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January 12, 2020

### VIA HAND DELIVERY

Mr. Adam Teitzman
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

REDACTED

Re: Docket No. 20200172-EI

Florida Power & Light Company's Request for Confidential Classification of Information Provided in the Rebuttal Testimony of Manuel Miranda.

Dear Mr. Teitzman:

CLK \_\_\_\_

I enclose for filing in the above-referenced docket Florida Power & Light Company's ("FPL") Request for Confidential Classification of information provided in the Rebuttal Testimony of FPL witness Manuel Miranda. The request includes Exhibits A, B (two copies), C, and D.

Exhibit A consists of a confidential version of Mr. Miranda's Rebuttal Testimony, with highlighting to indicate the information that FPL asserts is entitled to confidential treatment. Exhibit B is an edited version of Exhibit A, with the confidential information redacted. Exhibit C is a justification table in support of FPL's Request for Confidential Classification. Exhibit D contains a declaration in support of FPL's filing.

Please contact me if you or your Staff has any questions regarding this filing at (561) 691-7255 or joel.baker@fpl.com.

	Sincerely,		Printer Printer Name	
AFD 1 EUL B  APA ECO ENG GCL IDM	s/Joel T. Baker Joel T. Baker Florida Bar No. 108202	CLERK	2 PH 4: 29	CEIVED-FPSC

### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Dorian

Docket No: 201200172-EI

Date: January 12, 2021

FLORIDA POWER & LIGHT COMPANY'S REQUEST FOR CONFIDENTIAL CLASSIFICATION OF INFORMATION PROVIDED IN THE REBUTTAL TESTIMONY OF MANUEL MIRANDA

Pursuant to Section 366.093, Florida Statutes and Rule 25-22.006, Florida Administrative Code ("F.A.C."), Florida Power & Light Company ("FPL") hereby requests confidential classification of certain information provided in the rebuttal testimony of FPL witness Manuel Miranda (the "Confidential Document"). In support of this Request, FPL states as follows:

- 1. FPL served its rebuttal testimony, including the rebuttal testimony of Manuel Miranda, on January 12, 2021. Consistent with Rule 25-22.006, F.A.C., this Request is being filed contemporaneously with the service of that rebuttal testimony in order to request confidential classification of certain information contained in the Confidential Document.
  - 2. The following exhibits are attached to and made a part of this Request:
    - a. Exhibit A consists of the Confidential Document on which all information that FPL asserts is entitled to confidential treatment is highlighted.
    - b. Exhibit B consists of an edited version of the Confidential Document on which all information that FPL asserts is entitled to confidential treatment is redacted.
    - c. Exhibit C is a table that identifies the information highlighted in Exhibit A and references the specific statutory basis for the claim of confidentiality and identifies the Declarant who supports the requested classification.

- d. Exhibit D consists of the declaration of Thomas Allain in support of this Request.
- 3. FPL submits that the highlighted information in Exhibit A is proprietary and confidential business information, and its disclosure would cause harm to FPL and its customers. Pursuant to Section 366.093, Florida Statutes, such materials are entitled to confidential treatment and are exempt from the disclosure provisions of the public records law. Thus, once the Commission determines that the information in question is proprietary confidential business information, the Commission is not required to engage in any further analysis or review such as weighing the harm of disclosure against the public interest in access to the information.
- 4. As described in the declaration in Exhibit D, the confidential business information includes: information relating to bids or other contractual data, the disclosure of which would impair the efforts of the public utility or its affiliates to contract for goods or services on favorable terms. This information is protected by Section 366.093(3)(d), Florida Statutes. The confidential business information further includes: information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information. This information is protected by Section 366.093(3)(e), Florida Statutes.
- 5. Upon a finding by the Commission that the information contained in the Confidential Document is proprietary and confidential business information, the information should not be declassified for at least eighteen (18) month period and should be returned to FPL as soon as it is no longer necessary for the Commission to conduct its business. *See* § 366.093(4), Florida Statutes.

WHEREFORE, for the above and foregoing reasons, as more fully set forth in the supporting materials, Florida Power & Light Company respectfully requests that its Request for Confidential Classification be granted.

Respectfully submitted this 12th day of January 2021.

