This allows FPL to evaluate the reasonableness of the rates charged by contractors. Of course, increased contractor demand (e.g., as a result of a major storm impacting multiple states) impacts the availability of resources, which can then limit the options of a utility in need of resources. Generally, contractor charges begin with mobilization and end with demobilization of contractor resources.

QUESTION:

Refer to the testimony of Manuel Miranda at page 15, lines 1-3. Please explain what guidelines and expectations are dictated to contractors regarding expected travel time per day and compensation for that travel time (i.e. can they only bill for actual travel time).

RESPONSE:

Mutual assistance procedures/guidelines and other non-mutual assistance restoration contracts/agreements do not specifically provide for minimum, maximum or expected travel time/ hours per day. However, with the knowledge of the contractor resources starting location, estimated travel distance/time and other information (e.g., expected departure times, potential weather or traffic delays, expected hours of travel per day and actual in-progress travel status updates/revised estimated arrival times), FPL is able to determine when resources should arrive as well as the reasonableness of actual arrival times. Generally, compensation for travel time is limited to actual travel time.

QUESTION:

Refer to the testimony of Manuel Miranda at page 16, lines 3-5. Please identify who the Planning Section Chief(s) are.

RESPONSE:

During Hurricane Irma, Thomas W. Gwaltney was FPL's Planning Section Chief.

QUESTION:

Refer to the testimony of Manuel Miranda at page 16, lines 10-16. Please identify the Storm Production Lead(s) responsible for approving contractor time sheets.

RESPONSE:

Adrain, M	Darryl M, C	Juan C, G	Ray A, V	Alex, K	John, F
Alan D, R	David H, B	Juan-Carlos, R	Richard A, S	Arturo, B	Jonathan, M
Alan F, G	Diego E, P	Karen, S	Richard E, P	Ashton, M	Kenneth, D
Alan W, P	Douglas E, K	Karine, H	Richard E, W	Brian, P	Kevin, H
Alejandro J, U	Edgar D, D	Kelli L, G	Richard, D	Byron, C	Kyle, T
Andrae W, D	Elio E, G	Kenneth J, G	Richard, F	Cedric, D	Larry, R
Andrew C, G	Enol, E	Larry, V	Robert J, R	Charles, J	Lenard, S
Angelo, R	Eric, D	Latonya J, L	Robert, P	Charles, P	Lionel, D
Anthony M, U	Ersuel, A	Leon G, L	Robin N, K	Christopher, S	Mark, W
Archibald P, M	Fabbio S, E	Leonardo A, P	Roger, M	Chuck, L	Matthew, J
Arvill, B	Genaro R, G	Linda G, J	Ronnie J, N	Cole, B	Michael, M
Booker T, W	Hermes D, G	Luis M, S	Roque A, G	David, B	Morgan, W
Brando G, T	Hugo A, C	Lynn, S	Russell J, R	Donald, A	Quinton, N
Brian J, S	Ignacio, A	Marco T, A	Sean A, O	Edwardo, M	Rich, C
Brian L, S	Jack , JR	Mario A, R	Sharon E, P	Elier, G	Richard, R
Brooks E, D	Jamel, B	Mark A, K	Silfredo, T	Gerry, J	Rishal, P
Bryan A, B	James H, E	Matt, P	Steven L, B	Greg, P	Robert, M
Carlos E, L	James, T	Matthew J, S	Timothy A, B	Heath, C	Robert, P
Carmine, B	Jason, W	May, A	Timothy J, F	Ian, T	Ronald, C
Charles B, A	Jeffrey C, W	Michael F, S	Todd L, H	Jacob, H	Rowley, O
Charles E, B	Jeffrey J, S	Michael J, G	Troy E, T	James, B	Roy, T
Charles, M	Jeffrey, B	Michael R, B	Vicky S, H	James, B	Ryan, W
Chris, A	Jerry E, B	Michael, C	Walter M, R	James, B	Sebastian, S
Chris, D	Jim, D	Michele M, J	Wayne A, W	James, W	Shane, B
Christopher D, H	John C, P	Molino, T	William A, G	Jason, G	Steve, M
Christopher S, M	John H, M	Nigel K, P	William F, C	Jessie, D	Thomas, R
Cristian E, L	John L., C	Noel, P	William L, W	Jim, E	Timothy, B
Daniel J, R	John, L	Paul D, D	Ymmar A, S	Joe, H	Vince, S
Daniel W, D	Jose I, P	Philip B, D	Yosley, G	Joe, Mc	Von, J
Darryl A, E	Joseph, L	Phillip M, G	Akeem, J	John, B	Walt, S
					William, S
					Xiao, Z

QUESTION:

Refer to the testimony of Manuel Miranda at page 24, lines 18-20. Please provide the respective numbers of conductors, poles and transformers included in the total for followup work.

RESPONSE:

See FPL's response in Attachment No.1 for quantities of poles, transformers and conductors included in follow up work.

QUESTION:

Refer to the testimony of Manuel Miranda at page 28, lines 1-4. Please provide the amount of follow-up work equipment associated with capital by type of capital property (i.e. distribution -vs transmission and by poles, conductors, transformers, other).

RESPONSE:

See Attachment No. 1 to this response.

QUESTION:

Refer to the testimony of Manuel Miranda at page 30, lines 5-9. Please explain what Mr. Miranda means by the commitment to acquire external resources and have them travel "earlier" in hours.

RESPONSE:

The reference to acquiring resources earlier and having them travel earlier is specifically referring to the fact that based on the storm's projected track and intensity, FPL obtained more resources and had them travelling so that they could be pre-staged (e.g., at FPL staging sites) prior to Hurricane Irma's impact. This allowed FPL to pre-stage more than 16,000 storm resources in total for Hurricane Irma, which allowed for restoration work to be initiated as soon as the winds subsided.

QUESTION:

Refer to the testimony of Manuel Miranda at page 30, lines 10-12. Please explain how alternative lodging eliminates travel time.

RESPONSE:

By utilizing alternative lodging at FPL staging sites/facilities, resources are able to be located closer to the areas to be restored as well as the support needs (e.g., meals, fuel, equipment, materials, etc.) provided by FPL at the staging site/FPL facility. For example, restoration resources residing in hotels require travel time to and from their hotels to an FPL staging site/facility each day to receive various support needs. As a result of hotel availability, sometimes resources can be located 30+ miles away from the FPL staging site/FPL facility, requiring travel time to and from the hotel. Utilizing alternative lodging at FPL staging sites eliminates the travel time between the hotel and staging site/FPL facility, which increases daily restoration productivity.

QUESTION:

Refer to the testimony of Keith Ferguson at page 4, lines 4-12. Please identify the amount FPL is requesting as an offset to the tax savings, to the amount on page 1 or page 2 of Exhibit KF-1.

RESPONSE:

Mr. Ferguson's testimony was provided in support of the Commission's review of the prudence of the incurred Irma costs and does not contain any reference to an "offset." FPL is currently operating under a Commission-approved settlement agreement that includes an approved range of earnings. The settlement agreement also includes the opportunity to seek a storm cost recovery surcharge. As described in FPL's petition, FPL was able to forgo the request for a surcharge and remain within the return on equity range permitted under the settlement agreement.

Mr. Ferguson's testimony sets forth the final amount of restoration costs for Irma and the accounting treatment for those costs, consistent with Rule 25-6.0143(2)(h), F.A.C. As reflected on page 1 of Exhibit KF-1, FPL prudently and reasonably incurred a total of approximately \$1.378 billion in storm costs due to Hurricane Irma, of which approximately \$1.270 billion was charged to base operation and maintenance ("O&M") expense after removing the capital costs, below the line, and third party reimbursements.

QUESTION:

Refer to the testimony of Keith Ferguson at page 5, lines 1-15. Is it correct that FPL decided to charge the costs for the storm to O&M because FPL had a depreciation reserve sufficient to offset the restoration costs? If not, please explain.

RESPONSE:

As explained in FPL's answer to OPC's Second Set of Interrogatories No. 35, FPL's 2016 Settlement Agreement (Section 6) gives an option, but does not require, FPL to seek incremental storm cost recovery through a customer surcharge. Because another option was available through the framework of the 2016 Settlement Agreement and because of the enactment of the Tax Cuts and Jobs Act in December 2017, FPL decided to forgo the storm surcharge option with respect to the Hurricane Irma storm restoration costs and, instead, recorded the Hurricane Irma Costs to base operating and maintenance ("O&M") expense as permitted under Rule 25-6.0143(2)(h), F.A.C. This approach provided customers with the benefit of avoiding an incremental storm charge which would have been collected from customers through 2020. FPL presented this approach to OPC on a couple of occasions in early 2018.

It has always been FPL's position that Hurricane Irma storm-related costs would be subject to the Commission's review, regardless of whether an incremental charge was requested.

QUESTION:

Refer to the testimony of Keith Ferguson at page 11, lines 4-23. Does the witness agree that the amount of storm costs considered as restoration costs should be identifiable as a requested amount since the tax savings and storm costs will not be exactly the same dollar for dollar? If not, explain why not. If so, then identify the storm amount that is to be an offset to the tax savings.

RESPONSE:

No. To be clear, FPL is not requesting through this proceeding to establish a charge for the recovery of any incremental Hurricane Irma costs or for replenishment of the storm reserve. The purpose of this docket is for the Commission to review and determine that FPL's Hurricane Irma storm restoration costs were reasonable and that FPL's activities in restoring power following Hurricane Irma were prudent. Thus, FPL is requesting that the Commission find that its Irma costs have been prudently incurred. FPL presented and identified all storm related costs incurred, which total was approximately \$1.378 billion as shown on page 1 of Exhibit KF-1, of which approximately \$1.270 billion was charged to base operation and maintenance ("O&M") after removing capital, below the line and third party reimbursements. Further, there is no link between storm costs and tax savings levels as implied by the question. The settlement agreement provided FPL the flexibility to use reserve amortization to respond to decreases in expense (for example, any form of tax savings whether property, sales, or income taxes) and increases in expense (for example, the charge of storm costs to base O&M expense) and stay within the Commission-approved earnings range.

QUESTION:

Refer to the testimony of Keith Ferguson at pages 9-11 and page 16. Is it the witnesses understanding that determining the amount of storm costs is different when requesting costs for recovery versus when offsetting costs that would be returned to ratepayers? If so, please explain how the witness believes it is different. If not, explain why the final cost of restoration as shown on Exhibit KF-1 and Exhibit KF-2 are different.

RESPONSE:

FPL disagrees with the premise of the question. FPL is currently operating under a Commission-approved settlement agreement that includes an approved range of earnings. The settlement agreement also includes the opportunity to seek a storm cost recovery surcharge. As described in FPL's answer to OPC's Second Set of Interrogatories No. 35, FPL was able to forgo the request for a surcharge and remain within the return on equity range permitted under the settlement agreement. But regardless of whether FPL sought incremental recovery of the storm restoration costs, the total amount of storm restoration costs FPL incurred for Hurricane Irma would be the same. As shown in line 10 on page 1 of both Exhibits KF-1 and KF-2, the final total storm restoration costs are equal, approximately \$1.378 billion.

As explained in FPL's answers to OPC's Second Set of Interrogatories No. 35 and OPC's Third Set of Interrogatories No. 66, FPL decided to forgo seeking incremental recovery of the Hurricane Irma storm restoration costs and, instead recorded the storm restoration costs as base operation and maintenance ("O&M") expense. Line 24 on page 1 of Exhibit KF-1 presents the amount of the total storm restoration costs that were charged to O&M, approximately \$1.270 billion after removing capital, below the line, and thirty party reimbursements.

Because FPL is not seeking through this proceeding to establish a charge for recovery of any Hurricane Irma Costs or replenishment of the storm reserve, the Incremental Cost and Capitalization Approach ("ICCA") methodology under Rule 25-6.0143, F.A.C., is not applicable to this proceeding. However, to facilitate the Commission's evaluation of FPL's Hurricane Irma storm restoration costs, FPL has provided a breakdown in Exhibit KF-2 of the storm restoration costs as they would have been presented had the ICCA methodology been applicable. As reflected in line 51 on page 1 of Exhibit KF-2, FPL's Retail Recoverable Incremental Costs that would have been charged to the storm reserve for Hurricane Irma if the ICCA methodology applied were \$1.250 billion after removing capital, below the line, and thirty party reimbursements. Because the ICCA methodology is not applicable, the adjustments shown in Exhibit KF-2 are being provided for informational purposes only.

QUESTION:

Refer to the testimony of Keith Ferguson at page 16, lines 9-24. Does the witness agree that FPL has not applied the Incremental Cost and Capitalization Approach (ICCA) methodology as established in Rule 25-6.0143, F.A.C., in charging storm restoration costs against the depreciation reserve? Does he also agree that by not following the ICCA methodology FPL is recovering what would be classified as non-incremental costs as part of the offset to the tax savings amount that is supposed to be returned to ratepayers? If not, explain why not.

RESPONSE:

Mr. Ferguson does not agree with either statement. Because FPL is not seeking to establish a charge for recovery of Hurricane Irma Costs or replenishment of the storm reserve, the Incremental Cost and Capitalization Approach ("ICCA") methodology under Rule 25-6.0143, F.A.C., is not applicable to this proceeding. Further, contrary to the premise of the question, FPL did not charge storm restoration costs against the depreciation reserve; rather, it charged those costs to base operation and maintenance ("O&M") expense. With regard to the second question, FPL is operating in accordance with the Commission-approved settlement agreement as discussed in Interrogatory No. 67.

As reflected on page 1 of Exhibit KF-1, FPL prudently and reasonably incurred a total of approximately \$1.378 billion in storm costs due to Hurricane Irma, of which approximately \$1.270 billion was charged to O&M expense after removing capital, below the line, and third party reimbursements. As explained in FPL's answer to OPC Second Set of Interrogatories No. 35, FPL charged \$1.270 billion in storm costs to base O&M, as it would any prudently and reasonably incurred O&M cost. The purpose of this proceeding, as described by the Commission in its Order Establishing Procedure (Order No. PSC-2018-0290-PCO-EI), is "to evaluate the storm restoration costs for Florida Power & Light Company (FPL) related to Hurricane Irma." Any tax savings expected from the Tax Cuts and Jobs Act of 2017 is not the subject of this docket.

QUESTION:

Refer to the testimony of Eduardo Devarona at page 8, lines 1-9 and page 9, lines 8-12. Was any of the damage as described covered by insurance? If not, why not? If so, what amount was reimbursed and how was it accounted for?

RESPONSE:

As discussed in the direct testimony of FPL witness Ferguson, FPL has an insurance policy that provides coverage, subject to the terms and conditions of the insuring agreement, for certain assets located at the Turkey Point nuclear facility that sustained damage as a result of Hurricane Irma. However, the amount of the potential claim that would have otherwise been covered by insurance was approximately equal to the policy's deductible and an additional co-insurance provision. If a claim had been made under these circumstances, FPL would have received an increase in the premiums to be paid during the following years, such that the increase in premiums would likely have been greater than the minimal amount that might have been recovered from the insurer if a claim had been made. As a result, FPL acted prudently and in customers' best interests in foregoing the opportunity to seek recovery under the applicable insurance policy.

QUESTION:

Line Clearing. Please provide the calculation of the three year average of tree trimming costs that was excluded from the line clearing restoration costs and identify where on Exhibit KF-2 these costs were excluded.

RESPONSE:

FPL is not seeking any incremental recovery for the storm costs through either a surcharge or depletion of the storm reserve and, therefore, the ICCA methodology is not applicable to the Hurricane Irma storm restoration costs. FPL provided the ICCA adjustments on Exhibit KF-2 for informational purposes only and to facilitate the review of the storm restoration costs. See Attachment No. 1 for the 2014 through 2016, three year average of tree trimming costs for the month of September that FPL used in its calculation of the non-incremental line clearing costs that would have been applicable if the ICCA methodology applied in this case. The amount that would have been excluded from line clearing costs, if FPL was seeking recovery of Hurricane Irma storm restoration costs and if the ICCA methodology applied, is reflected on line 29 of Exhibit KF-2.

QUESTION:

Payroll. For 2017, please provide the actual O&M base payroll by account, the amount of O&M overtime by account, and the amount of O&M other compensation (i.e. incentive pay, etc.) by account, and identify what is included in other compensation.

RESPONSE:

See Attachment No. 1 for 2017 actual O&M base regular and overtime payroll by FERC account. Note, FPL did not include Other Compensation in FPL Regular and Overtime Payroll and Related Costs reflected on lines 2 and 3 of Exhibits KF-1 and KF-2 and has not included it in its response to this interrogatory as it is not pertinent to this docket.

Note that, as explained in FPL's answers to OPC's Second Set of Interrogatories No. 35 and OPC's Third Set of Interrogatories No. 66, FPL decided to forgo seeking incremental recovery of the Hurricane Irma storm restoration costs and, instead recorded the storm restoration costs as base operation and maintenance ("O&M") expense. Because FPL is not seeking through this proceeding to establish a charge for recovery of any Hurricane Irma Costs or replenishment of the storm reserve, the Incremental Cost and Capitalization Approach ("ICCA") methodology under Rule 25-6.0143, F.A.C., is not applicable to this proceeding. As a result, the incremental regular payroll expense that would have been charged to the storm reserve under the ICCA method was charged to and included in the 2017 actual base O&M.

QUESTION:

Payroll. Please provide the amount of base O&M payroll included in rates and the amount of overtime O&M payroll included in rates for rates in effect for 2017.

RESPONSE:

The base rates in effect for 2017 were the result of a full comprehensive, black box settlement agreement approved by the Commission in Docket No. 20160021-EI ("2016 Settlement"). The 2016 Settlement was achieved after extensive, good faith negotiations among the signatory parties and represented a compromise of many diverse and competing litigation positions. As a result, the actual revenue requirement adopted under the 2016 Settlement was significantly less than the as-filed revenue requirement. The fixed base rates approved under the 2016 Settlement were designed to achieve this settled revenue requirement, not the as-filed revenue requirement. Although the base rates charged to customers under the 2016 Settlement are fixed, the 2016 Settlement agreement did not fix or otherwise specify the amount of regular O&M payroll or overtime O&M payroll to be charged to base rates in any given year. The actual amount of regular O&M payroll or overtime O&M payroll to be charged to base rates can and does fluctuate from year to year – meaning the amount of regular O&M payroll and/or overtime O&M payroll charged to base rates in one year could be the same, more, or less than the amount charged to base rates in prior or subsequent years. However, these fluctuations do not alter the fixed base rates charged to customers under the 2016 Settlement. For 2017, the amount of regular O&M payroll and overtime O&M payroll charged to base rates is provided in FPL's amended response to OPC's Third Set of Interrogatories No. 72.

QUESTION:

Capital Cost. Refer to the response to OPC Interrogatory No. 30. Please provide a breakdown to poles, transformers, conductor and other, if applicable, of the Distribution follow-up work costs of \$6 1,403,500.

RESPONSE:

See FPL's response to OPC's Third Set of Interrogatories No. 62.

QUESTION:

Capital Cost. Refer to the response OPC Interrogatory No. 33. Please explain in detail what "Auth MHRS" and "Estimated Construction Man Hours" is as shown on Attachment I, Pages 1 and 2, respectively, and explain how they are determined.

RESPONSE:

The Authorized Man Hours (AUTH MHRS) from FPL's Transmission Project Update and Reporting System (PUR) and the Estimated Construction Man Hours from FPL's Distribution Work Management System are essentially the same, as they both represent the estimated man hours to complete whatever work is being performed. The estimated construction man hours utilized by both systems are based on labor studies.

QUESTION:

Capital Cost. Refer to the response to OPC Interrogatory No. 34. Please provide the standard contractor dollar/CMH utilized.

RESPONSE:

See the tables below for FPL's standard contractor rates used in FPL's Work Management System (WMS) & Project Update and Reporting (PUR) for work completed in 2017 and 2018 on a \$/CMH basis.

2017 & 2018 WMS Rates - Distribution		
Company Crew Class	FPL Rate	Contractor Rate
Construction Crew	\$152.99	
Cable Splicer	108.16	
Meter Crew	140.46	
Network Maint Crew	108.16	
Overhead Crew	140.46	
Pole Crew	140.46	
Service Crew	140.46	
URD Crew	152.99	

PUR Rates - Transmission	2017	2018
FPL Crew Rate	\$122.24	\$125.88
Contractor Crew Rate		

QUESTION:

Other. Refer to the response to OPC Interrogatory Nos. 5 and 28. Please explain why there is a difference between the costs and identify the actual amount that forms the basis for the Company's request.

RESPONSE:

See FPL's response to OPC Second Set of Interrogatories No. 52.

QUESTION:

Refer to the response to OPC Interrogatory No. 20. Please explain the type of costs were that were charged to the nuclear function, listed as unassigned, that were under the \$100,000 threshold that totaled to \$4,445,039.

RESPONSE:

During the restoration process, FPL reviewed the work performed in real time to ensure that these activities were reasonable and the costs were prudently incurred. FPL has not performed a subsequent analysis that aggregates all invoices under the \$100,000 discovery threshold to determine all of the specific types of costs that were charged.

Based on a sampling of the invoices under the \$100,000 discovery threshold, the invoices that were charged to the nuclear function are primarily associated with costs to repair structures at Turkey Point that sustained damage from Hurricane Irma, including training building roof repairs, replacement of damaged fencing, repairing external berms, and security lighting replacement. Additionally, because Turkey Point Unit 3 was taken offline due to Hurricane Irma, invoices that were charged to the nuclear function also include payment for the labor required to bring Turkey Point Unit 3 back online when it was safe to do so.

QUESTION:

Refer to the response to OPC Interrogatory No. 20. Please explain what the various types of costs were (i.e. meals, lodging, time charges, equipment charges, etc.) that were listed as being under \$75,000 and charged to the distribution function for the following vendors:

- a.
- b.
- c.
- d.
- e.
- f.
- g.
- h.
- i.
- j.
- k.
- l.
- m.
- n.
- o.
- p.
- q.
- r.
- s.



RESPONSE:

The invoices for the contractors listed above are primarily associated with costs to restore service to customers/and or repair street lights. While FPL reviewed and approved the subject invoices, no analysis has been done to break down the charges by various types of costs such as meals, lodging, time charges, equipment charges, etc. The general category of the work performed by each of the contractors, whose costs were under \$75,000 and charged to the distribution function, are as follows:

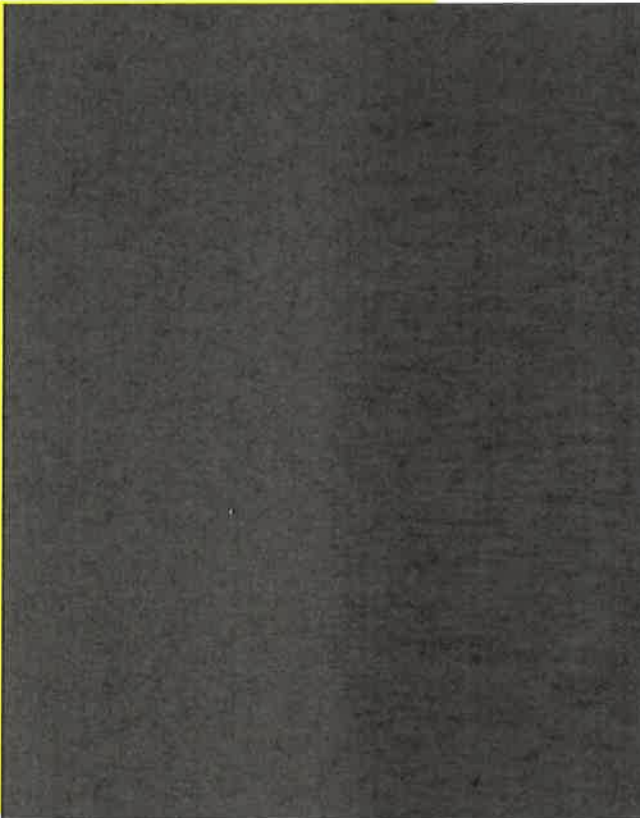
- a. [REDACTED] – street light restoration
- b. [REDACTED] – line work to restore customer service
- c. [REDACTED] - street light restoration
- d. [REDACTED] - patrol and damage assessment services
- e. [REDACTED] - line work to restore customer service

- f. [REDACTED] - street light restoration
- g. [REDACTED] - line work to restore customer service
- h. [REDACTED] - street light restoration
- i. [REDACTED] - line work to restore customer service
- j. [REDACTED] - line work to restore customer service
- k. [REDACTED] - line work to restore customer service
- l. [REDACTED] - street light restoration
- m. [REDACTED] - street light restoration
- n. [REDACTED] - line work to restore customer service
- o. [REDACTED] - line work to restore customer service
- p. [REDACTED] - street light restoration
- q. [REDACTED] - line work to restore customer service
- r. [REDACTED] - line work to restore customer service
- s. [REDACTED] - line work to restore customer service

QUESTION:

Refer to the response to OPC Interrogatory No. 20. Please explain the type of costs were that were incurred and charged to the distribution function for the following vendors:

- a.
- b.
- c.
- d.
- e.
- f.
- g.
- h.
- i.
- j.
- k.
- l.
- m.
- n.
- o.
- p.
- q.
- r.
- s.
- t.
- u.
- v.
- w.



RESPONSE:

The invoices are primarily associated with costs to provide services and/or equipment in direct support of Hurricane Irma restoration activities as well as post storm follow-up work. While FPL reviewed and approved the subject invoices, no analysis has been done to break down the charges by various types of costs such as meals, lodging, time charges, equipment charges, etc. The general category of the work performed by each of the contractors, whose costs were under \$100,000 and charged to the distribution function, are as follows:

- a. [REDACTED] – septic tank and drain field services
- b. [REDACTED] – vegetation management arborists
- c. [REDACTED] – aerial photography and drone services
- d. [REDACTED] – engineering and project management consultants

- e. [REDACTED] – line work to restore customer service
- f. [REDACTED] – traffic control services, flaggers
- g. [REDACTED] – crane and rigging services
- h. [REDACTED] – post storm follow-up infrared inspections
- i. [REDACTED] – transport services
- j. [REDACTED] – patrol and damage assessment services
- k. [REDACTED] – line work to restore customer service
- l. [REDACTED] – consulting services for storm support
- m. [REDACTED] – engineering / field technicians' smart devices
- n. [REDACTED] – environmental services
- o. [REDACTED] – patrol and damage assessment services
- p. [REDACTED] – staffing services
- q. [REDACTED] – arborist and post storm patrols
- r. [REDACTED] – project management services
- s. [REDACTED] – trucking and logistics services
- t. [REDACTED] – patrol and damage assessment services
- u. [REDACTED] – loading / unloading equipment and services
- v. [REDACTED] – clean-up crews / protective ground matting
- w. [REDACTED] – line work to restore customer service

QUESTION:

Refer to the response to OPC Interrogatory No. 20. Please explain why the charges for The Davey Tree Expert Company are not included with line clearing costs.

RESPONSE:

FPL inadvertently classified \$216,242 of line clearing charges for The Davey Tree Expert in the Contractor category on line 4 of Exhibit KF-1. As a result, the revised amount of Line Clearing costs is \$140.1 million, and the revised amount of Contractor costs is \$824.9 million. Note, this reassignment of costs among cost categories does not affect the total amount of Storm Related Restoration Costs reflected on line 10 of KF-1.

QUESTION:

Refer to the response to Production of Documents No. 6 and the testimony of Manuel Miranda at page 16, lines 12-16. Please explain why the vendor invoice provided for the various contractors "Contractors Storm Crew Invoice" appears to be the same document (i.e. a standard form with different rates and names) and why the actual vendor invoice supplied to FPL have not been provided to OPC especially since the payment center has indicated that it is verifying "invoices received from the contracted companies."

RESPONSE:

FPL recommends that the storm crew vendors use FPL's invoice template to assist in ensuring that the vendor includes the data necessary to streamline the review and processing of the charges incurred, rather than each vendor supplying their own individual and unique invoice. As a result, in many cases the "actual vendor invoice" - as that term is used in this interrogatory - is the completed FPL invoice template, and as such there may be no other type of vendor invoice provided. However, FPL also accepts non-standard storm crew vendor invoices.

QUESTION:

Line Restoration Contractors. Please provide a summary of the respective contractors showing when the contractor was authorized to mobilize and bill time, when the contractor was performing restoration and when the contractor was released. If the information is not available as requested, please explain how FPL was able to approve and authorize the various hourly rates and time charged.

RESPONSE:

Please see amended confidential Attachment No. 1.

QUESTION:

Line Clearing Contractors. Please provide a summary of the respective contractors showing when the contractor was authorized to mobilize and bill time, when the contractor was performing restoration and when the contractor was released. If the information is not available as requested explain how FPL was able to approve and authorize the various hourly rates and time charged.

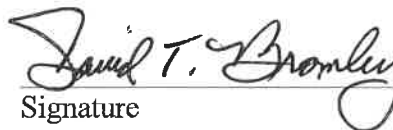
RESPONSE:

Please see confidential Attachment No. 1.

DECLARATION

I sponsored the answers to Interrogatory Nos. 54-60, 63, 64, 75, 79, 80, 83 and 84 and co-sponsored the answer to No. 76, from the Office of Public Counsel's Third Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.


Signature

David T. Bromley

Date: November 13, 2018

DECLARATION

I sponsored the answer to Interrogatory No. 78 and co-sponsored the answer to No. 70, from the Office of Public Counsel's Third Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.



Signature

Eduardo DeVarona

Date: 11-13-2018

DECLARATION

I sponsored the answers to Interrogatory Nos. 61, 62, 65-69, 71-75, 77, and 81-82, and co-sponsored the answers to Nos. 70 and 76, from the Office of Public Counsel's Third Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.



Signature

Keith Ferguson

Date: 11/13/2018

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FPL's response to OPC's 4th Interrogatories

85 - 120, 122, 126

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 26
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Manz (85- 120, 122-126)

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please verify that the following invoices listed on the excel sheet were not provided with your response:

- a. If the below-referenced invoices were provided, please identify their location within the three folders you produced.
- b. If the invoices were not provided, please explain why not, and explain why they cannot be produced on an expedited basis.

<u>PO Number</u>	<u>Vendor Description</u>	<u>Amount</u>
2000249590		125,615.01
2000250798		521,203.88
2000248767		105,740.89
4200001344		755,420.00
2000260580		128,266.07
2000259131		843,853.00
2000260181		261,570.00
2000262111		442,696.56
2000262216		117,882.52
2000264413		240,178.68
2000264973		223,385.39
2000270304		255,430.00
2000224040		191,998.69
2000224040		246,529.05
#	Not Assigned	156,800.00
#	Not Assigned	163,856.00
#	Not Assigned	396,830.92
#	Not Assigned	197,398.54
#	Not Assigned	133,966.00
#	Not Assigned	139,944.00
#	Not Assigned	136,920.63
#	Not Assigned	438,430.48
2600964109		659,351.00
2601007102		128,753.09

RESPONSE:

- a. FPL provided the following invoices in response to OPC's First Request for Production of Documents No. 6, Attachment 6a:




PO Number	Vendor Description	Amount	Bates Range
2000248767		\$105,740.89	See FPG10005-header in Irma OPC POD 6a folder, also 051908-051964
4200001344		\$755,420.00	071633-071634
2000260580		\$128,266.07	066201-066233
2000259131		\$843,853.00	066244-066294
2000260181		\$261,570.00	066295-066427
2000262216		\$117,882.52	068394-068465
2000264413		\$240,178.68	069473-069493
2000264973		\$223,385.39	070018-070045
2000224040		\$191,998.69	052346-052362
2000224040		\$246,529.05	052316-052344
#	Not Assigned	\$156,800.00	071608
#	Not Assigned	\$163,856.00	071609
#	Not Assigned	\$396,830.92	071615
#	Not Assigned	\$197,398.54	071616
#	Not Assigned	\$133,966.00	071617
#	Not Assigned	\$139,944.00	071618
#	Not Assigned	\$438,430.48	014751, 014753-014817

The [REDACTED] invoice referenced above (Document Reference No. 5003760045) in the amount of \$211,481.78 was split \$105,740.89 across two IOs (the storm deferral account SD0007885033 being applicable here). This invoice was produced with FPL's response to OPC's First Request for Production of Documents No. 6 but was inadvertently not Bates labeled.

With reference to the "Not Assigned" invoices referenced above and found at Bates Nos. 071608, 071609, 071617, and 071618, FPL received two percent discounts for early payment. For the "Not Assigned" invoices found at Bates Nos. 071615 and 071616, the amounts in the invoices vary from the amounts listed in the foregoing table because the amounts in the table reflect individual charges to IOs, which, added together with other IO charges, equal the total amounts provided in these invoices.

- b. The following invoices were inadvertently not included in FPL's response to OPC's First Request for Production of Documents No. 6, Attachment 6a and are being provided in FPL's response to OPC's Fifth Request for Production of Documents No. 28:


PO Number	Vendor Description	Amount
2000249590		\$125,615.01
2000250798		\$521,203.88
2000262111		\$442,696.56
2000270304		\$255,430.00
#		\$136,920.63
2600964109		\$659,351.00
2601007102		\$128,753.09

The  invoice listed above is a fixed bid contract, so there are no timesheets. FPL only has the PO and the as built prints in support of this invoice, which show  work at each location on FPL's feeder following the results of Thermovision inspections performed by .

Additionally, the "Not Assigned" amount of \$136,920.63 charged to the storm restoration IO is included in the invoice totaling \$146,622.25, which invoice was charged to several IOs in addition to the storm restoration IO. The highlighted amounts below for \$6,566.07, \$90,000.00 and \$40,354.56 support the "Not Assigned" amount of \$136,920.63 that was charged to the storm restoration IO.



Display Document: Overview


Display Currency

Document Number	1900519780	Company Code	1500	Fiscal Year	2017
Document Date	09/25/2017	Posting Date	10/20/2017	Period	10
Reference	4730770003561153	Cross-CC no.			
Currency	USD	Texts exist	<input type="checkbox"/>		

Items in Document Currency

PK	Acct	Description	Order	CC	FA	PC	Amount in	USD
31	55690	US BANK NATIONA				6780	146,622.25-	
40	5310000	Employee Welfar	S011000000081			6400	6,566.07	
40	5310000	Employee Welfar	S011000000081			6400	20,090.00	
40	5310000	Employee Welfar	S011000000081			6400	40,354.56	
40	5760300	Office Supplies	S011000000081			6400	598.38	
40	5400100	Matrls & Supp -	S011000000172			6400	4,551.62	
40	5400100	Matrls & Supp -	S011000000143			6400	4,551.62	

Item	1 / 7	Debit/Credit	146,622.25
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QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain what line cost on the excel sheet is supported by the file 1900519780 in the Crystal Clear folder.

RESPONSE:

File 1900519780 provided in FPL's response to OPC's First Request for Production of Documents No. 6 supports excel line 721 on the excel sheet FPL provided with its response.

File Name	Account Description	Document Ref Number	Time: Posting date	Amount SEPT 2017- May 2018	Expense Group	Document Type Description
1900528375	OUTSIDE SVCS: Contractor Manual Labor Co	1900528375	12/21/2017	438,430.48	Contractor	Site AP Invoice

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why the PO in file 2000257503 in the Crystal Clear folder states that "No Supplier Invoicing Required".

RESPONSE:

FPL has a couple of different ways to process a transaction in SAP. In some cases, we utilize a process in SAP that upon confirmation of receipt of a service, SAP will automatically create the payment to the vendor without the vendor supplying an additional invoice. This process is used when the vendor's initial submittal provides enough supporting documentation that FPL uses it to confirm receipt of the good or service and processes payment. The use of this process is predefined with the vendor at time of contracting. In this type of SAP transaction, the system will auto generate a "No supplier Invoicing Required" message on the purchase order. However, even when the "No Supplier Invoicing Required" message is generated, the vendor is still required to provide supporting documentation for storm invoice payment processing, which is used to review for payment, process the confirmation of receipt, and process the payment.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain how the detail in file 5202706982 in the Crystal Clear folder is support for the [REDACTED] amounts of \$127,780.02; \$111,291.28 and \$103,856.08 listed on the excel sheet.

RESPONSE:

The document in file 5202706982 is for [REDACTED] invoice number 62295, which provides supporting detail for the amount of \$103,856.08. Included on page 5 of the documentation for file 5202706982 is a summary of [REDACTED] invoices that includes, among other invoices, [REDACTED] invoice number 62260 for the amount of \$111,291.28 and [REDACTED] invoice number 62624 for the amount of \$127,780.20, which invoices were provided in file 5202707035 and 5202711707, respectively.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain what the difference is in files 5202706982 and 5202707035 in the Crystal Clear folder.

RESPONSE:

Document 5202706982 is for [REDACTED] Invoice 62295 in the amount of \$103,856.08 and covers work done by [REDACTED] crew. Document 5202707035 is for [REDACTED] Invoice 62260 in the amount of \$111,291.28 and covers work done by [REDACTED] crew.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why the reference number for documents included changed from the PO Number to a reference number beginning with 19.

RESPONSE:

The documents FPL pulled from its records which were provided in its response to OPC's First Request for Production of Documents No. 6 were keyed on the document reference number field which ties to individual transactions in FPL's books and records. FPL's financial system, SAP, tags a transaction multiple times throughout the payment process with "document numbers." In many cases, FPL had to take the document reference number provided in SAP and link it to other parts of FPL's systems in order to obtain the support for the transaction. In some cases, the invoice support was saved using the PO number but in some cases, it was saved using a different reference to the same transaction. FPL provided a key in its response to OPC's First Request for Production of Documents No. 6, to reference and translate the Document Reference Number to the end document where the support was ultimately pulled from.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why various different vendor invoices were included the file POD 6a Invoices pdf when other vendor invoices were provided separately.

RESPONSE:

In order to maximize efficiency, the voluminous invoices produced in file "POD 6a Invoices pdf.pdf" were combined into one PDF file.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why vendor invoices included the file POD 6a Invoices pdf were not assembled by invoice and detail (i.e., Invoice 166544 for [REDACTED] is on page 116 and pages 132-136 and in between those pages is Invoice 166576 for [REDACTED] on pages 117-131, and that invoices is below the threshold).

RESPONSE:

The invoice pages referenced above were inadvertently intermingled during production in response to OPC's First Request for Production of Documents No. 6. The invoice 166576, which was below the agreed upon threshold, was also inadvertently included during the production response.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why there are no supporting documents for the [REDACTED] invoice (FPL 071899) provided at page 278.

RESPONSE:

Please see FPL's response to OPC's Fifth Request for Production of Documents No. 31 for the supporting documents applicable to the [REDACTED] invoice, which were inadvertently not included in FPL's response to OPC's First Request for Production of Documents No. 6, Attachment 6a.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why there are no supporting documents for the [REDACTED] invoice (FPL 071900) provided at page 279 (note that there are 2 invoices for the exact same amount for this vendor listed on the excel listing for POD 6 and the excel file in Interrogatory number 20).

RESPONSE:

Please see FPL's response to OPC's Fifth Request for Production of Documents No. 31 for the supporting documents applicable to the [REDACTED] invoice, which were inadvertently not included in FPL's response to OPC's First Request for Production of Documents No. 6, Attachment 6a.

Note that the invoices for [REDACTED] listed on the excel listing for Production of Documents No. 6 and the excel file in Interrogatory No. 20 are for two different crews from the same vendor.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why there are no supporting documents or other invoice pages for the [REDACTED] invoice (FPL 071901) provided at page 280.

RESPONSE:

Please see FPL's response to OPC's Fifth Request for Production of Documents No. 31 for the supporting documents and/or additional invoice pages applicable to the [REDACTED] invoice, which were inadvertently not included in FPL's response to OPC's First Request for Production of Documents No. 6, Attachment 6a.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why there are no supporting documents or other invoice pages for the [REDACTED] invoice (FPL 071902) provided at page 281.

RESPONSE:

This vendor performed streetlight repairs required as a result of damage sustained during Hurricane Irma, and they were paid on a cost per ticket basis. FPL is unable to locate all of the supporting documentation at this time, but we have provided the available tickets associated with this invoice in FPL's response to OPC's Fifth Request for Production of Documents No. 31 which were inadvertently not included in FPL's response to OPC's First Request for Production of Documents No. 6, Attachment 6a. During the restoration process, FPL reviewed the work performed by this contractor in real time to ensure that their activities were reasonable and the costs were prudently incurred.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why there are no supporting documents or other invoice pages for the [REDACTED] invoice (FPL 071903) provided at page 282.

RESPONSE:

Please see FPL's response to OPC's Fifth Request for Production of Documents No. 31 for the supporting documents and/or additional invoice pages applicable to the [REDACTED] invoice, which were inadvertently not included in FPL's response to OPC's First Request for Production of Documents No. 6, Attachment 6a.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why there are no supporting documents or other invoice pages for the [REDACTED] invoice (FPL 071904) provided at page 283.

RESPONSE:

The restoration work that was required to be performed by this contractor through this invoice was bid under a single source lump sum contract; therefore, no hourly man-hour rates or itemized back-up documentation is available.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why there are no supporting documents for the [REDACTED] invoice (FPL 071905) provided at page 284.

RESPONSE:

Please see FPL's response to OPC's Fifth Request for Production of Documents No. 31 for the supporting documents applicable to the [REDACTED] invoice, which were inadvertently not included in FPL's response to OPC's First Request for Production of Documents No. 6, Attachment 6a.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why there are no supporting documents for the [REDACTED] invoice (FPL 071906) provided at page 285.

RESPONSE:

This vendor performed streetlight repairs required as a result of damage sustained during Hurricane Irma, and they were paid on a cost per ticket basis. FPL is unable to locate all of the supporting documentation at this time, but we have provided the available tickets associated with this invoice in FPL's response to OPC's Fifth Request for Production of Documents No. 31 which were inadvertently not included in FPL's response to OPC's First Request for Production of Documents No. 6, Attachment 6a. During the restoration process, FPL reviewed the work performed by this contractor in real time to ensure that their activities were reasonable and the costs were prudently incurred.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why there are no supporting documents for the [REDACTED] invoice (FPL 071907) provided at page 286.

RESPONSE:

The work that was performed by this vendor was paid on a cost per ticket basis. Please see FPL's response to OPC's Fifth Request for Production of Documents No. 31 for the supporting documents applicable to the [REDACTED] invoice, which were inadvertently not included in FPL's response to OPC's First Request for Production of Documents No. 6, Attachment 6a. During the restoration process, FPL reviewed the work performed in real time to ensure that these activities were reasonable and the costs were prudently incurred.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why there are no supporting documents for the [REDACTED] invoice (FPL 071908) provided at page 287.

RESPONSE:

The work that was performed by this vendor was paid on a cost per ticket basis. Please see FPL's response to OPC's Fifth Request for Production of Documents No. 31 for the supporting documents applicable to the [REDACTED] invoice, which were inadvertently not included in FPL's response to OPC's First Request for Production of Documents No. 6, Attachment 6a. During the restoration process, FPL reviewed the work performed in real time to ensure that these activities were reasonable and the costs were prudently incurred.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why there are no supporting documents for the [REDACTED] invoice (FPL 071909) provided at page 288.

RESPONSE:

Please see FPL's response to OPC's Fifth Request for Production of Documents No. 31 for the supporting documents applicable to the [REDACTED] invoice, which were inadvertently not included in FPL's response to OPC's First Request for Production of Documents No. 6, Attachment 6a.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why there are no supporting documents for the [REDACTED] invoice (FPL 071910) provided at page 289.

RESPONSE:

Please see FPL's response to OPC's Fifth Request for Production of Documents No. 31 for the supporting documents applicable to the [REDACTED] invoice, which were inadvertently not included in FPL's response to OPC's First Request for Production of Documents No. 6, Attachment 6a.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why there are no supporting documents for the [REDACTED] invoice (FPL 071911) provided at page 290.

RESPONSE:

Please see FPL's response to OPC's Fifth Request for Production of Documents No. 31 for the supporting documents applicable to the [REDACTED] invoice, which were inadvertently not included in FPL's response to OPC's First Request for Production of Documents No. 6, Attachment 6a.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why there are no supporting documents for the [REDACTED] invoice (FPL 071912) provided at page 291.

RESPONSE:

Please see FPL's response to OPC's Fifth Request for Production of Documents No. 31 for the supporting documents applicable to the [REDACTED] invoice, which were inadvertently not included in FPL's response to OPC's First Request for Production of Documents No. 6, Attachment 6a.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why there are no supporting documents for the [REDACTED] invoice (FPL 071913) provided at page 292.

RESPONSE:

Please see FPL's response to OPC's Fifth Request for Production of Documents No. 31 for the supporting documents applicable to the [REDACTED] invoice, which were inadvertently not included in FPL's response to OPC's First Request for Production of Documents No. 6, Attachment 6a.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why there are no supporting documents for the [REDACTED] invoice (FPL 071914) provided at page 293.

RESPONSE:

Please see FPL's response to OPC's Fifth Request for Production of Documents No. 31 for the supporting documents applicable to the [REDACTED] invoice, which were inadvertently not included in FPL's response to OPC's First Request for Production of Documents No. 6, Attachment 6a.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why there are no supporting documents for the [REDACTED] invoice (FPL 071915) provided at page 294.

RESPONSE:

Please see FPL's response to OPC's Fifth Request for Production of Documents No. 31 for the supporting documents applicable to the [REDACTED] invoice, which were inadvertently not included in FPL's response to OPC's First Request for Production of Documents No. 6, Attachment 6a.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why there are no supporting documents for the [REDACTED] invoice (FPL 071916) provided at page 295.

RESPONSE:

Please see FPL's response to OPC's Fifth Request for Production of Documents No. 31 for the supporting documents applicable to the [REDACTED] invoice, which were inadvertently not included in FPL's response to OPC's First Request for Production of Documents No. 6, Attachment 6a.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why there are no supporting documents for the [REDACTED] invoice (FPL 071917) provided at page 296.

RESPONSE:

Please see FPL's response to OPC's Fifth Request for Production of Documents No. 31 for the supporting documents applicable to the [REDACTED] invoice, which were inadvertently not included in FPL's response to OPC's First Request for Production of Documents No. 6, Attachment 6a.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why a 10% mark-up is allowed for costs billed by [REDACTED] on FPL 071965 pages 344-345.

RESPONSE:

The 10% markup was approved as part of the overall contract negotiated with this vendor, which is an environmental consultant. The markup is considered to be typical of the fair market value for the given scope of service.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why there are no supporting documents for the [REDACTED] invoice (FPL 071989) provided at page 368 and explain why there is a difference between the invoice amount and the amount listed on the POD 6 excel sheet.

RESPONSE:

Please see FPL's response to OPC's Fifth Request for Production of Documents No. 31 for the supporting documents applicable to the [REDACTED] invoice, which were inadvertently not included in FPL's response to OPC's First Request for Production of Documents No. 6, Attachment 6a.

The difference between the invoice amount and the amount listed on the POD 6 excel sheet is that the [REDACTED] Invoice 12878 was applied over three IOs as follows:

Display Document: Overview

Taxes

Display Currency

Document Number

5102433237

Company Code

1500

Fiscal Year

2018

Document Date

12/14/2017

Posting Date

01/05/2018

Period

1

Reference

12878

Cross-CC no.

Currency

USD

Texts exist

☐

Items in Document Currency

PK	Acct	Description	Order	CC	FA	PC	Amount in	USD
31	6000021352					6780	526,155.94-	
86	3100605	GR/IR Clearing	SD0007890293			6400	390,933.87	
86	3100605	GR/IR Clearing	SD0007890310			6400	68,400.27	
86	3100605	GR/IR Clearing	SD0007890367			6400	66,821.80	

Item

1 / 4

Debit/Credit

526,155.94

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why there are no supporting documents for the [REDACTED] invoice (FPL 071990) provided at page 369 and identify where the cost is listed on any of the excel files for POD 6.

RESPONSE:

Please see FPL's response to OPC's Fifth Request for Production of Documents No. 31 for the supporting documents applicable to the [REDACTED] invoice, which were inadvertently not included in FPL's response to OPC's First Request for Production of Documents No. 6, Attachment 6a.

The cost for this invoice is listed on line 594 in the 6a part 1 tab of the excel file for POD 6. The amount identified in the invoice (\$164,950) was adjusted to include sales tax, which is reflected on line 594 as \$174,897.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why there are no supporting documents for the [REDACTED] invoice (FPL 071991) provided at page 370.

RESPONSE:

Please see FPL's response to OPC's Fifth Request for Production of Documents No. 31 for the supporting documents applicable to the [REDACTED] invoice, which were inadvertently not included in FPL's response to OPC's First Request for Production of Documents No. 6, Attachment 6a.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why there are no supporting documents for the [REDACTED] invoice (FPL 072037) provided at page 416.

RESPONSE:

Please see FPL's response to OPC's Fifth Request for Production of Documents No. 31 for the supporting documents applicable to the [REDACTED] invoice, which were inadvertently not included in FPL's response to OPC's First Request for Production of Documents No. 6, Attachment 6a.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why there are no supporting documents for the [REDACTED] invoice (FPL 072041) provided at pages 417-420.

RESPONSE:

The referenced invoice (Bates Nos. 072038 – 072041) is not a line or vegetation crew invoice. Rather, this invoice is an itemized lump sum invoice for follow-up work necessary to repair multiple damaged culverts on FPL's system that were identified through aerial patrols, driving patrols, and while other storm restoration and follow-up work was being completed. The contractor is an embedded contractor that routinely performs this type of work on FPL's system. The invoice provides the lump sum amounts charged by the contractor to repair the identified culverts based on the size and number of culverts and the scope of work necessary to repair the culverts. The lump sum amounts for each culvert project were negotiated and agreed to by FPL's Northern Area Transmission Operations Group prior to the contractor beginning the culvert project. Upon receipt of the contractor invoice, FPL's Northern Area Transmission Operations Group reviewed and confirmed that the amounts reflected in the invoice were accurate and authorized payment. The lump sum amounts shown on the invoice are total culvert project costs, inclusive of all contractor materials and crew time. As such, there are no additional supporting documents required for this type of invoice to be processed and paid.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please explain why there are no supporting documents for the [REDACTED] invoice (FPL 072042) provided at page 421.