Joel Baker Principal Attorney Florida Power & Light Company 700 Universe Boulevard Juno Beach, FL 33408-0420 Phone: 561-691-7255

Fax: 561-691-7135

Email: joel.baker@fpl.com

By: <u>s/Joel T. Baker</u>

Joel T. Baker Florida Bar No. 10820

## CERTIFICATE OF SERVICE Docket No. 20200172-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic service on this 12th day of January 2021 to the following:

Public Service Commission Office of General Counsel Jennifer Crawford Shaw Stiller Suzanne Brownless 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 jcrawfor@psc.state.fl.us sstiller@psc.state.fl.us sbrownle@psc.state.fl.us

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s/ Joel T. Baker
Joel T. Baker

## **EXHIBIT B**

## REDACTED

1	BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION					
_2	FLORIDA POWER & LIGHT COMPANY					
3	REBUTTAL TESTIMONY OF MANUEL B. MIRANDA					
4	DOCKET NO. 20200172-EI					
5	JANUARY 12, 2021					
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## I. INTRODUCTION

- 2 Q. Please state your name and business address.
- 3 A. My name is Manuel B. Miranda. My business address is Florida Power & Light
- 4 Company, 700 Universe Blvd., Juno Beach, Florida, 33408.
- 5 Q. Have you previously submitted prepared direct testimony in this proceeding?
- 6 A. Yes. I submitted direct testimony and accompanying Exhibits MBM-1 through
- 7 MBM-4 on June 29, 2020.

- 8 Q. What is the purpose of your rebuttal testimony?
- 9 A. The purpose of my rebuttal testimony is to respond to the direct testimony submitted
- by Office of Public Counsel ("OPC") witness Lane Kollen. Mr. Kollen's flawed
- 11 "process" conclusions reflect his misunderstanding of what is required to restore
- service safely and as quickly as possible. My testimony also elaborates on why Mr.
- Kollen's "process" recommendations are unrealistic, unsound and not in the best
- interests of customers.
- 15 Q. Please summarize your rebuttal testimony.
- 16 A. My testimony demonstrates that despite Mr. Kollen's benefit of hindsight in
- evaluating Florida Power & Light Company's ("FPL" or the "Company") response
- to Hurricane Dorian, he reached flawed conclusions regarding FPL's storm
- restoration preparations and procedures, perhaps reflecting his lack of qualifications
- in this area. He also completely ignored FPL's obligation to prepare for severe
- 21 damage to the most heavily populated portion of FPL's service territory that would
- have occurred had Hurricane Dorian made landfall, as evidenced by the complete
- devastation it caused in the Bahamas. As Dorian approached Florida as a Category

5 hurricane, FPL took all prudent and reasonable steps to be prepared to safely and quickly restore service to FPL's customers. Mr. Kollen's conclusions and recommendations, even with the benefit of hindsight, fail to recognize the uncertainty associated with forecasting the path, timing, and intensity of a major storm and ignore FPL's valuable lessons learned and the excellent restoration results achieved in this and in previous storms by pre-staging restoration resources. If accepted, Mr. Kollen's proposed recommendations would be detrimental to FPL's customers and to the State as a whole, as they would result in longer restoration times and hamper FPL's flexibility and ability to "attempt to restore service within the shortest time practicable consistent with safety" (Rule 25-6.044(3), F.A.C.). Mr. Kollen's proposed recommendations ignore the real life and real time decisions with which FPL is faced as storms approach, ignore FPL's experience in successfully responding to hurricanes and restoring power safely and quickly, and should be rejected by this Commission.

### II. FPL'S HURRICANE DORIAN RESPONSE

- Q. Having reviewed Mr. Kollen's criticisms of FPL's storm response, do you see any overarching problems with his recommendations?
- A. Yes. Mr. Kollen's testimony fails to recognize and appreciate the severity of conditions facing a utility as it prepares its service territory for the potential impending impacts of a major hurricane. Mr. Kollen's testimony and exhibits show that while he does have extensive regulatory accounting experience, he does not

appear to have operational or decision-making experience relevant to decisions required before, during, or after a storm threatens or impacts a utility's service territory. In addition, despite Mr. Kollen's benefit of hindsight, his retrospective opinions fail to recognize FPL's strategy to restore service to our customers safely and as quickly as possible.

## Q. Does operational and management experience matter when determining what actions a utility should take in preparing to respond to an impending storm?