RESPONSE:

The referenced invoice (Bates No. 072042) is not a line or vegetation crew invoice. Rather, this invoice is a lump sum invoice for follow-up work necessary to repair a single damaged culvert on FPL's system. No additional supporting documents were required for this invoice to be processed and paid. See FPL's response to OPC's Fourth Set of Interrogatories No. 117.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6b, POD 6b Invoices pdf file. Please explain why there are no supporting documents for the [REDACTED] invoice (FPL 014676) provided at pages 112-119.

RESPONSE:

Please see FPL's response to OPC's Fifth Request for Production of Documents No. 31 for the Purchase Order applicable to the [REDACTED] invoice (FPL 014676). The restoration work that was required to be performed by this contractor through this invoice was bid under a single source lump sum contract for the following activities at FPL's fuel terminals: cleaning and gas freeing; installation of a tank door sheet; and fuel/water disposal. Because this was a defined scope job with a not to exceed price structure, daily time sheets were not part of project management effort.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6b, POD 6b Invoices pdf file. Please explain why there are no supporting documents for the [REDACTED] invoice (FPL 014680) provided at page 113.

RESPONSE:

Please see FPL's response to OPC's Fifth Request for Production of Documents No. 31 for the Purchase Order applicable to the [REDACTED] invoice (FPL 014680). [REDACTED] was not retained to clear lines or rebuild or repair poles and wires in connection with Hurricane Irma. The proposal submitted by [REDACTED] to FPL was for the contractor to perform emergency response activities (air monitoring for volatile organic compounds) associated with two of its Jet-A fuel tanks (Tanks 901 and 902) located at the FPL Port Everglades Energy Center, with charges not to exceed \$100,000. The vendor provided FPL with final reports documenting the work it had performed as well as its findings. No further backup information is available.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6b, POD 6b Invoices pdf file. Please explain whether the costs for [REDACTED] (FPL 0143681-014684) on pages 124-127 were capitalized. If not explain why not.

RESPONSE:

The costs for [REDACTED] provided in FPL's response to OPC's First Request for Production of Documents No. 6 bates FPL 0143681-014684 on pages 124-127 were incurred to repair damage to fuel storage tanks located at FPL's Port Everglades facility that were damaged during Hurricane Irma. The costs were not capitalized as they do not meet the capitalization criteria per FPL's capitalization policy as provided in FPL's response to OPC's First Request for Production of Documents No. 5.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a Part2. Please verify that the following invoices listed on the excel sheet were not provided:

- a. If the below-referenced invoices were provided, please identify their location within the three folders you produced.
- b. If the invoices were not provided, please explain why not, and explain why they cannot be produced on an expedited basis.

<u>File Name</u>	<u>Vendor Description</u>	<u>Amount</u>
5003975155		255,430.00
5202648709		642,752.32
5202648715		683,492.67
5202648717		360,691.75
5202655943		429,990.00
5202663561		585,049.11
5202671519		631,728.00
5202671673		252,646.22
5202694651		677,359.77
5202702135		374,226.44
5202702138		298,789.89
5202702145		233,178.31
5202710631		504,720.24
5202708560(b)		196,043.22
5003783752		216,921.58
5003783721		112,064.95
5003717564		103,613.20

RESPONSE:

- a. FPL provided the following invoices in response to OPC's First Request for Production of Documents No. 6, Attachment 6a Part2:

Florida Power & Light Company
Docket No. 20180049-EI
OPC's Fourth Set of Interrogatories
Interrogatory No. 126-Redacted
Page 2 of 3

File Name	Vendor Description	Amount	Bates Range
5202648709		\$642,752.32	060015-060078
5202648715		\$683,492.67	060079-060151
5202648717		\$360,691.75	060152-060248
5202663561		\$585,049.11	061830-061867
5202671519		\$631,728.00	062538-062570
5202671673		\$252,646.22	062571-062706
5202694651		\$677,359.77	064330-064417
5202710631		\$504,720.24	065190-065225
5202708560(b)		\$196,043.22	035557-035570
5003783752		\$216,921.58	064620-064672
5003783721		\$112,064.95	064583-064619

Please note that with the exception of the [REDACTED] invoice (\$196,043.22) referenced above, all of the foregoing invoices identified in 6a Part2 of the excel file OPC POD 6 were inadvertently provided in the Irma OPC POD 6a folder, not the 6a part2 folder. Also, please note that the amount listed above for [REDACTED] (\$112,064.95) was short paid by \$2.99.

- b. The following invoices were inadvertently not included in FPL's response to OPC's First Request for Production of Documents No. 6, Attachment 6a Part2 and are being provided in FPL's response to OPC's Fifth Request for Production of Documents No. 30:

File Name	Vendor Description	Amount
5003975155		\$255,430.00
5202655943		\$429,990.00
5202702135		\$374,226.44
5202702138		\$298,789.89
5202702145		\$233,178.31
5003717564		\$103,613.20

Please note for the [REDACTED] invoice listed above, FPL is providing three documents related to this transaction which show that invoice 107615 in the amount of \$116,087.20 was short paid in the amount of \$12,474 (total paid was \$103,613.20) because it was missing some timesheets. The vendor subsequently sent the missing timesheets and the

remaining amount of \$12,474 was paid. This vendor also resubmitted this invoice amount of \$116,087.20 which was initially paid and then refunded to FPL (see also the copy of the refund check).

DECLARATION

I sponsored the answers to Interrogatory Nos. 85-126 from OPC's Fourth Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.



Signature

Kristin Manz

Name

Date: 12-3-18

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FPL's response to OPC's 5th Interrogatories 127

Confidential DN. 04545-2019

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 27
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Gwaltney (127)

QUESTION:

For each line crew and utility crew contracted by FPL for its response to Hurricane Irma), please provide the following:

- a. Travel code (or other unique crew identifier)
- b. Home base
- c. Mobilization start date (or "commit date," including the time billing was authorized to begin, and the location of the mobilization beginning point (city, state, country)
- d. Travel Coordinator's name
- e. Date and time of check-in and onboarding at FPL's processing center or, where applicable, staging site
- f. Release date, time, and location (city, state, country) from which demobilization began
- g. Demobilization end date, time and location (city, state, country)

RESPONSE:

Please see confidential Attachment No. 1 for the responsive document. Please note that for subparts (c) and (g), FPL did not document the city.

DECLARATION

I sponsored the answer to Interrogatory No. 127 from the Office of Public Counsel's Fifth Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the response is true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answer identified above, and that the facts stated therein are true.


Signature

David T. Bromley

Date: December 28, 2018

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FPL's response to OPC 6th Interrogatories
129 – 148.

**Additional files contained on Staff Hearing
Exhibits CD for No. 130.**

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 28
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Manz (130, 131, 139)Reagan (129, 138, 142,
145, 148)Gwaltney (132-137, 138, 140, 147)

QUESTION:

Please refer to Dep. p. 54, line 20-25, p. 55, lines 1-14. Please explain the results of your research into whether there is a way to query the SAP system or any of FPL's other electronic systems to create a summary list of line crew vendors with their corresponding contract rates.

RESPONSE:

Our research confirmed SAP is unable to generate a report that identifies line crew vendors and contract rates in one file. However, using data extracted from SAP, FPL was able to manually prepare a list of line crew vendors with their corresponding contract rates. The confidential list of vendors and their rates is contained in Attachment No, 1.

QUESTION:

Please refer to Dep. p. 62-63, lines 2-12, 1-11. Please explain the results of your research related to the forms titled Daily Contractor Mobilization Log Storm Travel, including but not limited to, how that log is used in the invoice review and approval process, which FPL organization or entity created the form for the Daily Contractor Mobilization Log Storm Travel, at what stage in the storm response process the log is generated and sent to a vendor, and to which FPL organization the vendor submits the completed form (FPL department, employee title and name).

RESPONSE:

This form is included in the packet of templates provided by FPL in order to assist the vendor with preparing their invoices for payment. The blank template (see sample as Attachment No. 1 to this response) is sent to the vendor at the time of resource commitment along with all of the other invoicing templates. At the time of submitting an invoice for payment, a vendor would include this form in their invoice support and send it to the Accounts Payable department. The use of any of the FPL templates is recommended but not required to process and approve a vendor invoice for payment. If and when a vendor provides the travel log, it is used as part of the overall invoice review process to confirm appropriate billing. The main focus for the invoice review is on the daily timesheet and this log is provided as supplemental information. Vendor invoices are processed and approved as long as FPL Accounts Payable has the information needed to perform their review and the information has been approved by Power Delivery.

QUESTION:

Please refer to Dep. p. 82-83, lines 14-25, 1-20. Where the witness indicated there appeared to be information missing from the documentation needed to support the subject invoice (SAP Doc. 5003716773), please explain the information, if any, obtained which validated the invoice, and the entity from which accounts payable obtained the information.

RESPONSE:

The detailed support for this invoice was inadvertently not included in FPL's response to OPC's First Request for Production of Documents No. 6 and is being provided in FPL's response to OPC's Seventh Request for Production of Documents No. 33. Upon review of this additional support it appears it was not signed. As per FPL's standard process, Accounts Payable would have reached out to Power Delivery to confirm that the time included on the invoice was accurate and appropriate.

QUESTION:

Please refer to Dep. p. 87-92, p. 90, line 4-6; 91, line 2; 92, line 1-7. Please explain the results of your research regarding whether the vendor who submitted invoices related to SAP Documents 5003723263 / 5202660352 was on standby from September 11-13, 2018, and if the vendor was on standby for those days, explain the reason.

RESPONSE:

FPL's research revealed that the travel team charged standby time on 9/11-9/13. On 9/11, for safety reasons, the team incurred standby time waiting for the storm to clear. On 9/12, the team incurred standby time as a result of FPL evaluating the best location(s) on the west coast to send the resources based on preliminary damage reports and the availability and functionality of our proposed staging sites. Once FPL made its determination, the travel team was told to mobilize on 9/12 from Orlando to TB1 (Charlotte County Airport) shortly before 16:00. The team arrived at approximately 21:00 hours. On the morning of 9/13, the team incurred 6 hours of standby time while FPL finalized the operational aspects of staging site TB1. The team prepared their vehicles, loaded their trucks with the necessary material, and received their restoration assignment for the work they performed later that day.

QUESTION:

Please refer to Dep. pp. 105, line 3-10; 107, line 15-18, 109, line 17-18; 109-110, lines 23-25, 1. Please explain the results of your research regarding why the vendor who submitted invoices related to SAP Docs. 5003723985 and 5202660536 was reimbursed for 24 hours straight on September 8, 2018.

RESPONSE:

On September 7, 2017, this team started travelling at 21:00 from Atlanta, GA and drove through the night arriving at staging site NF3 (Lake City, FL) on September 8, 2017 at 13:34. The team was on-boarded, and then left Lake City at 17:00 on September 8, 2017 travelling to Orlando through heavy traffic and checked into the hotel at 24:00. Although some of the time should have been coded differently, the vendor appropriately billed for 24 straight hours.

QUESTION:

Please refer to Dep. p. 118, lines 4-14. Please explain why the vendor who submitted the invoice related to SAP Doc. 5003770546 was reimbursed for 16 hours of overtime for travel from Daytona to Hallandale.

RESPONSE:

The mobilization regular and mobilization overtime rates are the same. Crews billed all hours as overtime but because the regular and overtime rates were the same there was no dollar impact on mobilization. The team was bedded down in Deltona on September 14, 2017. They were picked up at the hotel September 15, 2017 at 06:00 and bussed back to the Daytona staging site where they were fed, prepared their trucks for travel and then travelled to the Gulfstream Staging Site. Once the team reached the staging site they received their restoration assignment and began to load their trucks with the necessary material. Research has not identified any documentation regarding the activities performed by the vendor once they arrived at the Gulfstream staging site. The Production Lead would have reviewed and approved the activities.

QUESTION:

Please refer to Dep. p. 122-127; 127, line 8-12. Please explain the results of your research regarding FPL's reimbursement of the invoice related to SAP Docs 5003780189 and 5202699937, in which it appears the vendor billed for 32 hours to demobilize from Miami to North Carolina, including the name of the city in North Carolina (or elsewhere, if applicable) which was the end location of the crew's demobilization, how far the crew traveled on each day of their demobilization, and what, if anything, extraordinary happened on the second day of that crew's demobilization.

RESPONSE:

On September 28, 2017, the vendor's team travelled from GS1 (Gulfstream Park) to Roanoke Rapids, NC for 16 hours of demobilization. On September 29, 2017, they travelled from Roanoke Rapids, NC to their home work locations in VA. FPL's records do not identify whether anything extraordinary occurred to explain the nature of any delay in the vendor's final day of demobilization.

QUESTION:

Please refer to Dep. p. 142-145. Regarding the vendor who submitted the invoice related to SAP Doc. 5003962774, please state the location (city, state, country) of the crew's home base, the start location, date and time of their mobilization and onboarding, and the start and end location, date and time of their demobilization. Please explain the results of your research referenced at Dep. p. 144, line 9-10 and 145 line 4-5.

RESPONSE:

With respect to the research referenced at Dep. page 144, line 9-10, FPL has confirmed that this vendor did not use electronic time sheets during restoration activities associated with Hurricane Irma.

FPL has also determined that this crew departed on September 15, 2017 at 17:00 and travelled from NC to Savannah. On September 16, 2017, the crew travelled from Savannah to staging site CF1P (Daytona Beach) arriving at 00:03. Following their arrival, the crew was onboarded in Daytona. Demobilization began on September 23, 2017 at 06:15 from staging site BV4 (Melbourne Greyhound) and continued until they arrived back to their home work location in NC at approximately 19:00 on September 23, 2017.

With respect to the statement at Dep. Page 145, line 4-5, this was not a request or commitment to undertake additional research. Rather, these statements were an explanation of the research that Power Delivery would undertake if contacted by Accounts Payable to determine if a time entry on a vendor invoice was appropriate and payable.

QUESTION:

Please refer to Dep. p. 151, line 6-7; p. 152, line 6-13. Please explain the results of your research into the circumstances around the invoice related to SAP Doc. 5003975155, including but not limited to, the crew's notation about the lack of fuel, water and food at the BB&T staging center. Please explain the results of your research into the amount of resources pre-staged in place on Sept. 9, 2018.

RESPONSE:

On September 9, 2017, the crew identified on the invoice related to SAP Doc. 5003975155 arrived at the BBT staging center at 14:15. On this date, the BBT staging center was not yet fully operational (pre-storm); however, cots were available for the crew. Food and fuel were not yet available at the staging center, so food and fuel were on per diem at that time. On September 9, 2017, FPL had over 3,700 external line resources pre-staged system wide. The number of resources pre-staged at the BBT staging center on September 9, 2017 was very fluid and a precise number is not readily available.

QUESTION:

Please refer to Dep. p. 179, line 15. Please explain the results of your research into why fuel was charged and reimbursed for the invoice related to SAP doc 5004014366, and whether the fuel was charged during the vendor's mobilization period. Please identify the contract provision authorizing the reimbursement of such non-FPL-provided fuel.

RESPONSE:

The crew was approved by the FPL Supervisor to charge fuel during the restoration event when a fueling issue arose at the staging site (FM Kennel Club). The crew charged for fuel while working in the field if they were unable to get back to refuel at the staging site or if it was a more productive use of the resources to authorize the crew to obtain fuel in the area where they were working. While there is no written contract provision authorizing reimbursement for non-FPL provided fuel during restoration, FPL representatives had the authority to authorize these fuel purchases when it served to increase efficiencies in the restoration process or when there were fueling issues at the staging sites.

There is no written contract provision authorizing reimbursement for fuel purchased during mobilization or demobilization. Absent approval by FPL, vendors should not have been reimbursed for fuel purchased during mobilization or demobilization. FPL will reflect adjustments for costs associated with fuel purchased by vendors during mobilization and demobilization without authorization from FPL on Exhibits KF-1 and KF-2 and will seek reimbursement from the vendors where specific instances are identified.

QUESTION:

Please refer to Dep. p. 189. Please explain what exactly the notation "N" means in the meal fields, i.e., whether it means the vendor is not billing for meals, whether it means the vendor did not receive meals from FPL, or what precisely the notation meant in this case; also explain what FPL (when it drafted the form) intended insertion of an "N" in this field of the form to denote.

RESPONSE:

The "meals" field was intended to notate if meals were provided by FPL while on site; "Y" indicates that a meal was provided, and "N" indicates that a meal was not provided. If a meal was not provided and the field is marked "N," a receipt would be expected for reimbursement for that meal. This is an optional field on the timesheet and may not have been used consistently across all teams; if AP had questions during their review process then they would reach out to Power Delivery to confirm.

QUESTION:

Please refer to Dep. pp. 195, line 8; p. 197, line 5; p. 198, line 2. Please explain the reason for different mobilization times for employees in the crew related to SAP Doc. 52025648620, including an explanation of the home base(s) of each individual sub-group, if any, within the crew.

RESPONSE:

The statement and invoice referenced in the deposition is related to demobilization, not mobilization. The subject invoice contained three different travel teams from Illinois. However, the three travel teams departed from three different locations. One team departed from the Flagler Dog Track (CE1) Miami, FL, one team travelled from the Pompano Harness Dog Track (PM1) Ft Lauderdale, FL and the other team travelled from the Sarasota Fairgrounds (MS1). As such, these travel teams would have different demobilization times based on their different starting points.

QUESTION:

Please refer to Dep. p. 205, line 10-11. Please explain the results of your research referenced on p. 205, including the location of the crew's home base, where they demobilized from and to, the start and end dates of their demobilization, and whether they were reimbursed for 32 hours of demobilization, as indicated in SAP Doc. 5202648695.

RESPONSE:

The crews included in this invoice are embedded contractor crews that typically work in Daytona, but worked at the St. Lucie Fairgrounds (TC1) for Hurricane Irma. After being released from TC1 on September 22, the crews worked 16 hours (Hurricane Irma follow-up work) at their home location in Daytona on September 23, 2017. The crew was not reimbursed for 32 hours of demobilization, they were reimbursed for 16 hours of demobilization and 16 hours of work time.

QUESTION:

Please refer to Dep. p. 208, lines 11-20. Please explain whether the crew related to SAP Doc. 5202660583 was reimbursed for fuel during mobilization, and if so, why they were reimbursed for fuel during mobilization, and how many of the hours billed and reimbursed were mobilization or demobilization time, as opposed to "on system" or regular work hours. Please identify the contract provision authorizing the reimbursement of such non-FPL-provided fuel.

RESPONSE:

The fuel charged and paid on this invoice is associated with fuel purchased during the restoration effort. It is not associated mobilization/demobilization. Since this crew was staying at hotels located far east of the FPL BB&T (WG1) staging site, the Production Lead approved this crew's fuel purchases and deviation from the contract to improve the crew's efficiency/productivity. None of the hours billed on SAP document 5202660583 included mobilization or demobilization.

QUESTION:

Please refer to Dep. p. 211, line 16; p. 212, line 16. Please explain the results of your research into whether this vendor was reimbursed for working 42 hours straight, as reflected on SAP Doc. 5202660599, and if the vendor was reimbursed for 42 hours straight, explain the reason.

RESPONSE:

The vendor was in fact reimbursed for 42 straight hours as reflected on SAP Doc. 5202660599. However, research indicates that the first 20 hours were actually travel time to FPL's service territory. When they arrived the vendor provided restoration work from midnight until 10:00 pm for an additional 22 hours. Therefore, although the initial 20 hours should probably have been identified as mobilization time, the vendor was appropriately reimbursed for the 42 hours.

QUESTION:

Please refer to Dep. p. 224-225, 230-231. Please explain the results of your research into the reason the crew stopped in Panama City, and why it appears they were reimbursed for 32 hours of mobilization (as reflected in SAP Doc. 5202661051) for what is normally a 13 hour drive.

- a. Please explain why the crew was reimbursed for fuel, including what, if any, exception to the general rule or contract provision on reimbursement for fuel purchased during mobilization applied to them.
- b. If an exception applied, please state whether there is documentation of FPL's approval of the exception, and list the department and employee name of the employee who made the approval.
- c. Please identify the contract provision authorizing the reimbursement of non-FPL-provided fuel in this instance.

RESPONSE:

On September 9, 2017, the crew travelled 16 hours from Victoria, TX to Hammond, LA. On September 10, 2017, the crew travelled 16 hours from Hammond, LA to Lake City, and from Lake City back to Panama City, Florida as the storm was passing through the state.

- a. There is no written contract provision authorizing reimbursement for fuel purchased during mobilization. Absent approval by FPL, which did not occur in this instance, the vendor should not have been reimbursed for fuel purchased during mobilization. FPL will seek reimbursement from the vendor for payments made for reimbursement of fuel expenses incurred during mobilization without authorization from FPL and will reflect adjustments for these costs on Exhibits KF-1 and KF-2.
- b. See response to subpart (a).
- c. See response to subpart (a).

QUESTION:

Please refer to Dep. p. 233, lines 5-14. Please explain why the crew associated with SAP Doc 5202661094 was reimbursed for working 40 hours straight without a break.

RESPONSE:

This team did not work 40 hours straight without a break. The team began work at 06:00 on September 20, 2017 performing restoration work; however, due to lodging issues, FPL agreed to pay for the team to sleep in their trucks and get rest before starting the next day's work on September 21, 2017. The team worked their normal shift on September 21, 2017 at which time the lodging issues were resolved.

QUESTION:

Please refer to Dep. p. 234-235; 237, lines 1-12. Please explain the results of your research into this crew's mobilization from Panama City to Lake City and or Orlando, including the reason, if any, it took 34 hours to travel from Panama City to Orlando, as reflected in SAP Doc. 5202661096.

RESPONSE:

This is a team that was released to FPL after working Hurricane Harvey. Once the team reached Panama City on September 11, 2017, they stood by at the hotel from 06:00 – 14:00 until the storm passed and it was safe to travel. However, due to the storm just passing, traffic and debris extended the team's travel time and delayed their arrival into Lake City until midnight. In addition, due to lodging issues in Lake City, FPL paid for the team to sleep in their trucks. The team was on boarded in Lake City on September 12, 2017 and, due to the heavy traffic conditions following the storms passing, the team arrived in Orlando at approximately 22:00.

QUESTION:

Please refer to Dep. p. 243, lines 3-15. Please explain the results of your research into SAP documents 5202661125 and 5202656856, including but not limited to whether double billing occurred, and whether credit memos or any other documentation exists to demonstrate that any double-billing was reversed or canceled out; please identify any such credit memos or other documentation which reflects the reversal or cancellation of reimbursement for double-billing.

RESPONSE:

FPL's review indicates that the vendor associated with this contractor was inadvertently reimbursed for SAP invoice document 5202661125. FPL contacted the contractor's representative who advised that they submitted the two separate invoices to bill FPL for labor expenses they incurred to bring resources for storm support which they believed were covered by the contract between the contractor and FPL. As a result of these communications, the contractor understood that the labor expenses included in SAP invoice document 5202661125 are not reimbursable under the contract and that the FPL payment made for said invoice would need to be reimbursed. The contractor agreed and in an email communication committed to reimburse FPL through a credit memo to be applied against future work performed. As a result, FPL will reflect this adjustment in a revised Exhibit KF-2 to be filed in this docket.

DECLARATION

I sponsored the answers to Interrogatory Nos. 128, 130, 131, and 139, from the Office of Public Counsel's Sixth Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.


Signature

Kristin Manz

Date: 1/30/19

DECLARATION

I sponsored the answers to Interrogatory Nos. 129 and 148 and co-sponsored the answers to Nos. 138, 142, and 145, from the Office of Public Counsel's Sixth Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.

Signature



Ray Lozano

Date:

1/30/19

DECLARATION

I sponsored the answers to Interrogatory Nos. 132 - 137, 140, 141, 143, 144, and 146, 147 and co-sponsored the answers to Nos. 138, 142, and 145, from the Office of Public Counsel's Sixth Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.


Signature

David T. Bromley

Date: December 31, 2018

DECLARATION

I sponsored the answers to Interrogatory Nos. 128, 130, 131, and 139, from the Office of Public Counsel's Sixth Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.



Signature

Kristin Manz

Date: 1/30/19

DECLARATION

I sponsored the answers to Interrogatory Nos. 129 and 148 and co-sponsored the answers to Nos. 138, 142, and 145, from the Office of Public Counsel's Sixth Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.

Signature  _____

Ray Lozano

Date: 1/30/19

DECLARATION

I sponsored the answers to Interrogatory Nos. 132 - 137, 140, 141, 143, 144, and 146, 147 and co-sponsored the answers to Nos. 138, 142, and 145, from the Office of Public Counsel's Sixth Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.


Signature

David T. Bromley

Date: December 31, 2018

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FPL's response to OPC 7th Interrogatories

149 - 153

**Additional files contained on Staff Hearing
Exhibits CD for No. 151.**

Confidential DN. 04545-2019

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 29
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Ferguson (149-153)

QUESTION:

Refer to FPL's response to Interrogatory No. 69. Please provide a detailed list of all costs removed as "below the line" from the original \$1,378 billion of storm costs.

RESPONSE:

As reflected in Witness Ferguson's direct testimony FPL identified \$0.8 million of "thank you" advertisements directed to customers and mutual aid utilities, which were recorded to below-the-line expense and are reflected on Line 22 on page 1 of Exhibit KF-1.

Account Description	Order	Document-Ref Nu	Posting date	Amount	Expense Group
COMMUNICATIONS: Print and Online	S01170000000	115637454	11/30/2017	(589,717.44)	Irma M&C Thank you ads
OUTSIDE SERVICES: Other	S01170000000	115637454	11/30/2017	(232,500.00)	Irma M&C Thank you ads
Total Reclassed Below the Line				(822,217.44)	

QUESTION:

Refer to FPL's response to Interrogatory no. 69. Please provide a detailed list of all costs removed as "third party reimbursements" from the original \$1,378 billion of storm costs.

RESPONSE:

As reflected on Witness Ferguson's direct testimony, AT&T, Inc. ("AT&T") reimbursed FPL approximately \$2.44 million for 878 net poles replaced by FPL on its behalf (936 AT&T poles replaced by FPL less 58 FPL poles replaced by AT&T). This amount is reflected on shown on Line 17 on page 1 of Exhibit KF-1.

See confidential Attachment No. 1 to this response for the third party reimbursement detail.

QUESTION:

Please provide all journal entries made by FPL to Account No. 228.1 from December 1, 2017 to December 1, 2018. Journal entries should be shown in detail with both account number and account title with the reasoning for each journal entry.

RESPONSE:

FPL has included all Irma related journal entries activity to Account No. 228.1 from the time of the storm in September 2017 to December 2018 in Attachment No. 1 to this response. Note, there has been no Irma related activity in Account No. 228.1 since that time.

QUESTION:

Refer to FPL's December 31, 2017 FERC Form 1. Please provide all detail support for the entries to write the Irma storm costs off to O&M that were provided to FERC or FERC's auditors.

RESPONSE:

FPL has not provided FERC or FERC's auditors with any detailed support related to the recording of the Hurricane Irma costs to O&M as FPL is not currently subject to a FERC audit nor are we required to provide any entries to FERC associated with the decision to record Hurricane Irma costs to O&M. Please see FPL's response to OPC's Seventh Set of Interrogatories No. 151 for the journal entries to record Hurricane Irma storm costs to O&M.

QUESTION:

Refer to FPL's December 31, 2017 FERC Form 1. Please provide all journal entries related to the Irma storm costs that were provided to FERC or FERC's auditors.

RESPONSE:

FPL has not provided FERC or FERC's auditors with the Hurricane Irma storm entries as FPL is not currently subject to a FERC audit nor are we required to provide any entries to FERC associated with the Hurricane Irma storm costs.

DECLARATION

I sponsored the answers to Interrogatory Nos. 149-153, from the Office of Public Counsel's Seventh Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.


Signature

Keith Ferguson

Date: 1/4/2019

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**FPL's response to OPC's 8th Interrogatories
154 – 174.**

**Additional files contained on Staff Hearing
Exhibits CD for No. 157, and 170.**

Confidential DN. 04545-2019

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 30
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Manz (154-156,
174)Ferguson (157, 158, 164-172,

QUESTION:

Refer to the deposition transcript, pp. 499-500 which reference Exhibits 31 and 32. Identify the following: the date on which a "credit or reversal" occurred, the FERC account to which the credit or reversal was posted, where the credit or reversal is reflected on the Attachment to your response to Interrogatory No. 20, whether the reversal was the result of a credit issued by the vendor, and state whether or not FPL issued payments for both invoices before a credit or reversal was processed.

RESPONSE:

As indicated in the deposition of the FPL panel, FPL was fully reimbursed by the vendor for the payment made on the invoice marked as Exhibit 31. The reimbursement occurred through two separate transactions. First, the vendor delivered a check to FPL dated December 12, 2017 in the amount of \$243,831.63. Second, the vendor had received from FPL a check in the amount of \$54,288.00 for payment on a separate invoice, and that check had not yet been cashed when it was determined that the vendor would be required to reimburse FPL for the payment made on the invoice marked as Exhibit 31, along with another reconciliation requiring the vendor to reimburse FPL an additional sum of approximately \$4,600.00. The vendor agreed not to cash or deposit the check for \$54,288.00 and returned the check to FPL. As a result, FPL was fully reimbursed for the payment made to the vendor for the invoice marked as Exhibit 31, and the vendor was fully reimbursed for the work documented on the invoice marked as Exhibit 32.

The credit memo in the amount of \$243,831.63 was posted to FERC account 186 on 2/19/18. It is reflected on Excel line 4720 on the "Contractor Detail" tab of the Attachment to Interrogatory 20 (see screenshot below). The reason the credit memo is less than the total amount of the reimbursement is due to an agreement between the vendor and FPL that the payment on the unrelated invoice in the amount of \$54,288.00 would be cancelled.

Attached please find a copy of the referenced check from the vendor dated December 12, 2017 in the amount of \$243,831.63 and a copy of the check from FPL to the vendor in the amount of \$54,288.00 which was returned to FPL by the vendor.

1	Ref Num	Ver	Vendor Descript	Time: Posting date	Amount	SEPT	IO BU	FUNCTION	Expense Grou	Restoration/Fc
4720	#	1800153791	#	Not assigned	2/19/2018	(243,831.63)	DISTRIBUTION	Distribution	Contractor	Restoration

QUESTION:

Refer to the deposition transcript, page 499-501 regarding Exhibits 31 and 32. Provide a detailed explanation of how the double payment will be flowed back, how it will be recorded on FPL's books, and the date it was or will be recorded on FPL's books.

RESPONSE:

A credit in the amount of \$243,832 was issued by the vendor and recorded to FERC account 186 in February 2018. The credit off-set the payment for the invoice represented by Exhibit 31 and therefor the payment for the invoice represented by Exhibit 31 was not reflected on Exhibit KF-1 or KF-2.

For the difference between the total amount of the invoice represented by Exhibit 31 and the credit memo, please see FPL's response to OPC's Eighth Set of Interrogatories No. 154, together with the attachment to that response.

QUESTION:

Contractor Cost. Refer to FPL's response to OPC Interrogatory No. 20. Please identify any and all additional duplicate invoices or amounts FPL paid to vendors it used for the response to Hurricane Irma, aside from the invoices discussed during the deposition sessions on November 15 and December 13, 2018.

RESPONSE:

Aside from the invoices discussed during the deposition sessions, FPL's Accounts Payable process identified and FPL credited or reversed the following vendor invoices between February 2018 and October 2018 – prior to the depositions:

Doc No	Bates No	Ref	Amount	PO	Activity
5202632083	48160	66559676	\$253,984.64	2000250535	Same ref different amounts
5202632912	50557	66559676	\$145,919.54	2000250993	Refund on vendor check 451777 dated 2/19/2018
5202633179	50545	66559838	\$108,065.10	2000250990	Refund on vendor check 451777 dated 2/19/2018
5202667866	25622	35137	\$446,858.90	2000255188	Reversed on 2/7/2018
5202626883	48053	35137	\$446,858.90	2000250515	
5202667862	25567	35240	\$303,366.88	2000255200	Reversed on 10/11/2018
5202663914	24992	35240	\$303,366.88	2000254086	
5202737250	38120	156225	\$671,670.27	2000262512	
5202648719	18284	156225	\$655,556.67	2000252379	Refund on vendor check 144512 dated 3/29/2018
5202692840	33312	3	\$217,124.92	2000258174	
5202747215	39237	3 IRMA	\$227,519.00	2000263394	Reversed on 8/23/2018

As part of FPL's standard payment close out process, the Accounts Payable team performs a review of all invoice amounts against FPL SAP system to correct any discrepancies at that time. FPL has not at this time identified any additional duplicate invoices that were paid for Hurricane Irma restoration.

It should be noted that the questions raised during the deposition related to Exhibits 31 (Document No, 5202655953) and 32 (Document No. 5202656335) were addressed during the deposition and further in FPL's answer to OPC's Eighth Set of Interrogatories No. 154. As explained during the deposition and in FPL's answer to OPC's Eighth Set of Interrogatories No., the invoice represented by Exhibit 31 had been reversed in February of 2018. Questions raised during the deposition related to Exhibits 22 (Document No. 5202661125) and 23 (Document 5202656856) were addressed in FPL's answers to OPC's Sixth Set of Interrogatories No. 148 and OPC's Eighth Set of Interrogatories No. 174 and FPL's Response to OPC's Seventh Request for Production of Documents No. 35 As explained in FPL's responses to OPC's Sixth Set of Interrogatories No. 148 and OPC's Eighth Set of Interrogatories No. 174 and FPL's response to

OPC's Seventh Request for Production of Documents No. 35, the invoice identified as Exhibit 22 discussed during the November 15 and December 13, 2018 depositions has been remedied through the issuance of a credit memo for the full amount. The referenced reversal and credit will be reflected as a reduction on FPL's final cost report that will be submitted with FPL's rebuttal testimony.

In addition to the foregoing, approximately 60 invoices totaling \$12MM were identified by FPL during the initial vendor invoice review process and were either rejected by FPL and not paid to the vendors, or if paid were subsequently credited or reversed. These reconciliations occurred prior to June 1, 2018 as reflected on the attached spreadsheet. Additionally, there were numerous instances where vendor invoices were adjusted or reduced as part of FPL's standard storm invoice review process prior to payment being issued.

QUESTION:

Payroll. Please provide for 2018 the actual regular O&M base payroll by account, the amount of O&M overtime by account, and the amount of O&M other compensation (i.e. incentive pay, etc.) by account, and identify each and every category of compensation which is included in "O&M other compensation."

RESPONSE:

See Attachment No. 1 for 2018 actual O&M base regular and overtime payroll by FERC account. FPL did not include Other Compensation in FPL Regular and Overtime Payroll and Related Costs reflected on lines 2 and 3 of Exhibits KF-1 and KF-2 and has not included it in its response to this interrogatory as it is not pertinent to this docket. Note, the attachment does not include Hurricane Irma payroll reflected on Exhibit KF-1 or KF-2, which was reclassified to functional miscellaneous FERC O&M accounts beginning in December 2017.

QUESTION:

Payroll. Please provide for 2018 the amount of base regular O&M payroll included in rates and the amount of overtime O&M payroll included in the rates in effect for 2018.

RESPONSE:

The base rates in effect for 2018 were the result of a full comprehensive, black box settlement agreement approved by the Commission in Docket No. 20160021-EI ("2016 Settlement"). The 2016 Settlement was achieved after extensive, good faith negotiations among the signatory parties and represented a compromise of many diverse and competing litigation positions. As a result, the actual revenue requirement adopted under the 2016 Settlement was significantly less than the as-filed revenue requirement. The fixed base rates approved under the 2016 Settlement were designed to achieve this settled revenue requirement, not the as-filed revenue requirement. Although the base rates charged to customers under the 2016 Settlement are fixed, the 2016 Settlement agreement did not fix or otherwise specify the amount of regular O&M payroll or overtime O&M payroll to be charged to base rates in any given year. The actual amount of regular O&M payroll or overtime O&M payroll to be charged to base rates can and does fluctuate from year to year – meaning the amount of regular O&M payroll and/or overtime O&M payroll charged to base rates in one year could be the same, more, or less than the amount charged to base rates in prior or subsequent years. However, these fluctuations do not alter the fixed base rates charged to customers under the 2016 Settlement. For 2018, the amount of regular O&M payroll and overtime O&M payroll charged to base rates is provided in FPL's response to OPC's Eighth Set of Interrogatories No. 157.

QUESTION:

Regarding distribution personnel doing restoration work related to Hurricane Irma, list any and all overtime rates in effect for 2017 and 2018.

RESPONSE:

FPL interprets this question as referring to FPL distribution line personnel doing restoration work. The applicable overtime rates for 2017 and 2018 are as follows:

October 2016 - October 2017



October 2017 - October 2018



QUESTION:

Capitalization. Refer to your response to Interrogatory No. 33. Provide a breakdown of the amount of labor, the amount of vehicle and miscellaneous cost included in the \$19,436 and \$866,013 listed on Attachment No. 1, p. 1 and p. 2, respectively.

RESPONSE:

The costs for Labor, Vehicle, and Miscellaneous ("LVM") used for distribution capital estimates cannot be separated, as it is a system-generated amount calculated by FPL's Work Management System ("WMS"). LVM amounts are generated by WMS, utilizing an effective LVM rate, developed by dividing 12 months of actual LVM costs by actual as-built construction man hours. The effective LVM rate is updated annually. The construction man hours are based on labor studies for the type of work being performed.

QUESTION:

Capitalization. Refer to your response to Interrogatory No. 33, Attachment No. 1, page 2. Provide an explanation of how the \$866,013 was developed, and explain whether that amount is based on the "Estimated Construction Man Hours" of 6,105. If it is not based on the 6,105, explain why not and list the hours of labor that are included in the \$866,013.

RESPONSE:

The costs for Labor, Vehicle, and Miscellaneous ("LVM") used for distribution capital estimates cannot be separated, as it is a system-generated amount calculated by FPL's Work Management System ("WMS"). LVM amounts are generated by WMS, utilizing an effective LVM rate, developed by dividing 12 months of actual LVM costs by actual as-built construction man hours. The effective LVM rate is updated annually. The construction man hours are based on labor studies for the type of work being performed.

The total LVM of \$866,013 in FPL's response to OPC's First Set of Interrogatories No. 33 was estimated based on 6,105 CMH.

QUESTION:

Logistics. Refer to response to POD No. 9. Explain why you failed to produce invoices for numerous costs listed in the excel attachment to your response to POD 9 (i.e. only meal counts were included in the file). To the extent invoices were produced for some costs, explain why the invoice amounts for those costs are different from the amounts included on the excel sheet that lists invoice amounts.

RESPONSE:

Contrary to the statement in OPC's Eighth Set of Interrogatories No. 162, all invoices and other supporting documents for the costs identified in the excel attachment that were above the threshold agreed to by FPL and OPC were provided at Bates # FPL 00623 - 001394.

The primary difference in amounts for some invoices and the amounts reflected on the excel sheet was due to sales tax being assessed. FPL has a Direct Pay Permit from the FL Dept. of Revenue and as such we normally don't pay the sales tax to the vendors. FPL self- accrues and pays any applicable taxes directly to the State.

QUESTION:

Restoration Work. In Docket No. 20160251-EI, FPL indicated in response to OPC's Interrogatory No. 78 that for capital work performed by FPL personnel under the abnormal conditions of storm restoration, the typical crew size for an accessible pole replacement would be a three man crew. Is that statement accurate for storm restoration in 2017? If not, explain why not, and identify the number of personnel that FPL required in a crew performing accessible pole replacement in response to Hurricane Irma.

RESPONSE:

OPC's Third Set of Interrogatories No. 78 in Docket No. 20160251-EI did not ask about typical crew size "under the abnormal conditions of storm restoration", nor did FPL provide the response suggested in OPC's Eighth Set of Interrogatories No. 163 in this docket. OPC's Third Set of Interrogatories No. 78 in Docket No. 20160251-EI in fact asked about the typical crew size for a pole installation and the typical crew size for transformer replacement "*to the extent day to day capital work is performed by Company personnel*" (emphasis added). Below is OPC's Third Set of Interrogatories No. 78 and FPL's response, as provided in Docket No. 20160251-EI.

Q. Capital Work. To the extent day to day capital work is performed by Company personnel, what is the typical crew size for a pole installation and the typical crew size for transformer replacement?

A. To the extent day to day capital work is performed by Company personnel, the typical crew size for an accessible pole (up to a 45 foot, class 2 pole) installation or transformer (up to 50 kVA) replacement would be a three man crew. If the pole or transformer is of a larger size and/or the location is inaccessible and/or additional equipment is needed, the typical crew size would increase to a 4-6 man crew. Depending on the complexity, these jobs might also include a third party like maintenance of traffic (MOT) including flag personnel and police or troopers, cranes, special vehicles, etc. In addition, field conditions are important, such as whether the work is being performed within energized conductors and equipment; these conditions require additional personnel.

As explained by FPL's response to OPC's Third Set of Interrogatories No. 78 in Docket No. 20160251-EI, the referenced pole replacement work was associated with work performed during day-to-day conditions, and was not associated with "abnormal conditions for storm restoration" as suggested by OPC's Eighth Set of Interrogatories No. 163 in this docket. FPL's response to OPC's Third Set of Interrogatories No. 78 in Docket No. 20160251-EI would remain the same for day-to-day pole replacement work performed in 2017.

QUESTION:

Storm Costs. Provide the amount of storm costs from Hurricane Irma that FPL charged to base O&M in 2017.

RESPONSE:

In 2017, FPL recorded \$1,272,090,721 of total company storm restoration costs from Hurricane Irma to base O&M, which was FPL's estimated Hurricane Irma storm restoration costs through December 2017. This amount does not agree to Exhibit KF-1, which reflected the total estimated Hurricane Irma storm restoration costs through May 2018. FPL will provide a final update to the total Hurricane Irma storm restoration costs through December 2018 with its rebuttal testimony.

QUESTION:

Depreciation Reserve. Provide the amount of excess depreciation reserve credited to FPL's earnings calculation in 2017 to offset the impact of the storm costs charged to base O&M.

RESPONSE:

The Reserve Amount, as defined in paragraph 12 of the 2016 Settlement Agreement (Order No. 2016-0560-AS-EI), may be amortized at FPL's discretion to earn a targeted regulatory return on equity (ROE) within an authorized range of 9.6% to 11.6%. The reserve amortization is calculated using multiple components, including retail rate base, capital structure and retail base net operating income, which includes the retail base revenues, O&M, depreciation, interest and tax expenses. Contrary to the assumption made in OPC's Eighth Set of Interrogatories No. 165, there is no direct relationship between any one component of the calculation to the amortization utilized in a given period, including costs associated with Hurricane Irma. With that premise, in December 2017 when FPL expensed the incremental Hurricane Irma costs to base O&M, FPL utilized \$1,149,231,113 of the Reserve Amount.

QUESTION:

Storm Costs. State whether or not, as stated in Paragraph 25 of FPL's petition, FPL initially charged the cost of Hurricane Irma to FERC Account 186, identified the amount of capital, below the line expenses and third party reimbursements that were included in the amount recorded in FERC Account 186 and then reclassified those costs to the appropriate FERC accounts.

RESPONSE:

As stated in Paragraph 25 of FPL's petition, FPL initially charged the cost of Hurricane Irma to FERC Account 186, identified the amount of capital, below the line expenses and third party reimbursements that were included in the amount recorded in FERC Account 186 and then reclassified those costs to the appropriate FERC accounts.

QUESTION:

Storm Costs. Refer to Paragraph 25 of FPL's petition. Provide a list of costs that were identified as below the line expenses and explain why those costs were charged below the line.

RESPONSE:

See FPL's response to OPC's Seventh Set of Interrogatories No. 149 for the \$0.8 million of "thank you" advertisements FPL identified and recorded to below-the-line expense. Per Section (1)(f)(6) of Rule 25-6.0143, Florida Administrative Code requires that thank-you advertisements directed to customers and mutual aid utilities cannot be charged to the storm reserve.

QUESTION:

Storm Costs. Refer to Paragraph 25 of FPL's petition. Provide a list of costs initially charged to FERC Account 186 and charged below the line, but subsequently reclassified to above the line FERC accounts when FPL elected to charge Hurricane Irma costs to base O&M, and explain why those costs were reclassified.

RESPONSE:

OPC's Eighth Set of Interrogatories No. 168 misinterprets Paragraph 25 of FPL's petition and assumes facts that are not correct. Paragraph 25 of FPL's petition provides as follows:

25. FPL then determined the amount of capital, below-the-line expenses, and third-party reimbursements accumulated in FERC Account 186 and removed those costs from FERC Account 186 and recorded them to the appropriate FERC accounts. As reflected on the schedule attached as FPL witness Ferguson's Exhibit KF-1, *after removing* the Hurricane Irma related capital, third party reimbursements, and *below-the-line expenses* from FERC Account 186, *the remaining total amount of the Hurricane Irma Costs was \$1.27 billion, which was charged to O&M expense.* (Emphasis added.)

FPL did not reclassify below-the-line expenses as above-the-line expenses or otherwise charge them to base O&M. Rather, FPL determined the amount of below-the-line expenses accumulated in FERC Account 186, removed those expenses from FERC Account 186, and recorded them to the appropriate FERC account as below-the-line expenses. As identified in FPL's response to OPC's Seventh Set of Interrogatories No. 149, FPL identified \$0.822 million in costs associated with "thank you" advertisements as below-the-line expenses. As explained in Paragraph 25 of FPL's petition and as shown on FPL Exhibit KF-1, none of these below-the-line costs were charged to base O&M.

QUESTION:

Storm Costs. Provide a timeline of when FPL first discussed the reclassification of Hurricane Irma costs from FERC Account 186 to base O&M to the actual posting of the costs to base O&M.

RESPONSE:

FPL began discussing the potential reclassification of Hurricane Irma costs to base O&M in November 2017. FPL made the final decision to forego seeking incremental recovery of Hurricane Irma Costs under FPL's Settlement Agreement and, instead, recorded the Hurricane Irma costs to base O&M expense as permitted under Rule 25-6.0143(2)(h), F.A.C., after the Tax Cuts and Jobs Act of 2017 was passed on December 22, 2017. The journal entries to record the reclassification were made during the December 2017 financial statement close process in late December 2017/early January 2018.

QUESTION:

Storm Reserve. Provide a summary of FPL's storm reserve activity for 2017 that shows the storm reserve balance as of December 31, 2016; the summary should include but not be limited to, the monthly debits and credits, separating the Hurricane Irma postings, and the monthly balance until the costs were reclassified to base O&M.

RESPONSE:

The December 2016 balance in FPL's storm reserve, FERC account 228.1 was \$202,842,488. See FPL's Attachment No. 1.

QUESTION:

Reserve. Provide a summary of FPL's storm reserve activity for 2017 and 2018 that shows the excess depreciation reserve balance as of December 31, 2016, including but not limited to, the monthly debits and credits and the monthly balance through December 31, 2018. Specifically identify any amounts that were recorded as an offset to Hurricane Irma costs posted to base O&M.

RESPONSE:

FPL's storm reserve and the Reserve Amount (paragraph 12 of the 2016 Settlement Agreement) are two separate accounts. FPL has provided the storm reserve balance and activity in its response to OPC's Eighth Set of Interrogatories No. 170.

QUESTION:

Storm Costs. Provide a summary of costs by function by month of FPL's Hurricane Irma costs recorded in 2018, and explain whether those costs were posted to base O&M accounts in 2018 or charged against an accrual established in 2017 for Hurricane Irma; if an accrual was established as of December 2017, provide the amount of the accrual and show the charges, by month in 2018, charged against that accrual.

RESPONSE:

FPL does not have the information in the form requested readily available. However, FPL's estimated Hurricane Irma storm restoration costs as of December 2017 included accruals totaling approximately \$429 million, which reflect: invoices received but not yet processed of \$121 million, work incurred but not yet invoiced of \$202 million, and an accrual for remaining follow-up work to be performed to restore the system back to its pre-storm condition (referred to as "FAS 5") of \$106 million. FPL is unable to provide the charges by month in 2018 that were charged against the accruals recorded in December 2017 because FPL's SAP accounting system does not track actual charges as they are recorded against accruals. The accruals from the prior month end are reversed in total during the following month and then re-estimated using a bottoms-up approach and factoring in actual charges that were incurred in that month. To the extent invoices are not received, FPL confirms amounts that will be charged by vendors and compares it to internal expectations.

FPL continued to finalize Hurricane Irma storm costs through 2018, and is in the process of updating its final Hurricane Irma Storm restoration costs with actuals through 2018, which will be submitted with FPL's rebuttal testimony.

QUESTION:

Regarding Change Order No. 4600015836, please explain why a change order was created.

RESPONSE:

The change order was initiated internally on 12/15/16 to implement the following changes:

Change #1:

OAA-37 - 3rd Party Invoice (0-000-011-236) deleted and replaced with OAA-22-Invoice Handling (0-000-002-460).

Description:

Deleted OAA37 and reverted back to original unit OAA22. OAA37 unit was deleted because it was discovered that an entirely new unit was not necessary and that we could just adjust and re-use OAA22.

Change #2:

Administrative Change to Exhibit A1 - DSBN OH SOW 6.14.16 revised to Exhibit A1 - DSBN OH SOW 6.20.16.

Description: Revision date alignment.

Change #3:

Administrative Change to Exhibit E1 - Appendix 1 - Contractor Resource Schedule_Pike 9.26.16 is revised to Exhibit E1 -Appendix 2 - Contractor Resource Schedule_Pike 9.26.16.

Description:

Existing E1 appendix 1 in contract covers a different topic or scope than resource schedule, so changed to Appendix 2 to avoid any confusion.

QUESTION:

Please list and explain all journal entries for the billing discussed at Dep. p. 501 regarding Dep. Exhibits 22 and 23, including but not limited to the journal entry that purportedly reflects the credit memo referenced on line 25 of Dep. p. 501.

RESPONSE:

FPL recorded a credit memo in December 2018 for the amount reflected in Document No. 5202661125 referenced on page 501, line 25 of the deposition transcript. As of the date of this response, the vendor has worked off the entire balance of this credit memo, please see confidential Attachment No. 1. The credit memo will be reflected as a reduction on FPL's final cost report that will be submitted with FPL's rebuttal testimony, which will reflect Hurricane Irma costs and transactions through December 2018. There are no journal entries necessary to reflect the credit memo in Hurricane Irma final costs.