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Yes. I have been involved with FPL's storm response efforts from 1992 to the present, including when Hurricane Andrew made landfall, through the 2004 and 2005 storm seasons when seven storms impacted FPL's service territory, and most recently during Hurricanes Matthew, Irma, and Dorian. This includes being involved with or responsible for making decisions regarding when and how many resources FPL must acquire to respond to a storm, as well as whether to send resources to assist with other utilities' storm response efforts (e.g., Hurricane Maria in Puerto Rico and, most recently, Hurricane Michael in Northwest Florida, both at the request of former Florida Governor Scott). Actual storm operational and management experience informs and helps to guide a company's actions, activities, and response, considering the conditions and circumstances that are known when decisions must be made. For FPL, these storm decisions, made as Hurricane Dorian approached, centered around the key components of our emergency preparedness plan, which I provided in my direct testimony. For instance, pre-negotiating contractor rates at market rates in advance of a storm assists FPL in deciding what resources to bring onto its system, and when it is prudent to do so.

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Contrary to Mr. Kollen's fundamental misunderstanding of the storm preparedness and restoration process, pre-storm contractor negotiations do not guarantee that those contractor resources are going to be available when called upon to travel to assist FPL. For example, a contractor may be supporting another currently active restoration event, may be committed to assist another utility, or may have other business reasons preventing dispatch to FPL. Mr. Kollen's lack of operational and storm restoration experience is further illustrated by his misunderstanding of why and when FPL acquired and pre-staged resources for Hurricane Dorian in order to successfully implement its restoration process.

## Q. How would you characterize FPL's response to Hurricane Dorian?

As I outlined in my direct testimony, FPL's primary goal is to safely restore critical infrastructure to the greatest number of customers in the least amount of time. FPL prudently prepared to respond to the very real threat posed by a dangerous Category 5 hurricane that caused devastating damage to the Bahamas, approximately 100 miles from FPL's most heavily populated area. And while Hurricane Dorian ultimately did not make landfall in FPL's service territory, it impacted more than 184,000 customers. FPL's preparations and rapid response resulted in an efficient and effective restoration, allowing the affected customers to return to normalcy soon after the storm passed.

#### III. ALLEGED "PROCESS" ISSUES

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- 2 3 Starting on page 11 of his testimony, Mr. Kollen describes his "process Q. 4 conclusions," which include a number of statements that "The Company should 5 adopt written policies..." requiring it to take certain actions. What are your 6 views of those "process conclusions"? 7 Mr. Kollen's "process conclusions" and recommendations appear to be an effort to A. 8 have the Company memorialize in written policies his idealized view of storm 9 restoration processes and how those processes should "minimize costs," apparently 10 his ultimate goal for a storm restoration effort. Mr. Kollen's objective of minimizing 11 costs, however, does not account for the impact on FPL's customers or the State of 12 Florida's economy of a protracted restoration effort. As I stated in my direct 13 testimony, "restoring electric service as quickly as possible cannot, by definition, be 14 pursued as a 'least cost' process." Stated simply, restoration of electric service at the
- 15 lowest possible cost in the wake of storms will not result in the most rapid restoration. 16 On page 16, lines 4 and 5 of his testimony, Mr. Kollen asserts that "Storm Costs Q. 17 Are Excessive Compared to Actual System Damage and Customer 18 Interruptions." Please respond.
  - This statement again shows that Mr. Kollen is offering his opinion with 20-20 hindsight, completely ignoring the reality that FPL faced as a Category 5 hurricane approached its service territory. Mr. Kollen's assertion is premised on the flawed assumption that FPL either has perfect knowledge of when, where, and with what strength a hurricane will strike, or alternatively has the luxury to wait for the storm

- to impact its service territory, assess the level of damage and customer interruptions, and then, and only then, proceed to procure external resources to commence restoration efforts in order to "minimize cost". Mr. Kollen fails to acknowledge that FPL must prepare and make decisions in anticipation of the potential damage that a storm can cause in FPL's territory based on the National Hurricane Center's ("NHC") forecasts, which are subject to significant degree of uncertainty in terms of path, timing of impact and level of storm intensity.
- 8 Q. Mr. Kollen has testified that "the Company acknowledges that minimizing
  9 storm costs is not a planning or implementation objective." What is your
  10 response to this statement?

- A. That assertion is simply not true. Mr. Kollen has focused on the discussion at page 6 of my direct testimony describing the key components of FPL's operational emergency preparedness plan, while ignoring portions of my testimony detailing FPL's pre-storm negotiation of vendor rates at market prices, FPL's practice of bringing in and releasing resources to mitigate costs wherever possible, and the overall efficiencies employed by FPL in the execution of its well planned and storm-tested processes. Each of these actions and practices serve to minimize the costs of restoration.
- Q. Please explain how FPL acquires additional external restoration resources in response to a storm that is approaching FPL's service territory?
- A. As described more extensively in my direct testimony, an important component of
  each restoration effort is FPL's ability to scale up its resources to match the increased
  volume of the projected restoration workload, which includes engaging our FPL

team, sister company (Gulf Power), and embedded contractors. This "scaling-up" effort includes acquiring external contractors and mutual assistance resources from other utilities through industry organizations (e.g., the Southeastern Electric Exchange ("SEE") and Edison Electric Institute ("EEI")), as well as other restoration power line contractors, which FPL independently acquires. While FPL is mindful of costs when acquiring additional external resources (e.g., acquiring resources based on a low-to-high cost ranking where possible), a storm's path, intensity and size, if significant enough, can substantially limit the availability of external resources, as the demand for available resources can exceed the available supply. In such instances, FPL has limited alternatives and may be required to acquire external restoration resources that are at the higher end of the low-to-high cost ranking.

### Q. Was this the case with Hurricane Dorian?

- Yes. With Hurricane Dorian's forecasted path, intensity and size, most of the utilities within the Southeastern U.S. were forced to hold on to their own resources (employees and contractors) in order to respond to their own specific restoration needs. Additionally, based on forecasted damage and outage estimates, these same utilities were also competing with FPL to acquire additional line restoration resources through the SEE and other organizations, as well as through individual independent restoration contractors.
- Q. On page 19, lines 22-24, Mr. Kollen makes a recommendation that "Systematic Assessments of Risk Exposures At Least Annually Are Necessary in Order to Optimize Resources and Minimize Cost of Storm Response and Customer Interruptions." Please provide your view of this recommendation.

It is apparent that Mr. Kollen chose to ignore parts of my direct testimony in this docket, where I describe the extensive preparations that FPL undertakes annually to get ready for storm season. Perhaps that is why Mr. Kollen makes a recommendation that presumes that FPL can forecast the total number of storms that will impact FPL's system during the coming year, with certain knowledge of potential paths, level of intensity and resulting customer interruptions, and that the information can be entered into a linear programming algorithm in order to optimize the number of resources and to minimize cost of storm response efforts. Such a restoration effort would be contrary to FPL's well tested processes and all industry practices and procedures, would significantly delay recovery after a storm, and would result in harm to FPL's customers and to Florida's economy.

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- Q. Did FPL assess the need for resources and mitigate contractor labor costs by utilizing its contractor workforce effectively and diligently for Hurricane Dorian?
  - Yes. As explained in more detail in my direct testimony, FPL responds to storms by taking specified and well-rehearsed actions at specified intervals prior to a storm's impact. These actions include activating the FPL Command Center based on the storm's NHC-forecasted track and timing; forecasting resource requirements; developing initial restoration plans; activating contingency resources; preparing communications to inform and prepare customers; and identifying available resources from mutual assistance utilities. FPL endeavors to acquire resources based on a low-to-high cost ranking and release resources in reverse order, subject to the overriding objective of quickest restoration time and related considerations.

- Q. On page 21, line 8 of his testimony, Mr. Kollen asserts that FPL has not performed any assessment and/or study that documents, analyzes, or estimates the amount of storm cost savings that the Company was able to achieve because of the storm hardening and protection activities performed prior to Hurricane Dorian. Please comment.
- A. Because FPL's service territory was ultimately spared the most severe impacts of the storm, the Company did not find it necessary to undertake such a study. However, FPL did perform a comprehensive forensic analysis, a copy of which was produced to OPC and attached as an exhibit to Mr. Kollen's testimony.
- On page 23, lines 5-21 and page 24, lines 1-2 of his testimony, Mr. Kollen alleges
  that the Company has not provided evidence that it assigns and/or acquires
  resources through a prudent and reasonable mix of its own employees, affiliate
  company contractors, mutual assistance contractors, and third party
  contractors in a manner that minimizes storm costs. Please comment on Mr.
  Kollen's opinion.
- 16 A. Mr. Kollen once again chose to ignore parts of my direct testimony, specifically
  17 pages 13 through 15 where I describe the formalized industry processes to request
  18 mutual assistance resources for storm restoration. Mr. Kollen also ignored answers
  19 to interrogatories in this docket describing pre-established contracts with line
  20 contractors that are competitively bid for three-year terms to lock-in pricing. In Mr.
  21 Kollen's view of storm restoration, the allocation of all these resources can be
  22 optimized to "minimize storm costs." Mr. Kollen's view, however, presumes that