DECLARATION

I sponsored the answers to Interrogatory Nos. 154 - 156, and co-sponsored the answer to No. 174, from the Office of Public Counsel's Eighth Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.



Signature

Kristin Manz

Date: 2-4-19

DECLARATION

I sponsored the answers to Interrogatory Nos. 157, 158, 164 – 172, and co-sponsored the answer to No. 174, from the Office of Public Counsel's Eighth Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.



Signature

Keith Ferguson

Date: 1/31/2019

DECLARATION

I sponsored the answers to Interrogatory Nos. 159 - 161, and 163, from the Office of Public Counsel's Eighth Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.


Signature

David T. Bromley

Date: February 1, 2019

DECLARATION

I sponsored the answers to Interrogatory Nos. 162 and 173, from the Office of Public Counsel's Eighth Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.

Signature



Ray Lozano

Date:

2/1/19

31

FPL's response to OPC's 9th Interrogatories
175-182.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 31
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Gwaltney (175-182)

QUESTION:

Refer to Dep. pp. 392-397 and Dep. Ex. 24, please explain why, for each employee listed, the vendor was reimbursed for 18 hours of work per day for an entire week, instead of the 16 hours reflected on the timesheets; describe whether the time billed was standby time, regular work time or otherwise; describe the communications and documentation which led FPL to resolve the discrepancy between the timesheets and invoices in favor of paying for 18 hours; and explain why the crew was reimbursed for more than 12 hours of standby each day.

RESPONSE:

After the deposition, FPL contacted the Production Lead (PL) who had oversight of these crews. The PL recalled that these specific crews traveled from Pembroke Pines to Pompano daily to support Hurricane Irma restoration efforts (which added paid travel time to hours working on restoration) and also validated that the 18 hours billed were for work time, not standby time. While FPL does not possess written documentation of this approval that resolved the apparent discrepancy between the hours entered on the timesheets and the actual hours for which these crews were paid, per its process, Accounts Payable would have contacted Power Delivery prior to paying the invoice) (most likely by phone, to obtain validation that the invoice was accurate. This is consistent with the way the process was described at pages 392 through 397 of the panel deposition of FPL witnesses taken December 13, 2018.

QUESTION:

Regarding Dep. Ex. 25, discussed at Dep. pp. 400-405, in which the vendor wrote that this crew's work consisted of "button up" work, please explain the results of your research on this invoice, including but not limited to, what exactly the crew did that day, if not the work reflected on the invoice; explain whether this crew was embedded or non-embedded, whether or not the time billed and paid was standby time, and please explain the communications and documentation which you claim helped FPL to determine what work the crew did that day.

RESPONSE:

Based on conversations with the Production Lead, it was confirmed that on 9/5 and 9/6, the crew in question (an embedded crew) performed "button up" work and, on 9/7 and 9/8, the crew worked at the service center assisting with typical service center pre-storm activities (e.g., securing vehicles, tools, equipment and materials). The time was billed and paid as standby time; however, the work and standby hourly rates are the same.

"Button up" work involves returning parts of the electrical system that have been temporarily altered (e.g., where there is work in-progress and temporary construction methods have been used) back to their normal state - before the approaching storm impacts FPL's service territory. Addressing these temporary construction situations (e.g., where temporary construction arms have been installed on a pole), eliminates potential weak links in the system. Button-up work also involves switching the system back to its the normal state and securing current construction sites (e.g., securing equipment, tools and materials).

QUESTION:

Please refer to Dep. Ex. 26, discussed on Dep. pp. 406-409. Please explain the results of your research into the issues regarding this invoice discussed during the deposition, including but not limited to, the name discrepancies on this invoice in which each member of the crew appeared to bill 16 hours per day, but where the names of at least four crew members do not appear on the individual daily time sheets as having completed any work on some days.

RESPONSE:

OPC's Ninth Set of Interrogatories No. 177 purports to ask about "the names of at least four crew members (that) do not appear on the individual daily time sheets as having completed any work on some days." To be clear, the discussion at pages 406 through 409 of the deposition involved the names of precisely four crew members – not "*at least*" four crew members. And although OPC's Ninth Set of Interrogatories No. 177 suggests that the deposition questioning involved a discussion about whether the four crew members "completed any work on *some* days", in fact the questioning only related to whether the four crew members worked on a single day, that being September 12, 2017. FPL notes that the four crew members in question were included in the time sheets for all of the other days of the week of September 11 through September 17, 2017 and on the weekly time report.

As described by FPL in the deposition, as part of the review process a representative of FPL's Accounts Payable group would have contacted the Production Lead (PL) who signed the timesheet to verify that the four crew members were working on the system on September 12, notwithstanding the fact that their names weren't reflected on the daily time sheet for that specific day. As described elsewhere in the deposition, these communications between Accounts Payable and the PLs frequently occurred through telephone calls. In this instance, FPL has been unable to locate any written documentation of the communication, a fact which is not at all unexpected in light of the verification process described in the deposition. Given that the pay for the hours for the one day in question for those four individuals was not deducted from the invoice, the PL must have validated that the billing was correct.

QUESTION:

Please refer to Document No. 5202656873, discussed on Dep. pp. 410-417, please explain the results of your research into the questions asked about this invoice, including but not limited to whether and how FPL determined the travel time reflected in the invoice was reasonable, describe the communications (verbal and written) between the crew and FPL employees, including but not limited to travel coordinators, the research acquisition room, Ready System, and Power Delivery personnel, which supported the decision to approve and pay the invoice.

RESPONSE:

FPL believes the travel distances/times are reasonable based on FPL's research and review. FPL's REDI system included notes that indicated discussions between FPL's travel coordinator and the contractor team occurred regarding their travel to provide restoration services to FPL's customers. Based on a conversation with a representative from the contractor's company, on September 7, the team traveled from Shepherdsville, Kentucky through Calhoun, Georgia (approximately 333 miles) and Cartersville, Georgia (another approximately 26 miles) and nearly made it to Atlanta, Georgia (another approximately 21 miles), when they were informed that FPL's processing site was not yet ready to accept them and the team needed to seek lodging for the night. Due to the team needing lodging and parking for their vehicles, they decided to turn around and proceed back to Cartersville, Georgia (approximately 21 miles). While some of the team was able to secure lodging in Cartersville, other members of the team traveled back to Calhoun because they were unable to secure lodging in Cartersville that could accommodate both their lodging needs and the parking of their vehicles (another approximately 26 miles). FPL is unable to determine what additional discussions took place internally to approve and pay the invoice, however, as noted above, FPL believes the travel time to be reasonable.

QUESTION:

Please refer to Dep. Ex. 27, discussed on Dep. pp. 417-422. Please explain the results of your research into the issues discussed during the deposition, including but not limited to, the crews who billed for 22 hours straight and 40 hours straight, what work each crew was doing during those time periods, and the communications between FPL and the vendor to request and approve billing for those blocks of time.

RESPONSE:

On 9/11 the crews were performing restoration work in the West Palm Beach area. Per discussion with the Production Lead who had oversight responsibilities for these crews, it was confirmed that at the end of their 16-hour shift, the crews were sent to a hotel in Ft. Pierce. Upon arrival, the crews learned the hotel had lost power and would not accept guests, and the crews were sent back to the FPL staging site, where accommodations were not available and it required them to sleep in their trucks for several hours that night. Due to the lack of proper accommodations, the crews' time was approved for pay due to the extenuating circumstances. The team started their normal shift at 6:00AM on 9/12 and performed restoration work until 10:00PM.

QUESTION:

Please refer to Dep. Ex. 28 and Document No. 5202714784 discussed on Dep. pp. 438-444. Please explain the results of your research into the issues discussed during the deposition, including but not limited to, whether the billing on both invoices was appropriate based on the description of work contained in the invoices, what FPL knows about the work performed by the subject crew(s) and the accuracy of the billing rates on the invoices relative to the rates listed in the vendor's contract. Please indicate whether or not Document No. 5202714784 was paid.

RESPONSE:

FPL confirms that Document No. 5202714784 was paid and the accuracy of the billing rates on the invoices relative to the rates listed on the vendor's contract. The work performed by the crews on 9/11 was storm restoration work. FPL is unable to substantiate the exact amount of time charged to standby vs. storm restoration work on 9/11, as it may have been misclassified for part of the day. Work rates and standby rates are the same for this contractor.

QUESTION:

Please refer to Dep. Ex. 29, discussed on Dep. pp. 472-475. Please explain the results of your research into the issues discussed during the deposition, including but not limited to, verification of the work of the employee who was listed on weekly time report, but not on the daily time sheets; the meaning of the notation "MM"; the policy regarding verifying and striking vendor employees from time sheets (see Bates No. 024664 and deletion of "Admin" employee); explain why employees identified as "Mech" and "Safety" are billed individually, in light of the first paragraph on Bates No. 073683, while "Admin" employees listed on Bates 024665 and 024649 are not stricken.

RESPONSE:

Based upon FPL's research, the support for the employee's daily time that was recorded on the weekly time report on Bates No. 024531 was actually recorded and included on another travel team's daily time sheets (see Bates Nos. 024599 – 024604). As can be seen on that travel team's weekly time report (Bates Nos. 024588 and 024589), the time for that employee for that week was not included in that travel team's weekly time report. Also, employees identified as "Admin", "Safety" or "Mech" were not entitled to pay, per the information contained on Bates No. 073683. FPL is initiating the process of obtaining reimbursement from the vendor for the amounts paid for associated with entries coded as "Admin", "Safety" or "Mech". MM refers to Meterman; in this case the meterman was also qualified to perform line work and is entitled to pay, per the information contained on Bates No. 073683. If a Production Lead encounters personnel on a timesheet that is not eligible for pay, the name and/or time is typically stricken, which indicates the time is not entitled for pay.

QUESTION:

Please refer to Dep. Ex. 30, discussed on Dep. pp. 489-492. Please explain the results of your research into the issues discussed during the deposition, including but not limited to, the reason this crew was, according to their own notes, on standby status, but was allowed to bill 12 hours rather than the 10 hour maximum standby time outlined in FPL's standard SOW contract attachment Exhibit A1; explain all communications and documentation, if any, indicating all of the time billed was not standby time; explain whether this crew was embedded or non-embedded, and the reason, if any, the crew entered their time on a form labeled non-embedded, if that was not an accurate description of their status.

RESPONSE:

The following information was obtained from conversations with the Production Lead (PL) and a representative of the referenced contractor. The crews were formed using a combination of embedded and non-embedded personnel from the referenced contractor that were working on various FPL projects in FPL's North and Treasure Coast management areas. On 9/7-9/10, these crews were performing pre-storm "button up" work related to various on-going construction activities (e.g., feeder hardening and reliability program work) that were in progress at that time.

As indicated in FPL's answer to OPC's Ninth Set of Interrogatories No. 176, "button up" work involves returning parts of the electrical system that have been temporarily altered (e.g., where there is work in-progress and temporary construction methods have been used) back to their normal state - before the approaching storm impacts FPL's service territory. Addressing these temporary construction situations (e.g., where temporary construction arms have been installed on a pole), eliminates potential weak links in the system. Button-up work also involves switching the system back to its the normal state and securing current construction sites (e.g., securing equipment, tools and materials).

Time noted as standby time on the time sheets on 9/7-9/10 was actually for button up work. It should be noted that as indicated on Deposition Exhibit 30, there was no difference between the rate paid to the referenced contractor for standby time and for work time.

On 9/11, these crews were brought together in order to begin restoration work in the Treasure Coast management area.

DECLARATION

I sponsored the answers to Interrogatory Nos. 175 - 182, from the Office of Public Counsel's Ninth Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.


Signature

David T. Bromley

Date: February 1, 2019

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FPL's response to OPC's 10th Interrogatories
183-187.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 32
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Ferguson (183-187)

QUESTION:

Capitalization. Refer to Rule 25-6.0143, Florida Administrative Code ("F.A.C.") and Accounting Standards Codification ("ASC") 980. Specifically identify the section(s) of ASC 980 that would allow a utility to capitalize storm restoration costs at a cost based on normal cost absent a storm, as opposed to recognizing the actual costs incurred during the storm restoration process.

RESPONSE:

Although Accounting Standards Codification 980, *Regulated Operations*, ("ASC 980") does not provide specific guidance for the capitalization of storm costs, FPL is required to follow ASC 980 for the treatment of certain costs as prescribed by the regulator. ASC 980-340-25-1 stresses the importance of accounting for incurred costs in accordance with "rate actions of a regulator," which include, but are not limited to: rate orders, rules or regulations, regulator policies and practices, and discussions with the regulator. In this case, the Commission has expressly promulgated how storm costs should be capitalized in 25-6.0143(1)(d), F.A.C., which provides that the "...the normal cost for the removal, retirement and replacement of those facilities in the absence of a storm" should be the basis for calculating storm restoration capital.

QUESTION:

Capitalization. Refer to Rule 25-6.0143, Florida Administrative Code ("F.A.C.") and Accounting Standards Codification 980. Specifically identify the section(s) of ASC 980 that would allow a utility to capitalize plant or facilities by using a method other than actual cost.

RESPONSE:

See FPL's response to OPC's Tenth Set of Interrogatories No. 183.

QUESTION:

Payroll. Refer to Rule 25-6.0143(f)(1), Florida Administrative Code ("F.A.C.") and Accounting Standards Codification 980. Specifically identify the section(s) of ASC 980 that would allow a utility to use a method of determining whether payroll is incremental or non-incremental based on a methodology (i.e. using budget or historical dollars) different from the method referenced in the Rule, (i.e., what is included in base rates).

RESPONSE:

OPC's Tenth Set of Interrogatories No. 185 is based on incorrect premises. First, there is nothing in ASC 980 that addresses or prescribes methodologies for determining whether payroll is incremental or non-incremental. Instead, ASC 980-340-25-1 stresses the importance of accounting for incurred costs in accordance with "rate actions of a regulator," which is precisely how FPL calculated its storm restoration costs in this docket. See FPL's response to OPC's Tenth Set of Interrogatories No. 183.

Second, OPC's Tenth Set of Interrogatories No. 185 misinterprets Rule 25-6.0143(1)(f), F.A.C. (the "Rule"). The Rule does not prescribe a method for determining whether payroll is incremental or non-incremental, nor does the Rule state that non-incremental payroll costs is "what is included in base rates" as suggested by OPC's Tenth Set of Interrogatories No. 185. Rather, Part (1)(d) of the Rule provides that "... costs charged to cover storm-related damages shall exclude those costs that normally would be charged to non-cost recovery clause operating expenses in the absence of a storm," and Part (1)(f)(1) of the Rule prohibits "base rate recoverable regular payroll and regular payroll-related costs for utility managerial and non-managerial personnel" from being charged to the storm reserve. When these parts of the Rule are read together, it is clear that the purpose of the Rule is to exclude the normal payroll O&M expense that would have been incurred in the absence of the storm. As explained in FPL's response to OPC's Tenth Set of Interrogatories No. 187, in this particular case, the best estimate of the costs that would have been incurred in the absence of the storm are the costs that were budgeted for the year in question.

QUESTION:

Payroll. Refer to Rule 25-6.0143(f)(1), Florida Administrative Code ("F.A.C."). Does the company agree that the term "base rate recoverable" means the amount of payroll cost that was included in base rates when rates were last established? If not, provide the definition the company uses for the term "base rate recoverable" and identify any final order that would support the company's definition.

RESPONSE:

No. Base rate recoverable costs in the context of Rule 25-6.0143(f)(1), F.A.C., are costs that normally would be charged to non-cost recovery clause operating expenses in the absence of a storm.

QUESTION:

Storm Costs. Refer to Rule 25-6.0143, Florida Administrative Code ("F.A.C."). Identify the particular costs that can be determined to be "incremental" using budgeted costs under the Rule, and site for each respective cost a reference to the section of the Rule on which you relied.

RESPONSE:

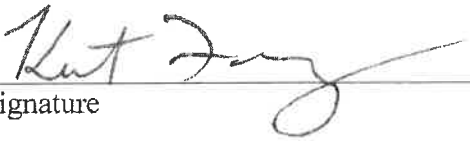
See FPL's response to OPC's Tenth Set of Interrogatories No. 185. The Rule does not prescribe precisely how to calculate the incremental cost. But clearly Part (1)(f)(7) of the Rule would indicate that budgets are an appropriate point of reference in determining what level of expense is incremental to that which would have been incurred in the absence of the storm and recovered through base rates.

Although calculating the incremental storm costs would result in the exact outcome presented by FPL in this docket because it charged the incremental Hurricane Irma storm restoration costs to base O&M rather than seeking recovery through a storm surcharge, the baseline to calculate its non-incremental regular payroll expense storm costs in this case would be FPL's current period operating budget, which is reflected on the informational Exhibit KF-2 and updated Exhibit KF-4. The use of the budgeted amount of regular payroll expenses to calculate the baseline from which incremental recoverable costs are derived is consistent with the intent and purpose of the Rule because it reflects the actual amount of regular payroll expense that would be charged to base O&M expense in the absence of the storm. Further, the use of the budgeted amount of regular payroll expenses to calculate the baseline from which incremental recoverable costs are derived properly recognizes: (i) base rates in effect are the result of a "black box" settlement with a significantly reduced base revenue requirement (compared to what was requested); (ii) the Rule calls for costs that would have been incurred absent storms to be excluded from the calculation of incremental costs; and (iii) annual budgets are established on the basis of what FPL projected to spend that year, absent storms and taking into account the terms of the settlement agreement and the overall revenue requirement upon which that agreement (and not MFRs) was predicated. For these reasons, budgeted amounts (and not MFRs) are the best measure of non-incremental costs for purposes of the Rule.

DECLARATION

I sponsored the answers to Interrogatory Nos. 183-187, from the Office of Public Counsel's Tenth Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.


Signature

Keith Ferguson

Date: 3/24/12

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FPL's response to OPC's 11th Interrogatories
Nos. 188-200.

Confidential DN. 04545-2019

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 33
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Miranda (188-192,
194-196)Reagan (193)Ferguson (197-200)

QUESTION:

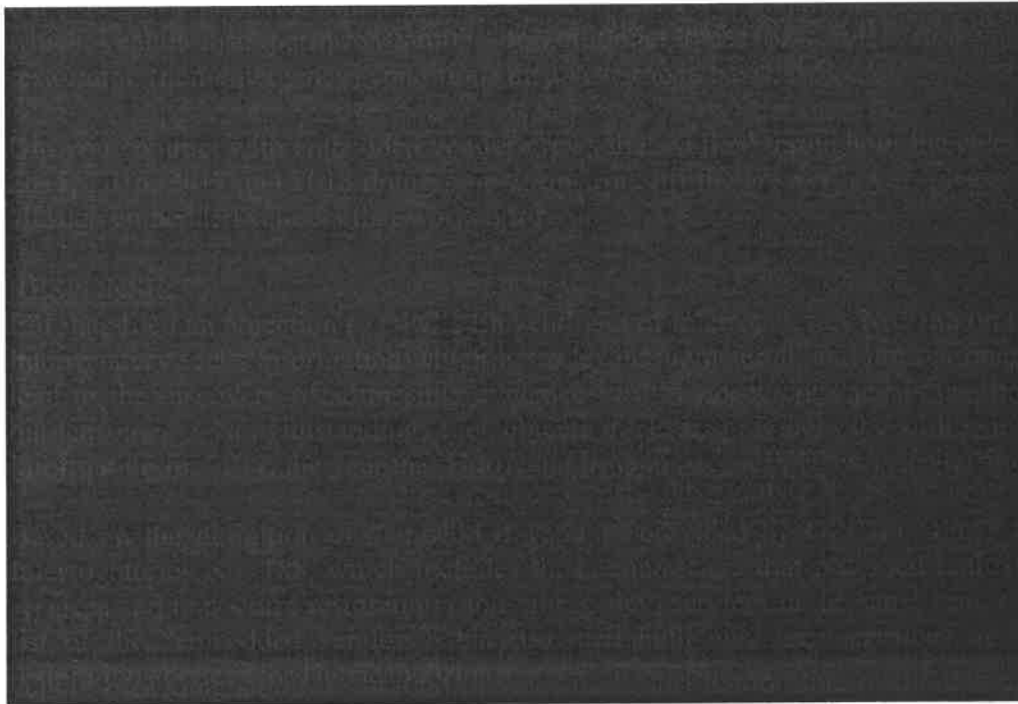
For the purposes of Interrogatories 188 through 196, the term "embedded vendor" means a vendor providing storm restoration services using distribution line restoration and repair crews, transmission repair, restoration and construction crews, and vegetation management crews, and which vendor also performs similar or additional types of services for you in non-storm-restoration (non-emergency) conditions on a year-round basis.

Did you contract with embedded vendor crews that worked throughout the calendar years 2014, 2015, 2016, 2017 and 2018 doing non-storm work? If the answer is yes, please provide a list of all such embedded vendors that worked for you.

RESPONSE:

FPL has filed an objection to OPC's Eleventh Set of Interrogatories No. 188 on the basis that the interrogatory seeks information which is irrelevant, immaterial, and not reasonably calculated to lead to the discovery of admissible evidence in this proceeding, and is overbroad and unduly burdensome. Notwithstanding the objection, FPL provides the following answer with information for 2017, the year that Hurricane Irma impacted FPL's service territory.

Based on the definition of "embedded vendor" provided by OPC in OPC's Eleventh Set of Interrogatories No. 188, which includes those contractors that provided both storm restoration services and non-storm restoration (non-emergency) services in the same year, the following is a list of the "embedded vendors" that provided both non-storm services in 2017 and storm restoration services for Hurricane Irma:



QUESTION:

For the purposes of Interrogatories 188 through 196, the term "embedded vendor" means a vendor providing storm restoration services using distribution line restoration and repair crews, transmission repair, restoration and construction crews, and vegetation management crews, and which vendor also performs similar or additional types of services for you in non-storm-restoration (non-emergency) conditions on a year-round basis.

For the embedded vendors listed in response to Interrogatory 188, provide a detailed description of the type of work each embedded vendor performed for your company by calendar year.

RESPONSE:

FPL has filed an objection to OPC's Eleventh Set of Interrogatories No. 189 on the basis that the interrogatory seeks information which is irrelevant, immaterial, and not reasonably calculated to lead to the discovery of admissible evidence in this proceeding, and is overbroad and unduly burdensome. Notwithstanding the objection, FPL provides the following answer with information for 2017, the year that Hurricane Irma impacted FPL's service territory.

The response to OPC's Eleventh Set of Interrogatories No. 189 is based on the definition of "embedded vendor" provided by OPC in OPC's Eleventh Set of Interrogatories No. 188, which includes those contractors that provided both storm restoration services and non-storm restoration (non-emergency) services in the same year.

A detailed description of the type of storm restoration work performed by each "embedded vendor" identified above has already been provided in FPL's response to OPC's Third Request for Production of Documents No. 19.

With respect to the non-storm work, see the contracts/statement of work exhibits provided in FPL's response to OPC's Ninth Request for Production of Documents No. 41 for each "embedded vendor" identified above. In general, the type of non-storm work performed by the "embedded vendor" would include: construction, maintenance, relocation, modification, trouble/outage and emergency restoration service to FPL's transmission and distribution infrastructure. The purpose of the non-storm work is to enhance and maintain the electrical grid, including: installing new overhead/underground facilities (e.g., poles, transformers, wire/conductor); repairing/maintaining existing overhead/underground facilities; removing existing facilities; restoring electric service when outages occur; and clearing/removing vegetation from FPL's transmission and distribution facilities. See also FPL's response to OPC's Eleventh Set of Interrogatories No. 196.

During storm events, the "embedded contractors" are reassigned from non-storm work to storm restoration work. All storm restoration work is charged to a separate, unique internal order ("IO") that is opened for each storm to aggregate the amount of storm restoration costs incurred for that storm. All storm work performed by "embedded contractors" and non-embedded

contractors is charged to the IO established for that storm. After their storm restoration work is completed, the “embedded contractors” are re-assigned back to normal, non-storm work activities. Stated otherwise, the non-storm work performed by the “embedded contractors” is temporarily deferred during storm events and completed at a later date.

QUESTION:

For the purposes of Interrogatories 188 through 196, the term "embedded vendor" means a vendor providing storm restoration services using distribution line restoration and repair crews, transmission repair, restoration and construction crews, and vegetation management crews, and which vendor also performs similar or additional types of services for you in non-storm-restoration (non-emergency) conditions on a year-round basis.

Does the size of a construction project dictate when your company would hire or utilize an embedded vendor's crew(s)? If the answer is yes, please provide a detailed list of the types of construction projects such embedded vendor crews would perform.

RESPONSE:

FPL has filed an objection to OPC's Eleventh Set of Interrogatories No. 190 on the basis that the interrogatory seeks information which is irrelevant, immaterial, and not reasonably calculated to lead to the discovery of admissible evidence in this proceeding, and is overbroad and unduly burdensome. Notwithstanding the objection, FPL provides the following answer with information for 2017, the year that Hurricane Irma impacted FPL's service territory.

The definition of "embedded vendor" provided by OPC in OPC's Eleventh Set of Interrogatories No. 196 includes those contractors that provided both storm restoration services and non-storm restoration (non-emergency) services in the same year. For purposes of responding to OPC's Eleventh Set of Interrogatories No. 196, FPL assumes that the reference to "construction project" refers to non-storm work.

The size of a non-storm construction project is one of the factors considered when determining if and when to hire or utilize an "embedded vendor" crew (see also FPL's response to OPC's Eleventh Set of Interrogatories No. 194). For the types of non-storm work "embedded contractors" may perform, please see FPL's responses to OPC's Ninth Request for Production of Documents No. 41 and OPC's Eleventh Set of Interrogatories Nos. 189 and 196.

QUESTION:

For the purposes of Interrogatories 188 through 196, the term "embedded vendor" means a vendor providing storm restoration services using distribution line restoration and repair crews, transmission repair, restoration and construction crews, and vegetation management crews, and which vendor also performs similar or additional types of services for you in non-storm-restoration (non-emergency) conditions on a year-round basis.

Do you have embedded vendor crews perform normal maintenance such as street light maintenance or outage repairs?

RESPONSE:

FPL has filed an objection to OPC's Eleventh Set of Interrogatories No. 191 on the basis that the interrogatory seeks information which is irrelevant, immaterial, and not reasonably calculated to lead to the discovery of admissible evidence in this proceeding, and is overbroad and unduly burdensome. Notwithstanding the objection, FPL provides the following answer with information for 2017, the year that Hurricane Irma impacted FPL's service territory.

The definition of "embedded vendor" provided by OPC in OPC's Eleventh Set of Interrogatories No. 191 includes those contractors that provided both storm restoration services and non-storm services restoration (non-emergency) in the same year. For purposes of responding to OPC's Eleventh Set of Interrogatories No. 191, FPL is assuming that the reference to "normal maintenance" means non-storm work. Subject to these clarifications, FPL confirms that it uses "embedded vendor" crews to perform normal maintenance such as street light maintenance or outage repairs.

QUESTION:

For the purposes of Interrogatories 188 through 196, the term "embedded vendor" means a vendor providing storm restoration services using distribution line restoration and repair crews, transmission repair, restoration and construction crews, and vegetation management crews, and which vendor also performs similar or additional types of services for you in non-storm-restoration (non-emergency) conditions on a year-round basis.

Do you have embedded vendor crews perform normal construction work such as pole or transformer replacement?

RESPONSE:

FPL has filed an objection to OPC's Eleventh Set of Interrogatories No. 192 on the basis that the interrogatory seeks information which is irrelevant, immaterial, and not reasonably calculated to lead to the discovery of admissible evidence in this proceeding, and is overbroad and unduly burdensome. Notwithstanding the objection, FPL provides the following answer with information for 2017, the year that Hurricane Irma impacted FPL's service territory.

The definition of "embedded vendor" provided by OPC in OPC's Eleventh Set of Interrogatories No. 192 includes those contractors that provided both storm restoration services and non-storm restoration (non-emergency) services in the same year. For purposes of responding to OPC's Eleventh Set of Interrogatories No. 192, FPL is assuming that the reference to "normal construction work" means non-storm work. Subject to these clarifications, FPL confirms that it uses "embedded vendor" crews to perform normal construction work such as pole or transformer replacement.

QUESTION:

For the purposes of Interrogatories 188 through 196, the term "embedded vendor" means a vendor providing storm restoration services using distribution line restoration and repair crews, transmission repair, restoration and construction crews, and vegetation management crews, and which vendor also performs similar or additional types of services for you in non-storm-restoration (non-emergency) conditions on a year-round basis.

Please identify all non-storm contract rates for any embedded vendor crews that you hired or utilized during 2014, 2015, 2016, 2017, and 2018.

RESPONSE:

FPL has filed an objection to OPC's Eleventh Set of Interrogatories No. 193 on the basis that the interrogatory seeks information which is irrelevant, immaterial, and not reasonably calculated to lead to the discovery of admissible evidence in this proceeding, and is overbroad and unduly burdensome. Notwithstanding the objection, FPL provides the following answer with information for 2017, the year that Hurricane Irma impacted FPL's service territory.

The definition of "embedded vendor" provided by OPC in OPC's Eleventh Set of Interrogatories No. 193 includes those contractors that provided both storm restoration services and non-storm restoration (non-emergency) services in the same year. All 2017 non-storm contracts and rates for embedded vendors meeting this definition are provided within the documents produced by FPL with its response to OPC's Ninth Request for Production of Documents No. 41.

QUESTION:

For the purposes of Interrogatories 188 through 196, the term "embedded vendor" means a vendor providing storm restoration services using distribution line restoration and repair crews, transmission repair, restoration and construction crews, and vegetation management crews, and which vendor also performs similar or additional types of services for you in non-storm-restoration (non-emergency) conditions on a year-round basis.

Please describe in detail any criteria FPL uses to determine if and/or when to engage an embedded vendor's crew in your operations. (These criteria may include the size of a construction project, the location of the project, etc.)

RESPONSE:

FPL has filed an objection to OPC's Eleventh Set of Interrogatories No. 194 on the basis that the interrogatory seeks information which is irrelevant, immaterial, and not reasonably calculated to lead to the discovery of admissible evidence in this proceeding, and is overbroad and unduly burdensome. Notwithstanding the objection, FPL provides the following answer with information for 2017, the year that Hurricane Irma impacted FPL's service territory.

The definition of "embedded vendor" provided by OPC in OPC's Eleventh Set of Interrogatories No. 194 includes those contractors that provided both storm restoration services and non-storm restoration (non-emergency) services in the same year. For purposes of responding to OPC's Eleventh Set of Interrogatories No. 194, FPL is assuming that the reference to "your operations" means non-storm work.

Factors in determining if and/or when to engage an "embedded vendor" for non-storm day-to day work would include one/any combination of the following: work exceeds capability/availability of FPL resources; size of a project; location of work; type of work (e.g., requires less skilled labor, requires specialized skills or equipment, overhead vs. underground work); time constrained work; and emergency/non-planned work (e.g., responding to outages resulting from summer thunderstorms).

QUESTION:

For the purposes of Interrogatories 188 through 196, the term "embedded vendor" means a vendor providing storm restoration services using distribution line restoration and repair crews, transmission repair, restoration and construction crews, and vegetation management crews, and which vendor also performs similar or additional types of services for you in non-storm-restoration (non-emergency) conditions on a year-round basis.

Please state what factors determine when and whether an embedded vendor's crew transitions from emergency storm restoration work at the higher rate (and greater than 40 hour work week) to a lower rate with limitations on the amount of overtime or premium time billing.

RESPONSE:

FPL has filed an objection to OPC's Eleventh Set of Interrogatories No. 195 on the basis that the interrogatory seeks information which is irrelevant, immaterial, and not reasonably calculated to lead to the discovery of admissible evidence in this proceeding, and is overbroad and unduly burdensome. Notwithstanding the objection, FPL provides the following answer with information for 2017, the year that Hurricane Irma impacted FPL's service territory.

The response to OPC's Eleventh Set of Interrogatories No. 195 is based on the definition of "embedded vendor" provided by OPC in OPC's Eleventh Set of Interrogatories No. 195, which includes those contractors that provided both storm restoration services and non-storm restoration (non-emergency) services in the same year.

As provided in FPL's response to Staff's First Set of Interrogatories No. 3, as restoration is being completed, assessments of remaining restoration construction man hours vs. available resources are evaluated. In general, once the available resources (including both external and embedded resources) exceed the remaining estimated construction hours, external resources are released and embedded contractors are returned back to complete the non-storm work that was deferred during storm restoration. FPL endeavors to release external resources and return embedded contractors to non-storm work based on a high-to-low cost ranking, subject to the overriding objective of quickest restoration time and related considerations (e.g., the number, availability, relative labor costs and travel distances of required resources).

QUESTION:

For the purposes of Interrogatories 188 through 196, the term "embedded vendor" means a vendor providing storm restoration services using distribution line restoration and repair crews, transmission repair, restoration and construction crews, and vegetation management crews, and which vendor also performs similar or additional types of services for you in non-storm-restoration (non-emergency) conditions on a year-round basis.

Please provide a detailed list of all the types of projects or the types of functions for which your company has used embedded vendors' crews.

RESPONSE:

FPL has filed an objection to OPC's Eleventh Set of Interrogatories No. 196 on the basis that the interrogatory seeks information which is irrelevant, immaterial, and not reasonably calculated to lead to the discovery of admissible evidence in this proceeding, and is overbroad and unduly burdensome. Notwithstanding the objection, FPL provides the following answer with information for 2017, the year that Hurricane Irma impacted FPL's service territory.

The response to OPC's Eleventh Set of Interrogatories No. 196 is based on the definition of "embedded vendor" provided by OPC in OPC's Eleventh Set of Interrogatories No. 196, which includes those contractors that provided both storm restoration services and non-storm restoration (non-emergency) services in the same year.

With respect to the non-storm work, the types of non-storm projects or functions performed by "embedded crews" include: construction to accommodate customer/load growth; storm hardening; pole inspections/follow-up work; reliability programs (e.g., install automated feeder and auto transformer switches, replace underground cable, vegetation management); customer requests (e.g., overhead to underground conversions) and service restoration. See also FPL's response to OPC's Eleventh Set of Interrogatories 189.

During storm events, the "embedded contractors" are reassigned from non-storm projects or functions to storm restoration work. All storm restoration work is charged to a separate, unique internal order ("IO") that is opened for each storm to aggregate the amount of storm restoration costs incurred for that storm. All storm work performed by "embedded contractors" and non-embedded contractors is charged to the IO established for that storm. After their storm restoration work is completed, the "embedded contractors" are re-assigned back to normal, non-storm projects or functions. Stated otherwise, the non-storm projects or functions performed by the "embedded contractors" are temporarily deferred during storm events and completed at a later date.

QUESTION:

Please provide your regular base payroll costs (i.e., do not include incentive compensation) for each of the last three years (2016, 2017, and 2018).

RESPONSE:

See the table below for regular and overtime base payroll costs for each of the last three years 2016, 2017 and 2018. Note, the amounts do not include Hurricane Irma payroll reflected on lines 2 and 3 of Exhibits KF-1, KF-2, KF-3 or KF-4 which was reclassified to functional miscellaneous FERC O&M accounts beginning in December 2017. Note, the requested information for 2017 and 2018 was previously provided in FPL's response to OPC's Third Set of Interrogatories No. 72 and OPC's Eighth Set of Interrogatories No. 157.

Year	Regular Payroll	Overtime Payroll
2016	\$ 493,011,188.57	\$ 70,506,039.00
2017	\$ 484,913,365.64	\$ 74,258,631.58
2018	\$ 461,614,822.22	\$ 70,299,194.56

Notes

Amounts do not include payroll overheads, incentives, and other types of payroll related expenses.

Amounts do not include storm related payroll charged to the reserve FERC account 228100

QUESTION:

Please provide the historical average for regular base payroll (i.e., do not include incentive compensation) for the last three years (2016, 2017, and 2018).

RESPONSE:

See the below table for historical averages for base regular and overtime base payroll for the last three years. Note, the amounts below do not include Hurricane Irma payroll reflected on Exhibit KF-1, KF-2, KF-3 or KF-4 which was reclassified to functional miscellaneous FERC O&M accounts beginning in December 2017.

Year	Regular Payroll	Overtime Payroll
2016	\$ 493,011,188.57	\$ 70,506,039.00
2017	\$ 484,913,365.64	\$ 74,258,631.58
2018	\$ 461,614,822.22	\$ 70,299,194.56
Average	\$ 479,846,458.81	\$ 71,687,955.05

Notes

Amounts do not include payroll overheads, incentives, and other types of payroll related expenses.

Amounts do not include storm related payroll charged to the reserve FERC account 228100

QUESTION:

Please provide your overtime payroll costs for each of the last three years (2016, 2017, and 2018). Please provide overtime payroll with storm-related overtime included and excluded from the amounts.

RESPONSE:

See FPL's response to OPC's Eleventh Set of Interrogatories No. 197 for overtime payroll with storm-related payroll excluded. See the table below for overtime payroll with storm related overtime included for each of the last three years, 2016, 2017 and 2018.

Year	Overtime Payroll Including Storm
2016	\$88,961,550
2017	\$108,400,598
2018	\$71,513,185

Notes

Amounts do not include payroll overheads, incentives, and other types of payroll related expenses.

QUESTION:

Please provide the historical average for overtime payroll for the last three years (2016, 2017, and 2018). Please provide the historical average for overtime payroll with storm-related overtime included and excluded from the amounts.

RESPONSE:

See FPL's response to OPC's Eleventh Set of Interrogatories No. 198 for historical average overtime with storm-related overtime excluded. See the table below for the historical average with storm-related overtime included for the last three years 2016, 2017 and 2018.

Year	Overtime Payroll Including Storm
2016	\$ 88,961,550
2017	\$ 108,400,598
2018	\$ 71,513,185
Average	\$ 89,625,111

Notes

Amounts do not include payroll overheads, incentives, and other types of payroll related expenses.

DECLARATION

I sponsored the answers to Interrogatory Nos. 188 - 192, and 194 - 196, from the Office of Public Counsel's Eleventh Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.


Signature

David T. Bromley

Date: March 22, 2019

DECLARATION

I sponsored the answer to Interrogatory No. 193, from the Office of Public Counsel's Eleventh Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the response is true and correct based on my personal knowledge.


Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answer identified above, and that the facts stated therein are true.

Signature



Ray Lozano

Date:



DECLARATION

I sponsored the answers to Interrogatory Nos. 197-200, from the Office of Public Counsel's Eleventh Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.



Signature

Keith Ferguson

Date: 3/28/2019

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FPL's response to OPC's 12th Interrogatories
Nos. 201-213.

Confidential DN. 04545-2019

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 34
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Ferguson (201-208, 209, 210-213)Manz
(201-208, 209)

QUESTION:

Refer to the testimony of Kristin Manz at page 14, lines 1-10. Does Ms. Manz agree that the invoices identified by Mr. Schultz were listed by FPL in response to Citizens' Interrogatory No. 20?

RESPONSE:

The rebuttal testimony of Ms. Manz at page 14, lines 1-10 does not dispute that Mr. Schultz identified invoices listed in FPL's response to OPC's First Set of Interrogatories No. 20. Rather, Ms. Manz points out that Mr. Schultz only identified a handful of invoices he claimed to represent duplicate payments and assumes, without support, that if he reviewed every invoice supporting \$1.3 billion in charges that he would have found more. Ms. Manz also notes that Mr. Schultz is either unaware of or ignores the fact that many of the invoices Mr. Schultz characterized as duplicate payments were already reversed, credited, or completely rejected as part of FPL's processes. The majority of the reversals for the invoices Mr. Schultz categorized as duplicate payments were included in FPL's response to OPC's First Set of Interrogatories No. 20. The reversal document numbers included on FPL's response to OPC's First Set of Interrogatories No. 20 have been noted below, as well as the reversal line item on Mr. Schultz's exhibit HWS-2.

Contractor Reference	Doc No	Bates No	Invoice No	Amount	PO	Reversal Document-Ref Number	HWS-2 Location
J	5202632083	48160	66559676	\$253,984.64	2000250535	Refund Doc #1800153788	Line 267
	5202632912	50557	66559676	\$145,919.54	2000250993	(\$253,984.64) 2/19/2018	
	5202633179	50545	66559838	\$108,065.10	2000250990		
OO	5202667866	25622	35137	\$446,858.90	2000255188	Refund Doc #1700011133	Line 320
	5202626883	48053	35137	\$446,858.90	2000250515	(\$446,858.90) 2/7/2018	
OO ¹	5202667862	25567	35240	\$303,366.88	2000255200	Refund Doc #5004317160	Reversal after 5/31/18
	5202663914	24992	35240	\$303,366.88	2000254086	(\$303,366.88) 10/9/2018	
Y ²	5202737250	38120	156225	\$671,670.27	2000262512	Refund Doc # 1800158204	Line 331
	5202648719	18284	156225	\$655,556.67	2000252379	(\$415,851.96) 3/29/2018	
						#1700012897 (\$239,704.71) 3/4/19	After 5/31/18

Florida Power & Light Company
Docket No. 20180049-EI
OPC's Twelfth Set of Interrogatories
Interrogatory No. 201
Page 2 of 2

RR ³	5202692840	33312	3	\$217,124.92	2000258174	Refund Doc # 1700011411 (\$221,678.52) 4/13/2018	Line 323
	5202747215	39237	3 IRMA	\$227,519.00	2000263394		

- 1) Reversal occurred after Exhibit KF-1 was filed with the Commission and was not included in FPL's response to OPC's First Set of Interrogatories No. 20, but was included in FPL's final costs filed with FPL Witness Ferguson's rebuttal testimony Exhibit's KF-3 & KF-4.
- 2) Vendor Y short paid the refund due to FPL for invoice 156225 by \$239,704.71 for a non-Irma outstanding invoice not yet paid by FPL. In March 2019, FPL recorded a credit memo to Irma storm costs for (\$239,704.71).
- 3) Vendor RR refunded FPL \$221,678.52 in April 2018. The refund included the full amount of \$217,124.92 for invoice 3 (document number 5202692840), in addition to \$4,553.60 for 32 overtime hours that were overcharged on invoice 3 IRMA (document number 5202747215).

QUESTION:

Refer to the testimony of Kristin Manz at page 14, lines 1-10. Does Ms. Manz agree that the costs on the invoices identified by Mr. Schultz were included as part of FPL's Petition for evaluation of storm restoration costs related to Hurricane Irma ("Petition") filed on August 31, 2018? If your response is anything other than an unqualified "yes" please explain how Mr. Schultz could have located these costs if the costs were already adjusted or completely rejected by FPL as a result of FPL's invoice review and approval processes.

RESPONSE:

No. Assuming the question is asking about those invoices specifically identified in Mr. Schultz's testimony, the majority of the duplicate costs identified by Mr. Schultz were not included as part of FPL's Petition filed on August 31, 2018, because these costs were reversed prior to the filing of the Petition as explained in FPL's response to OPC's Twelfth Set of Interrogatories No. 201. Further, the majority of these reversals for the invoices Mr. Schultz categorized as duplicate payments were included in FPL's response to OPC's First Set of Interrogatories No. 20, as explained in FPL's response to OPC Twelfth Set of Interrogatories No. 201.

QUESTION:

Refer to the testimony of Kristin Manz at page 16. State whether or not the credit for vendor J and the \$446,859 reversal for vendor OO were listed on FPL's Response to Citizens' Interrogatory Item No. 20) and Exhibit HWS-2, Schedule C, page 3 of 6 as credits in the classification "Not Assigned." If so, state whether or not the referenced credits reduced the cost approval request originally listed in FPL's Petition.

RESPONSE:

The credit for vendor J for \$253,984 and vendor OO for \$446,859, were listed on FPL's Response to OPC's First Set of Interrogatories No. 20 and on Exhibit HWS-2, Schedule C lines 267 and 320. See FPL's response to OPC's Twelfth Set of Interrogatories No. 201 for the document reference numbers. The credits off-set the duplicate invoices resulting in a \$0 net effect to total costs included as part of FPL's final storm costs filed with the Commission on August 31, 2018. As such the referenced credits did not result in any change to the total costs identified in FPL's Petition.

QUESTION:

Refer to the testimony of Kristin Manz at page 16. The table reflects the duplicate payment to vendor OO. The table indicates a reversal was made for \$303,367, but the table does not appear to indicate where that credit is reflected on FPL's Response to Citizens' Interrogatory Item No. 20 to reduce the cost approval request listed in FPL's Petition. Please identify where the credit is reflected in FPL's Response to Citizens' Interrogatory Item No. 20 and on Exhibit HWS-2, Schedule C, page 3 of 6.

RESPONSE:

The credit reversal for vendor OO for \$303,367 occurred on 10/19/2018, after FPL's final costs as of May 31, 2018 and was therefore not reflected on FPL's response to OPC's First Set of Interrogatories No. 20 and is therefore not reflected on Exhibit HWS-2. The credit reversal was reflected on the Hurricane Irma Storm Restoration Costs through December 31, 2018 filed with FPL's rebuttal testimony on March 15, 2019.

QUESTION:

Refer to the testimony of Kristin Manz at page 17. The table reflects the duplicate payment FPL made to vendor Y. The table indicates a refund was made, but does not appear to indicate where that credit is reflected on FPL's Response to Citizens' Interrogatory Item No. 20 to reduce FPL's original cost approval request listed in FPL's Petition. Please identify where the credit is reflected in FPL's Response to Citizens' Interrogatory Item No. 20 and on Exhibit HWS-2, Schedule C, page 3 of 6.

RESPONSE:

See FPL's response to OPC's Twelfth Set of Interrogatories No. 201 for the credit reversal location.

QUESTION:

Refer to the testimony of Kristin Manz at page 17. The table reflects the duplicate payment FPL made to vendor RR. The table indicates a reversal was made, but does not indicate where that credit is reflected on FPL's Response to Citizens' Interrogatory Item No. 20) to reduce FPL's original cost approval request listed in FPL's Petition. Please identify where the credit is reflected in FPL's Response to Citizens' Interrogatory Item No. 20 and on Exhibit HWS-2, Schedule C, page 3 of 6.

RESPONSE:

See FPL's response to OPC's First Set of Interrogatories No. 201 for the credit location.

QUESTION:

Refer to the testimony of Kristin Manz at page 17, lines 2-7. State whether or not Ms. Manz agrees that, based on the cost approval request amounts FPL originally submitted in its August 31, 2018 Petition, some of the adjustments (to the total submitted for approval) for duplicated payments identified by Mr. Schultz are appropriate (given that Mr. Schultz's schedules are based on Exhibit KF-2). If Ms. Manz does not agree, please explain why not.

RESPONSE:

Ms. Manz has no knowledge of the invoices or payments that were actually reviewed by Mr. Schultz. However, the adjustments to Exhibit KF-1 for contractor invoices that Ms. Manz believes are appropriate are fully explained on pages 16-18 of her rebuttal testimony. These adjustments have been included in Exhibit KF-3, which is attached to the rebuttal testimony of FPL witness Ferguson.

QUESTION:

Refer to the testimony of Kristin Manz at page 18, lines 8-19. Please state whether or not Ms. Manz agrees that, based on the cost recovery request amounts FPL originally filed in its August 31, 2018 Petition, an adjustment for the duplicated payment identified by Mr. Schultz would be appropriate (i.e., Mr. Schultz's schedules are based on Exhibit KF-2). If Ms. Manz does not agree, please explain why not.

RESPONSE:

Initially it should be noted that contrary to the assertion in the question, FPL has not made any cost recovery request in this proceeding.

The adjustment that Ms. Manz believes is appropriate is fully explained in her rebuttal testimony on page 18, lines 8-19, which has been included in FPL's Exhibit KF-3 – Hurricane Irma Storm Restoration Costs through December 31, 2018 filed with its rebuttal testimony on March 15, 2019.

QUESTION:

Refer to the testimony of Kristin Manz at page 18, lines 8-19. Did FPL discover this duplicated payment as part of FPL's original invoice review process completed before the filing of its August 31, 2018 Petition?

RESPONSE:

No, the credit was posted in December 19, 2018. As explained in FPL's discovery responses, the invoice identified as Deposition Exhibit 22 (Document No. 5202661125) discussed during the November 15 and December 13, 2018 deposition has been remedied through the issuance of a credit memo for the full amount. The referenced reversal and credit of \$1.223 million is included in FPL's Exhibit KF-3 – Updated Hurricane Irma Costs as of December 31, 2018

QUESTION:

Refer to the testimony of Keith Ferguson at pages 5-10. Does Mr. Ferguson agree that, had FPL undertaken to charge costs to the storm reserve instead of to base O&M expense, the Incremental Cost and Capitalization Approach ("ICCA") would govern the determination of whether costs were incremental or not incremental? If your response is anything other than an unqualified "yes" please explain why Mr. Ferguson does not agree.

RESPONSE:

OPC's Twelfth Set of Interrogatories No. 210 is based on an assumption that is not factually correct. As explained in Mr. Ferguson's direct and rebuttal testimony, FPL did not ultimately charge the Hurricane Irma storm restoration costs to the storm reserve as suggested in OPC's Twelfth Set of Interrogatories No. 210. Notwithstanding, if FPL had undertaken to charge Hurricane Irma costs to the storm reserve and sought recovery from its customers through a surcharge, FPL agrees that the ICCA methodology under Rule 25-6.0143 would apply to storm restoration costs charged to the storm reserve (Account 228.1). However, as stated in Mr. Ferguson's rebuttal testimony, because FPL charged Hurricane Irma storm costs to base O&M instead of the reserve, the ICCA methodology for the determination of O&M expenses as incremental or non-incremental costs is not applicable to this proceeding as it would have no effect on the total Hurricane Irma storm restoration costs. As shown below, the application of the ICCA methodology for Hurricane Irma O&M expenses results in equivalent amounts being charged to base O&M.