- all those resources will be available to FPL and only to FPL in the event of a storm,
- which they are not.
- 3 Q. On page 27 of his testimony, Mr. Kollen makes a recommendation that the
- 4 Commission adopt a ratemaking incentive to ensure that FPL is focused on
- 5 continuous improvement in planning and implementation and other processes
- 6 to minimize costs before costs for a specific storm are incurred, contractors are
- 7 mobilized, and invoices are issued by the contractors and paid by the
- 8 Company. What is your view of this recommendation?
- 9 A. Mr. Kollen's recommendation is both unnecessary and inappropriate for this
- 10 proceeding. FPL does not need to receive a ratemaking incentive to do what the
- 11 Company has been doing and performing as an industry leader for years: preparing
- for and responding to hurricanes and other weather events. Time and again the
- 13 Company has demonstrated to the Commission that its actions in preparing for and
- responding to major weather events including hurricanes were prudent and the
- associated costs were reasonable. Continuous improvement in planning,
- implementation, and all aspects of our operations is firmly instilled as part of the
- 17 Company's practices and culture. Moreover, the Commission always has the final
- say on prudence and reasonableness issues.
- 19 Q. On page 25-26 of his testimony, Mr. Kollen expresses his opinion that the
- 20 Company "unnecessarily delayed the demobilization of numerous contractors."
- What is your view of this statement?
- 22 A. As detailed in FPL's response to Staff's 1<sup>st</sup> Set of Interrogatories, No. 7, FPL began
- 23 the crew release process on September 3, 2019, with additional releases occurring on

## **EXHIBIT C**

# JUSTIFICATION TABLE

### **EXHIBIT C**

COMPANY:

Florida Power & Light Company List of Confidential Documents

TITLE: DOCKET NO.:

20200172-EI

**DOCKET TITLE:** 

Petition for Evaluation of Hurricane Dorian Storm Costs, By Florida

SUBJECT:

Power & Light Company.
Rebuttal Testimony of Manuel Miranda

DATE:

January 12, 2021

Set	Bates Number Start	Bates Number End	Description	Page No. / Line No.	Florida Statute 366.093(3) Subsection	Declarant
Rebuttal Testimony  – Manuel Miranda	NA	NA	Rebuttal Testimony – Manuel Miranda	Page 15, Line 4	(d), (e)	Thomas Allain
Rebuttal Testimony  – Manuel Miranda	NA	NA	Rebuttal Testimony – Manuel Miranda	Page 15, Line 17- 18	(d), (e)	Thomas Allain

## **EXHIBIT D**

## **DECLARATIONS**

## **EXHIBIT D**

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for evaluation of Hurricane Dorian storm costs, by Florida Power & Light Company	Docket No: 20200172-E1
STATE OF FLORIDA ) W	RITTEN DECLARATION OF THOMAS ALLAIN
PALM BEACH DADE COUNTY )	
Company ("FPL") as Director of Complian	I am currently employed by Florida Power & Light ce and Regulatory, Power Delivery. My business Florida 33408. I have personal knowledge of the
Classification related to the Rebuttal Testimo listed as the declarant on Exhibit C. The doc are asserted by FPL to be proprietary conficoncerning bids or other contractual data, the contract for goods or services on favorable to interests, the disclosure of which would improve the contract for goods or services on favorable to interests, the disclosure of which would improve the contract for goods or services on favorable to interests, the disclosure of which would improve the contract for goods or services on favorable to interests.	s that are included in FPL's Request for Confidential my of FPL witness Manuel Miranda, for which I am numents or materials that I have reviewed and which idential business information constitute information disclosure of which would impair the efforts of FPL to the erms, as well as information relating to competitive pair the competitive business of the provider
should remain confidential for a period of at addition, these materials should be returned	s of the Florida Administrative Code, such materials least an additional eighteen months (18) months. In the to FPL as soon as the information is no longer business so that FPL can continue to maintain the
4. Under penalties of perjury, I d that the facts stated in it are true to the best of	eclare that I have read the foregoing declaration and fmy knowledge and belief.
	Thomas allain
	Thomas Allain
e I	Date: January 12, 2021