ICCA Methodology Effect on Base O&M (amounts in '000)		
<u>Scenario 1: Apply ICCA Methodology on Irma O&M</u>		
1	Total Storm Related Restoration Costs	\$1,375,008
2	Less: Total Capitalizable Costs	-\$98,200
3	Less: Third-Party Reimbursements	-\$2,440
4	Less: Below-the-Line/Thank You Ads	-\$822
5	Less: Total ICCA Adjustments Charged to Base O&M	-\$17,335
6	Incremental Storm Costs Charged to Base O&M	<u>\$1,256,211</u>
7	Sum of Charges to Base O&M (Line 5 + Line 6)	<u>\$1,273,545</u>
 <u>Scenario 2: Don't Apply ICCA Methodology on Irma O&M</u>		
1	Total Storm Related Restoration Costs	\$1,375,008
2	Less: Total Capitalizable Costs	-\$98,200
3	Less: Third-Party Reimbursements	-\$2,440
4	Less: Below-the-Line/Thank You Ads	-\$822
5	Total Storm Restoration Costs Charged to Base O&M	<u>\$1,273,545</u>
6	Sum of Charges to Base O&M (Line 5)	<u>\$1,273,545</u>

QUESTION:

Refer to the testimony of Keith Ferguson at pages 5-10. Does Mr. Ferguson agree that, had FPL undertaken to charge costs to the storm reserve instead of to base O&M expense, the ICCA would apply, and to the extent that non-incremental charges were charged to base O&M and that impacted FPL's ROE, then an adjustment would be made recording some amount from the Reserve Amount (to the extent it would be so available) so FPL's targeted regulatory ROE stays within an authorized range of 9.6% to 11.6%. If your response is anything other than an unqualified "yes" please explain why Mr. Ferguson does not agree.

RESPONSE:

OPC's Twelfth Set of Interrogatories No. 211 is based on an assumption that is not factually correct. As explained in Mr. Ferguson's direct and rebuttal testimony, FPL did not ultimately charge the Hurricane Irma storm restoration costs to the storm reserve as suggested in OPC's Twelfth Set of Interrogatories No. 211. Notwithstanding, if FPL had undertaken to charge Hurricane Irma costs to the storm reserve and sought recovery from its customers through a surcharge, FPL agrees that the ICCA methodology under Rule 25-6.0143 would apply to storm restoration costs charged to the storm reserve (Account 228.1). See FPL's response to OPC's Twelfth Set of Interrogatories No. 210.

FPL also agrees that, if FPL had undertaken to charge Hurricane Irma costs to the storm reserve and sought recovery from its customers through a surcharge, and the non-incremental costs, as defined Rule 25-6.0143, charged to base O&M impacted FPL's ROE, FPL could have used the Amortization Reserve Mechanism to offset such costs so that FPL's targeted regulatory ROE remained within the authorized range of 9.6% to 11.6%.

QUESTION:

Refer to the testimony of Keith Ferguson at page 9, lines 12-23. Does Mr. Ferguson agree that, had FPL undertaken to charge costs to the storm reserve instead of to base O&M expense, an ICCA adjustment for non-incremental cost would be charged to base O&M, and that if FPL's targeted regulatory ROE stayed within the authorized range of 9.6% to 11.6%, those non-incremental costs would not be recoverable as part of the storm recovery reserve, and that there would not be a need to offset the such costs against the Reserve Amount, if available? If your response is anything other than an unqualified "yes" please explain why Mr. Ferguson does not agree.

RESPONSE:

The underlying premise of OPC's Twelfth Set of Interrogatories No. 212 is based on an assumption that is not factually correct. As explained in Mr. Ferguson's direct and rebuttal testimony, FPL did not ultimately charge the Hurricane Irma storm restoration costs to the storm reserve as suggested in OPC's Twelfth Set of Interrogatories No. 212. Notwithstanding, if FPL had undertaken to charge Hurricane Irma costs to the storm reserve and sought recovery from its customers through a surcharge, FPL agrees that an ICCA adjustment for certain non-incremental costs as defined under Rule 25-6.0143 (*i.e.*, regular payroll, vegetation management, etc.) would be charged to base O&M expense.

However, OPC's Twelfth Set of Interrogatories No. 212 is based on an incorrect premise that FPL may not use the Amortization Reserve Mechanism if it is within the authorized ROE range of 9.6%-11.6%. FPL can and does apply the Amortization Reserve Mechanism to offset costs even when FPL is within the authorized ROE range, including to offset non-incremental costs charged to base O&M expense. Thus, if FPL had undertaken to charge Hurricane Irma costs to the storm reserve and sought recovery from its customers and the non-incremental costs that were charged to base O&M and FPL's ROE remained within the authorized range of 9.6% to 11.6%, FPL would have had the option to apply the Amortization Reserve Mechanism to offset these costs depending on where FPL's targeted regulatory ROE was within the authorized range.

QUESTION:

Refer to the testimony of Keith Ferguson at page 9, lines 12-23. Does Mr. Ferguson agree that, had FPL undertaken to charge costs to the storm reserve instead of to base O&M expense, an ICCA adjustment for non-incremental cost would be charged to base O&M, and that if FPL's targeted regulatory ROE stayed within the authorized range of 9.6% to 11.6%, those non-incremental costs would not be recoverable as part of the storm recovery reserve, and that there would not be a need to offset the such costs against the Reserve Amount, if available? If your response is anything other than an unqualified "yes" please explain why Mr. Ferguson does not agree.

RESPONSE:

The underlying premise of OPC's Twelfth Set of Interrogatories No. 212 is based on an assumption that is not factually correct. As explained in Mr. Ferguson's direct and rebuttal testimony, FPL did not ultimately charge the Hurricane Irma storm restoration costs to the storm reserve as suggested in OPC's Twelfth Set of Interrogatories No. 212. Notwithstanding, if FPL had undertaken to charge Hurricane Irma costs to the storm reserve and sought recovery from its customers through a surcharge, FPL agrees that an ICCA adjustment for certain non-incremental costs as defined under Rule 25-6.0143 (*i.e.*, regular payroll, vegetation management, etc.) would be charged to base O&M expense.

However, OPC's Twelfth Set of Interrogatories No. 212 is based on an incorrect premise that FPL may not use the Amortization Reserve Mechanism if it is within the authorized ROE range of 9.6%-11.6%. FPL can and does apply the Amortization Reserve Mechanism to offset costs even when FPL is within the authorized ROE range, including to offset non-incremental costs charged to base O&M expense. Thus, if FPL had undertaken to charge Hurricane Irma costs to the storm reserve and sought recovery from its customers and the non-incremental costs that were charged to base O&M and FPL's ROE remained within the authorized range of 9.6% to 11.6%, FPL would have had the option to apply the Amortization Reserve Mechanism to offset these costs depending on where FPL's targeted regulatory ROE was within the authorized range.

QUESTION:

Refer to the testimony of Keith Ferguson at page 24, lines 17-21. Did FPL provide invoices in support of all the costs included in the accrual or did FPL merely provide journal entry information? If the response is that actual invoices were provided for all the costs, please identify where that information was included in FPL's Response to OPC's Request for Production of Documents No. 14; please list the specific file names and Bates numbers of the invoices.

RESPONSE:

FPL follows accrual accounting, which is required under GAAP; therefore, it appropriately included these costs in FPL's total storm cost estimates. Specifically, lines 17 – 21 of page 24 of Mr. Ferguson's testimony address the May 2018 accrual support for Distribution in the amount of \$20.166 million which was provided in FPL's response to OPC's Third Request for Production of Documents No. 26, and Nuclear in the amount of \$12.967 million which was provided in FPL's response to OPC's Second Request for Production of Documents No. 14. Both accruals were included in FPL's estimated final costs as of May 2018, which was filed with Mr. Ferguson's direct testimony as exhibits KF-1 and KF-2. In both instances, FPL provided the journal entry and the related support, including any available invoices or estimates which the accruals were based upon. Much of this work had already been scoped out and bid by contractors but had not yet been performed. FPL's estimated Hurricane Irma storm restoration costs include accruals for work incurred but not yet invoiced and remaining follow-up work to be performed; therefore, a supporting invoice may not have been available at the time FPL filed its responses to OPC's First Request for Production of Documents No. 6, Second Request for Production of Documents No. 14, and Third Request for Production of Documents No. 26.

Both accruals were part of FPL's May 2018 FAS 5 entry in accordance with FPL's Qualifying Event Accrual provided by FPL in OPC's First Request for Production of Documents No. 4. Many of the invoices that were accrued for as part of the May 2018 FAS 5 have since been invoiced and paid for by FPL. The attached confidential response includes the contractor invoices and work requests above the threshold agreed to in FPL's response to OPC's First Request for Production of Documents No. 6 for both Nuclear and Distribution. As of December 2018, there remained \$9.9 million of FAS 5 nuclear cost accruals, which is a component of the total nuclear contractor costs of \$17.633 million that Mr. Ferguson mentions on lines 3 through 7 of page 25 of his rebuttal testimony and reflected on Exhibit KF-3 and KF-4. There was no remaining accrual for the distribution function as of December 2018.

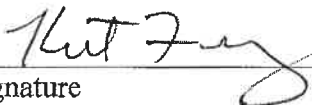
Also attached is the available supporting estimates used for the December 2018 FAS 5 nuclear contractor accrual.

Please see the confidential documents (Bates numbers FPL 100258 – FPL 100400) provided with this response.

DECLARATION

I co-sponsored the answers to Interrogatory Nos. 201-208, from the Office of Public Counsel's Twelfth's Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.


Signature


Keith Ferguson

Date: 4/18/2019

DECLARATION

I co-sponsored the answers to Interrogatory Nos. 201-208, from the Office of Public Counsel's Twelfth's Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.



Signature

Kristin Manz

Date: 4-18-19

DECLARATION

I sponsored the answers to Interrogatory Nos. 210-213, and co-sponsored the answer to Interrogatory No. 209 from the Office of Public Counsel's Twelfth's Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.



Signature

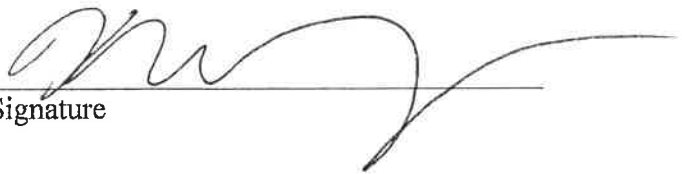
Keith Ferguson

Date: 5/3/2019

DECLARATION

I co-sponsored the answer to Interrogatory No. 209, from the Office of Public Counsel's Twelfth's Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.


Signature

Kristin Manz

Date: 5-2-19

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FPL's response to OPC's 13th Interrogatories
Nos. 214-238, 238a, 239, 239a, 240-243.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 35
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Gwaltney (214-243)

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at page 4, lines 2-3. As Planning Section Chief, were you responsible for making sure that vendors complied with the provisions outlined in FPL's document entitled, "Florida Power & Light Company Statement of Work Distribution Storm and Emergency Restoration Exhibit A1" (Bates No. FPL 073674-073687), hereinafter referred to as the "SOW"? If not, please identify by name and title the FPL employee(s) who had ultimate responsibility for ensuring compliance with the referenced document from August 2017 to the present.

RESPONSE:

As explained on page 4, lines 2-3 of his rebuttal testimony, Mr. Gwaltney's role as Planning Section Chief included seeking and securing restoration resources. Mr. Gwaltney had no direct role in assuring that vendors complied with the provisions contained within the FPL's SOW during restoration. However, Mr. Gwaltney provided guidance on SOW compliance issues and exceptions and approved invoices.

As indicated in its Table of Contents, the SOW covers various requirements and specifications. As a result, ensuring compliance with or granting exceptions to the SOW is a shared responsibility. This shared responsibility would include representatives from operations (primarily Production Leads and Incident Commanders, who have oversight responsibilities of external restoration crews) and finance (primarily Finance Section Chiefs and invoice reviewers). See testimony references for FPL witnesses Miranda (p. 16, lines 6-16, direct testimony), Ferguson (p. 7, lines 18-24 and p. 8, lines 1-8, direct testimony), Gwaltney (p. 9, lines 11-23 and p. 10, lines 1-24, rebuttal testimony) and Manz (pp. 5-23, rebuttal) for additional details regarding responsibilities of the operations and finance roles.

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at page 4, lines 2-3. As Planning Section Chief, please describe what *your* role was for making sure that vendors complied with the provisions outlined in FPL's SOW.

RESPONSE:

See FPL's response to OPC's Thirteenth Set of Interrogatories No. 214.

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at page 5, lines 17-23 and page 6, lines 1-16. Is it Mr. Gwaltney's testimony that the referenced problems identified by Mr. Schultz were not problems in FPL's opinion, but instead are all fully justified by the explanations provided by FPL? If the response is other than an unqualified "yes", then identify which of the listed problems FPL acknowledges were problems and why those problems occurred.

RESPONSE:

As stated on page 5, lines 22-23 and page 6, line 1 of Mr. Gwaltney's rebuttal testimony, "The *vast majority* (emphasis added) of the examples of 'problems' identified by Mr. Schultz on pages 15 and 16 of his testimony were, in fact, addressed and explained in FPL's responses to discovery requests that OPC issued as deposition follow-up questions". See page 12, lines 7-20 of Mr. Gwaltney's rebuttal testimony for instances where adjustments have been or will be addressed.

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at page 8, lines 7-21. What specific analysis did Mr. Gwaltney perform that would support the conclusions in his testimony regarding the reasonableness of travel distances and times, as relates to travel which took place outside of Florida? If none, explain how he justifies the travel time outside of Florida. Please identify and list the date of each document containing any such analysis Mr. Gwaltney performed or ordered to be performed.

RESPONSE:

Mr. Gwaltney's conclusions on page 8, lines 7-21 of his rebuttal testimony are based on his decades of personal experience with storm restoration events, including restoration events when FPL required external crews to travel to Florida to support FPL, as well as restoration events when FPL traveled to provide support to other utilities. Mr. Gwaltney's conclusions are also based on his actual experience with the coordination of storm restoration crews during mobilization/demobilization.

In addition, Mr. Gwaltney reviewed the specific mobilization/demobilization "problems" asserted by Mr. Schultz in his testimony and raised during the deposition of Mr. Gwaltney. Mr. Gwaltney does not recall the specific dates he reviewed these mobilization/demobilization "problems." However, based on this review, Mr. Gwaltney determined that the vast majority of these mobilization/demobilization "problems" were, in fact, not problems, when considering factors such as average travel speeds, stops (e.g., fuel, meals, weigh stations, tolls) and typical travel conditions (e.g., weather, traffic) as further explained in FPL's response to OPC's Sixth Set of Interrogatories Nos. 133, 134, and 144, as well as at pages 8 and 13-15 of Mr. Gwaltney's rebuttal testimony.

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at page 9, lines 1-10. In the instances where you testified that exceptions were made to the SOW, were the exceptions and reasons for the exceptions memorialized by FPL in writing? If so memorialized, please list the Bates numbers of the documents which contain the documentation of exceptions. If not memorialized, please explain the reason FPL failed to document exceptions to the policies outlined in its contracts, including the SOW.

RESPONSE:

While Mr. Gwaltney is aware of examples of approved exceptions, he did not review source documents to determine whether or not exceptions were memorialized in writing. However, many of these exceptions were made in the field in real-time based upon the actual and emergent circumstances faced during storm restoration. It simply was not reasonable or practicable to document every exception that was requested, granted, or denied in the field in real-time. Doing so may have hampered FPL's ability to "attempt to restore service within the shortest time practicable consistent with safety" as required by Rule 25-6.044(3), F.A.C., and increase storm restoration costs.

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at page 12, lines 15-20. Does Mr. Gwaltney agree that the billing issue identified there was a legitimate problem that was not discovered by FPL prior to the date FPL submitted its Petition requesting approval of the costs?

RESPONSE:

OPC's Thirteenth Set of Interrogatories No. 219 mischaracterizes FPL's "Petition requesting approval of the costs". See page 1 of FPL's Petition for the appropriate context and purpose of FPL's Petition.

Although Mr. Gwaltney does not agree that there was a "legitimate problem", he acknowledges that FPL made an adjustment for the two invoices referenced on page 12, lines 15-20 of Mr. Gwaltney's rebuttal testimony after the date FPL submitted its Petition. Absent an approved exception, FPL's standard practice is for the Production Lead to strike the name and/or time from a timesheet for any personnel that are not eligible for pay. Based upon FPL's research, FPL was unable to determine whether an exception from this standard practice was granted or whether the Production Lead inadvertently failed to strike the name and/or time from the timesheets. As such, FPL reflected an adjustment for these invoices and FPL initiated the process of obtaining reimbursement from the vendor as explained in FPL's response to OPC's Ninth Set of Interrogatories No. 181 (Exhibit TGW-1, page 21).

QUESTION:

Does Mr. Gwaltney agree that the identification of this billing issue (at page 12, lines 15-20) only occurred because OPC identified it as an issue? If the response is other than an unqualified "yes", then explain when and how (including any in-process or scheduled after-action review process other than the one discussed at pages 381-383 of the December 13, 2108 Deposition of Mr. Gwaltney, *et al.*) FPL would have discovered the problem and would have subsequently reduced its request for cost approval by \$247,817.

RESPONSE:

See FPL's response to OPC's Thirteenth Set of Interrogatories No. 219.

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at page 12, lines 15-20. Explain how, in light of the processes FPL claims were in place, FPL failed to detect the billing issue and issued payments for the two invoices.

RESPONSE:

See FPL's response to OPC's Thirteenth Set of Interrogatories No. 219.

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at page 12, lines 1-6. Is it Mr. Gwaltney's testimony that the referenced travel problems identified by Mr. Schultz were non-existent and that **all** travel by external resources was reasonable and prudent? If the response is other than an unqualified "yes" then identify which of Mr. Schultz's identified travel problems FPL acknowledges were problems and explain why those problems occurred.

RESPONSE:

This interrogatory mischaracterizes the statements on page 12, lines 1-6 of Mr. Gwaltney's rebuttal testimony. The referenced testimony does not address the non-existence of travel problems or whether all travel by external resources was reasonable and prudent. Rather, as clearly stated on page 11, lines 17-23 and page 12, lines 1-6, Mr. Gwaltney's rebuttal testimony addresses Mr. Schultz's general criticism of FPL's oversight of contractors while travelling, and explains that Mr. Schultz's concerns regarding monitoring of travel teams as they travel to and from FPL's service territory are unwarranted.

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at page 13, lines 9-16. Did Mr. Gwaltney personally review any storm restoration invoices and supporting documentation? If so:

- a. Please identify by Bates number all invoices and supporting documentation personally reviewed by Mr. Gwaltney prior to the filing of FPL's Petition and testimony on August 31, 2018;
- b. Please identify by Bates number all invoices and supporting documentation personally reviewed by Mr. Gwaltney after August 31, 2018 but prior to January 11, 2019; and
- c. Please identify by Bates number all invoices and supporting documentation personally reviewed by Mr. Gwaltney after the filing of Mr. Schultz's testimony on January 11, 2019 but prior to the filing of Mr. Gwaltney's rebuttal testimony on March 15, 2019.

RESPONSE:

To be clear, Mr. Gwaltney's rebuttal testimony referenced in OPC's Thirteenth Set of Interrogatories No. 223 addresses Mr. Schultz's proposed "conservative" adjustment for what Mr. Schultz claims to be excessive mobilization/demobilization time. The basis for Mr. Gwaltney's conclusions regarding the reasonableness of mobilization/demobilization travel distances and times, as well as the mobilization/demobilization invoices reviewed by Mr. Gwaltney, are explained in FPL's response to OPC's Thirteenth Set of Interrogatories No. 217, in the two-day deposition of the FPL panel of witnesses taken by OPC in November and December of 2018, and in Mr. Gwaltney's rebuttal testimony.

- a. Mr. Gwaltney does not recall the specific documents he personally reviewed.
- b. Mr. Gwaltney does not recall the specific documents he personally reviewed.
- c. Mr. Gwaltney does not recall the specific documents he personally reviewed.

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at page 13, lines 17-23 and page 14, lines 1-10. Has Mr. Gwaltney performed or reviewed any studies supporting his assumptions? If so, please list each study, including the title, date, author, and publication name.

RESPONSE:

See FPL's response to OPC's Thirteenth Set of Interrogatories Nos. 217 and 223 and FPL's Response to OPC's Tenth Request for Production of Documents No. 58.

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at page 13, lines 17-23 and page 14, lines 1-10. Is it Mr. Gwaltney's testimony that it takes an hour or more for external resources' trucks to be refueled? If the response is other than an unqualified "yes" then provide the basis for the assumptions and conclusions outlined in the referenced testimony.

RESPONSE:

Mr. Gwaltney's rebuttal testimony at page 13, lines 17-23 and page 14, lines 1-10 responds to Mr. Schultz's opinion that crews travelling to FPL's service territory should be able to travel 840 miles in a 16-hour day. The word "hour" in Mr. Gwaltney's testimony is used in response to Mr. Schultz's assumed one hour for each meals/refueling stop used by Mr. Schultz as a factor in his assertion that crews should be able to travel 840 miles in a 16-hour day (14 hours driving time at 60 mph, with 2 one-hour stops for meals and fueling). See page 49, lines 19-20 of Mr. Schultz's direct testimony. Additionally, it should be noted that it could take an hour or more for a refueling or meal stop, depending on the number of trucks that are travelling in the convoy and the traffic congestion and fueling challenges (i.e., shortages, long lines at gas stations, etc.) that can occur just before and in the aftermath of a hurricane - especially a storm the size and scope of Hurricane Irma.

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at page 14, lines 4-9. Provide an explanation as to how Mr. Gwaltney calculated the 120 mile difference referenced and show his calculation.

RESPONSE:

The referenced portion of Mr. Gwaltney's rebuttal testimony is responding to page 49, lines 19-20 of Mr. Schultz's direct testimony, which states that "[i]n a 16 hour day, two stops would allow for 14 hours of actual drive time, meaning they could travel 840 miles." In response, Mr. Gwaltney pointed out on page 14, lines 4-9 of his rebuttal testimony that "Mr. Schultz's proposed 840 miles of travel per day is further overstated by approximately 120 miles, even if the convoy of utility trucks could actually travel an average of 60 mph, because it fails to account for the fact that large restoration bucket trucks typically have an average range of only 250 miles per tank and would require three stops for fueling during a 16-hour day of driving."

The 120-mile difference results from the 840 miles per 16-hour day calculated by Mr. Schultz vs. the 720 miles per 16 hour day re-calculated by Mr. Gwaltney (see FPL's response to OPC's Tenth Request for Production of Documents No. 58). However, as explained on page 14, lines 12-23 and page 15, lines 1-15 of Mr. Gwaltney's rebuttal testimony, Mr. Schultz's assumption that a convoy of utility vehicles can average 60 mph while traveling to or from a storm site is not factually supported, realistic, and further demonstrates a lack of operational experience and knowledge of the actual factors that affect utility crew travel to and from storm restoration sites.

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at pages 13 and 14. Explain in detail what Mr. Gwaltney perceives the effect of Mr. Schultz's adjustment to be, given Mr. Gwaltney's view of a realistic travel situation for a typical line crew vendor contingent's convoy.

RESPONSE:

Pages 13 and 14 of Mr. Gwaltney's rebuttal testimony are responding to Mr. Schultz's proposed reduction of contractor mobilization/demobilization costs that Mr. Schultz contends were excessive based on his presumption that a convoy of large utility vehicles can average 60 mph while travelling to or from a storm restoration site. While FPL has not conducted a study or analysis regarding the effects of Mr. Schultz's proposed arbitrary, unrealistic and "conservative" 25% adjustment, a significant financial effect is an unwarranted proposed \$30 million reduction in FPL's Hurricane Irma contractor costs. Other potential effects of establishing a 60 mph travel standard would include: increased safety concerns; the inability and/or increased difficulty in securing adequate restoration resource needs and/or lower cost resources, extended restoration times and higher restoration costs.

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at pages 13-15. Explain in detail how FPL's benchmark of 500-550 miles was developed; include in the explanation an identification of how many hours are assumed for fueling and eating, and how many hours are allotted for actual drive time, and then apply the assumption that fueling is required every 250 miles. Include in the explanation what number the Company assumes as the average mile per hour to be traveled during actual drive time, and an explanation of how FPL determined that number.

RESPONSE:

Pages 13-15 of Mr. Gwaltney's rebuttal testimony discusses Mr. Schultz's proposed "conservative" 25% / \$30 million reduction to FPL's mobilization/demobilization costs, which is based on Mr. Schultz's calculation that crews should be able to travel 840 miles in a 16 hour day (i.e., 2 hours for meals/fueling and 14 hours x 60 mph) vs. FPL's 550 miles per day benchmark.

FPL's benchmark for crews' travel has been developed through decades of actual, real-world experience with storm restoration events, including restoration events when FPL required support, and restoration events when FPL or other utilities traveled to provide support to another requesting utility.

While every day of travel is unique, FPL's actual experience is a 16 hour travel day typically consists of 11 - 13 hours of drive time and 3 - 5 hours of non-drive time. Non-drive time includes fueling (every 200-225 miles), meals, rest stop breaks, weigh station stops and toll stops. Utilizing the 550 mile FPL benchmark, the average miles per hour travel speed during actual drive time would be 42 – 50 mph (550 miles divided by 11 and 13). See pages 14 and 15 of Mr. Gwaltney's rebuttal testimony for factors that can affect a truck's average travel speed.

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at pages 13-15. Explain whether Mr. Gwaltney's assumption that "large restoration bucket trucks typically have an average range of only 250 miles per tank" is based solely on FPL's vehicles or is based on the full range of vehicles utilized by external resources, i.e., whether Mr. Gwaltney performed an analysis of vehicle types and fuel tank sizes regarding all vehicles utilized by external resources. Also identify the make/model of vehicle(s) and corresponding fuel tank capacities considered in Mr. Gwaltney's assumption.

RESPONSE:

While recognizing that there are various factors (e.g., fuel tank size, engine size, vehicle age, physical terrain, equipment being towed, etc.) that can affect the average range of large restoration bucket trucks can travel, FPL's 250 miles per tank assumption is based on its actual, real-world knowledge and experience of its own fleet of large restoration trucks as well as the large restoration trucks used by others in the industry. FPL's assumption did not consider a specific large bucket restoration truck make/model, but, in general, this would include derrick and bucket trucks, which typically have 50-gallon fuel tank capacities.

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at page 14, lines 16-17. What is the basis for Mr. Gwaltney's statement that "a convoy usually consists of five to thirty vehicles and a convoy only moves as fast as its slowest vehicle"?

RESPONSE:

The statement is based on Mr. Gwaltney's decades of experience responding to storm restoration events, including restoration events when FPL required support, as well as restoration events when FPL traveled to provide support to other utilities.

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at page 14, lines 18-19. Identify the source for Mr. Gwaltney's bullet point: "Engine rev limiters/governors – most utility trucks today include such an installation, which, of course, caps maximum speeds," and identify what that maximum speed is.

RESPONSE:

The statement is based upon discussions with FPL's fleet department. Maximum speeds are determined by each contractor/utility and can vary depending on certain variables (e.g., make/model of the truck, weight, tire restrictions, roadway speed limits).

QUESTION:

Please state what measures FPL takes with its own convoys when providing mutual assistance to other utilities with regard to engine rev limiters/governors, including whether FPL utility trucks include such an installation and if FPL's use of such engine rev limiters/governors cap maximum speeds and, if so, identify what that maximum speed is. Does such per engine limitation on maximum speed comport with an industry standard, and if so, what is that standard?

RESPONSE:

FPL's large bucket trucks are equipped with engine rev limiters/governors. Maximum speed caps for FPL's large trucks currently range from 62 mph – 70 mph. However, while a certain large truck may be capped at a certain maximum speed, it may not be able to achieve that maximum speed (e.g., a truck with a heavy load). There are no industry standards for engine maximum speed caps, however, engine limitations are generally established for safety and engine/driveline components protection.

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at page 15, lines 2-3. Is Mr. Gwaltney's bullet point that "Ingress/Egress to highways at beginning/end of day – occurs on roads with speeds typically ranging from 35-50 mph" based on a study or report? If so, please identify the study or report by title, date, author and publication name. If the response is other than an unqualified "yes", then provide the basis for the assumptions and conclusions stated in the referenced testimony.

RESPONSE:

No. The Ingress/Egress bullet point is based on Mr. Gwaltney's own personal knowledge and experience with the locations of starting and stopping points (e.g., utility/contractor offices or show-up sites, hotels/motels, FPL staging sites) for crews travelling to support storm restoration efforts.

The purpose of Mr. Gwaltney's ingress/egress bullet point, one of eight bullet points provided on pages 14 and 15 of Mr. Gwaltney's rebuttal testimony, is to show that Mr. Schultz's 60 mph average is unrealistic because it fails to account for factors that can affect the average speed of travel.

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at page 14, lines 12-15. Does Mr. Gwaltney agree that the trucks being discussed can travel in excess of 60 MPH? If the response is other than an unqualified "yes," then provide the complete basis for his opining that it is "not realistic" for a convoy of utility vehicles, as compared to passenger cars, to average 60 MPH. As a part of your answer, please state which of the bulleted items on pages 14-15 do not apply to passenger cars.

RESPONSE:

OPC's Thirteenth Set of Interrogatories No. 234 mischaracterizes Mr. Gwaltney's rebuttal testimony. Mr. Gwaltney's testimony did not state that utility trucks cannot travel in excess of 60 mph as suggested by OPC's Thirteenth Set of Interrogatories No. 234. Rather, Mr. Gwaltney stated that Mr. Schultz's assumption that a convoy of 30,000-40,000 pound utility vehicles could average 60 mph while traveling to and from a storm site was unrealistic because of the reasons contained on pages 14 and 15 of Mr. Gwaltney's rebuttal testimony. See also FPL's responses to OPC's Thirteenth Set of Interrogatories Nos. 230-233. Although utility vehicles may potentially be able to achieve speeds in excess of 60 mph, Mr. Gwaltney's testimony explains the real-world factors that make it unrealistic for a convoy of utility trucks to average 60 mph when traveling to and from storm sites.

The first two bullets on page 14, lines 16-19 of Mr. Gwaltney's rebuttal testimony (travelling in a convoy of 5-30 vehicles and engine rev limiters/governors) typically would not apply to passenger cars.

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at page 15, lines 6-15. Is it Mr. Gwaltney's testimony that all external resources who travel to perform restoration services will travel at the same pace that Mr. Gwaltney asserts FPL's crews travel? If the response is yes, explain the basis for his response and identify any and all facts which support that claim. If the response is no, explain why FPL's travel time should be considered representative of all external resources' travel time.

RESPONSE:

OPC's Thirteenth Set of Interrogatories No. 235 mischaracterizes the statements on page 15, lines 6-15 of Mr. Gwaltney's rebuttal testimony. The referenced testimony states that based on Mr. Gwaltney's decades of actual real-world experience of supporting FPL storm events as well as storm events outside of Florida, it is unrealistic for trucks (FPL's as well as external contractors) to average 60 mph. Of course, actual travel times can and do vary for various reasons, such as those explained on page 14, lines 16-23 and page 15, lines 1-4 of Mr. Gwaltney's rebuttal testimony.

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at pages 16 and 17. Based on FPL's responses to Citizens' Requests for Production of Documents, Item No. 6, identify and list the following:

- a. each mutual assistance vendor whose costs are included in the \$35.6 million of costs for which FPL seeks approval in this docket;
- b. each invoice that was personally reviewed by Mr. Gwaltney;
- c. by vendor, the number of pages provided by FPL to OPC as supporting documentation that were personally reviewed by Gwaltney; and
- d. an explanation of how FPL verified the costs were reasonable, based on the number of pages of supporting documentation produced by FPL in the response to Citizens' Request for Production of Documents, Item No. 6.

RESPONSE:

- a. The ten mutual assistance vendors whose costs are included in the 14 invoices comprising the \$35.6 million of costs are already identified by Mr. Schultz in his Exhibit No. HWS-2, pages 3(c) and 3(d); lines 288, 304, 306, 309, 310, 313-315, 317 and 318; third column (Vendor).
- b. Mr. Gwaltney does not recall the specific invoices he personally reviewed.
- c. Mr. Gwaltney does not recall the specific pages of supporting documentation that he personally reviewed.
- d. As provided on pages 16 and 17 of Mr. Gwaltney's rebuttal testimony, mutual assistance utility crews follow guidelines and principles for responding utilities to keep/maintain cost support and for requesting utilities to reimburse responding utilities for actual costs incurred (i.e., on a not-for-profit basis). An overriding principle for providing restoration support by mutual assistance utilities is that, unlike non-mutual assistance utility contractors that have negotiated rates, restoration support from mutual assistance crews is provided on a not-for-profit basis, i.e., utilities charge only their actual costs incurred. This ensures that the responding mutual assistance utility's customers are not paying for the costs to restore service to the requesting utility's customers (in this case, FPL) and that the requesting utility's customers are not subsidizing the responding mutual assistance utility's customers. While cost support details vary by utility, invoices generally include summary level cost details (e.g., labor, vehicle, travel and other expenses). Since Power Delivery management approves such invoices and have knowledge of the mutual assistance utilities that provided support (e.g., number of support personnel, number of days support was provided, where crews are from, etc.), they are able to review the costs for reasonableness.

QUESTION:

Refer to Exhibit TGW-1, Page 1 of 22. Does FPL require that its employees' approvals of exceptions to FPL's contract requirements be documented in writing in instances where vendor personnel obtain and bill FPL for their own meals and/or lodging during the restoration effort?

RESPONSE:

FPL provides authority to field personnel to approve exceptions to contractual arrangements in real time on a case-by-case basis on the actual facts and circumstances that exist at the time, as there are situations and conditions that arise during storm restoration where exceptions are warranted. In many cases, these exceptions provide for operational efficiencies and/or shorter restoration times. FPL's response in page 1 of 22 of Exhibit TGW-1, provides one such example of a warranted exception. Currently, other than the approval of a given timesheet, expense report and/or invoice by an FPL employee, FPL does not have a requirement to formally document exceptions in writing. See also, FPL response to OPC's Thirteenth Set of Interrogatories No. 214.

QUESTION:

Are there any circumstances where FPL's approvals of exceptions to vendor contract requirements must be documented?

RESPONSE:

See FPL's response to OPC's Thirteenth Set of Interrogatories No 237.

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at page 15, lines 8-15 and Exhibit TGW-1, Page 11 of 22. Explain how, even using FPL's benchmark of 550 miles of travel per 16 hour day, justifies FPL's payment to a vendor for an alleged 17 hours to travel from Methuen, MA to Pine Grove, PA is reasonable, where the distance between those locations is 388 miles, according to electronic maps, such as MapQuest.

RESPONSE:

As provided in FPL's response to OPC's Sixth Set of Interrogatories No. 144, the alleged "problem" identified by OPC was associated with a crew that traveled for 3 days from Methuen, MA to Miami, FL, or approximately 1600 miles or approximately 530 miles per day. While the miles traveled on day one of the trip (approximately 390 miles) are lower than average, the miles traveled on days 2 and 3 were higher than average. While no written documentation exists to explain the lower than average first day, FPL presumes the crew experienced extenuating circumstances (e.g., traffic, weather, or other possible factors identified on pages 14-15 of Mr. Gwaltney's rebuttal testimony) occurred that affected that day's travel. FPL determined the overall miles traveled over the three days was reasonable and, as a result, paid the invoice.

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at page 7, lines 21-23 through page 8, lines 1-6 and Exhibit TGW-1, Page 4 of 22. Explain how the referenced testimony justifies FPL's payment for 16 hours of purported work by a vendor, whether overtime or other, absent any supporting detail showing the vendor actually worked 16 hours, and identify where Mr. Schultz's testimony claimed the billing issue was straight time versus overtime, rather than payment for work hours where the vendor failed to prove/document performance of the work hours.

RESPONSE:

As provided in FPL's response to OPC's Sixth Set of Interrogatories No. 134, while the time was all recorded as mobilization time, the time included travel from the hotel to the FPL staging site, breakfast, travel preparations, travel from Daytona to FPL's Gulfstream staging site (Broward County), additional meals, obtaining storm assignment, and loading trucks with necessary materials. While there is no documentation regarding the work/activities performed after arriving at the Gulfstream staging site, the production lead would have reviewed/approved the timesheet for hours traveled/worked.

See line 16, page 15 of Mr. Schultz's testimony for his reference to/identification of deposition transcript pages 110-119. These pages include discussions regarding the Daytona to Gulfstream travel time. Specifically, on lines 21-23 on page 110 of the deposition transcript, OPC asks the following question: "Can anyone address why that would be appropriate to have that amount of overtime for that duration of a trip?" This same question was asked again in OPC's Sixth Set of Interrogatories No. 134, which is included in Exhibit TWG-1, Page 4 of 22.

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at page 15, lines 6-8 and Exhibit TGW-2, page 1 of 3. Is Mr. Gwaltney's testimony, referencing Exhibit TGW-2 suggesting that unless someone has traveled as part of a utility storm restoration crew that they cannot offer an opinion on how far a storm crew can travel and cannot decide what is reasonable and what is not reasonable?

RESPONSE:

No. Mr. Gwaltney's rebuttal testimony at page 15, lines 6-8 and the reference to Exhibit TWG-2 demonstrate that Mr. Schultz's assumption that a convoy of utility vehicles can average 60 mph while traveling to/from a storm restoration event is without any factual support, is not realistic (for all the factors provide on pages 14 and 15 of Mr. Gwaltney's rebuttal testimony), and suggests that the failure to consider such factors is the likely result of a lack of operational experience with and knowledge about the actual travel of storm restoration crews.

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at page 15, lines 6-8 and Exhibit TGW-2, Page 1 of 3. Is Mr. Gwaltney's testimony in referencing Exhibit TGW-2 suggesting that unless someone has driven a utility truck at more than 60 miles per hour that they cannot offer an opinion on how fast a storm crew can travel and cannot decide what is reasonable and what is not reasonable?

RESPONSE:

See FPL's response to OPC's Thirteenth Set of Interrogatories No. 239-a.

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at page 15, lines 6-8 and Exhibit TGW-2, page 2 of 3, response to FPL Interrogatory No. 47. Has Mr. Gwaltney personally performed any independent research into the traffic conditions surrounding the utility storm restoration crew's mobilization/demobilization time that would cause the crew's travel time to be extended? If your answer is anything other than an unqualified "no" please list the sources of Mr. Gwaltney's research, the documentary sources consulted by Mr. Gwaltney, and explain how it was utilized in his analysis.

RESPONSE:

No. However, as indicated on pages 11 and 12 of Mr. Gwaltney's rebuttal testimony, FPL's travel coordinators communicate with travel teams as they begin their travel, during actual travel time, and when they stop for the night. During these conversations, travel coordinators may become aware of traffic conditions that would cause a crew's travel time to be extended.

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at page 15, lines 6-8 and Exhibit TGW-2, page 2 of 3, response to FPL Interrogatory No. 49. Does Mr. Gwaltney question whether Mr. Schultz's response to FPL's Interrogatory No. 49 is accurate? If your answer is anything other than an unqualified "no" identify what Mr. Gwaltney contends is inaccurate and explain each reason Mr. Gwaltney believes the response to be inaccurate.

RESPONSE:

Mr. Gwaltney's rebuttal testimony at pages 14-15 and the reference to Exhibit TWG-2, which includes OPC's response to FPL Interrogatory No. 49, demonstrates that Mr. Schultz's proposed 840 miles of travel per day for utility crews at an average of 60 mph is unrealistic and does not account for the factors explained on pages 14-15 of Mr. Gwaltney's rebuttal testimony that would affect utility crew travel time. Mr. Schultz provided no details to support his statement in response to FPL Interrogatory No. 49, other than a statement that he has observed utilities in convoys "traveling at the same speed as other vehicles and in some cases even faster than other vehicles." While it may be technically possible for utility vehicles to travel at the same speed as other vehicles and, in some cases even faster than other vehicles at specific points in a trip (though there is no indication in OPC's response to FPL's Interrogatory No. 49 of the speed of the "other vehicles" that Mr. Schultz is using as his point of reference), this would largely depend on the specific context or circumstances (e.g., vehicles involved, load, traffic and weather conditions, location, road, grade, etc.). Nowhere does Mr. Schultz state that he has travelled with a utility/contractor crew convoy from their starting point to their destination point which would support his average 60 mph benchmark. Therefore, it is difficult to understand how Mr. Schultz can reasonably disagree that "it would take longer for utility vehicles, such as a bucket truck, digger, or other truck hauling equipment, to travel a distance than it would for typical residential vehicle to travel the same distance over the same route".

QUESTION:

Refer to the testimony of Thomas W. Gwaltney at page 4, lines 5-10. Does the mutual assistance process referred to allow for participating utilities to convince external storm restoration resources to change their commitment from one utility to another without the first utility's approval? If the response is other than an unqualified "no" then explain why this is allowed and which, if any, documented policy allows it.

RESPONSE:

No.

DECLARATION

I sponsored the answers to Interrogatory Nos. 214 - 243, from the Office of Public Counsel's Thirteenth Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.


Signature

David T. Bromley

Date: May 7, 2019

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FPL's response to OPC's 1st Production of
Documents Nos. 1 – 11.

**Additional files contained on Staff Hearing
Exhibits CD for Nos. 1, 2, 4, 5.**

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 36
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Miranda (1-3,11)Ferguson (4-5)Manz
(6-10)Reagan (11)

QUESTION:

Studies. Provide any and all assessments and/or studies performed by the Company and/or for the Company that estimate the amount of storm cost savings the Company was able to achieve because of the storm hardening program work performed prior to Hurricane Irma.

RESPONSE:

The attached analysis ("Estimate Storm Restoration Cost Savings due to Hardening_060718.xlsx") provides an estimate of transmission and distribution storm restoration savings for Hurricanes Matthew and Irma that resulted from storm hardening completed by FPL prior to the storms' impacts. To calculate these savings, FPL utilized its Storm Damage Model (the same model FPL utilizes to estimate damage when a storm approaches FPL's service territory) to simulate damage that likely would have occurred without hardening and determine the associated required construction man hours (CMH) that would have been required to restore service in the absence of hardening, days to restore in the absence of hardening and associated incremental restoration costs. Additionally, FPL calculated the 40-year net present value of these savings for two scenarios – (1) a similar storm occurs every 3 years; and (2) a similar storm occurs every 5 years.

As indicated on the attached analysis, the 40-year net present values of the savings related to storm hardening are significant. In the absence of hardening the estimated percentage increase in CMHs for Hurricane Matthew and Hurricane Irma restoration would have been significantly higher (36% and 40%, respectively), days to restore would have been increased (50% and 40%, respectively) and restoration costs would have been greater (36% and 40%, respectively).

QUESTION:

Studies. Provide any and all assessments and/or studies performed by the Company and/or for the Company that identify the damage that occurred to infrastructure where storm hardening work had not been performed yet.

RESPONSE:

Please see pages 69-74 of the attached responsive document.

QUESTION:

Mobilization/Demobilization. Provide a summary, by function, listing the contractor and line clearing costs for mobilization and demobilization.

RESPONSE:

Hurricane Irma mobilization/demobilization costs for distribution non-mutual aid utility line contractors (approximately 67% of total distribution line contractor resources) were \$124.0 million or approximately 25% of the total amount paid (\$495.5 million) to distribution non-mutual aid utility line contractors. While mobilization/demobilization costs are included in the costs paid to mutual aid utilities, line clearing and other contractors per agreements/contracts, currently, these costs are not available as they are not always specifically identified on invoices and/or aggregated.

QUESTION:

Third Party Billing. Was the Company billed by any third party pole owners for pole replacements performed by the third party? If so, provide a summary of costs billed by each third party.

RESPONSE:

AT&T replaced 58 FPL distribution poles as a result of Hurricane Irma, at a total cost of \$166,622. The \$166,622 was deducted from the \$2,607,091 AT&T owed to FPL for the 936 AT&T poles that FPL replaced as a result of Hurricane Irma. See also FPL's responses to OPC's First Set of Interrogatories No. 32 and OPC's First Request For Production of Documents No. 3.

QUESTION:

Cost Summary. Provide a summary of costs by function in a format similar to that provided for Hurricane Matthew (i.e. Exhibit KO - 2).

RESPONSE:

As a result of the enactment of the Tax Cuts and Jobs Act of 2017 in December 2017, FPL decided to forego seeking incremental recovery of Hurricane Irma storm restoration costs under FPL's 2016 Stipulation and Settlement Agreement and recognized the incremental costs that would have been charged to the storm reserve as base operations and maintenance ("O&M") expense. Therefore, the ICCA methodology is not applicable to the Hurricane Irma O&M expenses. However, to facilitate review of the storm restoration costs, FPL has included the non-incremental O&M adjustments to its final Hurricane Irma storm restoration costs as of May 31, 2018 on Attachment No. 1 to this response as if the ICCA methodology had been applied in accordance with the Rule 25-6.0143, Use of Accumulated Provision Accounts 228.1, 228.2 and 228.4, Florida Administrative Code ("F.A.C") ("the Rule").

QUESTION:

Payroll. Explain why regular payroll should be included in the storm-related costs and identify the amount of regular payroll included, by function, on each line.

RESPONSE:

Note, FPL is not seeking any incremental recovery for the storm costs through either a surcharge or depletion of the storm reserve and, therefore, the Incremental Cost and Capitalization Approach ("ICCA") is not applicable to the Hurricane Irma storm restoration costs. As a result of the enactment of the Tax Cuts and Jobs Act of 2017 ("Tax Act") in December 2017, FPL decided to forego seeking incremental recovery of Hurricane Irma storm restoration costs under FPL's 2016 Stipulation and Settlement Agreement and recognized the incremental costs that would have been charged to the storm reserve as base operations and maintenance ("O&M") expense. As a result, the incremental regular payroll expense that would have been charged to the storm reserve under the ICCA method and in the absence of FPL's decision to apply tax savings to Hurricane Irma storm costs were charged to base O&M.

Although the ICCA method is not applicable to the Hurricane Irma Storm restoration costs, FPL has provided a schedule in Attachment No. 1 to its response to OPC's First Set of Interrogatories No. 5 that includes the non-incremental O&M adjustments to its final Hurricane Irma storm restoration costs as if the ICCA methodology had been applied in accordance with the Rule 25-6.0143. See lines 2, 13, 27 and 40 on Attachment No. 1 to FPL's response to OPC's First Set of Interrogatories No. 5 for the amount of incremental regular payroll and related capital and ICCA adjustments for Hurricane Irma storm costs if the ICCA method applied.

In general, FPL regular payroll costs recovered through base O&M are non-incremental and would not be charged to the storm reserve if the ICCA method was applicable. Under Rule 25-6.0143, when read in its entirety, non-capital regular payroll expenses that are directly related to storms and are not part of the FPL's normal, day-to-day regular payroll O&M expenses may be charged to the storm reserve. Additionally, FPL regular payroll normally recovered through capital or cost recovery clauses can be charged to the storm reserve based on paragraphs 21 and 22 of Order No. PSC-2006-0464-FOF-EI, Docket No. 20060038-EI: "otherwise, the costs would effectively be disallowed because there is no provision to recover those costs in base rate operation and maintenance costs...."

QUESTION:

Overhead Costs. For payroll costs, if an overhead rate was used for benefits and other related costs, provide the respective overhead rates and an explanation of how the rates were determined.

RESPONSE:

The payroll overhead rates are applied to different payroll bases depending on the type of costs that are being charged. For example, the payroll tax overhead rate is applied to all payroll since all payroll is subject to payroll taxes. The benefits overhead rate, however, is only applied to eligible straight time payroll. In addition, the overhead rates may be updated periodically to ensure proper allocation of the charges if forecasted costs significantly change. Below are the overhead pool categories, costs included and the 2017 and 2018 rate.

OVERHEAD POOL ⁽¹⁾	COSTS INCLUDED IN RATE	2017 RATE		2018 RATE	
		Sept - Nov	Dec ⁽²⁾	Jan - Mar	Apr - May
Funded Welfare	Medical, dental, 401k, life insurance, etc.	14.03%	24.69%	14.17%	15.18%
Unfunded Service	Pension Service Cost, Post-employment benefit costs, Retiree medical service costs	6.21%	.86%	5.48%	5.88%
Unfunded Benefits	Pension credit, retiree medical costs	(12.70%)	(28.35%)	(14.59%)	(15.81%)
Payroll Taxes	FICA, FUTA and SUTA	6.52%	6.52%	6.52%	6.52%

(1) Regular payroll is subject to funded welfare, unfunded service, unfunded benefits, and payroll taxes; Overtime payroll is only subject to payroll taxes.

(2) In December 2017 all of the overhead rates were adjusted to clear the pools for fiscal year end.

The rates are determined during the budgeting cycle.

For the Benefits' overheads (Funded Welfare, Unfunded Service, Unfunded Benefits), the following calculation is used.

Budgeted applicable benefits costs
Budgeted eligible straight time payroll

For the Payroll Tax, the following calculation is used and takes into account FICA and state unemployment limits.

Prior year payroll taxes
Prior year payroll wage base

QUESTION:

Payroll. Identify the amount of any incentive compensation included in the costs charged to the storm by function.

RESPONSE:

FPL did not include any costs for incentive compensation for FPL employees in its total amount of Hurricane Irma storm costs.

QUESTION:

Logistics. For the logistic costs incurred, provide the supporting invoices (including all supporting detail provided by the vendor) for invoices over \$50,000, and provide all invoices for P Card charges over \$10,000.

AMENDED RESPONSE:

By agreement of counsel for OPC and FPL, the threshold for documents responsive to OPC's First Request for Production of Documents No. 9 for the logistic costs incurred has been modified from \$50,000 to \$75,000. Because this request asks only for invoices and supporting detail, FPL has not included documents related to accruals. Based upon the agreement noted herein and the explanation related to accruals, please see the confidential documents provided with this response.

In addition to the documents produced with FPL's Response to OPC's First Request for Production No. 9 on July 31, 2018, please see two additional confidential documents which were inadvertently omitted from the voluminous documents produced with FPL's response to OPC's First Request for Production of Documents No. 9.

QUESTION:

Storm Accounting Policies and Procedures. Provide a detailed explanation of how the storm costs were accounted for (i.e., by cost code or other designation), including the designation used, how the costs were charged to specific functions, how materials and supplies were accounted for (i.e., withdrawn from inventory and charged to the storm, etc.), how vehicle and fuel costs were tracked or assigned, and how contractors and vendors were instructed to account for capital work.

RESPONSE:

Storm Cost Accounting and Tracking:

FPL establishes unique functional (i.e., distribution, transmission, etc.) internal orders ("IOs") for each storm to aggregate the total amount of storm restoration costs incurred for financial reporting and regulatory recovery purposes. The Company uses these IOs to account for all costs directly associated with restoration. All storm restoration costs charged to storm IOs are captured in Federal Energy Regulatory Commission ("FERC") Account 186, Miscellaneous Deferred Debits. Typically, for named storm events, storm costs charged to FERC Account 186 are subsequently cleared and charged to the storm reserve if eligible or, if not, to base O&M expense, capital, or below-the-line expense. For Hurricane Irma, storm costs that would otherwise be recoverable in the absence of FPL's decision to apply tax savings in lieu of seeking collection of these costs, were charged to base O&M expense instead of the storm reserve.

Material and Supplies:

As materials are requested at the staging sites, a "reservation" is created in SAP detailing the items and quantity requested. As Physical Distribution Command Center picks the material it is charged to the work order associated with the staging site to which it is being sent. Once the storm is complete, any materials returned are credited back to the same work order.

Vehicle and Fuel:

Vehicle utilization and vehicle fuel costs are tracked by storm internal orders.

Contractors and Capital Work:

Specific instructions do not apply to contractors and vendors for accounting for capital work because capital materials are tracked as described above. The normal cost of labor is applied to capital materials installed during the storm event through FPL's Distribution Work Management System (WMS), and the total capital cost (normal labor + materials) is recorded to capital. As noted above under FPL's Storm Cost Accounting and tracking process, for Irma, incremental labor costs beyond the normal labor cost that are incurred as a result of performing the work in storm-restoration conditions were charged to base O&M.

QUESTION:

Provide a summary of the number of poles replaced, by function, by month and location, and identify whether the replacement was capitalized; if capitalized, list the amount of cost capitalized.

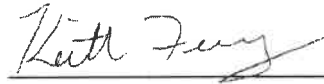
RESPONSE:

See Attachment No. 1 to this response for the requested information, which reflects the number of poles capitalized during storm restoration. Please note that this attachment does not include detailed information associated with follow up work because FPL has not completed the unitization at the utility account level in its property accounting system. However, the total follow up costs for Transmission and Distribution has been provided as a separate line item in FPL's response to OPC's First Set of Interrogatories No. 30. FPL estimates capitalized follow up work will be unitized by September 30, 2018, at which time a supplemental response will be provided.

DECLARATION

I sponsored the answers to Interrogatory Nos. 2, 7-10, and 34, and co-sponsored the answer to No. 14 from the Office of Public Counsel First Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.



Signature

Keith Ferguson

Date: June 15, 2018

DECLARATION

I sponsored the answers to Interrogatory Nos. 1, 4, 15, 17, 22 and 32, and co-sponsored the answer to No. 14 from the Office of Public Counsel First Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.


Signature

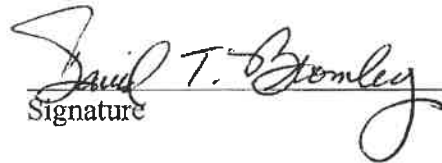
David T. Bromley

Date: June 15, 2018

DECLARATION

I sponsored the answer to Interrogatory No. 3 and co-sponsored the answers to Interrogatory Nos. 28 and 33 from the Office of Public Counsel's First Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.


Signature

David T. Bromley

Date: August 10, 2018

DECLARATION

I sponsored the answers to Interrogatory Nos. 5, 6, 11-13, 16, 18, 19, 23-27, and 29-31, and co-sponsored the answers to Nos. 28 and 33 from the Office of Public Counsel First Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.



Signature

Keith Ferguson

Date: 8/14/2018

DECLARATION

I co-sponsored the answer to Interrogatory No. 28 from the Office of Public Counsel First Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the response is true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answer identified above, and that the facts stated therein are true.


Signature

Eduardo DeVarona

Date:

AUGUST 14, 2018

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FPL's response to OPC's 2nd Production of Documents Nos. 12 – 16.

Additional files contained on Staff Hearing Exhibits CD for No. 15.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 37
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: DeVarona (12, 16)Ferguson (12, 14-16)Manz (13)

QUESTION:

Refer to the response to OPC Interrogatory No. 20. Please provide supporting documentation for the accrual of \$133,464 for Document Number 116959612 listed in the General category.

RESPONSE:

Please see FPL's response contained in the confidential attachment that provides support for the accrual made in the amount of \$133,464.

QUESTION:

Refer to the response to OPC POD No. 6. To the extent not previously provided, please provide supporting cost documents in the form of invoices for costs over \$25,000 for the General and Customer Service cost categories as originally requested.

RESPONSE:

Please see FPL's responsive documents which are confidential in their entirety.

QUESTION:

Refer to the response to OPC Interrogatory No. 20. Please provide supporting cost documentation for the following accruals listed in the Nuclear category:

- a. Document 116951989 \$ 221,287 .00
- b. Document 116961195 \$12,966,523.36

RESPONSE:

Please see FPL's response contained in the confidential attachments that provide support for the accruals made in the amounts of \$221,287 and 12,966,523.

QUESTION:

Refer to the response to OPC Interrogatory No. 20. Please provide supporting cost documentation for the following accruals listed in the Steam & Other category:

- a. Document 116961195 \$ 1,135,000.00
- b. Document 116961195 \$ 194,181.00
- c. Document 115563912 \$ (844,408.92)
- d. Document 115563912 \$ (723,936.22)

RESPONSE:

Please see FPL's response contained in the attached confidential and non-confidential files.

QUESTION:

Refer to the response to OPC Interrogatory No.20. Please provide supporting cost documentation for the following costs listed in the General category:

- a. Document 5114714274 \$76,752.00
- b. Document 5114714280 \$38,633.38
- c. Document 5114714292 \$24,409.26
- d. Document 5114714309 \$22,622.42
- e. Document 5114714389 \$79,994.00
- f. Document 5114978251 \$87,573.36
- g. Document 5114997158 \$90,981.00

RESPONSE:

Please see the confidential documents provided with this response. [REDACTED] provides building services for corporate offices, substations and service centers. The attached pdf provides the actual documents received from [REDACTED] to match the SAP Document numbers provided in this request. The tabs on the attached excel file match the line on each page of the pdf that is identified within each box, and the un-redacted entries total the amounts requested above. The redacted items are not responsive to the request.

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FPL's response to OPC's 3rd Production of
Documents
17 – 26.

**Additional files contained on Staff Hearing
Exhibits CD for Nos 17-26.
Confidential DN. 04545-2019**

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 38
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Manz (17, 18)Reagan (19, 20, 21, 24)Gwaltney
(22)DeVarona (23)Ferguson (25, 26)

QUESTION:

Refer to the response to OPC Interrogatory No. 20. Please provide all invoices for the following vendors.

- a.
- b.
- c.



RESPONSE:

Please see FPL's responsive documents containing confidential invoices in attachments herein.

QUESTION:

Refer to the response to OPC Interrogatory No. 20. Provide the listed invoices for the following vendors:

a. 5003866214		\$35,609.20
b. 5003732029		\$15,044.54
c. 5003715894		\$13,451.92
d. 5003904398		\$23,937.62
e. 5003714063		\$46,144.00
f. 5003704699		\$43,000.20
g. 5003740733		\$32,256.00
h. 5003850602		\$57,400.00
i. 5003797963		\$26,646.00

RESPONSE:

Please see FPL's confidential responsive documents provided with this response.

QUESTION:

Refer to the testimony of Manuel Miranda at page 6, line 7. Please provide a copy of the contract and/or mutual assistance agreements covering each of the contractors involved in restoration work for Hurricane Irma.

RESPONSE:

As agreed between OPC and FPL, please see FPL's confidential responsive documents for line crew contractors attached herein.

QUESTION:

Refer to the testimony of Manuel Miranda at page 6, line 6. Please provide a copy of the referenced timelines.

RESPONSE:

Please see attached FPL's confidential responsive document.

QUESTION:

Refer to the testimony of Manuel Miranda at page 6, line 8. Please provide a copy of the plans and logistics scheduling referenced.

RESPONSE:

Please see the attached confidential documents.

1.0 - FPL Severe Weather Area Command (AC).pdf
2018 FPL Logistics- Lodging Coordinator Alternative Housing Process Flow.pdf
2018 FPL Logistics- Lodging Coordinator Process Flow. pdf
2018 FPL Logistics- Site Coordinator Process Flow. pdf
2018 FPL Logistics- Transportation Lead Process flow. pdf
2018 FPL Logistics-Laundry Lead Process Flow. pdf
2018 FPL Logistics-Meal Operations- Food Unit Leader Process Flow. pdf
2018 FPL Logistics-Parking Lead-Ground Support Process Flow. pdf
2018 PDCC 96 HR LOGISTICS FUNCTIONAL STORM TIMELINE MASTER. pdf
FPL Logistics-Staging Site Operations Process Flow.pdf
FPL Material Strategy- Restoration Events. pdf

QUESTION:

Refer to the testimony of Manuel Miranda at page 6, line 14. Please provide a copy of the referenced checklists and any minutes associated with conferences referenced.

RESPONSE:

Please see the attached confidential responsive documents:

OPC 3rd POD N. 22 - PD Planning Call Agenda.pdf
OPC 3rd POD No. 22 - Dsbn Ops Call Agenda.pdf
OPC 3rd POD No. 22 Hurricane Irma command center call minutes - pre landfall.pdf
OPC 3rd POD No. 22 Hurricane Irma Power Delivery Planning Call pre landfall.pdf

QUESTION:

Refer to the testimony of Eduardo Devarona at page 19, lines 10-11. Please provide a copy of the agreement with Pacific Gas & Electric.

RESPONSE:

Attached is the confidential Reciprocal Assistance Agreement between Florida Power & Light Company and Pacific Gas and Electric Company (PG&E) dated September 9, 2014 and a Call Center Assistance Statement of Work provided to PG&E for support during Hurricane Irma.

QUESTION:

Planning. Please provide any instructions provided to line restoration contractors and line clearing contractors that discuss how lodging and meals will be handled and what is required for the respective contractors to be reimbursed for those costs.

RESPONSE:

Please see attached responsive confidential document which is incorporated in the contracts of line restoration contractors and line clearing contractors, the provisions of which apply to employees providing the restoration work.

QUESTION:

Refer to the response to OPC Interrogatory No. 20. Please provide all supporting cost documentation for the following costs listed in the Transmission category:

- a. Document 116951976 \$192,731
- b. Document Function Reclass \$1,670,462

RESPONSE:

Please see FPL's attached confidential responsive documents.

QUESTION:

Refer to the response to OPC interrogatory No. 20. Please provide all supporting cost documentation for the following accruals listed in the Distribution category:

- a. Document 116961155 \$5,891,214
- b. Document 116961195 \$14,274,473

RESPONSE:

Please see FPL's attached confidential responsive documents.

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FPL's responses to OPC 4th Production of
Documents Nos. 27.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 39
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Manz (27)

QUESTION:

Please produce the individual receipts for the following documents:

- a. Bates No. FPL33828 – FPL33830 \$2,805.12
- b. Bates No. FPL33893 – FPL33896 \$4,067.74
- c. Bates No. FPL34768 – FPL34770 \$2,670.94
- d. Bates No. FPL35214 – FPL35218 \$5,012.34

RESPONSE:

FPL's vendor provided the supporting documentation shown in the Bates Nos. identified below because individual receipts are not available due to the manner in which the gas cards used by the vendors' employees is tied to the vendor's fuel account.

- a. Bates No. 033854
- b. Bates No. 033918
- c. Bates No. 034785
- d. Bates No. 035271

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FPL's response to OPC's 5th Production of
Documents Nos. 28 - 31

Confidential DN. 04545-2019

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 40
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Manz (28-31)

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a. Please produce the following invoices listed on the excel sheet:

<u>PO Number</u>	<u>Vendor Description</u>	<u>Amount</u>
2000249590		125,615.01
2000250798		521,203.88
2000248767		105,740.89
4200001344		755,420.00
2000260580		128,266.07
2000259131		843,853.00
2000260181		261,570.00
2000262111		442,696.56
2000262216		117,882.52
2000264413		240,178.68
2000264973		223,385.39
2000270304		255,430.00
2000224040		191,998.69
2000224040		246,529.05
#		156,800.00
#		163,856.00
#		396,830.92
#		197,398.54
#		133,966.00
#		139,944.00
#		136,920.63
#		438,430.48
2600964109		659,351.00
2601007102		128,753.09

RESPONSE:

Please see the confidential documents provided with this response 1 for the invoices that were inadvertently not provided in response to OPC's First Request for Production of Documents No. 6, Attachment 6a. These invoices are identified in subpart (b) of FPL's response to OPC's Fourth Set of Interrogatories No. 85.

The [REDACTED] invoice listed above is a fixed bid contract, so there are no timesheets. FPL only has the PO and the as built prints in support of this invoice, which show [REDACTED] work at each location on FPL's feeder following the results of Thermovision inspections performed by [REDACTED]

Additionally, as explained in FPL's response to OPC's Fourth Set of Interrogatories No. 85, the "Not Assigned" amount of \$136,920.63 charged to the storm restoration IO is included in the invoice totaling \$146,622.25, which invoice was charged to several IOs in addition to the storm restoration IO. The "Not Assigned" amount of \$136,920.63 is the sum of \$6,566.07, \$90,000.00 and \$40,354.56 that were charged to the storm restoration IO. Please see FPL's response to OPC's Fourth Set of Interrogatories No. 85 for a list of the invoices that were previously produced in response to OPC's First Request for Production of Documents No. 6, Attachment 6a.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6b. Please produce the following invoices listed on the 6b excel sheet:

<u>PO Number</u>	<u>Vendor Description</u>	<u>Amount</u>
2000249434		760,533.00
2000236163		317,135.00
2000249434		195,353.00
2000249622		140,000.00
2000250340		99,747.00
2000251892		98,633.00
2000249938		93,188.00
2000249936		84,469.00
2000251895		83,671.00

RESPONSE:

Please see the confidential documents provided with this response for the invoices that were inadvertently not provided in response to OPC's First Request for Production of Documents No. 6, Attachment 6b. These invoices are identified in subpart (b) of FPL's response to OPC's Fourth Set of Interrogatories No. 125. Please note that for the [REDACTED] invoice (see file "[REDACTED] Hurricane Irma Invoice") there was a minor discrepancy between what appears in FPL's system (\$317,135) and the amount reflected on the invoice (\$317,018). The \$117 variance was misapplied to storm charges and should have been coded to normal production costs. The invoices for [REDACTED] (\$760,533.00), [REDACTED] (\$195,353.00) and [REDACTED] (\$140,000.00) were previously produced with FPL's response to OPC's First Request for Production of Documents No. 6, Attachment 6b. See response to OPC's Fourth Set of Interrogatories No. 125.

QUESTION:

Refer to the response to Production of Documents No. 6, Attachment 6a Part2. Please produce the following invoices listed on the excel sheet:

<u>File Name</u>	<u>Vendor Description</u>	<u>Amount</u>
5003975155		255,430.00
5202648709		642,752.32
5202648715		683,492.67
5202648717		360,691.75
5202655943		429,990.00
5202663561		585,049.11
5202671519		631,728.00
5202671673		252,646.22
5202694651		677,359.77
5202702135		374,226.44
5202702138		298,789.89
5202702145		233,178.31
5202710631		504,720.24
5202708560(b)		196,043.22
5003783752		216,921.58
5003783721		112,064.95
5003717564		103,613.20

RESPONSE:

Please see the confidential documents provided with this response for the invoices that were inadvertently not provided in response to OPC's First Request for Production of Documents No. 6, Attachment 6a Part2. These invoices are identified in subpart (b) of FPL's response to OPC's Fourth Set of Interrogatories No. 126. Please see FPL's response to OPC's Fourth Set of Interrogatories No. 126 for a list of the invoices that were previously produced in response to OPC's First Request for Production of Documents No. 6, Attachment 6a Part2.

QUESTION:

Refer to Interrogatories 93-111 and 113-121. Please produce the supporting documents and, where applicable, the additional invoice pages referenced in each Interrogatory.

RESPONSE:

Please see the confidential documents provided with this response for all supporting documents and/or additional invoice pages responsive to the above-referenced Interrogatories. Please see FPL's responses to OPC's Fourth Set of Interrogatories Nos. 98, 117 and 118 for explanations describing the reasons that specific types of contracts did not require the same type of back-up documentation as is generally seen with the FPL line contractors that assisted in FPL's Hurricane Irma restoration efforts.

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FPL's response to OPC's 6th Production of
Documents No. 32.

Confidential DN. 04545-2019

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 41
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Gwaltney (32)

QUESTION:

Please produce all Irma-related "Ready System" communication documentation and any other travel documentation related to FPL's line and utility crews from the time each crew was first contacted through the time the Travel Coordinator tracked their progress to FPL's processing center(s), and through the time FPL confirmed each utility crew had returned to its home base, or had returned to the location at which de-mobilization was complete and the vendor crew was no longer billing FPL for services or travel.

RESPONSE:

Please see the confidential document provided with this response.

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FPL's response to OPC's 7th Production of
Documents Nos. 33 - 35

Confidential DN. 04545-2019

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 42
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Manz (33-35)Gwaltney (33-34)Manz
(33-34)Reagan (35)

QUESTION:

Please refer to Interrogatory 131. Please produce all documents related to the information, if any, obtained which validated the subject invoice (related to SAP Doc. 5003716773).

RESPONSE:

Please see the confidential document "5003716773-5202656371.pdf" with the Bate numbers FPL 015160 – FPL 015177 provided with FPL's response to OPC's First Request for Production of Documents No. 6. This file was located in the following folder with that response:

OPC's 1st POD No. 6 - CONFIDENTIAL\6a part 2

QUESTION:

Please refer to Interrogatory 145. Please produce documents related to any and all approval(s) by FPL of an exception to the general policy or contract provision on reimbursement for fuel during mobilization.

RESPONSE:

FPL was unable to locate any responsive documents for approving fuel during mobilization.

QUESTION:

Please refer to Interrogatory 148. Please produce any and all credit memos or other documentation which reflects the reversal or cancellation of reimbursement for double-billing.

RESPONSE:

Please see attached confidential and non-confidential responsive documents.

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FPL's response to OPC's 8th Production of
Documents Nos. 36 – 39.

Confidential DN. 04545-2019

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 43
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Gwaltney (36)Reagan (36-39)

QUESTION:

Please produce all documents which support your responses to Interrogatory Nos. 153 – 173, including but not limited to any and all journal entries related to Dep. Exs. 22 and 23.

RESPONSE:

Please see the confidential attachment to support FPL's response to OPC's Eighth Set of Interrogatories No. 159 which is a cover and a page out of the MOU between FPL and the IBEW. Remaining documents, if any, which support FPL's responses to OPC's Eighth Set of Interrogatories Nos. 153 – 173 were produced with the respective responses.

QUESTION:

Please produce all of the exhibits and attachments related to each contract between FPL and [REDACTED] including but not limited to Change Order No: 4600015836, Bates No. 077223-077259. Please produce the original contract(s) or PO(s) related to Change Order No. 4600015836.

RESPONSE:

Please refer to the following Bates Numbered documents for the contracts that have previously been provided:

For Contract 4600015147 see Bates No. 075970 – 075976 & 076747 – 076753
For Contract 4600015775 see Bates No. 076089 – 076109 & 077137- 077157
For Contract 4600015836 see Bates No. 076110 – 076146 & 076563 – 076599 & 077223
- 077259

Please see attached responsive confidential documents for the remaining contracts and related attachments associated with Hurricane Irma storm restoration.

QUESTION:

Please produce all of the exhibits and attachments related to each contract between FPL and
[REDACTED]

RESPONSE:

Please find attached FPL confidential response for Hurricane Irma related contracts.

QUESTION:

Please produce all of the exhibits and attachments related to each contract between [REDACTED]
[REDACTED]

RESPONSE:

Please find attached FPL's confidential response for Hurricane Irma related contracts.

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FPL's response to OPC's 9th Production of
Documents No. 41.

Confidential DN. 04545-2019

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 44
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Reagan (41)Gwaltney (41)

QUESTION:

Please provide copies of all contracts, agreements, purchase orders, work orders, and all other agreements or documents that show the rates for any embedded vendor's crew that worked for you at any time and in any capacity during 2014, 2015, 2016, 2017, and 2018. The term "embedded vendor" means a vendor providing storm restoration services using distribution line restoration and repair crews, transmission repair, restoration and construction crews, and vegetation management crews, and which vendor also performs similar or additional types of services for you in non-storm-restoration (non-emergency) conditions on a year-round basis.

RESPONSE:

FPL has filed an objection to OPC's Ninth Request for Production of Documents No. 41 on the basis that the request seeks documents which are irrelevant, immaterial, and not reasonably calculated to lead to the discovery of admissible evidence in this proceeding, and is overbroad and unduly burdensome. Notwithstanding the objection, FPL provides the following response with information for 2017, the year that Hurricane Irma impacted FPL's service territory.

Storm contracts for embedded line crew contractors were previously produced with FPL's response to OPC's Third Request for Production of Documents No. 19.

Documents responsive to the request for non-storm contracts of embedded line contractors and non-storm contracts for embedded vegetation management contractors in effect in 2017 are attached. FPL is continuing to compile the remaining requested documents for 2017 and will supplement this response with the additional documents.

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FPL's response to OPC's 10th Production of
Documents Nos. 58 and 60.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 45
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Gwaltney (58, 60)

QUESTION:

Refer to the rebuttal testimony of Thomas W. Gwaltney at page 13, lines 17-23 and page 14, lines 1-10. Please provide any and all studies performed or reviewed by Mr. Gwaltney and on which he basis his assumptions.

RESPONSE:

Please see attached responsive document "OPC10th POD No.58_Schultz 720 miles per day travel.pdf"

QUESTION:

Refer to the rebuttal testimony of Thomas W. Gwaltney at page 14, lines 18-19. Please provide the source for Mr. Gwaltney's testimony that "[e]ngine rev limiters/governors – most utility trucks today include such an installation, which, of course, caps maximum speeds."

RESPONSE:

No responsive documents. The reference to "[e]ngine rev limiters/governors – most utility trucks today include such an installation, which, of course, caps maximum speeds" was based on discussions with representatives from FPL's Fleet Department.

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FPL's responses to Staff's 1st Interrogatories
Nos. 1 – 6.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 46
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Miranda (1-4, 5)Gwaltney (1)DeVarona
(5, 6)

QUESTION:

Please refer to page 23, lines 15 through 22 of FPL witness Miranda's direct testimony.

- a. On what day did FPL began to commit to resources for restoration work?
- b. On what day did FPL begin to open staging sites?

RESPONSE:

- a. FPL began to commit to external resources for restoration work on 9/6.
- b. Staging sites to support Hurricane Irma restoration began to open on 9/7.

QUESTION:

Please refer to page 26, line 10 of witness Miranda's direct testimony. What is meant by "FPL embedded contractors?"

RESPONSE:

The reference to "FPL embedded contractors" refers to a contingent workforce of contractors (e.g., line and vegetation contractors) that perform work (e.g., construction, maintenance and restoration) on FPL's system on a daily basis as part of FPL's normal (i.e., non-storm) activities.

QUESTION:

Please refer to page 25, lines 10 through 13 of witness Miranda's direct testimony.

- a. Please explain how FPL determines when to begin follow-up work.
- b. What is the time frame when follow-up work generally starts? (for example, 24 hours after 99% of customers are restored)
- c. Please explain how FPL determines when to release external contractors.

RESPONSE:

- a. Follow-up work is initiated immediately after service to customers is essentially (99%) restored.
- b. See FPL's response to subpart (a) above.
- c. As restoration is being completed, assessments of remaining restoration construction man hours vs. available resources are evaluated. In general, once the available resources exceed the remaining restoration construction man hours, external resources are released. As provided in witness Miranda's direct testimony (page 14, lines 21-23 and page 15, lines 1-7), FPL endeavors to release resources from storm restoration assistance based on a high-to-low cost ranking subject to the overriding objective of quickest restoration time and related considerations (e.g., the number, availability, relative labor costs and travel distances of required resources).

QUESTION:

Please refer to page 30, lines 5 through 9 of witness Miranda's direct testimony. Please describe the advantages and any disadvantages of acquiring external resources earlier.

RESPONSE:

The primary advantages of acquiring external resources earlier are: (1) this practice ensures the external resources are committed to FPL, which is critical in the event that resource availability reduces as time passes (e.g., a storm's path changes affecting more utilities than originally expected and/or the intensity/size of the storm increases causing more infrastructure damage than originally expected); and (2) allows external resources to be pre-staged and in a location closer to the expected affected areas, so that once the storm passes and it is safe to work, the external resources can immediately begin service restoration. A disadvantage of acquiring external resources earlier is that it increases the potential risk of acquiring resources that may not be required (e.g., a storm's path changes and/or the intensity/size of the storm decreases and FPL's service territory is impacted less than originally expected). However, FPL exercises due diligence to mitigate this risk as discussed in FPL witness Miranda's direct testimony pages 13 (lines 8-10), 14 (lines 21-23) and 15 (lines 1-3).

QUESTION:

Please refer to page 31, lines 3 through 6 of witness Miranda's direct testimony. What is meant by "embedded reporters at the FPL command center?"

RESPONSE:

"Embedded reporters at the FPL command center" are reporters who remain at the FPL command center during the weather event and the subsequent restoration to provide them with the opportunity to directly observe activities occurring within FPL's Command Center specific to restoration planning and execution. During Hurricane Irma, two reporters from local newspapers within FPL's service territory were invited to embed at the FPL Command Center. This allowed them to observe FPL's storm planning activities, ride out the storm with FPL personnel, observe FPL's restoration activities as they unfolded in order to better communicate accurate and timely information to FPL customers through the media outlets, and ultimately educate the public on FPL's restoration process.

QUESTION:

Please refer to page 14, lines 11 through 15 of FPL witness DeVarona's direct testimony.

- a. Please explain the difference between the contractors that the External Affairs and Economic Development (EA) business unit retained to clear debris and lines to help open roads and the contractors that witness Miranda discusses in his direct testimony on page 26 at line 10.

RESPONSE:

FPL has determined that the contractors retained by the External Affairs and Economic Development (EA) business unit were retained to perform localized solar site repairs, Manatee Lagoon facility repairs and supplemental EQC staffing. A portion of the work involved in performing these localized site repairs, and in making repairs at FPL's Manatee Lagoon facility, involved some minimal clearing of debris to permit the contractors to access the areas impacted by the storm that they were retained to repair. To be clear, this work did not involve clearing debris and lines to open roads; that work was performed by contractors retained by the Power Delivery business unit as more fully described by FPL witness Miranda in his direct testimony on page 26, line 10.

FPL will file errata to correct the direct testimony of FPL witness DeVarona at page 14, lines 11 through 13 to reflect this change.

DECLARATION

I sponsored the answers to Interrogatory Nos. 1-4 and, and co-sponsored the answer to No. 5 from the Staff's First Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.


Signature

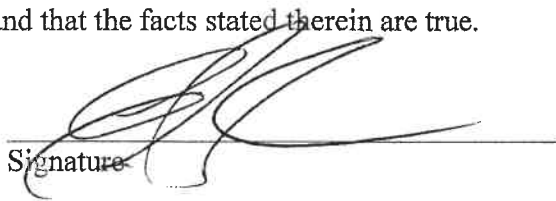
David T. Bromley

Date: October 5, 2018

DECLARATION

I sponsored the answer to Interrogatory No. 6 and, and co-sponsored the answer to No. 5 from the Staff's First Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.

Signature: 

Eduardo DeVarona

Date: OCTOBER 5, 2018

47

FPL's response to Staff's 2nd Interrogatories
Nos. 7-8.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 47
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Miranda (7, 8)Reagan (8)

QUESTION:

Please refer to Miranda's Rebuttal testimony at page 4, lines 6-10.

- a. Please explain how Mr. Schultz's proposed adjustments would be detrimental to FPL's customers and the state as a whole. Specifically, please provide an estimated impact on restoration time relative to the actual restoration time from Hurricane Irma.
- b. Please provide an estimated economic impact or cost to FPL's customers for each day power is not restored.

RESPONSE:

- a. On page 4, lines 6-10 of his rebuttal testimony, Mr. Miranda is referring to (i) Mr. Schultz's claim that rates charged by a total of 15 line contractors used by FPL were excessive, and (ii) Mr. Schultz's adjustment to reduce contractor standby time and costs. The estimated impact on restoration time for each of Mr. Schultz's proposed adjustments is further explained below.

- i. Estimated Impact of 15 Contractors Identified by Mr. Schultz

On page 41 of his direct testimony, Mr. Schultz claims that the rates for the 15 identified contractors were excessive based on his arbitrary hourly labor rate cap for line restoration workers. As provided on page 7, lines 4-13, of Mr. Miranda's rebuttal testimony, adopting an arbitrary hourly contractor labor rate cap rather than relying upon market forces would severely limit FPL's efforts to acquire already scarce resources by creating even greater demands from FPL and other affected utilities for an even smaller work force. This could result in the selection of contractor resources that, ultimately, would be costlier (e.g., selecting a contractor just under the hourly labor rate cap but considerably farther away resulting in more mobilization/demobilization costs) and extend restoration times because of a scarcity of contractors willing and able to perform the work at Mr. Schultz's arbitrary rate limit. Additionally, Mr. Schultz's proposed imposition of an arbitrary hourly rate cap incorrectly assumes that there would be willing and able resources available to fill the void created by the exclusion of resources above that cap.

As indicated in FPL's "Estimate of Storm Restoration Cost Savings due to Hardening", which was provided in FPL's response to OPC's First Request for Production of Documents No. 1, restoring service after Hurricane Irma required approximately 1,195,000 construction man-hours. As discussed on pages 9 and 10 of Mr. Miranda's rebuttal testimony, the 15 contractors that Mr. Schultz claims had excessive rates, provided 1,700 line restoration resources in total and produced an estimated 185,000 man-hours of restoration work, or more than 15% of the total restoration construction man-hours ($185,000 / 1,195,000$), for Hurricane Irma. Stated otherwise, conservatively estimated, the total restoration time for Hurricane Irma likely would have been approximately 15% longer than the actual time, if FPL did not have available the 15 contractors that Mr. Schultz claims charged excessive rates. Assuming a 15% increase in the total number of days to restore service after Hurricane Irma would

result in an additional 1.5 days in overall restoration time (1.15 x 10 days). Additionally, the absence of these resources would significantly change the restoration curve (i.e., customers would experience a more gradual restoration of power over a longer period of time compared to the current process that successfully restores a great majority of customers in the first few days of restoration) and would increase the overall time to complete restoration with the accompanying negative impacts to customers and the state as a whole. Of course, these delays in restoration would conflict with FPL's ability to "attempt to restore service within the shortest time practicable consistent with safety" as required by Rule 25-6.044(3), F.A.C.

ii. Estimated Impact of Mr. Schultz's Standby Adjustment

On page 71 of his direct testimony, Mr. Schultz recommends a 20% adjustment to reduce contractor standby time and costs incurred for Hurricane Irma. Storm-related contractor standby time/costs are incurred when contractors have arrived in advance of a storm's impacts, are pre-staged and waiting for the storm to pass. Importantly, pre-staging restoration resources and having them ready to begin restoration as soon as the storm passes and it is safe to work is essential to reducing overall restoration time.

If utilities were not permitted to prudently bring in resources ahead of time and have them on standby as discussed by FPL witness Miranda, and instead were required to use OPC witness Schultz's "just-in-time" approach, there is no telling how much longer it would take crews to travel through a state just impacted by a major hurricane, even assuming their availability, assuming availability of fuel, passable roads, available accommodations during mobilization, and all of the other circumstances confronted when attempting to travel to FPL's service territory to begin the restoration effort. And if FPL was able to secure lower cost resources from greater distances in the United States and Canada, it would only extend travel time and increase corresponding costs. This proposed restriction on the ability of FPL to use its best judgment in securing and pre-staging crews, when coupled with Mr. Schultz's recommendation to prohibit the use of crews with rates above his arbitrary cap, would further compound the challenges already encountered in timely securing adequate resources, and would further extend the time to restore service to FPL's customers.

For additional impacts on the state as a whole, including FPL's customers, please see FPL's response to subpart (b).

- b. First, it is important to emphasize that FPL's approach to restoration is to get as many customers restored as quickly and as safely as possible. That is our focus. Our customers expect rapid power restoration so that they can return to their normal lifestyle, whatever that entails. Thus, the cost to individual customers is inherently subjective and will vary among customers. But one thing we know with certainty. Customers do not want to be delayed in restoration of electric service. They want power restored as soon as possible. There is

absolutely no question whatsoever that this is their desire and, increasingly, their absolute expectation.

Because every hurricane is different, and there are many variables that cause or contribute to differences in costs, it is not possible to state with any degree of certainty the cost associated with each day power is not restored.

Our overarching approach to storm restoration also is consistent with the economic interests of the state as a whole. While there may be several ways to attempt to quantify the impacts to the state's economy when a storm results in the loss of electric service, and while every storm is different in terms of its impact, there is no doubt that in a state such as Florida, with a GDP of approximately \$1 trillion (or approximately \$2.7 billion per day), the impacts for each additional day without electric service are real and substantial. Direct impacts to the state of extended restoration times include the loss of manufacturing and production, the interruption of services such as transportation and telecommunication, the loss of sales, and reduced productivity in general where schools and other services remain closed.

Mr. Schultz's recommendations, which would result in delayed service restoration, are exceptionally short-sighted in failing to reflect both the desire and expectations of our customers.

QUESTION:

Please refer to Reagan's Rebuttal testimony at pages 13-14.

- a. Please indicate the scope of outside resources that FPL would not have been able to successfully engage if Mr. Schultz's recommended blended hourly rates had been used. Specifically, please provide an estimated impact on restoration time relative to the actual restoration time from Hurricane Irma.

RESPONSE:

- a. On pages 13-14 of his rebuttal testimony, Mr. Reagan is responding to Mr. Schultz's claim that based on his "experience," contractor rates above an arbitrary hourly labor rate cap were excessive. Utilizing the hourly labor rate cap established by Mr. Schultz on page 41 of his direct testimony, FPL would not have been able to successfully engage the 15 contractors identified by Mr. Schultz as higher rate contractors. As provided in FPL's response to Staff's Second Set of Interrogatories No. 7 (a), this would add an additional 1.5 days in the overall restoration time for Hurricane Irma.

In addition, if FPL and other Florida utilities were precluded from using contractors with rates above Mr. Schultz's arbitrary threshold, there would be even greater demands for a much smaller pool of resources. The geographic market for these resources is regional and even multi-regional depending on the size and path of the impending storm. The market also is situational in that it depends on the impact of other storms and the status of those restoration efforts in other parts of the region or country that may continue to occupy large numbers of crews at the time FPL or other Florida utilities are preparing for an approaching storm. This is one of the reasons why FPL attempts to pre-negotiate contracts with as many qualified vendors as possible well in advance of storms and then deploys those resources generally. Mr. Schultz's position would slow restoration times by placing an arbitrary market constraint on Florida utilities' access to necessary resources. Further unintended consequences might be that movement of all hourly rates to Mr. Schultz's average rate which, depending on the size of the storm and the number of crews required, could increase overall restoration costs. But the most immediate and negative consequence of his recommendation is that FPL and other utilities would have to use a much smaller work force to perform the restoration, which would significantly change the restoration curve (the absence of these resources would significantly change the restoration curve, i.e., customers would experience a more gradual restoration of power over a longer period of time compared to the current process that successfully restores a great majority of customers in the first few days of restoration) and would increase the overall time to complete restoration with the accompanying negative impacts to customers and the state as a whole.

DECLARATION

I sponsored the answer to Interrogatory Nos. 7 and co-sponsored the answer to Interrogatory No. 8, from the Staff's Second Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.


Signature

David T. Bromley

Date: April 10, 2019

DECLARATION

I co-sponsored the answer to Interrogatory No. 8, from the Staff's Second Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the response is true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answer identified above, and that the facts stated therein are true.

Signature



Ray Lozano

Date:



48

FPL's response to Staff's 3rd Interrogatories Nos.
9-15.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 48
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Gwaltney (9, 10-13)Ferguson (14, 15)

QUESTION:

Please refer to FPL's witness Miranda Rebuttal testimony

Please refer to page 13, lines 1 – 8. Witness Miranda testifies about contractors on standby time before Hurricane Irma impacted FPL's service territory.

- a. Were there any training sessions performed during this standby time? If so, please describe the training.
- b. Please explain why some of the contractor's invoices that witness Schultz reviewed (see HWS-2, Schedule C, page 4 of 6) show a start date of September 4th, if FPL began to commit enteral resources on September 6th (see FPL's response to staff's 1st set of Interrogatories, Number 1)?

RESPONSE:

- a. Yes. Training sessions conducted during standby time include training on safety, general characteristics of FPL's distribution, transmission and substation facilities, FPL's construction standards and work methods.
- b. FPL presumes the "9/4-9/10" dates that Staff is referring to are those contained in the "Period" column within HWS-2, Schedule C, page 3 of 6. As a preliminary matter, FPL notes that the internal order ("IO") for Hurricane Irma was established on September 5, 2017, to begin tracking storm restoration costs as explained on page 7 of the direct testimony of FPL Witness Ferguson.

While the Storm Crew Weekly Time Reports for Hurricane Irma allowed for entries to be made for each of the seven days of the week, beginning with Monday and ending with Sunday, e.g., Monday, September 4 – Sunday, September 10, there were days in a given week where crews charged no time. As an example, a crew on standby beginning September 9 would have no time charged for the first 5 days of the September 4 Storm Weekly Time Report but would have entries for the last 2 days of that week. FPL's review of the actual invoices identified by witness Schultz associated with the "9/4-9/10" dates indicates that the dates do not reflect actual start dates; instead, they reflect the days contained within that weekly time sheet (regardless of the days with actual time charged). FPL's review determined that no contractors charged time on 9/4; some embedded contractors charged time on 9/5 for button-up work; and committed non-embedded external contractors started charging time on or after 9/6, with the exception of 2 contractor employees who submitted timesheets for 9/5.

QUESTION:

Please refer to FPL's witness Gwaltney Rebuttal testimony

Please refer to page 6, line 20. Witness Gwaltney testified about pre-storm "button up" work. How early before a storm would a contractor be required to arrive if they are expected to perform pre-storm "button up" work?

RESPONSE:

Typically, external contractors are not brought in to perform "button up" work, as "button up" work is typically performed by FPL personnel and embedded contractors. However, because Hurricane Irma's forecasted path changed, some earlier-acquired contractor resources were assigned to perform pre-storm preparation work, including "button up" work.

QUESTION:

Please refer to FPL's witness Gwaltney Rebuttal testimony

Please refer to page 8, line 17. Please explain what is meant by "stops for on boarding at FPL staging sites."

RESPONSE:

On boarding is a term used by FPL that refers to its process of formally checking in contractor travel teams that have arrived to support FPL's storm restoration efforts. While on boarding can occur at any FPL staging site, historically, FPL has utilized a staging site located in Lake City as its primary on boarding site because of its well-positioned north central location. On-boarding includes verification of travel teams' personnel, training (e.g., safety, FPL's construction standards, work methods and processes) and work location assignments.

QUESTION:

Please refer to FPL's witness Gwaltney Rebuttal testimony

Please refer to page 16, line 23 and page 17, lines 1-4. Witness Gwaltney testified that most mutual assistance utilities are often provided by a member of the SEE and/or the EEI. In what other ways (e.g. direct), are mutual assistance utilities provided for restoration work?

RESPONSE:

Other ways FPL acquires mutual assistance utilities would include directly reaching out to a utility for support and taking advantage of the release and availability of other storm-impacted utilities' acquired external contractor resources, e.g., another Florida investor-owned utility that no longer needs all/some of its acquired external contractors.

QUESTION:

Please refer to FPL's witness Gwaltney Rebuttal testimony

Please refer to page 17, lines 6-13. Witness Gwaltney stated, "restoration support from SEE and EEI members is provided on a not-for-profit basis." Since not all mutual assistance utilities are provided through the SEE and the EEI, do those mutual assistance utilities charge rates on a "not-for-profit basis," as well?

RESPONSE:

Yes. These mutual assistance utilities provide restoration support on the same not-for-profit basis as those obtained from SEE and EEI.

QUESTION:

Please refer to FPL's witness Reagan Rebuttal testimony

Please refer to page 24, lines 18-23 and page 25, lines 1-3. Witness Reagan provides testimony regarding a concern of duplicate billing from embedded vendors.

- a. Are the contract prices for normal work for the embedded vendors included in FPL's base rates?
- b. Are the contract prices for storm restoration work for the embedded vendors included in FPL's base rates?

RESPONSE:

To be clear, FPL witness Reagan's rebuttal testimony at page 24, lines 18-23 through page 25, lines 1-3 is a response to an unsupported assertion made by OPC witness Schultz rather than a concern about duplicate billing from embedded vendors. FPL offers this statement to avoid any misunderstanding about the substance of the cited testimony.

- a. Costs for normal non-storm work that enhances and maintains the electrical grid, performed by embedded vendors, would be charged to either capital or O&M, with the vast majority of these non-storm costs charged to capital based on the nature of the work performed. The O&M expense for the non-storm work performed by embedded vendors, if any, would be charged to base rates at the time the expense is incurred.
- b. No. Qualifying storm events and the associated contractor costs are neither budgeted nor planned and, therefore, are not included in base rates.

QUESTION:

Please refer to FPL's witness Reagan Rebuttal testimony

Please refer to page 28, lines 4-17. Witness Reagan testified to the difference in the amount for some logistic invoices and the amount reflected on the excel spreadsheet summarizing all the invoices.

- a. Is FPL requesting recovery of State sales taxes paid by FPL directly to the State?
- b. Did FPL reduce the amount paid on vendor invoices to exclude State sales tax?
- c. Is the amount paid to the State in sales tax recorded in the "Not assigned" category? If not, in which categories are they listed?

RESPONSE:

- a. FPL has included the self-assessed accrued sales tax in the total amount charged to storm costs reflected on Exhibits KF-3 and KF-4. However, FPL is not seeking recovery of any of the costs incurred in connection with Hurricane Irma restoration efforts, including state sales tax paid by FPL directly to the State.
- b. Yes. In the event that a PO associated with a vendor Hurricane Irma storm invoice included sales tax, the amount paid to the vendor would have been reduced by the sales tax amount.
- c. No. For purposes of storm reporting, sales tax is not recorded in the "Not assigned" category. The sales tax amount is included in the total invoice amount and is not broken out into a separate category.

DECLARATION

I sponsored the answers to Interrogatory Nos. 9-13, from the Staff's Third Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.


Signature

David T. Bromley

Date: April 10, 2019

DECLARATION

I sponsored the answers to Interrogatory Nos. 14 and 15, from the Staff's Third Set of Interrogatories to Florida Power & Light Company in Docket No. 20180049-EI, and that the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.


Signature

Keith Ferguson

Date: 4/8/19

49

OPC's response to FPL's 1st Interrogatories Nos.
5, 10, 13-21, and 23.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 49
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Schultz (1-23)

RESPONSE: See the prefiled testimony of Helmuth Schultz filed on January 11, 2019. The discussions therein identify the factors and/or criteria upon which he relied to make his recommended adjustments which were limited by the time constraints for said review of the over 70,000 individual documents produced in response to discovery. Mr. Schultz has also applied his expert judgement based on his over 42 years of professional experience in evaluating costs as part of the regulatory process including analysis of costs related to specific storm dockets and/or rate cases that included a request for recovery of storm costs.

5. Please describe in detail the process used by Mr. Schultz to review the Hurricane Irma vendor invoices provided by FPL in response to discovery.

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Further, the interrogatory is vague and/or seeks information that is overbroad or unduly burdensome. Without waiving any objection, OPC responds below.

RESPONSE: The general process began with a high level of review of the invoice documents. The process continued with an analysis of the supporting documentation for invoices that appeared to include questionable costs. Then, invoices were summarized on the schedules in Exhibit HWS-2, and as conflicting details were noted, the review was expanded to include analysis of the information identified in the conflicting details. When invoices listed in response to OPC Interrogatories Nos. 20 and 21 could not be located, the missing invoices were requested from FPL.

6. Did Mr. Schultz perform a risk-based sampling of relevant invoices and vendor documents? If your response is anything other than an unqualified "no," please provide the following:
- a. Describe in detail the precise manner in which the samples were selected and the process by which the risk-based sampling of relevant invoices and documents was performed;

10. Please explain in detail the process used by Mr. Schultz to evaluate FPL's mobilization and demobilization costs.

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Further, the interrogatory is vague and/or seeks information that is overbroad or unduly burdensome. Without waiving any objection, OPC responds below.

RESPONSE: The general process began with a high level of review of the invoice documents. The process continued with an analysis of the supporting documentation for invoices that appeared to include questionable costs. Then, invoices were summarized on the schedules in Exhibit HWS-2, and as conflicting details were noted, the review was expanded to include analysis of the information identified in the conflicting details. When invoices listed in response to OPC Interrogatories Nos. 20 and 21 could not be located, the missing invoices were requested from FPL. Additionally, Mr. Schultz used MapQuest as a tool to determine the travel distance, and estimated time, between the various locations noted in the invoices or other materials.

11. Please identify each jurisdiction outside of Florida in which Mr. Schultz has analyzed storm costs and provide all of the following information for each such matter:

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Further, the interrogatory is vague and/or seeks information that is overbroad or unduly burdensome. Without waiving this objection, OPC responds below.

- a. The name of the applicable agency or court involved;

RESPONSE: The summary entitled "Summary – Outside of Florida," attached hereto and incorporated herein as an exhibit, provides a listing of storm cases or rate cases where storm cost recovery was an issue in jurisdictions other than Florida on which Mr. Schultz analyzed storm costs. The list is a sub-set of the information provided in Exhibit HWS-1 to Mr. Schultz's January 11, 2019, testimony.

cases or rate cases where storm cost recovery was an issue in Florida on which Mr. Schultz analyzed storm costs. The list is a sub-set of the information provided in Exhibit HWS-1 to Mr. Schultz's January 11, 2019, testimony.

b. The name of the utility involved;

RESPONSE: See the above-cited exhibits.

c. The date and geographical location of the storm event analyzed; and

RESPONSE: See the above-cited exhibits.

d. A detailed description of the type of storm event involved, including the type and category of storm event (e.g., a category 2 hurricane), and the name of the storm if named; and

RESPONSE: See the above-cited exhibits.

e. State whether Mr. Schultz was deposed in connection with the identified docket and, if so, provide the date and party that took the deposition.

RESPONSE: See the above-cited exhibits.

13. Please explain whether Mr. Schultz has participated in the retention or management of storm restoration crews during a storm event. If your response is anything other than an unqualified "no," please identify the storm event, the company Mr. Schultz assisted, and provide a description of Mr. Schultz's role, duties, and activities in retaining or managing the restoration crews during the storm event.

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Further, the interrogatory is vague and/or seeks

information that is overbroad or unduly burdensome.' Without waiving this objection, OPC responds below.

RESPONSE: No.

14. Please explain whether Mr. Schultz has personally participated in or observed a utility's storm restoration activities during a storm event. If your response is anything other than an unqualified "no," please also state the following:

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Further, the interrogatory is vague and/or seeks information that is overbroad or unduly burdensome. Without waiving this objection, OPC responds below.

- a. Identification of the utilities participated and/or observed;

RESPONSE: While Mr. Schulz's ability to provide his expert evaluation of the recoverability of storm restoration costs is not dependent on his personal participation or observation of a utility's storm restoration, Mr. Schultz has observed the restoration process by a utility and/or its contractors subsequent to storm events over the last 30 years, including windstorms, thunderstorms, tornadoes, and snowstorms in Michigan. Mr. Schultz has not participated in the storm restoration activities on behalf of any utility.

- b. Whether Mr. Schultz was a participant or an observer;

RESPONSE: In any applicable instances, he was an observer.

- c. If Mr. Schultz was a participant, please describe his specific responsibilities;

RESPONSE: N/A.

- d. If Mr. Schultz was an observer, identify the individual or entity that retained Mr. Schultz as an observer; and

* **RESPONSE:** No one retained Mr. Schultz to observe storm recovery activities. Mr. Schultz undertook these observation opportunities as a matter of self-education to familiarize himself with processes and procedures as well as whether damage caused could be attributed to any specific factors (i.e. vegetation management).

e. Identification of the storm event, year occurred, and location.

RESPONSE: Most of these storms were not named or identifiable. They occurred periodically over the last 30 years.

15. Please explain whether Mr. Schultz has physically been to an active crew staging site for utility storm restoration activities during a storm event. If your response is anything other than an unqualified “no,” identify the storm event and the name of the utility involved, and provide a description of the crew staging site, including the location and number and types of crews at the site.

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Further, the interrogatory is vague and/or seeks information that is overbroad or unduly burdensome. Without waiving this objection, OPC responds below.

RESPONSE: No.

16. Please explain whether Mr. Schultz has personally participated in or observed a utility’s storm logistics activities during a storm event, including but not limited to the provision of meals, laundry services, accommodations, fueling of vehicles, maintenance and repair of vehicles, and other similar activities related to the operation of a storm restoration effort. If your response is anything other than an unqualified “no,” please identify the storm event and name of the utilities with

which he participated and/or that he observed, and provide a description of Mr.

Schultz's role, duties, and activities during the storm event.

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Further, the interrogatory is vague and/or seeks information that is overbroad or unduly burdensome. Without waiving this objection, OPC responds below.

RESPONSE: No, because personally participating in or observing a utility's storm logistics activities during a storm event is unnecessary to perform the analyses that Mr. Schultz performs.

17. Please explain whether Mr. Schultz has personally participated in or observed a utility's storm mobilization activities during a storm event. If your response is anything other than an unqualified "no," please identify the storm event and name of the utilities with which he participated and/or that he observed, and provide a description of Mr. Schultz's role, duties, and activities during the storm event.

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Further, the interrogatory is vague and/or seeks information that is overbroad or unduly burdensome. Without waiving this objection, OPC responds below.

RESPONSE: While Mr. Schultz's ability to provide his expert evaluation of the recoverability of storm restoration costs is not dependent on his personal participation or observation of a utility's storm mobilization activities during a storm event, Mr. Schultz has observed mobilizing activities by a utility and/or its contractors subsequent to storm events over the last 30 years, including windstorms, thunderstorms, tornadoes, and snowstorms in Michigan.

18. Please explain whether Mr. Schultz has personally participated in or observed a utility's negotiation for storm restoration, line clearing, damage assessment, or

vegetation crews in anticipation of or during a storm event. If your response is anything other than an unqualified "no," please identify the storm event and name of the utilities with which he participated and/or that he observed, and provide a description of Mr. Schultz's role, duties, and activities during the storm event.

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Further, the interrogatory is vague and/or seeks information that is overbroad or unduly burdensome. Without waiving this objection, OPC responds below.

RESPONSE: No.

19. Please explain whether Mr. Schultz has personally negotiated contractor rates for storm restoration, line clearing, damage assessment, or vegetation crews in anticipation of or during a storm event. If your response is anything other than an unqualified "no," please also state the following:

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Further, the interrogatory is vague and/or seeks information that is overbroad or unduly burdensome. Without waiving this objection, OPC responds below.

RESPONSE: No.

- a. Identification of the storm event, year occurred, and location;

RESPONSE: N/A

- b. Description of Schultz's role, duties, and activities;

RESPONSE: N/A

- c. Identify the contractors involved in the negotiation;

RESPONSE: N/A

d. Identify the negotiated rates;

RESPONSE: N/A

e. Identify the scope of work performed by each contractor.

RESPONSE: N/A

20. Please explain whether Mr. Schultz has communicated with storm restoration crews during a storm event or during storm restoration activities. If your response is anything other than an unqualified "no," please also state the following:

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Further, the interrogatory is vague and/or seeks information that is overbroad or unduly burdensome. Without waiving this objection, OPC responds below.

RESPONSE: While Mr. Schulz's ability to provide his expert evaluation of the recoverability of storm restoration costs is not dependent on him having communicated with storm restoration crews during a storm event or during storm restoration activities, over the last 30 years Mr. Schultz has communicated with Consumers Energy personnel and/or contractor crews during storm events or during storm restoration activities, including windstorms, thunderstorms, tornadoes, and snowstorms in Michigan.

a. Date and time of the communication;

RESPONSE: The date and times of such communication is not identifiable.

b. Identification of the storm event, year occurred, and location;

RESPONSE: Most of these storms were not named or identifiable. They occurred periodically over the last 30 years.

c. Name of the storm restoration crew:

RESPONSE: Consumers Energy personnel and/or contractor crews

d. Reason for the communication; and

RESPONSE: Mr. Schultz undertook these communication opportunities as a matter of self-education.

e. Description of the communication, including location, name and title of person(s) involved, and summary of discussion.

RESPONSE: Mr. Schultz does not recall these details.

21. Please explain whether Mr. Schultz has ever been certified or qualified as an expert in utility storm restoration activities or analysis of storm restoration costs by any court or regulatory agency. If your response is anything other than an unqualified "no," please also state the following:

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Further, the interrogatory is vague and/or seeks information that is overbroad or unduly burdensome. Without waiving this objection, OPC responds below.

RESPONSE: The matters and cases in which Mr. Schultz has testified as an expert regarding storm restoration activities and related costs are found in the exhibits attached as part of the answers to Interrogatories 11 and 12, above. In all of the jurisdictions listed including Florida, Mr. Schultz filed his testimony as an expert witness. To Mr. Schultz's recollection, his expertise was challenged only once in a Massachusetts case, and he was qualified as an expert over that challenge.

a. The court case or regulatory agency number, including state and specific court jurisdiction or docket number;

RESPONSE: See the above-cited exhibits.

b. The name of the utility involved;

RESPONSE: See the above-cited exhibits.

c. The date and geographical location of the storm event analyzed; and

RESPONSE: See the publicly available dockets for the cases on the above-cited exhibits.

d. A detailed description of the type of storm event involved, including the type and category of storm event (*i.e.*, a category 2 hurricane), and the name of the storm if named.

RESPONSE: Most of these storms were not named or identifiable. They occurred periodically over the last 30-plus years.

22. Please identify the following for each of the FPL, Duke, TECO, and FPUC storm restoration proceedings: the amount budgeted for Mr. Schultz by OPC; the amount billed/invoiced to date by Mr. Schultz; the estimated amount of fees/costs to be incurred by OPC for Mr. Schultz to complete work on the case, including testifying at hearing.

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Further, the interrogatory is vague and/or seeks information that is overbroad or unduly burdensome. Without waiving this objection, OPC responds below.

RESPONSE: Please see the file entitled "FPL Contract Packet," which was produced in response to the requests for production contemporaneously filed with these interrogatories. Also, see the file "Other Utilities Contract Packet." Both files are attached hereto and incorporated herein as exhibits.

Please state whether OPC or representatives from OPC visited affected areas impacted by Hurricane Michael within the first seven (7) days after the storm passed, or anytime thereafter, for the purpose of observing damage from the storm and the storm restoration and rebuild activities performed by FPL or any other utility impacted by Hurricane Irma.

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Further, the interrogatory is vague and/or seeks information that is overbroad or unduly burdensome. Without waiving this objection, OPC responds below.

RESPONSE: No.

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Public Counsel


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OPC's response to FPL's 2nd Interrogatories Nos.
24 - 65

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 50
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Schultz (24-70)

I. Citizens object to any request that purports to require disclosure of the Public Counsel's deliberative process and internal reviews to determine what if any issues to protest in any case. The Public Counsel is authorized by Section 350.0611, Florida Statutes, to represent the customers before the Commission. The Legislature granted the Public Counsel the following specific power:

To recommend to the commission or the counties, by petition, the commencement of any proceeding or action or to appear, in the name of the state or its citizens, in any proceeding or action before the commission or the counties and urge therein any position which he or she deems to be in the public interest, whether consistent or inconsistent with positions previously adopted by the commission or counties, . . .

The Public Counsel's decision-making and grant of discretion to take any position he deems in the public interest is not subject to review or an issue in this case. Thus, any such request is not relevant nor can it be reasonably calculated to lead to the discovery of admissible evidence.

J. In responding to these requests, Citizens do not waive the foregoing objections, or any specific objections that are set forth in the responses to particular requests.

INTERROGATORIES

24. See page 4, lines 19-20 and page 77, lines 17-19 of Mr. Schultz's direct testimony. Does Mr. Schultz agree that his recommendation to increase the storm restoration capital costs by \$278.754 million will mean that "future customers will pick up the tab by the return of and on a higher rate base" associated with his proposed increased capital costs? If your answer is anything other than an unqualified "yes," please explain your answer in detail.

Objection. This discovery request as phrased is argumentative, in that it requires the adoption of an incorrect premise.

Response: Notwithstanding its objections, OPC provides the following answer. No. The premise of the question, focused solely on future customers, is not accurate. The capitalization of cost in question will be paid for by current and future customers who will all benefit from the facilities capitalized.

25. See page 5, lines 10-11 of Mr. Schultz's direct testimony. Does Mr. Schultz agree that any non-incremental, non-capital storm restoration costs that were reasonable and prudently incurred may be charged to base O&M? If your response is anything other than an unqualified "yes", please explain your response in detail.

Response: Mr. Schultz agrees that such costs may be recorded on FPL's books for recovery through rates. Whether they can be recorded as a debit to base O&M is a legal question.

26. See page 22, lines 10-13 of Mr. Schultz's direct testimony. Please explain in detail how Mr. Schultz selected his "sampling," including whether Mr. Schultz randomly selected his sample or whether he was provided invoices to include in his sample, if he was provided the sample who provided it, the factors used to select the sample, identify each invoice by document reference number that was included in his sample, and provide the date on which his sampling was completed prior to the issuance of his testimony on January 11, 2019.

Response: Mr. Schultz's sampling of invoices was based on FPL's responses to discovery where FPL determined the sample size by rejecting the threshold for invoices requested by OPC. The documents sampled were provided by FPL; therefore FPL is aware of what documents were sampled. Mr. Schultz' further sampling of nearly 100% of the documents provided by FPL would not have been fully completed prior to issuance of testimony on January 11, 2019.

27. See page 27, lines 6-9 of Mr. Schultz's direct testimony. Does Mr. Schultz agree that a utility's actual annual payroll expense may fluctuate (higher or lower) after base rates have been established? If your response is anything other than an unqualified "yes," please explain your response in detail and whether Mr. Schultz believes a utility should charge a

fixed payroll expense after base rates have been established regardless of the actual payroll expense that is incurred.

Response: Yes.

28. See page 30, lines 7-9 of Mr. Schultz's direct testimony where he states that non-incremental regular payroll expenses should be excluded from the restoration costs. Does Mr. Schultz agree that non-incremental regular payroll expenses should be charged to base O&M? If your answer is anything other than an unqualified "yes," please explain your answer in detail, including why and under what circumstances Mr. Schultz believes the non-incremental regular payroll expenses should not be charged to base O&M and where Mr. Schultz believes the non-incremental regular payroll expenses should be charged if not to base O&M.

Response: Mr. Schultz agrees that such costs may be recorded on FPL's books for recovery through rates. Whether they can be recorded as a debit to base O&M is a legal question.

29. See page 35, lines 19-20 of Mr. Schultz's direct testimony regarding the adjustment for non-incremental overtime payroll expense. Does Mr. Schultz agree that non-incremental overtime payroll expenses should be charged to base O&M? If your answer is anything other than an unqualified "yes," please explain your answer in detail, including why and under what circumstances Mr. Schultz believes the non-incremental overtime payroll expenses should not be charged to base O&M and where Mr. Schultz believes the non-incremental overtime payroll expenses should be charged if not to base O&M.

Response: To the extent that is not related to performing capital work, Mr. Schultz agrees that such non-incremental costs may be recorded on FPL's books to base O&M.

30. See page 37, lines 10-13 of Mr. Schultz's direct testimony. Please explain how Mr. Schultz's statement that the "[normal] capitalization rate is not appropriate because the storm work performed is being done under abnormal conditions" is consistent with Rule 25-6.0143(1)(d) that the "capital expenditures for the removal, retirement and replacement of damaged facilities charged to cover storm-related damages shall exclude the normal cost for the removal, retirement and replacement of those facilities in absence of a storm."

Response: See the response to FPL Interrogatory No. 61.

31. See page 38, lines 14-16 of Mr. Schultz's direct testimony. Please explain in detail how Mr. Schultz derived his 3% escalation factor for the average hourly overtime rate.

Response: Mr. Schultz has participated in numerous rate proceedings over his 42 plus years of experience evaluating utility cost recovery requests and studying trend data across multiple regulatory jurisdictions. The trend data in recent years regarding the escalation factor for the average hourly overtime rate shows that a 3% annual increase is most consistent with the increases being requested by operating utilities and approved by regulators.

32. See page 36, lines 21-22 and page 38, lines 15-16 of Mr. Schultz's direct testimony. Please explain and justify why Mr. Schultz's recommended incremental overtime payroll expense does not include overhead charges but his estimated overtime capitalization rate and capital costs are grossed up for labor overhead.

Objection: This discovery request as phrased is argumentative, in that it requires the adoption of an incorrect premise.

Response: Notwithstanding its objections, OPC provides the following answer. The premise of FPL's Interrogatory No. 32 is not accurate. The filing by FPL included overtime payroll plus overheads. Mr. Schultz, in his recommended adjustment for 2017 non-incremental overtime, only removed actual payroll, conservatively leaving the overhead dollars originally included by FPL in the Overtime Payroll & Related Costs. Therefore, the recommended incremental overtime payroll expense does

include overhead charges. As for the capitalization adjustment, Mr. Schultz included overhead costs because the Company capitalization rate included overhead costs. Therefore, it would only be appropriate to determine an adjustment based on an apples-to-apples comparison.

33. See page 40, line 14 of Mr. Schultz's direct testimony. Please identify by document reference number or, alternatively, provide all invoices personally reviewed by Mr. Schultz that support Mr. Schultz's opinion that "various vendors charged hourly rates that are excessive."

Objection: The information and documents requested by FPL are already within the control of, thus readily available to, the company; FPL has equal or greater access than OPC to the documents FPL seeks.

Notwithstanding its objections, OPC provides the following answer. See Exhibit HWS-2, Schedule C, Pages 4 and 5, which identify the 15 vendors who have rates in excess of \$250 per man per hour; FPL has control of the invoices and knows which vendors charge rates above that threshold and can identify the invoice numbers and locations from that information. See also FPL's response to OPC's Request for Production item No. 6; OPC's response to FPL's Interrogatory No. 7, which identifies the relevant documents personally reviewed by Mr. Schultz.

34. See page 40, line 14 of Mr. Schultz's direct testimony. Please identify the source(s) used to support Mr. Schultz's opinion that "various vendors charged hourly rates that are excessive," including, but not limited to, studies, surveys, and documents or materials prepared by third parties that identify the level of rates considered "excessive" in circumstances such as that faced by FPL in advance of and during restoration efforts related to Hurricane Irma.

Response: See Mr. Schultz' direct testimony, pp. 41-42. Mr. Schultz' opinion is informed by his 42 plus years of experience in reviewing contractor invoices related to storm restoration, in addition to the factors outlined in the referenced testimony.

35. See page 40, lines 15-16 of Mr. Schultz's direct testimony. Please identify by document reference number or, alternatively, provide all invoices personally reviewed by Mr. Schultz that support Mr. Schultz's opinion that various contractors charged for an excessive amount of mobilization/demobilization and standby time.

Objection: The information and documents requested by FPL are already within the control of, thus readily available to, the company; FPL has equal or greater access than OPC to the documents FPL seeks.

Response: Notwithstanding its objections, OPC provides the following answer. Refer to Mr. Schultz's testimony on pages 43-50, pages 60-72 and Exhibit HWS-2, Schedule C, p. 3 of 6, which identifies the invoices reviewed by Mr. Schultz including those that reflected mobilization/demobilization and standby time.

36. See page 40, lines 15-16 of Mr. Schultz's direct testimony. Please identify all factors that an overhead line vendor includes and considers in the development of their mobilization/demobilization rate including, but not limited to, studies, surveys, and documents or materials prepared by third parties.

Response: There is no set formula for determining vendor rates, as they will vary from vendor to vendor and depend on the particular contract and conditions under which the vendor is working. In my experience, overhead line vendors developing mobilization/demobilization rates have typically factored in labor and overhead costs, and may include equipment, administrative costs, maintenance of vehicles, fuel and/or other costs, depending on the extent to which the governing contract or guidelines require or prohibit said costs to be separately charged. This is not an exhaustive list because there will be some variations between individual vendors' contract provisions and allowances from the utility negotiating with the vendor. Based on some of the rates identified in HWS-2, Schedule C, it would be reasonable to conclude that vendors may also factor in a utility's willingness to pay in emergency situations.

37. See page 40, lines 15-16 of Mr. Schultz's direct testimony. Please specify whether Mr. Schultz has personally developed mobilization/demobilization rates for an overhead line vendor. If your response is anything other than an unqualified "no", please list the name

of vendor, the rates, dates rates were developed, geographical location of vendor, and factors considered in the development of the rates.

Response: No.

38. See page 40, line 17 of Mr. Schultz's direct testimony. Please identify by document reference number or, alternatively, provide all invoices personally reviewed by Mr. Schultz that support Mr. Schultz's opinion that payments to vendors included some duplicate payments.

Objection: The information and documents requested by FPL are already within the control of, thus readily available to, the company; FPL has equal or greater access than OPC to the documents FPL seeks.

Response: Notwithstanding its objections, OPC provides the following answer. See pages 51-56 of Mr. Schultz's testimony for a discussion of duplicate payments and refer to Exhibit HWS-2, Schedule C, p. 3 of 6.

39. See page 40, line 17-19 of Mr. Schultz's direct testimony. Please identify by document reference number or, alternatively, provide all invoices personally reviewed by Mr. Schultz that support Mr. Schultz's opinion that there were improper payments for contract workers whose hours were not supported by any documentation.

Objection: The information and documents requested by FPL are already within the control of, thus readily available to, the company; FPL has equal or greater access than OPC to the documents FPL seeks.

Response: Notwithstanding its objections, OPC provides the following answer. See pages 56-60 of Mr. Schultz's testimony for a discussion of improper payments and refer to Exhibit HWS-2, Schedule C, p. 3 of 6.

40. See page 40, lines 23-24 of Mr. Schultz's direct testimony. Please identify by document reference number or, alternatively, provide all invoices personally reviewed by Mr.

Schultz that support Mr. Schultz's opinion that FPL failed to enforce the general contract requirements contained in its restoration.

Objection: The information and documents requested by FPL are already within the control of, thus readily available to, the company; FPL has equal or greater access than OPC to the documents FPL seeks.

Response: Notwithstanding its objections, OPC provides the following answer. See pages 61-65 of Mr. Schultz's testimony for a discussion of contract issues.

41. See page 41, lines 9-10 of Mr. Schultz's direct testimony. Please describe the type of vendor (e.g., line clearing, mutual aid, etc.) and describe the type of rate (e.g., straight time, overtime, mobilization, etc.) included in Mr. Schultz's opinion regarding "the range of hourly rates for most vendors" and identify any and all documents that support that opinion.

Response: The discussion referenced pertains to line contractors and does not include mutual aid contractors, whose hourly labor rates are generally lower. The rate discussed is for straight time, overtime, mobilization in general, and is dependent on the vendor, since some vendors may have a flat rate across the board. The range referred to can be found on Exhibit No. HWS-2, Schedule C, Page 4 of 6.

42. See page 42, lines 15-16 of Mr. Schultz's direct testimony. Please explain whether Mr. Schultz's average hourly rate for contractors, as provided in Exhibit No. HWS-2, Schedule C, Page 4 of 6, is a weighted average based on the number of hours worked by the vendor at the applicable rate (e.g., mobilization time at the mobilization rate, straight time at the straight time rate, etc.).

Response: The average hourly rate on Exhibit No. HWS-2, Schedule C, Page 4 of 6 is the sum of labor dollars divided by the labor hours charged. The dollars include cost determined using mobilization, standby, regular time and overtime rates.

43. See page 42, lines 13-15 of Mr. Schultz's direct testimony. Please explain why Mr. Schultz's comparison of vendor rates was limited to contractors whose billing exceeded \$5 million.

Response: A comparison of vendors whose rates were considered excessive, to vendors whose billing exceeded \$5 million, was used in order to limit the number of vendors included in the comparison (i.e. instead of using all vendors). This was considered representative since the sum of the dollars involved (i.e. excessive and comparison dollars) made up a significant majority of the Hurricane Irma line contractor costs.

44. See page 49, lines 20-21 and page 50, lines 1-2 of Mr. Schultz's direct testimony. Please explain whether Mr. Schultz has ever traveled as part of a utility storm restoration crew. If your answer is anything other than an unqualified "no," please identify the name of the company and identify the crew, the relevant dates of travel, the type and number of vehicles involved, the starting and destination points, the total miles traveled, and the total travel time.

Response: No.

45. See page 49, lines 20-21 and page 50, lines 1-2 of Mr. Schultz's direct testimony. Please indicate whether Mr. Schultz has ever driven a utility truck at 60 miles-per-hour as part of a convoy.

Response: No.

46. See page 49, lines 20-21 and page 50, lines 1-2 of Mr. Schultz's direct testimony. Does Mr. Schultz agree that traffic conditions could impact the time it takes a utility storm restoration crew to travel a given distance? If your answer is anything other than an unqualified "yes," please explain your response in detail.

Response: Yes.

47. See page 49, lines 20-21 and page 50, lines 1-2 of Mr. Schultz's direct testimony. Did Mr. Schultz perform any independent research into the traffic conditions surrounding the utility storm restoration crews that he believes charged for excessive mobilization/demobilization time? If your answer is anything other than an unqualified "no", please list the sources of this research and explain how it was utilized in your analysis.

Response: No.

48. See page 49, lines 20-21 and page 50, lines 1-2 of Mr. Schultz's direct testimony. Does Mr. Schultz agree that weather conditions could impact the time it takes a utility storm restoration crew to travel a give distance? If your answer is anything other than an unqualified "yes," please explain your response in detail.

Response: Yes.

49. See page 49, lines 20-21 and page 50, lines 1-2 of Mr. Schultz's direct testimony. Does Mr. Schultz agree that it would take longer for utility vehicles, such as a bucket truck, digger, or truck hauling a trailer of equipment, to travel a distance than it would for typical residential vehicle to travel the same distance over the same route? If your answer is anything other than an unqualified "yes," please explain your response in detail.

Response: No. The time of travel is dependent on the driver and passengers more so than the vehicle itself. Mr. Schultz has driven hundreds of thousands of miles, and in these travels has observed utility contractor vehicles and contractors that provide restoration service to utilities (in convoys) traveling at the same speed as other vehicles and in some cases even faster than other vehicles.

50. See page 49, lines 20-21 and page 50, lines 1-2 of Mr. Schultz's direct testimony. Does Mr. Schultz agree that operating a utility truck on a roadway during a restoration storm event is different than operating a passenger vehicle on a non-storm related road trip?

Objection. This discovery request as phrased is argumentative, in that it requires the adoption of an incorrect premise.

Response: Notwithstanding its objections, OPC provides the following answer. The premise of the question is stated in a misleading manner, as it assumes that all mobilization and demobilization travel by contractor crews operating utility vehicles occurred in the time and place where storm restoration was happening. The fact is that much of the travel at issue occurred in other states or even Canada, where there was no storm event impact on the travel.

51. See pages 51-56 of Mr. Schultz's direct testimony. Please explain whether Mr. Schultz is aware of any invoices that were submitted by a vendor that were either adjusted by FPL or rejected by FPL and not paid to the vendor. If your answer is anything other than an unqualified "none," please explain your response in detail and identify any such invoices by the applicable document reference number.

Response: Mr. Schultz's discussion is based on FPL's filing and FPL's response to Interrogatory No. 20 that listed the invoices included in FPL's reported costs. Mr. Schultz did identify Not Assigned Costs that were reversed in the listing provided by FPL. Mr. Schultz does acknowledge that FPL indicated in its response to OPC Interrogatory No. 156, provided on February 6, 2019, that some of the invoices were adjusted in 2018 after FPL made its filing and that FPL would be reflecting the adjustments in its reported cost included as part of FPL's rebuttal testimony.

52. See page 61, lines 26-27, and page 62, line 1 of Mr. Schultz's direct testimony. Please identify by document reference number or, alternatively, provide all invoices personally reviewed by Mr. Schultz that support Mr. Schultz's opinion that vendors charged for equipment, fuel, and repairs to equipment during mobilization/demobilization time and repairs for equipment.

Objection: The information and documents requested by FPL are already within the control of, thus readily available to, the company; FPL has equal or greater access than OPC to the documents FPL seeks. Additionally, the request is irrelevant and designed to harass or cause unnecessary and needless increase of OPC's litigation costs.

Response: Notwithstanding its objections, OPC provides the following answer. Mr. Schultz did not memorialize every instance where this was found and did not make any adjustment for this issue; as such, the request is irrelevant. Examples found at particular document reference numbers will be provided in a supplemental response.

53. See page 64, lines 16-17 of Mr. Schultz's direct testimony. Please identify by document reference number or, alternatively, provide all invoices personally reviewed by Mr. Schultz that support Mr. Schultz's opinion that vendors billed FPL for maintenance of equipment as part of the vendors' restoration costs.

Objection: The information and documents requested by FPL are already within the control of, thus readily available to, the company; FPL has equal or greater access than OPC to the documents FPL seeks. Additionally, the request is irrelevant and designed to harass or cause unnecessary and needless increase of OPC's litigation costs.

Notwithstanding its objections, OPC provides the following answer. Mr. Schultz did not memorialize every instance where this was found and did not make any adjustment for this issue; as such, the request is irrelevant. Examples found at particular document reference numbers will be provided in a supplemental response.

54. See page 64, lines 28-29 of Mr. Schultz's direct testimony. Please identify by document reference number or, alternatively, provide all invoices personally reviewed by Mr. Schultz where vendors submitted invoices for 16 hours of standby time.

Objection: The information and documents requested by FPL are already within the control of, thus readily available to, the company; FPL has equal or greater access than OPC to the documents FPL seeks.

Response: Notwithstanding its objections, OPC provides the following answer. The number of standby charges identified by Mr. Schultz is in excess of 150 invoices. The following are some of the invoices for 14 or more hours:

Bates FPL 023818 includes billing for September 10 for 81 individuals at either 16 or 18 hours.

Bates FPL 025913 includes billing for September 9 and 10 for 13 individuals at 16 hours each day.

Bates FPL 061868 includes billing for September 9 and 10 for 20 individuals at 16 hours each day.

Bates FPL 058942 includes billing for September 9 and 10 for 17 individuals at 16 hours each day.

Bates FPL 059229 includes billing for September 9 and 10 for 17 individuals at 16 hours each day.

Bates FPL 059050 includes billing for September 9 and 10 for 19 individuals at 16 hours each day.

Bates FPL 058912 includes billing for September 9 and 10 for 19 individuals at 16 hours each day.

Bates FPL 035376 includes billing for September 10 for 50 individuals at 16 hours each.

Bates FPL 064553 includes billing for September 10 for 30 individuals at 14 hours each.

Bates FPL 039260 includes billing for September 10 for 29 individuals at 16 hours each.

55. See page 71, lines 21-22 of Mr. Schultz's direct testimony where Mr. Schultz stated that "FPL's lack of monitoring travel could have resulted in mobilization/demobilization being overstated by 33%." Please explain in detail the analysis performed by Mr. Schultz to support his statement, and explain in detail the analysis or calculations that Mr. Schultz contends supports his recommended adjustment of 25%.

Response: The explanation for the estimated percentage is on pages 49-50 of Mr. Schultz's testimony. As explained, the estimated distance traveled in a 16 hour day is approximately 50% more than FPL's assumed travel distance. Even after taking into consideration delays, it is estimated that costs are overstated by 33%. Mr. Schultz assumed a conservative reduction of 25% allowing for even more delays in travel time.

56. See page 71, lines 21-22 of Mr. Schultz's direct testimony where Mr. Schultz stated that "FPL's lack of monitoring travel could have resulted in mobilization/demobilization being overstated by 33%". Please provide any facts that mobilization/demobilization is in fact overstated by 33%, as opposed to the opinion that "FPL's lack of monitoring travel could have resulted in mobilization/demobilization being overstated by 33%".

Response: Refer to page 15 and pages 44-50 of Mr. Schultz's testimony for some of the facts supporting the testimony referenced in the interrogatory.

57. See page 72, line 1 of Mr. Schultz' direct testimony. Please explain in detail how Mr. Schultz identified \$20.825 million in standby time.

Response: Standby time was identified by referring to bills and time reports. Based on vendors' arrival dates in Florida, as documented on bills and time reports, Mr. Schultz was able to identify time prior to September 11 that was not attributable to mobilization. In billing reports produced in discovery, Mr. Schultz found additional time billed for the period prior to September 11 that was not included in the \$20.825 million because it was either for crews performing button up work, or for Embedded Crews.

58. See page 72, lines 4-6 of Mr. Schultz's direct testimony. Please explain in detail the analysis or calculations performed by Mr. Schultz to support his recommendation that 20% of standby time is excessive.

Response: Mr. Schultz identified more than 150 billings that included time prior to September 11 and after the vendor arrived in Florida. FPL contracts specify the maximum number of hours allowed for standby time during a day, and a number of

bills exceeded that maximum by 60%. Mr. Schultz recommended a conservative adjustment of 20% to account for some billings being based on the maximum.

59. See page 72, lines 4-6 of Mr. Schultz's direct testimony. Is it Mr. Schultz's position that a utility should pre-stage resources, and incur standby time, prior to a storm impacting the State? If your answer is anything other than an unqualified "yes," please explain your response in detail, including when and under what circumstances Mr. Schultz believes it is reasonable for a utility to pre-stage storm restoration resources.

Response: A reasonable amount of standby is anticipated. See the testimony of Mr. Schultz at pages 60-61. Mr. Schultz is not taking exception to FPL incurring some standby time. Mr. Schultz's objection is that FPL did not enforce the contract provision that sets the maximum hours of standby time for which a vendor may be paid.

60. Has Mr. Schultz ever attempted to obtain utility line restoration resources in advance of a weather event such as hurricanes or snow storms? If your answer is anything other than an unqualified "no," please identify the utility, weather event, date and year, number of utility resources obtained, and costs incurred for said utility resources.

Response: No.

61. See page 76, lines 3-12 of Mr. Schultz's direct testimony. Please explain in detail how Mr. Schultz's recommendation that FPL use a capital rate for contractors that is higher than FPL's normal capitalization rate is consistent with Rule 25-6.0143(1)(d) that the "capital expenditures for the removal, retirement and replacement of damaged facilities charged to cover storm-related damages shall exclude the normal cost for the removal, retirement and replacement of those facilities in absence of a storm."

Objection. This discovery request as phrased is argumentative, in that it requires the adoption of an incorrect premise.

Response: Notwithstanding its objections, OPC provides the following answer. As phrased, this interrogatory takes a portion of Mr. Schultz' testimony out of context. The referenced text is only a part of sub-section (d) and cannot be read as if it stands alone. Sub-section (d) begins by explaining that the cost to be charged is based on incremental cost recognition. It then proceeds to identify what is to be excluded such as normally incurred operating expenses, requiring cost to be prudent and reasonable expenses and excluding costs that would normally be capitalized. Absent this reference companies could attempt to claim recovery of capital related costs and not capitalize costs. The referenced text is not included as a directive as to how to determine the amount to be capitalized, but as a directive to exclude capital costs from the storm recovery request based on what would be identified as normally capitalized costs. The capitalization of facilities in the absence of a storm should be performed in accordance with GAAP which is cost based. The Company's storm capitalization is not cost based, because it ignores the actual cost of replacement that has resulted from the storm. Mr. Schultz has not assumed that the Rule is directing utilities to change the method of accounting from cost based to a method that ignores actual cost.

62. See page 77, lines 9-10 of Mr. Schultz's direct testimony. Please explain whether Mr. Schultz's estimated average hourly contractor rate, as provided in Exhibit No. HWS-2, Schedule C, Page 3 of 6, is a weighted average based on the number of hours worked by the vendor at the applicable rate (e.g., mobilization time at the mobilization rate, straight time at the straight time rate, etc.)

Response: The average is a simple average of cost divided by hours and would include the respective rates as billed.

63. See page 77, lines 9-10 of Mr. Schultz's direct testimony. Please explain whether Mr. Schultz agrees that his estimated average hourly contractor rate, as provided in Exhibit No. HWS-2, Schedule C, Page 3 of 6, includes contractor mobilization/demobilization rates and standby rates that do not involve capital work.

Response: Yes, the average does include contractor mobilization/demobilization rates and standby rates.

64. See page 77, lines 9-10 of Mr. Schultz's direct testimony. Please explain how Mr. Schultz's estimated average hourly contractor rate, as provided in Exhibit No. HWS-2, Schedule C, Page 3 of 6, is consistent with his average hourly contractor rate of \$166 an hour, as provided in Exhibit No. HWS-2, Schedule C, Page 4 of 6, and explain in detail why Mr. Schultz believes it is appropriate to use different average hourly contractor rates for his estimate of capitalized contractor costs and his opinion regarding "excessive" contractor rates.

Response: The average rate on Exhibit No. HWS-2, Schedule C, Page 3 of 6 is calculated the same way as the referenced \$166 average. The information used to calculate the \$166 referenced was from Exhibit No. HWS-2, Schedule C, Page 3 of 6. The difference between the \$166 referenced and the average on Exhibit No. HWS-2, Schedule C, Page 3 of 6 is the latter average includes the excessive contractor averages on Exhibit No. HWS-2, Schedule C, Page 4 of 6 and it includes contractors whose total billings were less than the \$5 million aggregate used for the comparison calculation on Exhibit No. HWS-2, Schedule C, Page 4 of 6. Note that the overall average on Exhibit No. HWS-2, Schedule C, Page 4 of 6 is higher than the referenced \$166 when including the excessive vendor averages.

65. See page 91, lines 1-2 of Mr. Schultz's direct testimony. Please identify by document reference number or, alternatively, provide all documents personally reviewed by Mr. Schultz that support the position that a contractor was paid the per diem rate even if the contractor was fed as part of the logistics process.

Objection. This discovery request as phrased is argumentative, in that it requires the adoption of an incorrect premise.

Response: Notwithstanding its objections, OPC provides the following answer. This interrogatory mischaracterizes Mr. Schultz' testimony, and as such, the premise of the interrogatory is false. Nonetheless, in the interests of aiding the efficiency of the discovery process, Mr. Schultz offers the following: Mr. Schultz did not state a

position that “a contractor was paid the per diem rate even if the contractor was fed as part of the logistics process” as the request suggests. Mr. Schultz’s testimony states that there is a reasonable question as to whether this could have occurred, given the circumstances discussed beginning on page 90, line 19.

66. See page 3, line 8 of Mr. Schultz’s direct testimony. Please explain whether “roundabout accounting” is a technical term or term of art that is used by professionals in the accounting industry.

Response: No

67. See page 19, line 2, page 54, lines 2 and 4, and page 92, line 1 of Mr. Schultz’s direct testimony. Please provide Mr. Schultz’s definition of the word “misappropriation.”

Response: Misappropriation is the intentional, illegal use of the property or funds of another person for one's own use or other unauthorized purpose.

68. In his review and analysis of FPL’s Hurricane Irma storm costs, invoices and documents, has Mr. Schultz identified any facts that in his opinion constitute “misappropriation” as that term has been defined in answer to FPL Interrogatory 67? If your answer is anything other than an unqualified “no,” please describe in detail any and all facts that Mr. Schultz contends support an opinion that misappropriation occurred, and identify all documents and materials that Mr. Schultz contends supports that opinion.

Response: It was not the purpose of Mr. Schultz’s analysis of cost to identify misappropriation of funds, and absent further clarification of Company statements and more detailed forensic review of documents, that determination could not be made at the time the testimony was filed, so the answer to date is no. As stated in the testimony at page 92, the facts and circumstances observed in the documents reviewed thus far reasonably raised the concern that “misappropriation could occur” given the oversight, or lack thereof, by FPL. Discovery in this case is not complete and the analysis of documents produced to date by FPL is ongoing.

51

OPC's response to FPL's 3rd Interrogatories Nos.
74-75, 78-83.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 51
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Schultz (71-86)

74. Please identify with specificity any study, survey, document or materials prepared by any third party (i.e., anyone other than Mr. Schultz or Larkin and Associates) that identifies the level of rates deemed “excessive” for line contractors providing restoration services following a hurricane or tornado.

Response: Mr. Schultz is not aware of an existing study of the type specified in Interrogatory No. 74.

75. Please identify with specificity any study, survey, document or materials prepared by Mr. Schultz or Larkin and Associates that identifies the level of rates deemed “excessive” for line contractors providing restoration services following a hurricane or tornado.

Response: Mr. Schultz or Larkin and Associates has not prepared a study or survey of the type specified in Interrogatory No. 75.

76. See page 40, line 17 of Mr. Schultz’s direct testimony. In response to FPL Interrogatory No. 38, in addition to OPC’s objection, Mr. Schultz answered by stating the following: “See pages 51-56 of Mr. Schultz’s testimony for a discussion of duplicate payments and refer to Exhibit HWS-2, Schedule C, p. 3 of 6.”

a. Please identify by document reference number or, alternatively, provide all additional invoices personally reviewed by Mr. Schultz at any time after OPC answered FPL Interrogatory No. 38 that support Mr. Schultz’s opinion that payments to vendors included some duplicate payments.

Response: At this time, Mr. Schultz is not aware of any new documents responsive to Interrogatory No. 76.

77. See page 40, line 17-19 of Mr. Schultz’s direct testimony. In response to FPL Interrogatory No. 39, in addition to OPC’s objection, Mr. Schultz answered by stating the following:

“See pages 56-60 of Mr. Schultz’s testimony for a discussion of duplicate payments and refer to Exhibit HWS-2, Schedule C, p. 3 of 6.”

a. Please identify by document reference number or, alternatively, provide all invoices personally reviewed by Mr. Schultz at any time after OPC answered FPL Interrogatory No. 39 that support Mr. Schultz’s opinion that there were improper payments for contract workers whose hours were not supported by any documentation.

Response: At this time Mr. Schultz is not aware of any new documents responsive to Interrogatory No. 77.

78. Is Mr. Schultz aware of any invoices that were submitted by a vendor that were adjusted by FPL before payment was made to the vendor? If the answer is “yes” please identify with specificity, by invoice number or other sufficient identification, any such invoices.

Response: Mr. Schultz is aware that FPL claimed in rebuttal testimony and in responses to discovery that the situation described occurred. Mr. Schultz is aware of the \$446,859 which FPL adjusted for Vendor OO, as identified by Ms. Manz at page 16 of her rebuttal testimony; that can be verified via Exhibit HWS-2, Schedule C, Page 3 of 6, Line No. 320. Mr. Schultz is not currently able to identify additional invoices described without performing an additional, exhaustive search; however, his document review and analysis is ongoing, as the discovery period has not closed.

79. Is Mr. Schultz aware of any invoices that were submitted by a vendor that were rejected by FPL before payment was made to the vendor? If the answer is “yes” please identify with specificity, by invoice number or other sufficient identification, any such invoices.

Response: Mr. Schultz is aware that FPL claimed the situation described occurred in the rebuttal testimony of Kristin Manz at page 14, line 15-18 and responses to discovery. The applicable invoice numbers are in the possession of FPL, so they are equally, if not more readily, available to FPL than to Mr. Schultz. Mr. Schultz is not currently able to identify additional invoices described without additional discovery or performing an additional, exhaustive search; however, his document review and analysis is ongoing, as the discovery period has not closed.

80. FPL Interrogatory No. 52, referring to page 61, lines 26-27 and page 62, line 1 of Mr. Schultz's testimony, asked for identification by document reference number or, alternatively, asked that OPC provide all invoices personally reviewed by Mr. Schultz to support Mr. Schultz's opinion that vendors charged for equipment, fuel, and repairs to equipment during mobilization/demobilization time and repairs for equipment. In addition to OPC's objection, OPC answered as follows: "Mr. Schultz did not memorialize every instance where this was found and did not make any adjustment for this issue; as such the request is irrelevant. Examples found at particular document numbers will be provided in a supplemental response." Please provide your supplemental response identifying all of the referenced documents, including but not limited to the examples referenced in your response to FPL Interrogatory No. 52.

Objection and Response: Mr. Schultz did not propose an adjustment for this item, so the cost of requiring him to conduct an additional review to compile the documents requested is overly burdensome, in relation to the needs of the case and constitutes harassment. Subject to and without waiving any objections, Mr. Schultz responds as follows: Mr. Schultz has identified some examples where FPL reimbursed vendors for fuel during mobilization/demobilization. During the deposition of FPL employees on November 15, 2018, FPL was asked about fuel charges paid during mobilization/demobilization at page 231. FPL, in response to Citizens' Interrogatory No. 145, acknowledged that this payment should not have been made. Some additional examples of FPL having paid for fuel during mobilization/demobilization identified during the review process include the following bates numbers:

FPL 071913; FPL 064428; FPL 028101; FPL 037099; FPL 042574; FPL 014532

81. FPL Interrogatory No. 53, referring to page 64, lines 16-17 of Mr. Schultz's testimony, asked for identification by document reference number or, alternatively, asked that OPC provide all invoices personally reviewed by Mr. Schultz to support Mr. Schultz's opinion that vendors billed FPL for maintenance of equipment as part of the vendors' restoration costs. In addition to OPC's objection, OPC answered as follows: "Mr. Schultz did not memorialize every instance where this was found and did not make any adjustment for this issue; as such the request is irrelevant. Examples found at particular document numbers will be provided in a supplemental response."

Please provide your supplemental response identifying all of the referenced documents, including but not limited to the examples referenced in your response to FPL Interrogatory No 53.

Objection and Response: To the extent this interrogatory seeks identification of documents related to an item for which Mr. Schultz did not propose an adjustment, the cost of requiring him to conduct an additional review to compile the documents requested is overly burdensome, in relation to the needs of the case and constitutes harassment. Subject to and without waiving any objections, OPC provides the following response:

Bates Nos. FPL 052679; FPL 052690; FPL 052692; FPL 052694; FPL 052967; FPL 052968; FPL 022549; 022623-022626

82. FPL Interrogatory No. 54, referring to page 64, lines 28-29 of Mr. Schultz's testimony, asked for identification by document reference number or, alternatively, asked that OPC provide all invoices personally reviewed by Mr. Schultz to support Mr. Schultz's opinion that vendors submitted invoices for 16 hours of standby time. OPC's substantive answer reads as follows: "Notwithstanding its objections, OPC provides the following answer. The number of standby charges identified by Mr. Schultz is in excess of 150 invoices. The following are some of the invoices for 14 or more hours..." after which OPC identified 10 invoices. Please identify the invoices that support Mr. Schultz's statement that there are in excess of 150 invoices responsive to FPL Interrogatory No. 54.

Response: The statement regarding standby charges having been identified in more than 150 invoices is based on a review of Mr. Schultz's Exhibit HWS-2, Schedule C, Page 3 of 6, where there is a column labeled "Standby" and in that column there are amounts listed on 157 lines. The amounts listed are based on a review of the invoices and supporting documentation, as supplied by FPL, and the identity of each invoice is included in the column labeled "Document Reference."

83. FPL Interrogatory No. 58, referring to page 72, lines 4-6 of Mr. Schultz's direct testimony, asked OPC to explain in detail the analysis or calculations performed by Mr. Schultz that he contends support his recommendation that 20% of standby time is excessive. OPC responded that "Mr. Schultz identified more than 150 billings that included time prior to September 11 and after the vendor arrived in Florida. FPL contracts specify the maximum

number of hours allowed for standby time during a day, and a number of bills exceeded that maximum by 60%. Mr. Schultz recommended a conservative adjustment of 20% to account for some billings being based on the maximum.” Please identify the “more than 150 billings” referred to Mr. Schultz in his response to FPL Interrogatory No. 58.

Response: See OPC’s response to FPL’s Interrogatory No. 82.

84. FPL’s Interrogatory No. 68 asked whether Mr. Schultz has identified any facts that in his opinion constitute misappropriation which Mr. Schultz defines as “the intentional, illegal use of the property or funds of another person for one’s own use or other unauthorized purpose.” Mr. Schultz answered in part that he had not, but added in part that “Discovery in this case is not complete and the analysis of documents produced by FPL is ongoing.” In his ongoing analysis of document, has Mr. Schultz identified any facts that in his opinion constitute misappropriation? Please answer “yes” or “no” with any additional explanation, and if “yes”, please provide all facts and supporting documents that Mr. Schultz contends support his answer.

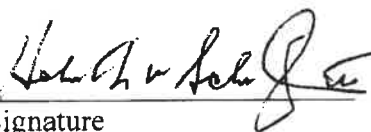
Objections and Response: Objection to the premise of the Interrogatory, which includes a mischaracterization of Mr. Schultz’ response to Interrogatory No. 68, by improperly abbreviating his answer and omitting the full context of the answer. Notwithstanding this objection, Mr. Schultz responds that, as he was not retained to conduct a criminal investigation, his analysis has not focused on identifying the crime of misappropriation; in light of those circumstances, to date it is unclear whether the facts identified in this document review constitute misappropriation, but he notes that discovery in this case is not complete and the analysis of documents produced by FPL is ongoing. Mr. Schultz is primarily focusing on analyzing costs for the determination as to recoverability. In this regard, whether improper billing is intentional or not does not change the nature of (non)recoverability.

85. FPL’s Interrogatory No. 70 asked whether Mr. Schultz has identified any facts that in his opinion constitute fraud as he defined that term in his answer to FPL Interrogatory No. 69. At any time since being retained in this matter, has Mr. Schultz identified any facts that in his opinion constitute fraud? Please answer “yes” or “no” with any additional explanation,

DECLARATION

I sponsored the answers to Interrogatories from FPL's 3rd Set of Interrogatories (Nos. 71-86) to the Office of Public Counsel in Docket No. PSC-20180049-EI, and hereby state the responses are true and correct based on my personal knowledge and belief.

Under penalties of perjury, I declare that I have read the forgoing declaration and the interrogatory answers identified above, and the facts stated therein are true and correct to the best of my personal knowledge and belief.


Signature

Helmuth W. Schultz III

Date: May 2, 2019

52

OPC's response to FPL's 4th Interrogatories Nos.
87 - 106.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 52
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Schultz (87-106)

I. Citizens object to any request that purports to require disclosure of the Public Counsel's deliberative process and internal reviews to determine what if any issues to protest in any case. The Public Counsel is authorized by Section 350.0611, Florida Statutes, to represent the customers before the Commission. The Legislature granted the Public Counsel the following specific power:

To recommend to the commission or the counties, by petition, the commencement of any proceeding or action or to appear, in the name of the state or its citizens, in any proceeding or action before the commission or the counties and urge therein any position which he or she deems to be in the public interest, whether consistent or inconsistent with positions previously adopted by the commission or counties, . . .

The Public Counsel's decision-making and grant of discretion to take any position he deems in the public interest is not subject to review or an issue in this case. Thus, any such request is not relevant nor can it be reasonably calculated to lead to the discovery of admissible evidence.

J. In responding to these requests, Citizens do not waive the foregoing objections, or any specific objections that are set forth in the responses to particular requests.

INTERROGATORIES

87. See OPC Exhibit HSW-2, Schedule C, page 2. Does Mr. Schultz agree that his proposed adjustment for contractor capitalization shown on Line 13 does not reflect any of Mr. Schultz's proposed adjustments to the contractor costs (such as his proposed adjustments to contractor costs for: duplicate payments, excessive hourly rates; excessive mobilization/demobilization time; excessive standby time; and etc.)? If your answer is anything other than an unqualified "yes," please explain your response in detail.

Response: Yes.

88. See page 73, lines 7-8 of Mr. Schultz's direct testimony where he states "Under Generally Accepted Accounting Principles ("GAAP"), the cost of plant to be capitalized is the actual cost." Please identify and cite the specific GAAP requirement(s) that supports this statement.

Response: See the attached from Thomson Reuters, PPC's Guide to GAAP 2019. Also see Accounting Standards Codification 360-10-30-1.

89. See page 73, lines 7-8 of Mr. Schultz's direct testimony. Does Mr. Schultz agree that Accounting Standards Codification 908, Regulated Operations, ("ASC 980") stresses the importance of accounting for incurred costs in accordance with "rate actions of a regulator." If your answer is anything other than an unqualified "yes," please explain your response in detail.

Response: The interrogatory, as phrased, is overly broad, references an incorrect ASC (i.e. 908) and, in referencing testimony at page 73, lines 7-8 misrepresents ASC 980. ASC 980 allows an item to be deferred that would otherwise be charged to an expense (ASC 980-10-05-5). Additionally, in accordance with ASC 980-340-25-1, ASC 980 does not provide specific guidance or methods around estimating costs. Mr. Schultz' application of this accounting standard recognizes that an entity can capitalize all or part of an incurred cost *that would otherwise be charged to expense* if it is probable that future revenue in an amount at least equal to the capitalized cost will result from inclusion of that cost in allowable costs for ratemaking and that future revenue will be provided to permit recovery of the previously incurred cost rather than to provide for expected levels of similar future costs. (emphasis added)

90. See page 26 of Mr. Schultz's direct testimony. Does Mr. Schultz agree that adjustments to FPL's Hurricane Irma storm restoration costs for non-incremental O&M expenses would have no impact on the total Hurricane Irma storm restoration costs presented by FPL in this docket because FPL charged both the incremental and non-incremental costs to base O&M? If your answer is anything other than an unqualified "yes," please explain your response in detail.

Response: With the application of Rule 25-6.0143, F.A.C., non-incremental costs would be excluded from FPL's Hurricane Irma storm restoration costs. It is only absent application of Rule 25-6.0143 that the answer could be yes. This answer is also contingent upon the final outcome of Docket No. 20180046-EI, including the exhaustion of appellate deadlines and any related litigation, and its ultimate impact on the Reserve Amount ("Amortization Reserve"), which cannot be predicted at this time.

91. See OPC's response to FPL Interrogatory No. 61. Is it OPC's position that Rule 25-6.0143(1)(d), F.A.C., which states that "capital expenditures for the removal, retirement and replacement of damaged facilities charged to cover storm-related damages shall exclude the normal cost for the removal, retirement and replacement of those facilities in the absence of a storm," is inconsistent with the requirements of Generally Accepted Accounting Principles ("GAAP")? If your answer is anything other than an unqualified "yes," please explain your response in detail.

Response: No. As stated in the response to FPL Interrogatory No. 61, the referenced text is not included as a directive as to how to determine the amount to be capitalized, but instead the text is a directive to exclude capital costs from the storm recovery request based on what would be identified as normally capitalized costs. The capitalization of facilities in the absence of a storm should be performed in accordance with GAAP, which is cost-based. The Company's storm capitalization is not cost-based, because it ignores the actual cost of replacement that has resulted from the storm. Mr. Schultz has not assumed that the Rule is directing utilities to change the method of accounting from cost based to a method that ignores actual cost.

92. See OPC's response to FPL Interrogatory No. 61 where it states "The referenced text [from 25-6.0143(1)(d), F.A.C.] is not included as a directive as to how to determine the amount to be capitalized, but as a directive to exclude capital costs from the storm recovery request based on what would be identified as normally capitalized costs." Is it OPC's position that Rule 25-6.0143(1)(d), F.A.C., only directs the amount of capital costs that should be excluded from a storm recovery request and not the amount of storm costs to be capitalized? If your answer is anything other than an unqualified "yes," please explain your response in detail.

Response: Yes.

93. See OPC's response to FPL Interrogatory No. 61 where it states "The referenced text [from 25-6.0143(1)(d), F.A.C.] is not included as a directive as to how to determine the amount to be capitalized, but as a directive to exclude capital costs from the storm recovery request based on what would be identified as normally capitalized costs." Is it OPC's position that, for purposes of its books, a utility should capitalize storm restoration costs based on the actual cost under Generally Accepted Accounting Principles ("GAAP")? If your answer is anything other than an unqualified "yes," please explain your response in detail.

Response: The interrogatory, as written, is vague and ambiguous as it references storm restoration costs in general. It is OPC's position that a utility should capitalize those storm costs that would generally be capitalized, and in doing so it should follow Generally Accepted Accounting Principles ("GAAP") and record those costs based on the actual costs incurred.

94. See OPC's response to FPL Interrogatory No. 61 where it states "The referenced text [from 25-6.0143(1)(d), F.A.C.] is not included as a directive as to how to determine the amount to be capitalized, but as a directive to exclude capital costs from the storm recovery request based on what would be identified as normally capitalized costs." Is it OPC's position that, for purposes of a "storm recovery request," a utility should only exclude the normal cost for the removal, retirement and replacement of facilities in the absence of a storm regardless of the actual amount of storm restoration costs that are capitalized? If your answer is anything other than an unqualified "yes," please explain your response in detail.

Response: No. See the response to FPL Interrogatory No. 93.

95. Does Mr. Schultz agree that qualifying storm events and the associated contractor costs are neither budgeted nor planned for by utilities? If your answer is anything other than an unqualified "yes," please explain your response in detail.

Response: The costs should not be budgeted for as part of the rate setting process.

96. Does Mr. Schultz agree that costs for normal non-storm work performed by embedded vendors that enhances and maintains the electric grid would be capitalized pursuant to Generally Accepted Accounting Principles (“GAAP”), and that not all of the costs for normal non-storm work performed by embedded vendors would be charged to base O&M expense? If your answer is anything other than an unqualified “yes,” please explain your response in detail.

Response: Yes.

97. Does Mr. Schultz agree that the ICCA methodology under Rule 25-6.0143, F.A.C., allows costs for “[a]dditional contract labor hired for storm restoration activities” to be charged to the storm reserve? If your answer is anything other than an unqualified “yes,” please explain your response in detail.

Response: In case-specific circumstances, these contractor costs would be appropriately capitalized.

98. Does Mr. Schultz agree that the ICCA methodology under Rule 25-6.0143, F.A.C., does not expressly provide any limits on the costs for “[a]dditional contract labor hired for storm restoration activities” that can be charged to the storm reserve? If your answer is anything other than an unqualified “yes,” please explain your response in detail.

Response: No. Rule 25-6.0143(1)(d), F.A.C. references that costs should be reviewed for prudence and reasonableness. Clearly the Commission did not intend that a utility would be allowed to pay whatever it wants to pay, without limits, for assistance in the restoration of service, and then expect to recover that unlimited amount from customers without any regulatory oversight whatsoever.

99. Does Mr. Schultz agree that adjustments to FPL’s Hurricane Irma storm restoration costs for non-incremental embedded contractor costs would have no impact on the total Hurricane Irma storm restoration costs presented by FPL in this docket because FPL

charged both the incremental and non-incremental embedded costs to base O&M? If your answer is anything other than an unqualified "yes," please explain your response in detail.

Response: With the application of Rule 25-6.0143, F.A.C., non-incremental costs would be excluded from FPL's Hurricane Irma storm restoration costs. It is only absent application of Rule 25-6.0143 that the answer could be yes. This answer is also contingent upon the final outcome of Docket No. 20180046-EI, including the exhaustion of appellate deadlines and any related litigation, and its ultimate impact on the Reserve Amount ("Amortization Reserve"), which cannot be predicted at this time.

100. Does Mr. Schultz agree that Rule 25-6.0143, F.A.C., does not provide that the non-incremental regular payroll or overtime payroll expense should be determined from a historical average? If your answer is anything other than an unqualified "yes," please explain your response in detail.

Response: Yes.

101. Does Mr. Schultz agree that Rule 25-6.0143, F.A.C., does not distinguish between utility employees in Transmission & Distribution ("T&D") and non-T&D employees? If your answer is anything other than an unqualified "yes," please explain your response in detail.

Response: Yes; however, it also does not proscribe making a distinction between the two types of employees if reasonably necessary to implement the concept of "normal cost."

102. Does Mr. Schultz agree that Rule 25-6.0143, F.A.C., does not distinguish between embedded and non-embedded contractors? If your answer is anything other than an unqualified "yes," please explain your response in detail.

Response: Yes; however, it also does not proscribe making a distinction between the two types of contractors if reasonably necessary to implement the concept of "normal cost."

103. Does Mr. Schultz agree that Rule 25-6.0143, F.A.C., does not allow utilities to defer storm costs until the next rate case, or provide that deferred storm costs should be amortized over a given period? If your answer is anything other than an unqualified “yes,” please explain your response in detail.

Response: Yes.

104. See page 34, lines 5-7 of Mr. Schultz’s direct testimony. If Mr. Schultz believes there are “no regular payroll dollars that can be capitalized” because the entirety of the regular payroll expense is non-incremental under the ICCA, please explain why Mr. Schultz believes it is appropriate to reclassify the capital component of these very same regular payroll dollars as overtime capital costs?

Response: The interrogatory, as written, takes the referenced testimony out of context. The testimony referenced in the interrogatory relates to an earlier question and answer in my direct testimony that stated the regular payroll included in the filing by FPL was non-incremental. If regular payroll included incremental dollars, then some or all of that incremental amount could be capitalized. To the extent regular payroll is non-incremental, then it cannot be considered in determining what amount of storm restoration payroll may be capitalized. Since FPL’s formula capitalized payroll, then to the extent regular payroll is not eligible to be capitalized, those dollars should be used to offset the incremental overtime dollars incurred during the storm restoration process.

105. See OPC’s response to FPL Interrogatory No. 41, which provides as follows:

41. See page 41, lines 9-10 of Mr. Schultz’s direct testimony. Please describe the type of vendor (e.g., line clearing, mutual aid, etc.) and describe the type of rate (e.g., straight time, overtime, mobilization, etc.) included in Mr. Schultz’s opinion regarding “the range of hourly rates for most vendors” and identify any and all documents that support that opinion.

Response: The discussion referenced pertains to line contractors and does not include mutual aid contractors, whose hourly labor rates are generally lower. The rate discussed is for straight time, overtime, mobilization in general, and is dependent on the vendor, since some vendors may have a flat rate across the board. The range referred to can be found on Exhibit No. HWS-2, Schedule C, Page 4 of 6.

- a. Does OPC agree that the rates provided in OPC Exhibit No. HWS-2, Schedule C, Page 4 of 6 are limited only to the contractor rates for the vendors used by FPL during Hurricane Irma? If your answer is anything other than an unqualified “yes,” please explain your response in detail.

Response: Yes.

- b. Does OPC agree that the range of rates for the vendors listed in OPC Exhibit No. HWS-2, Schedule C, Page 4 of 6 is broader than the specific range referenced on page 41, line 10 of Mr. Schultz’s direct testimony? If your answer is anything other than an unqualified “yes,” please explain your response in detail.

Response: The interrogatory, as posed, ignores the full context of the question to which the limited testimony reference is being applied. Mr. Schultz agrees that the range of rates varies from the general observation on line 10, but must be considered as part of the rest of the discussion on page 41 and continuing on through page 43.

106. See page 43, lines 17-20 of the direct testimony of Mr. Schultz, which states:

“FPL’s overtime payroll charged to O&M expense of \$74.259 million in 2017 exceeded the \$55.457 million of overtime payroll which was included in base rates. Therefore, the \$18.801 million of overtime costs would be eligible to be charged to the storm reserve as incremental.”

- a. Is it Mr. Schultz’s position that overtime payroll costs above the \$55.457 million referenced in his direct testimony on page 34, line 18 “would be eligible to be charged to the storm reserve as incremental”? If your answer is anything other than an unqualified “yes,” please explain your response in detail.

Response: No. For clarification purposes, the referenced testimony is at page 34. The referenced line of testimony is referring only to the \$18.801 million of overtime payroll that was specifically storm restoration overtime payroll. Overtime payroll associated with other operating activities (i.e. non-storm related) that was in excess of what was included in base rates would be excluded, in accordance with Rule 25-6.0143(1)(e)(8), F.A.C., which specifies the overtime is for utility personnel included in storm restoration activities

- b. See FPL's response to OPC Interrogatory 197 and FPL's amended response to OPC Interrogatory No. 72. Does Mr. Schultz agree that the \$74.259 million of overtime payroll referenced in his direct testimony on page 34, line 17 does not include storm-related overtime payroll? If your answer is anything other than an unqualified "yes," please explain your response in detail.

Response: According to the referenced interrogatory responses, the overtime for storm restoration was not included in the reported O&M expense, as listed in FPL's various responses. FPL failed to provide the information until *after* Mr. Schultz's filing of testimony on January 11, 2019. Mr. Schultz notes that FPL's amended interrogatory response and FPL's other responses do not clarify how the payroll costs were reported as O&M, given the fact that FPL's response to OPC's Interrogatory 164 states that \$1,272,090,721 of storm restoration costs were charged to O&M in December 2017, which is consistent with the reported payroll expense in FPL's original response to OPC's Interrogatory 72. FPL's amended response to OPC's Interrogatory 72 and its response to OPC's Interrogatory 197 continued to reflect overtime payroll of \$74.259 million in 2017, instead of corrected amounts as FPL's amended response and OPC's Interrogatory 197 suggested should be reflected.

- c. See FPL's response to OPC Interrogatory 199. Does Mr. Schultz agree that FPL incurred a total of \$108.4 million in total overtime payroll costs (including storm related overtime payroll costs) in 2017? If your answer is anything other than an unqualified "yes," please explain your response in detail.

Response: In order to provide a yes or no answer, Mr. Schultz would need an explanation from FPL regarding the reason FPL failed to provide the actual overtime payroll charged to O&M expense in 2017, as requested in OPC's Interrogatory 72. Without that information, Mr. Schultz is unable to provide a yes or no answer.

Practical Consideration. This chapter provides guidance on real estate sales other than retail land sales prior to the adoption of ASU 2014-09 and ASU 2016-02. Accounting and disclosure for retail land sales is discussed in Chapter 61. Upon the adoption of ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, the guidance on accounting for real estate sales is amended and will specifically apply only to determine whether a sale of real estate has occurred for purposes of applying sale-leaseback accounting in FASB ASC 840-40, *Leases—Sale-Leaseback Transactions*. Other aspects of real estate sales will generally follow the revenue recognition model established in FASB ASC 606 or other relevant GAAP. Also, upon the adoption of ASU 2016-02, *Leases (Topic 842)*, the remaining guidance on real estate sales is superseded, and the requirements for sale and leaseback accounting specified in FASB ASC 842 should be followed. Chapter 45 provides information on ASU 2014-09 and subsequently-issued related ASUs, including their effective dates and transition provisions. Chapter 33 provides information on ASU 2016-02, including its effective dates and transition provisions.

Accounting and disclosure for asset retirement obligations is discussed in Chapter 4.

ACCOUNTING REQUIREMENTS

LONG-LIVED ASSETS, DEPRECIATION, AND IMPAIRMENT

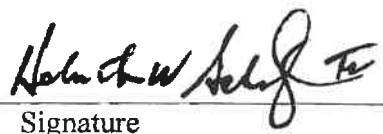
Asset Cost

39.200 Tangible long-lived assets include property and equipment and other assets held for investment or used in a company's operations that have an estimated useful life longer than one year. Under generally accepted accounting principles, an acquired long-lived asset should be stated at acquisition cost, including all costs necessary to bring the asset to its location in working condition. Thus, the cost of a long-lived asset should include the asset's purchase price, sales tax, freight, installation costs, and direct and indirect costs (including interest) incurred by an entity in constructing its own assets. It generally should not include routine repairs and maintenance costs that do not add to the utility of the asset. (FASB ASC 360-10-30-1) (An entity may adjust the carrying amounts of its assets to current value in a quasi-reorganization, however, as discussed in Chapter 42.) Capitalizing interest is discussed in Chapter 27.

DECLARATION

I sponsored the answers to Interrogatories from FPL's 4th Set of Interrogatories (Nos. 87-106) to the Office of Public Counsel in Docket No. PSC-20180049-EI, and hereby state the responses are true and correct based on my personal knowledge and belief.

Under penalties of perjury, I declare that I have read the forgoing declaration and the interrogatory answers identified above, and the facts stated therein are true and correct to the best of my personal knowledge and belief.


Signature

Helmuth W. Schultz III

Date: MAY 20, 2019

OPC's response to FPL's 1st Production of
Documents Nos. 1, 2, and 6-8.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 53
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Schultz (1, 2, 6-8)

- H. Citizens object to providing information to the extent that such information is already in the public record before the Florida Public Service Commission and available to through normal procedures.
- I. Citizens object to any request that purports to require disclosure of the Public Counsel's deliberative process and internal reviews to determine what if any issues to protest in any case. The Public Counsel is authorized by Section 350.0611, Florida Statutes, to represent the customers before the Commission. The Legislature granted the Public Counsel the following specific power:

To recommend to the commission or the counties, by petition, the commencement of any proceeding or action or to appear, in the name of the state or its citizens, in any proceeding or action before the commission or the counties and urge therein any position which he or she deems to be in the public interest, whether consistent or inconsistent with positions previously adopted by the commission or counties . . .

The Public Counsel's decision-making and grant of discretion to take any position he deems in the public interest is not subject to review or an issue in this case. Thus, any such request is not relevant nor can it be reasonably calculated to lead to the discovery of admissible evidence.

- J. In responding to these requests, Citizens do not waive the foregoing objections, or any specific objections that are set forth in the responses to particular requests.

DOCUMENTS REQUESTED

1. Please provide an electronic copy, in its original format and with all formulas intact and enabled, of all schedules attached to the Direct Testimony of Mr. Schultz.

OBJECTION: To the extent the request encompasses documents that contain confidential information, including attorney work product, trade secrets or other

confidential material, OPC objects. Without waiving any objection, OPC responds below.

**This Excel file contains information subject to a prior FPL claim for confidentiality.*

RESPONSE: Please see the Excel file entitled “FPL Cost Summary,” attached hereto and incorporated herein as an exhibit, which includes the Excel file with formulas intact for the exhibits attached to the Direct Testimony of Mr. Schultz.

2. Please provide all work papers and other supporting documents, in their original format, for the Direct Testimony of Mr. Schultz.

OBJECTION: To the extent the request encompasses documents that contain confidential information, including attorney work product, trade secrets or other confidential material, OPC objects. Without waiving any objection, OPC responds below.

**This Excel file contains information subject to a prior FPL claim for confidentiality.*

RESPONSE: Please see the Excel file entitled “FPL Cost Summary” attached hereto and incorporated herein as an exhibit.

3. Please provide the agreement, contract, or other documents used by OPC to retain Mr. Schultz for purposes of FPL’s Hurricane Irma docket.

OBJECTION: To the extent the request encompasses documents that contain confidential information, including attorney work product, trade secrets or otherwise, OPC objects. Without waiving any objection, OPC responds below.

RESPONSE: Please see the attached file entitled “FPL Contract Packet,” attached hereto and incorporated herein as an exhibit, which contains the only responsive documents not subject to the above-stated objection. Where the documents contain information from or references to matters not related to FPL’s Hurricane Irma docket, such information will be redacted from the documents produced.

4. Please provide copies of all bills submitted by Mr. Schultz related to FPL’s Hurricane Irma docket.

OBJECTION: To the extent the request encompasses documents that contain confidential information, including attorney work product, trade secrets or other

confidential material, OPC objects. Without waiving any objection, OPC responds below.

RESPONSE: Please see the attached file titled "FPL Contract Packet," attached hereto and incorporated herein as an exhibit. Where the documents contain information from or references to matters not related to FPL's Hurricane Irma docket, such information have been redacted from the documents produced.

5. Please provide copies of all timesheets or other supporting materials for the bills submitted by Mr. Schultz related to FPL's Hurricane Irma docket.

OBJECTION: To the extent the request encompasses documents that contain confidential information, including attorney work product, trade secrets or other confidential material, OPC objects. Without waiving any objection, OPC responds below.

RESPONSE: The file entitled "FPL Contract Packet," produced in response to request number four, above, contains the only responsive documents not subject to the above-stated objection. It contains details of the nature described in this request.

6. Please provide copies of any analyses, studies, statements, testimonies, exhibits, or other documents reviewed by Mr. Schultz's in connection with his work on FPL's Hurricane Irma docket.

OBJECTION: To the extent the request encompasses documents that contain confidential information, including attorney work product, trade secrets or other confidential material, OPC objects. Further, to the extent the request encompasses any documents not in the custody and/or control of OPC or Ms. Schultz, the request is vague, overbroad, and/or unduly burdensome. Without waiving any objection, OPC responds below.

RESPONSE: Mr. Schultz reviewed the pleadings and discovery responses provided by FPL in this docket. To the extent Mr. Schultz' testimony relied on the responses provided by FPL in response to OPC or Commission Staff discovery, those documents are already in the custody and control of FPL.

7. Please provide copies of any analyses, studies, statements, testimonies, exhibits, or other documents prepared by Mr. Schultz's in connection with his work on FPL's Hurricane

Irma storm restoration docket.

OBJECTION: To the extent the request encompasses documents that contain confidential information, including attorney work product, trade secrets or other confidential material, OPC objects. Further, to the extent the request encompasses any documents not in the custody and/or control of OPC or Ms. Schultz, the request is vague, overbroad, and/or unduly burdensome. Without waiving any objection, OPC responds below.

RESPONSE: The documents produced in response to requests number one and number two, above, are the only responsive documents not subject to the above-stated objection. Please, see those documents as OPC's response to this request.

8. Please provide copies of any analyses, studies, statements, testimonies, exhibits, or other documents related to Mr. Schultz's review of storm costs or activities in Florida during the past five (5) years related to utilities other than FPL.

OBJECTION: To the extent the request encompasses documents that contain confidential information, including attorney work product, trade secrets or other confidential material, OPC objects. Further, the request is vague, overbroad, and/or unduly burdensome. OPC objects also on grounds that the request seeks documents that are irrelevant to Mr. Schultz's evaluation in this matter. Without waiving any objection, OPC responds below.

RESPONSE: Please see the testimony of Mr. Schultz in Docket No. 20180061-EI. The testimony identified in this response is publicly available at Florida Public Service website.

9. Please provide a copy of any testimonies and exhibits sponsored or submitted by Mr. Schultz in each jurisdiction where he analyzed storm costs or activities during the past five (5) years.

OBJECTION: To the extent the request encompasses documents that contain confidential information, including attorney work product, trade secrets or other confidential material, OPC objects. Further, the request is vague, overbroad, and/or unduly burdensome. OPC also objects on grounds that the request seeks documents that are irrelevant to Mr. Schultz's evaluation in this matter. Without waiving any objection, OPC responds below.

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OPC's response to FPL's 2nd Production of Documents Nos. 24-26, 30, 43, 62-66, 70, 73.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 54
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Schultz (24-26, 30, 43, 62-66, 70, 73)

Objection: FPL has equal access to the documents it seeks, as they are in the public domain and widely available online.

Response: Notwithstanding its objections, OPC provides the following answer. As part of his required continuing education for certification as a CPA, Mr. Schultz has been taught by nationally recognized continuing education instructors that the industry standard in accounting is that “should” means “you will;” i.e., that in conforming practice to accounting standards, the use of the term “should” generally means that in order to be deemed in compliance, “you [the practitioner] will do” what is provided for in the standard. For example, firms performing services are required to have quality controls in place and the American Institute of Certified Public Accountants (AICPA) has issued the following statement on Quality Control Standards:

.19 The firm should establish policies and procedures designed to promote an internal culture based on the recognition that quality is essential in performing engagements. Such policies and procedures should require the firm’s leadership (managing partner or board of managing partners, CEO, or equivalent) to assume ultimate responsibility for the firm's system of quality control.

AICPA, QC § 10.19, A Firm’s System of Quality Control, 2018. In this example, the failure of an accounting firm to comply with this requirement could mean that the firm will be deemed unqualified to render opinions.

Additionally, the standard regarding presumptively mandatory responsibility states “[t]he word “should” indicates responsibilities that are presumptively mandatory....”Public Company Accounting Oversight Board, Rule 3101: Certain Terms Used in Auditing and Related Professional Practice Standards. Found at https://pcaobus.org/Rules/Pages/Rule_3101.aspx

24. See page 17, lines 11-13 of Mr. Schultz’s direct testimony. Please provide all documents that support Mr. Schultz’s claims of “excessive or double billing” and the “numerous examples of exceptions made to strict provisions that supposedly protect customers from excessive costs.”

Objection: The documents requested by FPL are already within the control of, thus readily available to, the company; FPL has equal or greater access than OPC to the documents FPL seeks.

Response: Notwithstanding its objections, OPC provides the following answer. All responsive documents are already in FPL’s possession. Examples include, but are not

limited to, documents with Bates Numbers identified and discussed on pages 51-56 of Mr. Schultz's testimony regarding duplicate payments. Also, refer to Exhibit HWS-2, Schedule C, p. 3 of 6. On p. 3 of 6, the adjustments are listed in the "Adjust" column and document numbers are listed in the "Document Reference" column.

25. See page 23, lines 2-3 of Mr. Schultz's direct testimony. Please provide all documents that support Mr. Schultz's statement that "the addition of non-embedded crews only adds to the chaos a storm like Hurricane Irma brings to FPL and its customer."

Response: None. The referenced testimony is Mr. Schultz's professional opinion based on his experience in utility accounting for 40 plus years.

26. See page 41, lines 9-10 of Mr. Schultz's direct testimony. Please provide all documents that support Mr. Schultz's range of hourly rates for "most vendors."

Objection: The documents requested by FPL are already within the control of, thus readily available to, the company; FPL has equal or greater access than OPC to the documents FPL seeks.

Response: Notwithstanding its objections, OPC provides the following answer. The responsive documents are in FPL's possession. FPL provided the documents that support this position in response to OPC's Request for Production of Documents Item No. 6. See Exhibit No. HWS-2, Schedule C, Page 4 of 6 for examples of 39 of the vendors' rates for which a comparison is made. Also see Exhibit No. HWS-2, Schedule C, Page 3 of 6 which lists each of the vendors with a reference to their reference to supportive documents being identified in the column "Document Reference."

27. See page 71, lines 21-22 of Mr. Schultz's direct testimony. Please provide all documents and work papers that support how Mr. Schultz calculated/estimated that the mobilization/demobilization could be overstated by 33%, and provide all documents and work papers that support how Mr. Schultz calculated/estimated his recommended adjustment of 25%.

Response: There are no documents responsive to this request in Mr. Schultz' possession. See calculation explanation provided in OPC's response to FPL's Interrogatory No. 55.

28. See page 72, line 1 of Mr. Schultz's direct testimony. Please provide all documents and work papers that support how Mr. Schultz identified \$20.825 million in standby time.

Response: There are no documents responsive to this request in Mr. Schultz' possession. See the explanation provided in OPC's response to FPL Interrogatory No. 57.

29. See page 72, lines 4-6 of Mr. Schultz's direct testimony. Please provide all documents and work papers that support how Mr. Schultz calculated/estimated his recommendation that 20% of standby time is excessive.

Response: There are no documents responsive to this request in Mr. Schultz' possession. See the response to FPL Interrogatory No. 58.

30. See page 77, lines 5-6 of Mr. Schultz's direct testimony. Please provide all support for Mr. Schultz's statement that the size of the contractor crews performing storm restoration work on FPL's system during Hurricane Matthew actually ranged from 4 to 5 personnel.

Objection: The documents requested by FPL are already within the control of, thus readily available to, the company; FPL has equal or greater access than OPC to the documents FPL seeks.

Response: Notwithstanding its objections, OPC provides the following answer. The responsive documents are in FPL's possession. FPL provided the documents that support this position in response to OPC's Request for Production of Documents Item No. 6; see Exhibit No. HWS-2, Schedule C, Page 3 of 6 which lists each of the vendors with a reference to their reference to supportive documents being identified in the column "Document Reference." These documents included time sheets where crews were listed.

41. Please provide supporting documents for the response provided to FPL's Second Set of Interrogatories, Question No. 33.

Objection: The documents requested by FPL are already within the control of, thus readily available to, the company; FPL has equal or greater access than OPC to the documents FPL seeks.

Response: The responsive documents are already in FPL's possession, as discussed in my direct testimony. See also Exhibit No. HWS-2, Schedule C, p. 4 of 6 for examples of 39 of the vendors' rates for which a comparison is made. Also see Exhibit No. HWS-2, Schedule C, p. 3 of 6 which lists each of the vendors with a reference to their reference to supportive documents being identified in the column "Document Reference."

42. Please provide supporting documents for the response provided to FPL's Second Set of Interrogatories, Question No. 34.

Response: See OPC's response to FPL's Request for Production, Item No. 41 and OPC's response to FPL's Second Set of Interrogatories, Question No. 34.

43. Please provide supporting documents for the response provided to FPL's Second Set of Interrogatories, Question No. 35.

Objection: The documents requested by FPL are already within the control of, thus readily available to, the company; FPL has equal or greater access than OPC to the documents FPL seeks.

Response: Responsive documents are already in FPL's possession, as discussed in my direct testimony. As stated in OPC's response to FPL's Second Set of Interrogatories, Question No. 35, refer to Mr. Schultz's testimony on pages 43-50, pages 60-72 and Exhibit HWS-2, Schedule C, p. 3 of 6, which identifies the invoices reviewed by Mr. Schultz including those that reflected mobilization/demobilization and standby time. On page 3 there are two columns "Mob/Demob" and "Standby" which identify which vendor invoices included charges for this time and the document supporting the information in these columns is listed in the column labeled "Document Reference."

Objection: The documents requested by FPL are already within the control of, thus readily available to, the company; FPL has equal or greater access than OPC to the documents FPL seeks.

Response: The responsive documents are already in FPL's possession. See the response to FPL's Second Set of Interrogatories, Question No. 52.

61. Please provide supporting documents for the response provided to FPL's Second Set of Interrogatories, Question No. 53.

Objection: The documents requested by FPL are already within the control of, thus readily available to, the company; FPL has equal or greater access than OPC to the documents FPL seeks.

Response: The responsive documents are already in FPL's possession. See the response to FPL's Second Set of Interrogatories, Question No. 53.

62. Please provide supporting documents for the response provided to FPL's Second Set of Interrogatories, Question No. 54.

Objection: The documents requested by FPL are already within the control of, thus readily available to, the company; FPL has equal or greater access than OPC to the documents FPL seeks.

Response: The responsive documents are already in FPL's possession. See OPC's response to FPL's Second Set of Interrogatories, Question No. 53 that lists examples of Bates numbers of documents provided by FPL. Also refer to Exhibit No. HWS-2, Schedule C, p. 3 of 6 which has a column labeled "Standby" that lists out the identified standby time and where a document reference exists in the column labeled "Document Reference."

63. Please provide supporting documents for the response provided to FPL's Second Set of Interrogatories, Question No. 55.

Objection: The documents requested by FPL are already within the control of, thus readily available to, the company; FPL has equal or greater access than OPC to the documents FPL seeks.

Response: Any responsive documents relied on by Mr. Schultz are already in FPL's possession. The documents supporting Mr. Schultz's calculation were provided to Mr. Schultz by FPL as discussed in his direct testimony. See Mr. Schultz's response to FPL's Second Set of Interrogatories, Question No. 55 that explains Mr. Schultz's calculations. Also refer to Exhibit No. HWS-2, Schedule C, p. 3 of 6 which has a column labeled "Document Reference" and "MOB/DEMOB" which identify the various documents relied on by Mr. Schultz.

64. Please provide supporting documents for the response provided to FPL's Second Set of Interrogatories, Question No. 56.

Objection: The documents requested by FPL are already within the control of, thus readily available to, the company; FPL has equal or greater access than OPC to the documents FPL seeks.

Response: Any responsive documents relied on by Mr. Schultz are already in FPL's possession. The documents supporting Mr. Schultz's calculation were provided to Mr. Schultz by FPL as discussed in his direct testimony. See Mr. Schultz's response to FPL's Second Set of Interrogatories, Question No. 56 that references Mr. Schultz's concerns. Also refer to Exhibit No. HWS-2, Schedule C, p. 3 of 6 which has a column labeled "Document Reference" and "MOB/DEMOB" which identify the various documents relied on by Mr. Schultz.

65. Please provide supporting documents for the response provided to FPL's Second Set of Interrogatories, Question No. 57.

Objection: The documents requested by FPL are already within the control of, thus readily available to, the company; FPL has equal or greater access than OPC to the documents FPL seeks.

Response: Any responsive documents relied on by Mr. Schultz are already in FPL's possession. The documents supporting Mr. Schultz's calculation were provided to Mr. Schultz by FPL as discussed in his direct testimony. See Mr. Schultz's response to FPL's Second Set of Interrogatories, Question No. 57 that explains how the percentage was calculated. Also refer to Exhibit No. HWS-2, Schedule C, p. 3 of 6

which has a column labeled “Document Reference” and “Standby” which identify the various documents relied on by Mr. Schultz.

66. Please provide supporting documents for the response provided to FPL’s Second Set of Interrogatories, Question No. 58.

Objection: The documents requested by FPL are already within the control of, thus readily available to, the company; FPL has equal or greater access than OPC to the documents FPL seeks.

Response: Any responsive documents relied on by Mr. Schultz are already in FPL’s possession. The documents supporting Mr. Schultz’s calculation were provided to Mr. Schultz by FPL as discussed in his direct testimony. See Mr. Schultz’s response to FPL’s Second Set of Interrogatories, Question No. 58 that explains how the percentage was calculated. Also refer to Exhibit No. HWS-2, Schedule C, Page 3 of 6 which has a column labeled “Document Reference” and “Standby” which identify the various documents relied on by Mr. Schultz.

67. Please provide supporting documents for the response provided to FPL’s Second Set of Interrogatories, Question No. 59.

Response: None.

68. Please provide supporting documents for the response provided to FPL’s Second Set of Interrogatories, Question No. 60.

Response: Not applicable – the response to the referenced interrogatory was negative.

69. Please provide supporting documents for the response provided to FPL’s Second Set of Interrogatories, Question No. 61.

Objection: The documents requested by FPL are already within the control of, thus readily available to, the company; FPL has equal or greater access than OPC to the documents FPL seeks.

Response: Any responsive documents should already be in the possession of FPL as compliance with Rule 25-6.0143 is required by Florida utilities in seeking recovery of storm restoration costs. Mr. Schultz relied on Rule 25-6.0143 and his experience as an accountant, as explained in OPC's response FPL's Second Set of Interrogatories, Question No. 61.

70. Please provide supporting documents for the response provided to FPL's Second Set of Interrogatories, Question No. 62.

Objection: The documents requested by FPL are already within the control of, thus readily available to, the company; FPL has equal or greater access than OPC to the documents FPL seeks.

Response: Any responsive documents relied on are already in the possession of FPL. See Mr. Schultz's response to FPL's Second Set of Interrogatories, Question No. 62 and refer to Exhibit No. HWS-2, Schedule C, p. 3 of 6 which contains a column labeled "Document Reference" which identifies various documents relied on by Mr. Schultz in calculating the average as well as the calculation itself as reflected in the column labeled "Avg Rate."

71. Please provide supporting documents for the response provided to FPL's Second Set of Interrogatories, Question No. 63.

Objection: The documents requested by FPL are already within the control of, thus readily available to, the company; FPL has equal or greater access than OPC to the documents FPL seeks.

Response: The responsive documents are already in the possession of FPL. See OPC's response to FPL's Second Set of Interrogatories, Question No. 63 and refer to Exhibit No. HWS-2, Schedule C, p. 3 of 6 which contains a column labeled "Document Reference" which identifies various documents relied on by Mr. Schultz.

72. Please provide supporting documents for the response provided to FPL's Second Set of Interrogatories, Question No. 64.

Objection: The documents requested by FPL are already within the control of, thus readily available to, the company; FPL has equal or greater access than OPC to the documents FPL seeks.

Response: The responsive documents are already in the possession of FPL. See Mr. Schultz's response to FPL's Second Set of Interrogatories, Question No. 64 and refer to Exhibit No. HWS-2, Schedule C, p. 3 of 6 which contains a column labeled "Document Reference" which identifies various documents relied on by Mr. Schultz.

73. Please provide supporting documents for the response provided to FPL's Second Set of Interrogatories, Question No. 65.

Objection: The documents requested by FPL are already within the control of, thus readily available to, the company; FPL has equal or greater access than OPC to the documents FPL seeks.

Response: The responsive documents are already in the possession of FPL. Refer to Exhibit No. HWS-2, Schedule C, p. 3 of 6 which contains a column labeled "Document Reference" which identifies various documents relied on by Mr. Schultz. Within numerous invoices listed are costs paid to contractors for "per diem."

74. Please provide supporting documents for the response provided to FPL's Second Set of Interrogatories, Question No. 66.

Response: None.

75. Please provide supporting documents for the response provided to FPL's Second Set of Interrogatories, Question No. 67.

Response: None.



DAVIS H. ELLIOT CONSTRUCTION COMPANY, INC
 673 BLUE SKY PARKWAY
 LEXINGTON, KY 40509-9459
 PH: (859) 263-5148 / FAX: (859) 263-8411
 CONTACT NAME: LEE PRYOR

CUSTOMER: FLORIDA PUBLIC UTILITIES CO
 ATTN: WARREN DINAPOLI
 780 AMELIA ISLAND PARKWAY
 FERNANDINA BEACH, FL 32034
 WDINAPOLI@CHPK.COM

INVOICE #: 325562
 DATE: 10/28/16
 JOB NUMBER: 33016S19
 WEEK ENDING DATE: 10/8/2016-10/15/2016

CUSTOMER #: 3066

INVOICE TOTAL: \$228,215.47

WORK: STORM RESTORATION

DESCRIPTION: HURRICANE MATTHEW - OCTOBER 2016

MAN-HOUR & EQUIPMENT

NAME	CLASS	STRAIGHT TIME PAYMENTS			OVER TIME PAYMENTS					
		HOURS	RATE	AMOUNT	HOURS	RATE	AMOUNT			
JEFF WILSON	GF	64	122.74	7,853.36	16	143.19	2,291.04			
NATHAN MOONEY	FM	65	119.91	7,794.15	16	139.89	2,238.24			
TODD MURPHY	LM	65	110.47	7,180.55	16	128.88	2,062.08			
JAMES KIRK	GM	65	65.04	4,227.60	16	75.87	1,213.92			
DEVON NELOMS	GM	65	65.04	4,227.60	16	75.87	1,213.92			
JOHN WILBURN	FM	64	119.91	7,674.24	16	139.89	2,238.24			
JEREMY WILLIAMS	LM	64	110.47	7,070.08	16	128.88	2,062.08			
BRET LAMBERT	AP	64	93.62	5,991.68	16	109.23	1,747.68			
RANDY WOOD	FM	64	119.91	7,674.24	16	139.89	2,238.24			
JOHN WRIGHT	LM	64	110.47	7,070.08	16	128.88	2,062.08			
JOSH SPIVEY	AP	64	93.62	5,991.68	16	109.23	1,747.68			
JACOB ELLIS	AP	64	93.62	5,991.68	16	109.23	1,747.68			
JASON COX	FM	64	119.91	7,674.24	16	139.89	2,238.24			
GLENN RIDGEWAY	LM	64	110.47	7,070.08	16	128.88	2,062.08			
NATHANIEL WALTERS	AP	64	93.62	5,991.68	16	109.23	1,747.68			
LYLE INWOOD	AP	64	93.62	5,991.68	16	109.23	1,747.68			
DAVE COMBS	FM	64	119.91	7,674.24	16	139.89	2,238.24			
JOHN MOSSEBARGER	LM	64	110.47	7,070.08	16	128.88	2,062.08			
CODY ENGLER	AP	64	93.62	5,991.68	16	109.23	1,747.68			
CASEY HESTER	AP	64	93.62	5,991.68	16	109.23	1,747.68			
				0.00			0.00			
LABOR TOTALS		1284		132,204.30	320		38,454.24			

RR# 514802

JE 11-21-16

FE169056223

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DAVIS H. ELLIOT CONSTRUCTION COMPANY, INC
673 BLUE SKY PARKWAY
LEXINGTON, KY 40509-9459
PH: (859) 263-5148 / FAX: (859) 263-8411
CONTACT NAME: LEE PRYOR

CUSTOMER: FLORIDA PUBLIC UTILITIES CO
ATTN: WARREN DINAPOLI
780 AMELIA ISLAND PARKWAY
FERNANDINA BEACH, FL 32034
WDINAPOLI@CHPK.COM

INVOICE #: 325562
DATE: 10/28/16
JOB NUMBER: 330 16S19
WEEK ENDING DATE: 10/8/2016-10/15/2016

CUSTOMER #: 3066

INVOICE TOTAL: \$228,215.47

WORK: STORM RESTORATION

DESCRIPTION: HURRICANE MATTHEW - OCTOBER 2016

MAN-HOUR & EQUIPMENT

NAME	CLASS	STRAIGHT TIME PAYMENTS			OVER TIME PAYMENTS						
		HOURS	RATE	AMOUNT	HOURS	RATE	AMOUNT				
EQUIPMENT:		HOURS	RATE	AMOUNT	DIRECT EXPENSES:						
PICKUP TRUCK	1737	80	17.95	1,436.00	MEALS - PER DIEM			60	15.00	900.00	
PICKUP TRUCK	1766	81	17.95	1,453.95	LODGING - RECEIPTS ATTACHED					884.73	
BUCKET TRUCK/MH 55'	R9685	81	46.05	3,730.05	FUEL - RECEIPTS ATTACHED						
DIGGER DERRICK	R2853	81	48.76	3,949.56	TOLLS - RECEIPTS ATTACHED						
BACK YARD DIGGER/BKT	R05641	81	37.84	3,065.04	DIRECT EXPENSES TOTAL					5,1784.73	
PICKUP TRUCK	1482	80	17.95	1,436.00	<div>PR #: <u>514802</u></div> <div>Date Rcvd: <u>11-8-16</u></div> <div>Received By: <u>JR</u></div> <div>Scanned Date: <u>11-21-16</u></div> <div>Processed By: J Roye</div>						
BUCKET TRUCK/MH 55'	2125	80	46.05	3,684.00							
DIGGER DERRICK	L3090	80	48.76	3,900.80							
PICKUP TRUCK	1530	80	17.95	1,436.00							
DIGGER DERRICK	2130	80	48.76	3,900.80							
BUCKET TRUCK/MH 55'	L3139	80	46.05	3,684.00							
PICKUP TRUCK	1764	80	17.95	1,436.00							
BUCKET TRUCK/MH 55'	2126	80	46.05	3,684.00							
DIGGER DERRICK	R1255	80	48.76	3,900.80							
BACK YARD DIGGER/BKT	R0536	80	37.84	3,027.20							
PICKUP TRUCK	1578	80	17.95	1,436.00	TOTAL LABOR						\$170,658.54
DIGGER DERRICK	R7115	80	48.76	3,900.80	TOTAL EQUIPMENT						\$55,772.20
BUCKET TRUCK/MH 55'	2166	80	46.05	3,684.00	TOTAL DIRECT EXPENSES						\$1,784.73
BACK YARD DIGGER/BKT	2226	80	37.84	3,027.20	GRAND TOTAL						\$228,215.47
EQUIPMENT TOTAL		1524.0		55,772.20							

PR #: 514802
Date Rcvd: 11-8-16
Received By: JL
Scanned Date: 11-21-16
Processed By: J Roye

TOTAL LABOR \$170,658.54
TOTAL EQUIPMENT \$55,772.20
TOTAL DIRECT EXPENSES 5,1784.73
GRAND TOTAL \$228,215.47

REMIT PAYMENT TO:
DAVIS H. ELLIOT COMPANY, INC. P.O. BOX 37251 BALTIMORE MD 21297-3251
NET: 30 DAYS

2 of 2

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OPC's response to FPL's 3rd Production of
Documents Nos. 82, 87-88.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 55
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Schultz (82, 87 – 88)

80. Please provide all timesheets or other supporting materials for the bills submitted by Mr. Schultz related to FPL's Hurricane Irma docket other than those produced with your Response of February 11, 2019 to FPL's First Request for Production of Documents. Your response should include all bills subsequent to December 6, 2018 which is the latest bill produced by OPC with your response of February 11, 2019.

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Without waiving this objection, OPC responds below.

Response: Summaries of time billed by Larkin & Associates PLLC are included in the response to FPL's Request for Production of Document No. 79

81. Please provide copies of any analyses, studies, statements, testimonies, exhibits, or other documents reviewed by Mr. Schultz in connection with his work on FPL's Hurricane Irma docket that have not previously been produced with your February 11, 2019 Response to FPL's First Request for Production of Documents or your March 11, 2019 Response to FPL's Second Request for Production of Documents.

OBJECTION: To the extent the request encompasses documents that contain confidential information, including attorney work product, trade secrets or other confidential material, OPC objects. Without waiving any objections, OPC responds below.

Response: Mr. Schultz has reviewed documents produced by FPL, FPL's responses to discovery, and the rebuttal testimony of FPL filed after the dates referenced. There are no responsive documents not already in the custody and control of FPL, or which are not privileged. Any testimonies related to work performed in other states can be found at the regulatory agencies listed in Ex. HMS-1.

82. Please provide copies of any analyses, studies, statements, testimonies, exhibits, or other documents prepared by Mr. Schultz in connection with his work on FPL's Hurricane Irma docket that have not previously been produced with your February 11, 2019 Response to FPL's First Request for Production of Documents or your March 11, 2019 Response to FPL's Second Request for Production of Documents.

OBJECTION: To the extent the request encompasses documents that contain confidential information, including attorney work product, trade secrets or other confidential material, OPC objects. Without waiving any objection, OPC responds below.

Response: Mr. Schultz has not prepared any new analyses, studies, statements, testimonies, exhibits, or other documents in connection with his work on FPL's Hurricane Irma docket that have not previously been produced.

83. Please provide all bills submitted by Mr. Schultz related to the following proceedings other than those produced with your Response of February 11, 2019 to FPL's First Request for Production of Documents Nos. 1-21.

a. Duke's Storm Cost Recovery Proceedings, FPSC Docket No. 20170272-EI. Your response should include all bills subsequent to December 6, 2018 which is the latest bill produced by OPC with your response of February 11, 2019.

b. Tampa Electric Company Storm Cost Recovery Proceedings, FPSC Docket No. 20170271-EI. Your response should include all bills subsequent to September 5, 2018 which is the latest bill produced by OPC with your response of February 11, 2019.

c. Florida Public Utilities Company Storm Cost Recovery Proceedings, FPSC Docket No. 20180061-EI. Your response should include all bills subsequent to November 9, 2018 which is the latest bill produced by OPC with your response of February 11, 2019.

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Without waiving any objections, OPC responds below.

Response: Please see the file entitled "FPL Contract Packet-Updated," which was produced in response to the requests for production contemporaneously filed with these interrogatories. Also, see the file "Other Utilities Contract Packet-Updated." Both files are attached hereto and incorporated herein as exhibits.

84. Please provide any and all supporting documents for your answer to FPL Interrogatory No. 71.

OBJECTION: To the extent the request encompasses documents that contain

confidential information, including attorney work product, trade secrets or other confidential material, OPC objects. Further, to the extent the request encompasses any documents not in the custody and/or control of OPC or Mr. Schultz, the request is vague, overbroad, and/or unduly burdensome. Without waiving any objections, OPC responds below.

Response: The supporting documents referenced in Mr. Schultz's answer to FPL Interrogatory No. 71 are already in the custody and control of FPL.

85. Please provide any and all supporting documents for your answer to FPL Interrogatory No. 72.

OBJECTION: To the extent the request encompasses documents that contain confidential information, including attorney work product, trade secrets or other confidential material, OPC objects. Further, to the extent the request encompasses any documents not in the custody and/or control of OPC or Mr. Schultz, the request is vague, overbroad, and/or unduly burdensome. Without waiving any objections, OPC responds below.

Response: Mr. Schultz has reviewed documents produced by FPL, FPL's responses to discovery, and the rebuttal testimony of FPL filed after the dates referenced in Interrogatory No. 72. See the response to Production of Document No. 79. Otherwise, there are no other responsive documents not already in the custody and control of FPL.

86. Please provide any and all supporting documents for your answer to FPL Interrogatory No. 73.

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Without waiving any objections, OPC responds below.

Response: Please see the file entitled "FPL Contract Packet-Updated," which was produced in response to the Request for Production of Documents No. 83. Also, see the file "Other Utilities Contract Packet-Updated." Both files are attached hereto and incorporated herein as exhibits. There are no responsive documents related to Gulf.

87. Please provide any and all supporting documents for your answer to FPL Interrogatory No. 74.

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Further, to the extent the request encompasses any documents not in the custody and/or

control of OPC or Mr. Schultz, the request is vague, overbroad, and/or unduly burdensome. Without waiving any objections, OPC responds below.

Response: Mr. Schultz is not aware of documents responsive to this request.

Additionally, whether rates are excessive is not dependent on a “study.” Mr. Schultz’s professional opinion is based on the facts and circumstances contained in the extensive evidence reviewed in the case, including over 100,000 pages of discovery produced by FPL, and his review of a similar volume of documents related to the same type of contractor services provided to other Florida utilities in other Irma-related dockets. Mr. Schultz’s analysis and basis for identifying excessive costs is set out and supported in testimony and exhibits.

88. Please provide any and all supporting documents for your answer to FPL Interrogatory No. 75.

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Without waiving this objection, OPC responds below.

Response: With the exception of Mr. Schultz’s own work product, there are no responsive documents.

89. Please provide any and all supporting documents for your answer to FPL Interrogatory No. 76.

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Without waiving any objections, OPC responds below.

Response: At this time Mr. Schultz is not yet aware of additional duplicate payments, so his review to date has not uncovered responsive documents.

90. Please provide any and all supporting documents for your answer to FPL Interrogatory No. 77.

OBJECTION: To the extent interrogatory seeks confidential information, including attorney work product, trade secrets or other confidential information, OPC objects. Further, the interrogatory is vague and/or seeks information that is overbroad or unduly burdensome, OPC objects. Without waiving this objection, OPC responds below.

56

OPC's response to Staff's 1st Interrogatories
Nos. 1- 18.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 56
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Schultz (1-18)

INTERROGATORIES

1. **Please refer to OPC witness Schultz's direct testimony for the following questions.**

Contractor Costs

1. Please refer to page 41, lines 7 through 24 and page 42, lines 1 through 9. Witness Schultz compared FPL's contractors to another contractor used by a different utility to determine excessive rates. Was the other contractor:
- a. Used under the same situation (e.g., winter snow versus tornado or Hurricane Nate versus Tropical Storm Emily)?
 - b. Performing the same tasks (e.g., customer call center operator versus staging site manager)?
 - c. Utilized in the same area? If no, how were the areas different?
 - d. Utilized during the same time frame (days/months/years)?

RESPONSE:

For this answer, the term "same" is interpreted to mean substantially similar in circumstances that are generally relevant for comparison purposes.

- a. **Yes, same type of storm situation (hurricane – post Matthew).**
- b. **Yes, same or similar tasks (line contractor tasks).**
- c. **Yes, same or similar area (Florida – in this instance, FPUC's territory in Northeast Florida near FPL's territory).**
- d. **Similar time frame – (within an approximate one-year time frame, in the immediate, post-hurricane aftermath).**

2. Please refer to page 42, lines 13 through 21. Witness Schultz compared FPL's contractors to each other. Were the contractors:
- a. Used under the same situation (e.g., winter snow versus tornado or Hurricane Nate versus Tropical Storm Emily)?
 - b. Performing the same tasks (e.g., customer call center operator versus staging site manager)?
 - c. Utilized in the same area? If no, how were the areas different?
 - d. Utilized during the same time frame (days/months/years)

RESPONSE:

For this answer, the term "same" is interpreted to mean substantially similar in circumstances that are generally relevant for comparison purposes.

- a. **Yes, same situation (Hurricane Irma).**
- b. **Yes, same or similar tasks (line contractor).**
- c. **Yes, same area (Florida - FPL's territory)**
- d. **Yes the same time frame (after Hurricane Irma)**

3. Please refer to page 43, lines 4 through 7. Please describe the "other type of restoration work" that witness Schultz refers to in his direct testimony.

RESPONSE:

Some vendors that were under the \$100,000 threshold and/or that had lower rates were for services described by FPL as storm assessors.

4. Please refer page 43, lines 13 through 24.
 - a. Were the “actual” travel times recorded on the documentation that witness Schultz reviewed?
 - b. Is it witness Schultz’ testimony that having contractors standing-by on September 9 and September 10 is “excessive”? If so, please explain why it is considered excessive.

RESPONSE:

- a. In some cases the hours were noted on the mobilization log summary, and in others time reported was just on the daily time sheets. Although the time was listed as actual time, some receipts suggested otherwise.
 - b. In this filing, the proposed adjustment was, for the most part, based on FPL not enforcing its own contract provision that set a maximum number of hours for the billing of standby time. So, the threshold for “excessive” in this case was actually set by FPL’s own contracts.
5. Please refer to page 44, line 9 through 24 and page 45, lines 1 through 24. Please explain how witness Schultz “estimated the reasonable travel times” that were used in his analysis.

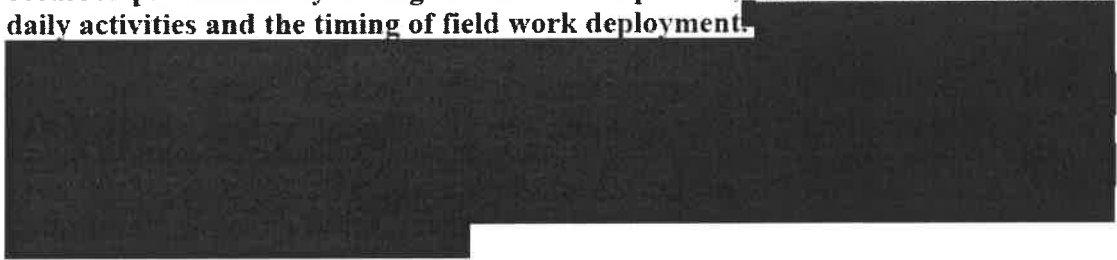
RESPONSE:

Mr. Schultz began by comparing the travel time reported by the vendor to the time Mapquest indicated would be the required travel time for the travel from point A to point B. In proposing his adjustment, Mr. Schultz explained the estimated percentage on pages 49-50 of his testimony. As explained, the estimated distance that could be traveled, assuming 60 miles per hour and allowing for 2 hours for meals and fueling in a 16 hour day (i.e. 14 hours actual drive time), is approximately 50% more than FPL’s assumed travel distance. Even after taking into consideration additional delays, Mr. Schultz estimated that costs were overstated by at least 33%. Mr. Schultz assumed a conservative reduction of 25%, which allowed for even more vendor delays in travel time

6. Please refer to page 50, lines 10 through 11. Please explain how FPL delayed vendors. (i.e., what did the vendors note on their daily time sheets?)

RESPONSE:

The delays identified on the confidential time sheets pertained to delays that occurred after vendors had arrived in Florida (i.e., they were not travel delays), and the delays occurred predominately during the restoration process, when FPL directed vendors' daily activities and the timing of field work deployment.



7. Please refer to pages 51 through 53. Witness Schultz testifies about finding multiple invoices from one contractor and that it appears the invoices were being updated/corrected. Did FPL include all the invoices, including the ones that were updated/corrected, in its request for recovery?

RESPONSE:

The reference to multiple invoices from one contractor is due to FPL producing duplicate invoices in discovery. The testimony referred to invoices which indicated they were to be updated or corrected; however the original invoice was also included in FPL's listed costs for recovery. The fact that FPL included both sets of invoices in its list of costs for recovery is the only way that the duplication could have been discovered.

In separate instances where an invoice may have been updated or corrected, FPL may have listed only the updated or corrected invoice, but it is assumed in those instances FPL did not list both the original and updated invoices in its list of costs for recovery.

8. Please refer to page 54, lines 16 through 23. How many vendors did FPL utilize during Hurricane Irma that performed storm restoration work and normal, year-round line work for FPL?

RESPONSE:

In Mr. Schultz' review, it appeared the information supplied by FPL contained inconsistent data about the number of vendors who performed both storm restoration work and normal, year-round line work for FPL. As noted on Exhibit HWS-2, Schedule C, Page 3 of 6, Mr. Schultz identified approximately 11 embedded contractors, based on invoices provided by FPL. In some instances, the same contractor provided both embedded and non-embedded crews. Additionally, in deposition, one of FPL's representatives testified that, although a contracted crew used a billing form titled "non-embedded," the contractor was actually an embedded contractor

Given that these circumstances were based on information that only FPL possesses, it would not be reasonable to expect Mr. Schultz at this point to state with any certainty a breakdown between storm and non-storm, normal year-round line work.

9. Please refer to pages 56 through 59. Witness Schultz testifies about individuals included on the Weekly Report and not on the Daily Report. Did the Daily Reports have a total cost? If so, did the total cost on the Daily Reports match the total cost on the Weekly Reports?

RESPONSE:

The daily reports Mr. Schultz reviewed did not list total costs or dollar amounts, as they were utilized as a source for the reported hours on the weekly reports. The weekly reports also did not have total costs or dollar amounts listed. Based on Larkin's testing, the weekly reports, in most cases, served as the source for the hours billed on the FPL invoice template, used in most cases, for billing purposes.

10. Please refer to page 65, lines 6 through 9.

- a. Does witness Schultz know if a corresponding Lodging expense was part of FPL's Logistics costs for the days and times the contractors were paid for sleeping in their truck?
- b. Does witness Schultz know why these contractors were sleeping in their truck instead of sleeping in a hotel room?

RESPONSE:

- a. **Not at this time. The time constraints imposed by the OEP made it impossible to perform all the required testing of documents received by FPL before the date intervenor testimony was due. Additionally, some discovery requests to FPL were still outstanding and not yet received from FPL on the date testimony was due. Mr. Schultz is not able to state whether he will be able to test the logistic information prior to hearings because other review of areas of concern may be considered a priority.**
- b. **The comments made on the confidential time sheets stated** [REDACTED]

11. Please refer to page 82, lines 11 through 17. Witness Schultz testified that a Nuclear accrual is a "pronouncement for the accrual of contingencies" and that a "contingency is an estimate of cost." Are all the accruals (distribution and Nuclear) in question considered "accrual of contingencies?"

RESPONSE:

Mr. Schultz's understanding is that some accruals were based on normal storm billing estimates provided by the vendor for which an actual invoice had not yet been provided. The accrual referenced in the discovery question was identified because of the unusual description and explanation provided by FPL.

12. Please refer to Exhibit No. HWS-2, Schedule C, page 3 of 6. Please explain what the column titled "Period" represents.

RESPONSE:

The "Period" was the billing time frame identified in the documents reviewed.

13. Please refer to page 84, lines 6 through 21. Please indicate whether or not the summaries by invoice received from FPL in response to Citizen's Production of Documents No. 7 were for storm restoration costs. If not, please explain how this was determined.

RESPONSE:

This docket specifically relates to storm cost recovery; FPL provided no indication in its response that the documents it produced in relation to request for production item No. 7 were for anything other than storm restoration costs. Mr. Schultz would note that the level of detail on Exhibit HWS-2, Schedule D is different from the level of detail shown on worksheet TTWP in the response to FPL's Request for Production of Documents, item No. 2, as Mr. Schultz was still in the process of reviewing the invoices reviewed under his supervision at the time testimony was due.

14. Please refer to page 85, lines 1 through 9. Please provide the number of invoices listed in the Excel spreadsheet, and the number of actual invoices received from FPL in response to Citizen's Production of Documents No. 7.

RESPONSE:

See the response to Staff's Interrogatory No.13. As indicated in the response, the invoices reviewed by Larkin are listed in the worksheet labeled "TTWP" in the Citizens' response to FPL's First Request for Production of Documents, item No. 2.

The worksheet identifies costs on 646 lines that were originally listed in an excel file produced by FPL in its response to Citizens Production of Documents No. 7, and the lines on the worksheet that reflect details beyond a name and an amount are based on information that was from invoices that FPL supplied in the response that could be readily identified to the listing from Citizens Production of Documents No. 7.

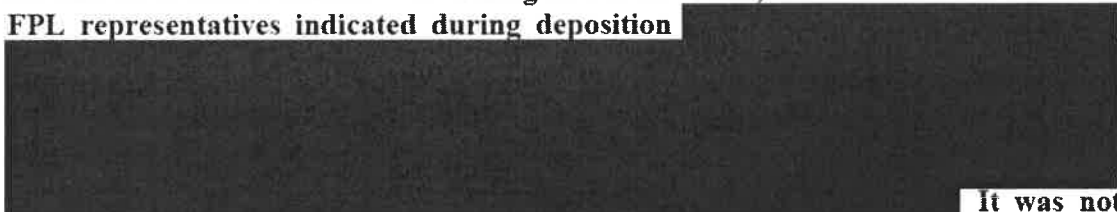
As noted, there are a number of invoices that were listed by FPL which were not readily locatable. The total dollar value of the invoices FPL claims it provided to OPC represents approximately 62% of the cost FPL requested for recovery. Mr. Schultz did not attempt to spend time counting, for comparison purposes, the total number of valid and complete invoices submitted for payment and also provided to the OPC. Undertaking such a comparison would be unduly burdensome and irrelevant, given the purpose for the preparation of worksheet "TTWP."

Vehicle & Fuel Costs

15. Please refer to page 86, lines 21 through 25, and page 87, lines 1 through 19. Please provide the total number of occurrences in which FPL reimbursed vendors for fuel during mobilization/demobilization.

RESPONSE:

Please see Exhibit HWS-2, Schedule C, Page 3 of 6, which includes a column for Fuel and a column for mobilization/demobilization, and the costs on the respective lines in many instances indicate that fuel charges were billed by the vendor during mobilization/demobilization. In making this observation, Mr. Schultz also notes that FPL representatives indicated during deposition

 It was not reasonable or possible for Mr. Schultz to try to inventory and document each of these circumstances given that FPL's policy on this point was somewhat ambiguous in application. Mr. Schultz has stated that under the circumstances of the OEP, it has not yet been possible to review every invoice.

16. Please refer to page 90, lines 21 through 24 and page 91, lines 1 through 3.

- a. Is it witness Schultz's testimony that FPL should have, during the hurricane preparedness and restoration time, taken the time to compare contractor's per diem rates with the contract to provide meals?
- b. Did witness Schultz verify on the contractors invoices that per diem was not paid when FPL provided meals? If so, what were the results?

RESPONSE:

- a. **The process Mr. Schultz referred in his testimony relates to the prudence of FPL's review of invoices for costs that it has a responsibility – given the up-front, streamlined recovery process established for utilities in Florida – to carefully scrutinize cost reimbursement invoices from vendors to insure that customers are only charged for reasonable and prudent costs such as ones provided for under applicable contracts. This review occurs weeks or months *after* the storm has passed and has absolutely nothing to do with the ability of line crews to restore service. The testimony referenced is simply an observation that FPL had available and in its possession the data and means to conduct a simple, prudent verification process before asking customers to reimburse it for invoices received well after the completion of the restoration process.**
- b. **No.**

17. Please refer to page 92, lines 9 through 20. For the invoices and vendor in question, did witness Schultz verify that both invoices were paid by FPL?

RESPONSE:

The documents, in the form produced by FPL, did not provide a means for payment verification. Mr. Schultz's reporting of the potential for duplication of costs (referred to as a reasonable inference) is due to the fact that both invoices were included in FPL's reported storm cost and FPL is seeking approval for recovery of its reported storm cost.

18. Please refer to page 93, lines 1 through 8. Please explain in detail witness Schultz's recommended adjustment of \$26,041,487 to FPL's logistics costs.

RESPONSE:

As shown on Exhibit HWS-2, Schedule G, Page 2 of 2 the adjustment is the difference between the reported cost for approval by FPL in the response to OPC's Request for Production of Documents item No. 9 and the supporting documentation that was readily identified as support for the reported cost. Absent further supporting documentation, the difference should be denied recovery.

J. R. Kelly
Public Counsel

/s/Stephanie A. Morse
Stephanie A. Morse
Associate Public Counsel

Patricia A. Christensen
Associate Public Counsel

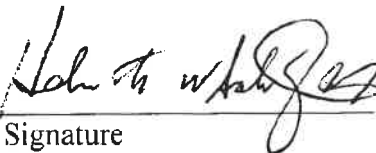
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400
(850) 488-9330

Attorneys for the Citizens
of the State of Florida

DECLARATION

I sponsored the answers to Interrogatories from Staff's 1st Set of Interrogatories (Nos. 1 – 18) to the Office of Public Counsel in Docket No. PSC-20180049-EI, and hereby state the responses are true and correct based on my personal knowledge and belief.

Under penalties of perjury, I declare that I have read the forgoing declaration and the interrogatory answers identified above, and the facts stated therein are true and correct to the best of my personal knowledge and belief.


Signature

Helmuth W. Schultz III

Date: MARCH 18, 2019

Joint Motion Of The Office Of Public Counsel
And Florida Power & Light Company To
Approve Stipulations and Settlement
Agreement

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 57
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Joint Motion Of The Office Of Public
Counsel And Florida Power & Light Company To

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Evaluation of storm restoration costs for
Florida Power & Light Company related to
Hurricane Irma

Docket No. 20180049-EI

Filed: June 6, 2019

**JOINT MOTION OF THE OFFICE OF PUBLIC COUNSEL
AND FLORIDA POWER & LIGHT COMPANY
TO APPROVE STIPULATION AND SETTLEMENT AGREEMENT**

Pursuant to Rule 28-106.204(1), Florida Administrative Code (“F.A.C.”), the Office of Public Counsel (“OPC”) and Florida Power & Light Company (“FPL”), by and through their respective undersigned counsel, hereby file this Joint Motion to Approve Stipulation and Settlement Agreement (“Joint Motion”) and request that the Florida Public Service Commission (“Commission”) review and approve on an expedited basis the Stipulation and Settlement Agreement (“Agreement”) provided as Attachment A to this Joint Motion as a full and complete resolution of all matters related to the above-captioned matter in accordance with Section 120.57(4), Florida Statutes, and to enter a final order reflecting such approval to effectuate implementation of the Agreement. In support of this motion, OPC and FPL jointly state as follows:

1. On February 22, 2018, the Commission opened the above-captioned docket for the limited purpose of evaluating FPL’s storm restoration costs related to Hurricane Irma.
2. On August 31, 2018, FPL submitted its Petition and supporting testimony and exhibits of FPL witnesses Manuel B. Miranda, Eduardo DeVarona and Keith Ferguson to facilitate the Commission’s evaluation of the Hurricane Irma storm restoration costs.
3. OPC intervened and on January 11, 2019, submitted the direct testimony and exhibits of OPC witness Helmuth W. Schultz III.
4. On March 15, 2019, FPL submitted its rebuttal testimony and supporting exhibits of FPL witnesses Manuel B. Miranda, Thomas W. Gwaltney, Ronald R. Reagan, Kristin Manz and Keith Ferguson.

5. OPC and FPL have engaged in extensive discovery throughout this proceeding, with FPL responding to hundreds of interrogatories and producing approximately 100,000 pages of documents in response to requests for production of documents, and with OPC responding to approximately 100 interrogatories and 100 requests for production of documents. Additionally, OPC deposed five FPL witnesses. Through this process, OPC thoroughly reviewed and evaluated FPL's Hurricane Irma storm restoration costs, and FPL thoroughly reviewed and evaluated OPC's positions related to those costs.

6. As a direct result of these efforts, OPC and FPL engaged in negotiations for the purpose of reaching a comprehensive stipulation and settlement of all issues pending in the docket, and a number of additional issues beyond the scope of the docket, thereby avoiding the uncertainty associated with the outcome on the issues. These negotiations have culminated in the Agreement attached hereto as Attachment A.

7. OPC and FPL request that the direct testimony of FPL witnesses Manuel B. Miranda, Eduardo DeVarona and Keith Ferguson and OPC Witness Helmuth Schultz III, and the rebuttal testimony of FPL witnesses Manuel B. Miranda, Thomas W. Gwaltney, Ronald R. Reagan, Kristin Manz and Keith Ferguson be entered into the record, along with the stipulated Comprehensive Exhibit list and listed exhibits, with the agreement that only portions of Exhibit HWS-3 will be entered into the record. Where applicable, confidential classification shall be maintained as determined by the Commission, Commission rules or applicable provisions of Chapter 366, Florida Statutes. The Parties further stipulate that the entry of portions of Exhibit HWS-3 into the record does not constitute a waiver of any objections that FPL would lodge or maintain in the event a contested hearing were to be held in this proceeding, nor does it constitute precedent in any future proceeding for the wholesale entry of an entire deposition transcript absent a stipulation of all parties to a proceeding.

8. The Agreement sets forth in detail the financial and process issues to be resolved through this settlement. Importantly, while the financial issues addressed by the Agreement are premised upon issues raised during the litigation of this matter, the process issues, not part of the litigation, have been added to the Agreement in an effort to facilitate more efficient storm cost recovery proceedings in the future.

9. The Signatories to the Agreement request that, following the Commission's review of this Joint Motion and the Agreement, the Commission grant the Joint Motion and approve the Agreement in order to allow for orderly implementation thereof and to provide certainty to the parties and their respective constituents and customers with respect to the outcome of the proceedings.

10. The Commission has a "long history of encouraging settlements, giving great weight and deference to settlements, and enforcing them in the spirit in which they were reached by the parties." *In Re: Florida Power & Light Company*, Docket No. 20050045-EI, Order No. PSC-2005-0902-S-EI (FPSC Sept. 14, 2005). The proper standard for the Commission's approval of a settlement agreement is whether it is in the public interest. *Sierra Club v. Brown*, 243 So.3d 903, 910-913 (Fla. 2018) (citing *Citizens of State v. FPSC*, 146 So.3d 1143, 1164 (Fla. 2014)).

11. The Florida Supreme Court has explained that the "determination of what is in the public interest rests exclusively with the Commission." *Citizens*, 146 So.3d at 1173. The Commission has broad discretion in deciding what is in the public interest and may consider a variety of factors in reaching its decision. See *In Re: The Woodlands of Lake Placid L.P.*, Docket No. 20030102-WS, Order No. PSC-2004-1162-FOF-WS, p. 7, (FPSC Nov. 22, 2004); *In Re: Petition for approval of plan to bring generating units into compliance with the Clean Air Act by Gulf Power Company*, Docket No. 19921155-EI, Order No. PSC-1993-1376-FOF-EI, p. 15 (FPSC Sept. 20, 2003). However, the Commission is not required to resolve the merits of

every issue independently. *Sierra Club*, 243 So.3d at 913 (citing *Citizens*, 146 So.3d at 1153). Rather, a “determination of public interest requires a case-specific analysis based on consideration of the proposed settlement taken as a whole.” *In re: Petition for Rate Increase by Gulf Power Co.*, Docket No. 20160186-EI, Order No. PSC-2017-0178-S-EI, 2017 WL 2212158, at *6 (FPSC May 16, 2017).

12. Finally, the Florida Supreme Court has affirmed that the Commission has the authority and discretion to approve a non-unanimous settlement over the objections of intervenors if the Commission finds the settlement is in the public interest. *Citizens*, 146 So.3d at 1152-54; *see also S. Fla. Hosp. & Healthcare Ass’n v. Jaber*, 887 So.2d 1210, 1212–13 (Fla. 2004) (affirming the Commission’s approval of a non-unanimous settlement agreement despite the absence of a full evidentiary hearing).

13. In this case, after an extensive review and evaluation of FPL’s Hurricane Irma storm restoration costs and activities, OPC and FPL entered into the Agreement which addresses issues raised during the course of the proceedings, and process issues beyond the scope of these proceedings. The Agreement represents a reasonable and mutually agreeable compromise of competing positions and fully resolves all issues raised in this docket, and many matters beyond the scope of this docket.

14. Considered as a whole, the Agreement fairly and reasonably balances the interests of FPL’s customers and FPL. Approving the Agreement is consistent with the Commission’s long-standing policy of encouraging the settlement of contested proceedings in a manner that benefits the customers of utilities subject to the Commission’s regulatory jurisdiction. Accordingly, OPC and FPL submit that the Agreement is in the public interest, and respectfully request that the Commission review and approve the Agreement in its entirety and without modification.

15. Pursuant to Rule 28-106.204(3), F.A.C., OPC and FPL have conferred with the Florida Industrial Power Users Group (“FIPUG”) and the Florida Retail Federation (“FRF”), which were granted intervention by Order Nos. PSC-2018-0299-PCO-EI and PSC-2018-0298-PCO-EI, respectively. As of the date of this Joint Motion, FRF has indicated that it does not anticipate joining the Agreement and FIPUG has yet to make a decision whether to join the Agreement. FRF has authorized the Joint Movants to state that FRF is unable to state a position on the Agreement at this time. The Joint Movants were unable to reach FIPUG in order to receive a position to communicate. Notwithstanding, OPC and FPL jointly submit that the Agreement is in the public interest and should be approved in its entirety for the reasons stated above.

WHEREFORE, for the reasons stated above, the OPC and FPL jointly and respectfully request that the Florida Public Service Commission expeditiously approve the Stipulation and Settlement Agreement provided as Attachment A to this Joint Motion.

Respectfully submitted this 6th day of June, 2019.

By: s/ Kenneth M. Rubin
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CERTIFICATE OF SERVICE

Docket No. 20180049-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished
by electronic service on this 6th day of June, 2019 to the following:

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By: s/ Charles Rehwinkel
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Office of Public Counsel

ATTACHMENT A

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Evaluation of storm restoration costs for Florida
Power & Light Company related to Hurricane Irma

Docket No. 20180049-EI

Filed: June 6, 2019

STIPULATION AND SETTLEMENT

WHEREAS, Florida Power & Light Company (“FPL” or the “Company”) and Citizens through the Office of Public Counsel (“OPC”) have signed this Stipulation and Settlement (the “Agreement”; unless the context clearly requires otherwise, the term “Party” or “Parties” means a signatory to this Agreement); and

WHEREAS, on August 30, 2017, Tropical Storm Irma intensified into a major hurricane. On September 4, 2017, as forecasts projected potential Florida impacts, Governor Rick Scott declared a state of emergency in all 67 Florida counties; and

WHEREAS, by September 5, 2017, Hurricane Irma intensified into a Category 5 hurricane with sustained winds reaching 180 mph; and

WHEREAS, on September 6, 2017, the National Hurricane Center’s Hurricane Irma five-day forecast cone encompassed the entire Florida peninsula, and FPL began actively mobilizing a restoration workforce of more than 11,000 employees and contractors, activated more than 20 staging sites, and started to pre-position crews in the areas of FPL’s service territory anticipated to be hardest hit by Hurricane Irma; and

WHEREAS, as Hurricane Irma approached Florida, forecasts increased in certainty that the state would be seriously impacted, with possible landfall in Miami-Dade County, the most heavily populated area served by FPL. As FPL and its customers proceeded with their final

storm preparations, Hurricane Irma made landfall as a Category 5 storm in northern Cuba on September 9; and

WHEREAS, Hurricane Irma made its first direct U.S. landfall in the Florida Keys during the morning of Sunday, September 10, 2017, as a Category 4 hurricane, causing extensive damage; and

WHEREAS, Hurricane Irma impacted FPL's entire service area, requiring FPL to ensure that restoration crews that had been pre-positioned were out of harm's way to ensure the crews could safely begin the restoration process when the storm passed their area; and

WHEREAS, Hurricane Irma impacted all 35 counties and 27,000 square miles of FPL's service territory, and caused more than 4.4 million FPL customers to lose power. FPL's overall preparation for the hurricane resulted in the assembly and deployment of workers from 30 states and Canada, a number that grew to more than 28,000 at its peak and spread across 29 staging sites the Company established throughout its service territory; and

WHEREAS, FPL's preparation and ensuing coordinated response enabled the Company to restore service to 50% of customers within one day, 95% of its customers within one week, and 99% of its customers within ten days after the storm left FPL's service territory. According to FPL, this effort represents the fastest post hurricane restoration of electric service to the largest number of people by any one utility in U.S. history; and

WHEREAS, FPL incurred \$1.375 billion in storm restoration costs, but did not implement a storm surcharge or deplete the storm reserve, and instead expensed all costs after removing below the line costs, third party reimbursements, and capitalizable costs; and

WHEREAS, on February 22, 2018, the Staff of the Florida Public Service Commission (the “Commission”) requested the Commission to open a docket for the evaluation of storm restoration costs for FPL related to Hurricane Irma; and

WHEREAS, on August 31, 2018, FPL petitioned the Commission for evaluation of storm restoration costs related to Hurricane Irma, and filed the direct testimony and exhibits of FPL witnesses Manuel B. Miranda, Eduardo DeVarona and Keith Ferguson in support of the requested evaluation; and

WHEREAS, OPC intervened in this docket and, on January 11, 2019, filed the direct testimony and exhibits of OPC Witness Helmuth Schultz III in support of OPC’s position; and

WHEREAS, on March 15, 2019, FPL filed the rebuttal testimony and exhibits of FPL witnesses Manuel B. Miranda, Thomas W. Gwaltney, Ronald R. Reagan, Kristin Manz and Keith Ferguson; and

WHEREAS, the Parties engaged in significant discovery including the production of more than 100,000 pages of documents, hundreds of interrogatories, and depositions of five FPL witnesses; and

WHEREAS, the Parties to this Agreement have undertaken to resolve the issues raised in this docket, and the Parties have also agreed to address certain process issues separate and distinct from the matters at issue in this proceeding; and

WHEREAS, the Parties have entered into this Agreement in compromise of positions taken in accord with their rights and interests under Chapters 350, 366 and 120, Florida Statutes, as applicable, and as a part of the negotiated exchange of consideration among the Parties to this

Agreement each has agreed to concessions to the others with the expectation that all provisions of the Agreement will be enforced by the Commission as to all matters addressed herein with respect to all Parties regardless of whether a court ultimately determines such matters to reflect Commission policy, upon acceptance of the Agreement as provided herein and upon approval by the Commission in the public interest;

NOW THEREFORE, in consideration of the foregoing and the covenants contained herein, the Parties hereby stipulate and agree:

FINANCIAL TERMS

1. This Agreement will become effective on the date of the Final Order in Docket No. 20180049-EI (the "Implementation Date").
2. FPL will reclassify \$25 million of the storm restoration costs as capital, which will be added to FPL's retail Plant in Service balance for all surveillance and future rate setting purposes. OPC agrees not to dispute the reasonableness or prudence of this additional \$25 million of capital in any future rate proceeding.
3. FPL will treat an additional \$20 million of incremental storm restoration costs as non-incremental costs recognized as base Operations & Maintenance expense.
4. FPL will treat an additional \$5 million of Other Expense of the storm restoration costs as an adjustment to expenses and will reduce the overall Reserve Amount (as defined in Section 12 of the 2016 Settlement Agreement in Docket No. 20160021-EI) available for amortization by this amount.

PROCESS PROVISIONS

5. For purposes of the “Process Provisions” section of this Agreement, any reference to contractor(s), crews or vendors excludes the employees and personnel working on behalf of and billed through mutual aid utilities.
6. FPL Application Phase I: For the 2019 storm season, FPL will introduce a new smart phone application (“App”) for entry, recording, and approval of time and expenses for line crews and vegetation management crews. FPL’s contracts with vendors will require the use of this App where reasonably practicable. The data from the App can be exported to sortable and searchable Excel files to provide reports of specific information on crews, billing, exceptions, etc. These reports will be provided to the parties and Staff with or shortly after the filing of pre-filed direct testimony in future storm cost recovery dockets.
 - A. The App will not apply at this time to activities or personnel other than non-mutual aid line crews and vegetation management crews (e.g., patrollers, damage assessors, logistics vendors, both turn-key and a la carte providers for expenses incurred in connection with the establishment of staging sites and the provision of services at staging sites, etc.).
 - B. The App will allow FPL to review time and track miscellaneous expenses incurred by crews. All expenses entered in the App after a line contractor crew or vegetation management crew has been on-boarded require a reason, since the majority of services resulting in expenses after on-boarding (e.g., food, fuel, lodging) should be directly provided for by FPL while on system (i.e., between the point of on-boarding and release). During mobilization and demobilization, only those expenses excluded by the contract with the line contractor or

vegetation management contractor will require a reason for approval in the App, since line contractors and vegetation management contractors are entitled to reimbursement for certain expenses, such as lodging, during mobilization and demobilization.

C. Where the App is utilized, this process will largely eliminate the paper time sheet support that was required to review and approve the thousands of invoice packets for line contractors received, reviewed, and processed following Hurricane Irma.

7. FPL Application Phase II: For the 2020 storm season, FPL plans to introduce additional functionalities for the App to further automate reporting and invoice and receipt uploading where reasonably practicable. Current plans for the proposed additional functions include flagging non-compliant charges and time as well as documenting exceptions relative to the items addressed by Phase II of the App using drop-down boxes.
8. Crew Tracking App: FPL will use (where reasonably practicable) its Crew Tracking App (which runs on iOS or Android cellular phones) to geographically track storm crews during mobilization and demobilization. The Crew Tracking App will only be provided to the leader of each travel module (i.e., only one truck per travel module). The Crew Tracking App provides detailed visualization regarding travel teams' geographic position and attributes about the team. Where applicable, the Company will use the Crew Tracking App to continue and/or implement procedures to document exceptions to the items addressed in this Paragraph 8 of the Agreement. In instances where exceptions are not documented, the Company will not be precluded from generating such documentation through reference to or consultation with personnel involved in restoration management or efforts.

9. Billing Start Point: The Parties agree that for external contractors, billing begins when crews begin to travel after acquisition. In this regard, the Company will continue and/or implement procedures to document exceptions to the items addressed in this Paragraph 9 of the Agreement. In instances where exceptions are not documented, the Company will not be precluded from generating such documentation through reference to or consultation with personnel involved in restoration management or efforts.
10. Travel Time Billing: The Parties agree that for external contractors, vendors are only compensated for actual travel time which includes stops (e.g., for fuel, meals, weigh stations, repairs). The Company will continue and/or implement procedures to document exceptions to the items addressed in this Paragraph 10 of the Agreement. In instances where exceptions are not documented, the Company will not be precluded from generating such documentation through reference to or consultation with personnel involved in restoration management or efforts.
11. Pace of Travel: For external contractor storm documentation purposes, FPL will establish a 500 miles per 16-hour day threshold which includes stops (e.g., fuel, meals, weigh stations, repairs). The Company will continue and/or implement procedures to document exceptions to the items addressed in this Paragraph 11 of the Agreement. In instances where exceptions are not documented, the Company will not be precluded from generating such documentation through reference to or consultation with personnel involved in restoration management or efforts.
12. FPL will continue to manage external line crew contracts to avoid paying double time rates. The Company will continue and/or implement procedures to document exceptions to the items addressed in this Paragraph 12 of the Agreement. In instances where

- exceptions are not documented, the Company will not be precluded from generating such documentation through reference to or consultation with personnel involved in restoration management or efforts.
13. The Company will continue to maintain a process for external vendors that meals and fueling, after vendor crews are on-boarded, are expected to be provided at or by the base camp with exceptions entered into the App as referenced in Paragraph 6 B above where practicable. The Company will continue and/or implement procedures to document exceptions to the items addressed in this Paragraph 13 of the Agreement. In instances where exceptions are not documented, the company will not be precluded from generating such documentation through reference to or consultation with personnel involved in restoration management or efforts.
 14. No Poaching of Vendor Crews: FPL agrees that it does not, and will not, “poach” vendors or vendor crews who are committed to another utility or are part of another utility's mutual aid allocation without the consent of the other utility.
 15. In the spirit of continuous improvement, the Company will continue to participate in the Southeastern Electric Exchange and Edison Electric Institute mutual assistance groups.
 16. Storm Cost Documentation: The Company will provide, for each named tropical system named by the National Hurricane Center, supporting documentation which includes the following virtual (sortable spreadsheet) or physical files:
 - Summary of expenses in a format consistent with Company records showing total expenses incurred, that includes the following cost categories:
 - Regular Payroll and Related Overheads, Overtime Payroll and Related Overheads, Contractors, Vegetation Contractors, Logistics, Materials & Supplies, and Other.
 - Data exported from the App including vendor crews, time reported, and travel days.

- Data exported from REDi for travel contingents including date committed, billing and city of origin, date started travel, date arrived, date released, and home location city and date arrived.
 - Filings involving more than one storm will be similar in format and organization.
17. The Company will provide the information outlined above in a format that comports with the Company's record keeping and accounting practices on the timeline discussed below. Pre-filed direct testimony will be filed after any required independent audit is concluded. In the event it is not practicable or feasible to utilize the App, and/or in instances where the App does not capture the data and information described in this Agreement, FPL will provide Staff and parties with the data and information in the format that it has been captured or documented by FPL in the absence of the App, and the Company will continue and/or implement procedures to document exceptions as more fully described in Paragraphs 6 through 13 of this Agreement. In instances where exceptions are not documented, the Company will not be precluded from generating such documentation through reference to or consultation with personnel involved in restoration management or efforts.
18. Initial Independent Audit: FPL will engage an independent outside audit firm to conduct an audit of the Company's filed recoverable storm costs of the first named tropical system named by the National Hurricane Center for which claimed damages exceed \$250 million. The audit will be conducted utilizing generally accepted sampling techniques.
- a. Audit Purpose and Scope
 - i. The purpose of the audit is to validate that storm costs paid were accurate, incurred within the appropriate time period, adequately and completely supported, and properly approved.
 - ii. The scope of the audit should be sufficient to enable the auditor to evaluate the adequacy and effectiveness of the Company's internal

controls (or processes) governing (1) contractor time and expenses, (2) invoice/billing payment review process, and (3) the approval/denial/resolution process, including but not limited to, the Company's payment approval logic for compliance with contract terms.

b. The Parties agree that the completion of the audit should not delay cost recovery.

c. The Parties agree that Audit Activities should include:

- i. Interviews with key personnel
- ii. Review of operating policies and procedures
- iii. Review of relevant documents, such as executed contracts, labor and equipment rates, established work day hours, over time and double time criteria, and vendor employee rosters
- iv. Comparisons between vendor employee rosters and approved timesheets, and expense receipts (hotel, fuel or meal)
- v. Inspection and comparison of paid invoices to submitted expense receipts and submitted timesheets

d. The Parties will not object to and will support the Company recovering audit costs through the storm surcharge or storm reserve.

19. The Parties agree that the terms and conditions of this Agreement are intended to reduce the amount of discovery in future storm cost recovery proceedings. The Parties will meet within three months following the issuance of a final order in FPL's next storm cost recovery proceeding to discuss limitations on written discovery in future storm cost recovery proceedings. Any agreed express limitations on written discovery for future FPL storm cost recovery proceedings will be provided to Staff as recommended for inclusion in the Order Establishing Procedure issued in future FPL storm cost recovery proceedings.

20. Incremental Cost Methodology of Capitalized Costs: FPL will use a combined simple average of hourly internal Company and embedded contractor rates that are the type

normally incurred in the absence of a storm to determine amounts to capitalize to plant, property, and equipment along with the materials and other cost of equipment.

OTHER PROVISIONS

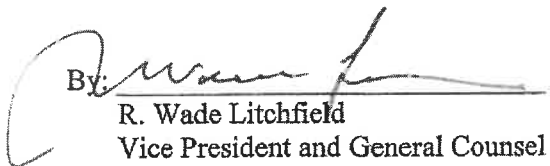
21. Nothing in the Agreement will have precedential value.
22. The direct testimony of FPL witnesses Manuel B. Miranda, Eduardo DeVarona and Keith Ferguson and OPC Witness Helmuth Schultz III and the rebuttal testimony of FPL witnesses Manuel B. Miranda, Thomas W. Gwaltney, Ronald R. Reagan, Kristin Manz and Keith Ferguson shall be entered into the record along with the stipulated Comprehensive Exhibit List and listed exhibits, with the agreement that only portions of Exhibit HWS-3 will be entered into the record. Where applicable, confidential classification shall be maintained as determined by the Commission, Commission rules or applicable provisions of Chapter 366, Florida Statutes. The Parties further stipulate that the entry of portions of Exhibit HWS-3 into the record does not constitute a waiver of any objections that FPL would lodge or maintain in the event a contested hearing were to be held in this proceeding, nor does it constitute precedent in any future proceeding for the wholesale entry of an entire deposition transcript absent a stipulation of all parties to a proceeding.
23. The provisions of the Agreement are contingent upon approval by the Commission in its entirety without modification. No Party agrees, concedes or waives any position with respect to any of the issues identified in the Prehearing Order and this Agreement does not specifically address any such issue. The Parties will support approval of the Agreement and will not request or support any order, relief, outcome or result in conflict with it. No Party to the Agreement will request, support or seek to impose a change to

any provision of the Agreement. Approval of the Agreement in its entirety will resolve all matters and issues in this docket. This docket will be closed effective on the date that the Commission Order approving this Agreement is final, and no Party to the Agreement shall seek appellate review of any order issued in this docket.

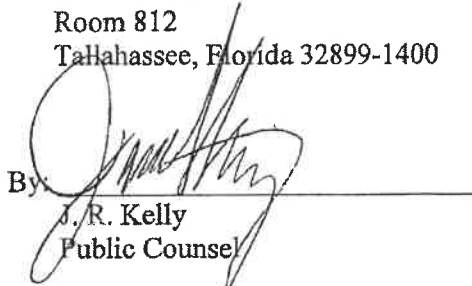
24. The Parties agree that approval of the Agreement is in the public interest.
25. The Parties agree and stipulate that no party shall advocate, assert or otherwise represent that the issue identified and proposed as 1A by certain parties in Docket No. 20180049-EI should have been addressed or was waived in Docket No. 20180049-EI.
26. This Agreement may be executed in counterpart originals, and a scanned .pdf copy of an original signature shall be deemed an original. Any person or entity that executes a signature page to this Agreement shall become and be deemed a Party with the full range of rights and responsibilities provided hereunder, notwithstanding that such person or entity is not listed in the first recital above and executes the signature page subsequent to the date of this Agreement, it being expressly understood that the addition of any such additional Party(ies) shall not disturb or diminish the benefits of this Agreement to any current Party.

In Witness Whereof, the Parties evidence their acceptance and agreement with the provisions of this Agreement by their signature.

FLORIDA POWER & LIGHT COMPANY
R. Wade Litchfield, Esq.
700 Universe Boulevard
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By: 
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Vice President and General Counsel

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By: 
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Public Counsel

58

FPL response to Staff's 1ST Data Request
Nos. 1-17.

Confidential DN. 04995-2019

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 58
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: FPL response to Staff's 1ST Data
Request Nos. 1-17. Confidential DN. 04995-2019[Bates

QUESTION:

Please refer to page 4, paragraphs 2-4. In regards to the \$50 million in cumulative adjustments outlined in paragraphs 2-4, will FPL reverse the charges that it made to the Amortization Reserve? If so, will FPL need to file revised Earning Surveillance Reports as a result of the adjustments made in paragraph 2-4? If not, please explain the accounting treatment FPL will use to make the adjustments described in paragraphs 2-4.

RESPONSE:

The \$50 million in cumulative adjustments outlined in paragraphs 2-4 of the proposed settlement agreement are comprised of three items that have the following effect on the Amortization Reserve:

- The reclassification of \$25 million from base O&M expense to capital in paragraph 2 of the proposed settlement agreement will result in an increase of \$25 million being recorded as capital and an equal reduction in base O&M expense. This will result in a \$25 million credit (increase) to the balance in the Amortization Reserve. This adjustment will occur upon the issuance of a final order from the Commission, and will be just one of the inputs into FPL's calculation of amount in the Amortization Reserve, which includes FPL's 12-month rolling retail base net operating income and 13-month average retail rate base.
- The \$20 million of incremental costs that will be treated as non-incremental costs in paragraph 3 of the proposed settlement does not result in FPL recording any accounting entries because all of the non-capital Hurricane Irma costs (both incremental and non-incremental) have already been recorded to base O&M expense. The reclassification of the \$20 million of incremental costs as non-incremental costs has no impact on the amount available in the Amortization Reserve.
- The \$5 million reduction in the Amortization Reserve Amount available for amortization in paragraph 4 of the proposed settlement does not result in FPL recording any accounting entries. Upon the issuance of a final order from the Commission, this provision will simply reduce the overall Amortization Reserve amount available that FPL can prospectively utilize during the remaining term of its retail base rate settlement agreement from \$1.25 billion to \$1.245 billion.
- The adjustments in paragraphs 2-4 of the proposed settlement will occur upon the issuance of a final order from the Commission and will be reflected in the first Earning Surveillance Report submitted thereafter. These changes are prospective and, therefore, no revision to FPL's previously submitted Earning Surveillance Reports is required. The timing of recognition for these adjustments is consistent with the treatment of the adjustments in FPL's Hurricane Matthew settlement – Order No. PSC-2018-0359-FOF-EI.

QUESTION:

Please refer to page 4, paragraph 2. What would be the amount of the Amortization Reserve before and after the \$5 million adjustment in paragraph 2?

RESPONSE:

The total Amortization Reserve amount from the 2016 retail base rate settlement agreement approved by Commission Order No. PSC-2016-0560-AS-EI in Docket No. 20160021-EI was \$1.25 billion. Upon approval of the proposed Hurricane Irma settlement agreement, the total Amortization Reserve amount will be reduced by \$5 million to \$1.245 billion.

QUESTION:

Please refer to page 5, paragraph 5. Please explain why the Process Provisions excludes employees and personnel working on behalf of mutual aid utilities.

RESPONSE:

While FPL negotiates the terms and conditions of its contracts with non-mutual aid contractors, including requirements for timekeeping, mutual aid utilities assistance is provided consistent with the principles, procedures and guidelines established by mutual assistance organizations (e.g., SEE and EEI). This includes guidelines for responding utilities to keep and maintain their cost support records and for requesting utilities to reimburse responding utilities for actual costs incurred. As mentioned in FPL witness Gwaltney's rebuttal testimony in this docket, restoration support from SEE and EEI members is provided on a not-for-profit basis.

QUESTION:

Please refer to page 5, paragraph 6. Please explain how the App would work if cellular service is not available.

RESPONSE:

In the event cellular service is not available, the App will not work in the absence of a wireless connection. However, a wireless connection would be provided at check-in and at the staging sites to allow entry of time and expenses using the App. Alternatively, the process could revert back to paper until a connection is established.

QUESTION:

Please refer to page 5, paragraph 6B. Is there a cell or notes page for contractors to enter a reason for an expense in the App?

RESPONSE:

The App includes a dropdown feature that allows the vendor's crew lead to identify the reason for the expense. Use of this feature by the crew lead is required to assist FPL in determining if the expense is acceptable and eligible for reimbursement.

QUESTION:

Please refer to page 6, paragraph 8. Is the Crew Tracking App different from the App referenced in paragraph 6?

RESPONSE:

Yes. FPL's Crew Tracking App, which includes GPS-tracking capabilities, is different from the App referenced in paragraph 6.

QUESTION:

What are FPL's estimated costs for development of Phase I of the FPL App?

RESPONSE:

FPL's estimated cost for developing Phase I of the App is approximately [REDACTED]

QUESTION:

What are FPL's estimated costs for development of Phase II of the FPL App?

RESPONSE:

At this time, FPL does not have estimated costs for developing Phase II of the App because the requirements for additional functionality are still being finalized.

QUESTION:

What are FPL's estimated costs for ongoing support of the FPL App?

RESPONSE:

FPL does not have estimated costs for ongoing support of the App because it is still in the process of finalizing process and resource requirements.

QUESTION:

Will FPL seek to recover the costs related to the development and ongoing support of its Apps through storm cost recovery?

RESPONSE:

No, FPL will not seek to recover the costs related to the development and ongoing support of its Apps through the storm cost recovery mechanism.

QUESTION:

Please refer to page 7, paragraph 9. Please define when a crew is determined to have begun to "travel" and whether or not this includes any mustering time or time spent returning to the crew's home base before heading to FPL's service territory.

RESPONSE:

Crew mobilization/demobilization travel time (including when travel time starts/end) is contractually defined. Travel start time begins when the crew starts its actual drive to the storm area (mobilization) and when the crew leaves the designated storm area (demobilization). Travel time does not include muster time, crew preparation time or time spent returning to the crew's home base before heading to FPL's service territory.

QUESTION:

Please refer to page 8, paragraph 16. Please clarify whether this documentation must be provided for every named storm, regardless of whether or not it affects FPL's service area, or if this documentation is only required when FPL's service area is affected by a named storm.

RESPONSE:

The referenced documentation (paragraph 16, page 8) is required only when FPL's service area is affected by a named storm.

QUESTION:

Please refer to pages 8-9, paragraph 16. Please explain what REDi is. Is REDi connected to the Crew Tracking App?

RESPONSE:

REDi (Resources for Emergency Deployment) is a tool that FPL utilizes during storm restoration events to manage resources (e.g., includes travel orders for crew movement). It is separate from and not connected to the Crew Tracking App.

QUESTION:

Please refer to page 9, paragraph 17. When will an independent audit be required?

RESPONSE:

The independent audit will be required for the first named tropical storm after the effective date of the Hurricane Irma settlement agreement for which claimed damages exceed \$250 million. FPL recommends beginning this process within six months of the storm event, at which point the majority of storm costs will be known and finalized. The parties to the settlement agreement have included at paragraph 18b their agreement that the completion of the audit should not delay cost recovery. Stated another way, the agreement provides for cost recovery proceedings to commence during the pendency of the audit.

QUESTION:

Please refer to pages 9-10, paragraph 18b. Since the initial independent audit will not delay cost recovery, is this audit different from the audit referenced in paragraph 17?

RESPONSE:

No, the provisions in paragraphs 17 and 18b are referencing the same independent audit. The provision in paragraph 18b reflects the agreement of the parties to the settlement agreement that cost recovery may commence during the pendency of the audit.

QUESTION:

Please refer to page 12, paragraph 25. Please detail the proposed Issue 1A referred to in paragraph 25, and explain how the settlement agreement affects this proposed issue.

RESPONSE:

The settlement agreement does not per se affect the proposed issue; rather, it was included in the agreement to provide assurance that, despite FPL's position that Contested Issue 1A proposed by FRF in this docket was not an appropriate issue, FPL would not later take the position that an intervenor had waived its right to challenge the Prehearing Officer's ruling in Docket 20180049-EI referenced below in order to have the issue addressed in this docket.

Contested Issue 1A, raised by FRF in this docket, reads as follows: "Was FPL required to use the Storm Cost Recovery Mechanism (SCRM) described in Order No. PSC-2016-0560-AS-EI for the recovery of FPL's reasonable and prudent Hurricane Irma restoration costs?" With respect to the proposed issue, the Prehearing Officer in Docket 20180049-EI, found as follows: "It is clear that the Commission has already voted that use of the SCRM was not mandated by FPL's 2016 Settlement Agreement as part of its approval of Issue 18 in the FPL Tax Docket. Parties that disagree with the Commission's decision on this issue in the FPL Tax Docket have the ability to raise this issue by filing a timely appeal in Docket No. 20180046-EI." (footnote omitted).

In other words, if Issue 18 in the FPL Tax Docket (Docket No. 20180046-EI) becomes the subject of an appeal, the parties to the settlement agreement in Docket 20180049-EI (namely FPL) will not advocate, assert or otherwise take a position in the potential appeal of Issue 18 in the FPL Tax Docket that the issue was waived for failure to pursue Contested Issue 1A in Docket 20180049-EI.

QUESTION:

Do the parties agree that safe and timely restoration of service after a storm event is the overarching goal of this settlement agreement?

RESPONSE:

Yes.

59

FPL response to Staff's 2d Data Request
Nos. 1-6.

Confidential DN 05135-2019

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180049-EI EXHIBIT: 59
PARTY: STAFF HEARING EXHIBITS
DESCRIPTION: Miranda

QUESTION:

Please describe the situation(s) where the use of the Application (App) would not be “reasonably practicable.”

RESPONSE:

It is possible that during a catastrophic situation the use of the Application (App) would not be reasonably practicable. For instance, damage to telecommunication networks could result in not being able to use the App at a particular point in time. FPL personnel train for these eventualities, as it is not uncommon during storm restoration for FPL personnel to execute contingency plans or to improvise alternative solutions, if the systems on which they rely for restoration efforts are temporarily out of service.

QUESTION:

What are the estimated savings (monetary and time) associated with using the App for the years 2019 and 2020?

RESPONSE:

FPL has not attempted to quantify monetary or time savings associated with the use of the App for the years 2019 and 2020.

For qualitative efficiencies and anticipated benefits from a time standpoint, please see FPL's response to Staff's Second Settlement Data Request No. 3.

QUESTION:

What are the benefits that will be realized by using the App to track expenses and time?

RESPONSE:

The App is expected to significantly streamline the process used by line contractors, vegetation management contractors, and FPL personnel by providing a platform for the electronic submission, review and approval or rejection of time and expense entries. These expectations have been supported through presentations made to FPL personnel and external vendors. The App is also expected to be used during storm events to monitor timesheet completion and exceptions, improve our exception documentation process, and maintain greater visibility on crews and rosters.

In addition to the foregoing, the data obtained through the use of the App is expected to significantly improve the processes and enhance the controls involved in the review and approval of vendor invoices. Further, the data obtained through this process will be provided to Commission Staff and parties to future storm cost recovery proceedings which is expected to facilitate review of storm costs and related documents for all parties, Staff, and the Commission.

QUESTION:

What additional features may be added to the App in the future?

RESPONSE:

The second phase of the App is still being scoped and, as a result, the additional features that may be added in the future are still being evaluated at this time. However, an example of the type of additional features FPL is currently evaluating is the possibility of enhancing the exception reporting process by building more rules into the up-front time entry and review process. Additionally, FPL is evaluating additional features or solutions that can be used to further leverage the electronic data to automate the invoice and payment process with our vendors and further enhancing reporting.

QUESTION:

Please calculate the difference between the Incremental Cost Methodology of Capitalized Costs outlined in Section 20 of the Settlement Agreement, and the capitalized amount resulting from the application of the ICCA methodology outlined in Rule 25-6.0143, F.A.C.

RESPONSE:

The only difference between the application of Section 20 of the Settlement Agreement and the capital estimate reflected in line 14 of Exhibits KF-3 and KF-4 is that for purposes of Exhibits KF-3 and KF-4, FPL used only the internal labor rate when calculating the Distribution estimate of capital incurred during restoration. FPL's agreement to utilize the combined simple average of the internal labor and embedded contractor rates incurred under normal, non-storm, conditions modifies the inputs but does not change the ICCA methodology outlined in Rule 25-6.0143, F.A.C. Incorporating the combined simple average of the internal labor and embedded contractor rates incurred under normal, non-storm, conditions results in an increase in FPL's overall capital estimate of approximately \$700 thousand, such that FPL's total capital estimate for Hurricane Irma would increase from \$98.2 million to \$98.9 million.

Modification to the inputs addressed by Section 20 of the Settlement Agreement will only affect FPL's Distribution estimate incurred during restoration. Transmission restoration was calculated using a blended average of internal and embedded contractor labor. Follow-up capital for Distribution & Transmission, and materials used and capital incurred by other functions, reflect the actual cost of this work consistent with normal conditions.

QUESTION:

Is the Crew Tracking Application, referred to in Section 8 of the Settlement Agreement, proprietary to FPL or is it commercially available? If the Application is proprietary, what are the estimated costs to develop and maintain the Application? If the Application is commercially available, what are the costs of using the Application.

RESPONSE:

The Crew Tracking Application FPL uses is commercially available. FPL refers to the tool as the "Mutual Assistance Automatic Vehicle Locator" (MAAVL). It is part of a suite of products for which FPL currently pays an annual fee of [REDACTED]

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Excerpts from Exhibit HWS-3

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