

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricanes Ian and Nicole, by Florida Power & Light Company

Docket No. 20230017-EI

Filed: July 28, 2023

PETITION OF FLORIDA POWER & LIGHT COMPANY FOR A TEMPORARY VARIANCE FROM OR WAIVER OF RULE 25-6.0143(1)(g), FLORIDA ADMINISTRATIVE CODE

Florida Power & Light Company (“FPL” or the “Company”) respectfully petitions the Florida Public Service Commission (“Commission”) for a temporary variance from or waiver of Rule 25-6.0143(1)(g), Florida Administrative Code (“F.A.C.”), pursuant to Rule 28-104.004, F.A.C., and Section 120.542, Florida Statutes (“F.S.”). Specifically, FPL seeks a three-month variance from or waiver of the September 30 date for filing a petition and documentation supporting the review and true-up of the total actual incremental storm restoration costs related to Hurricanes Ian and Nicole. If granted, FPL shall file its petition and supporting documentation for both Hurricanes Ian and Nicole no later than December 31, 2023. FPL respectfully requests that the Commission consider this request for temporary variance or waiver on an expedited basis, such that it can become effective on or before September 30, 2023. In support, FPL states:

I. PRELIMINARY INFORMATION

1. The name and address of the Petitioner is:

Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408

Any pleading, motion, notice, order, or other document required to be served upon FPL or filed by any party to this proceeding should be served upon the following individual(s):

Christopher T. Wright
Senior Counsel
Joel T. Baker
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Florida Power & Light Company
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2. FPL is a corporation organized and existing under the laws of the State of Florida and is an electric utility as defined in Section 366.02(4), F.S.

3. The Commission has jurisdiction pursuant to Sections 366.03, 366.04, 366.05, 366.06, 366.076, and 120.542, F.S., and Rule 25-6.0143, F.A.C.

4. This Petition is being filed consistent with Rule 28-104.004, F.A.C., and Section 120.542, F.S. Although FPL is not filing pursuant to Rule 28-104.005, F.A.C., FPL seeks expedited consideration of this Petition as explained below.

II. REQUEST FOR TEMPORARY WAIVER AND VARIANCE OF RULE 25-6.0143(1)(g), F.A.C.

5. Rule 25-6.0143(1)(g), F.A.C. (hereinafter, the “Rule”), provides as follows:

(g) Under the ICCA methodology for determining the allowable costs to be charged to cover storm-related damages, certain costs may be charged to Account 228.1 only after review and approval by the Commission. Prior to the Commission’s determination of the appropriateness of including such costs in Account No. 228.1, the costs may be deferred in Account No. 186, Miscellaneous Deferred Debits. The deferred costs must be incurred prior to June 1 of the year following the storm event. By September 30 a utility must file a petition for the disposition of any costs deferred prior to June 1 of the year following the storm event giving rise to the deferred costs.

6. Hurricanes Ian and Nicole impacted FPL's service area during the 2022 storm season such that FPL's storm restoration costs related to these storms were incurred prior to June 1, 2023. In accordance with the Rule, FPL is obligated to file its petition for disposition of those costs by September 30, 2023.

7. Hurricane Ian was one of the most powerful storms to make landfall in Florida. Hurricane Ian was a high-end Category 4 hurricane that made landfall on September 28, 2022. Due to its large size and slow movement, Hurricane Ian battered nearly all of FPL's peninsular service area for more than 72 hours and unleashed damaging winds, unprecedented storm surge, significant flooding, and numerous tornadoes that impacted FPL's customers. FPL mobilized a workforce of more than 21,000 personnel (including mutual assistance from 30 states) dedicated to the restoration effort. In total, FPL restored service to more than 2.1 million customers impacted by Hurricane Ian.

8. Hurricane Nicole arrived just six weeks after Hurricane Ian, making landfall as a Category 1 hurricane on November 10, 2022. Hurricane Nicole unleashed damaging winds, torrential rain, and storm surge after making landfall near Vero Beach, Florida. FPL mobilized a workforce of more than 13,000 personnel (including mutual assistance from 16 states) dedicated to the restoration effort. In total, FPL restored service to more than 480,000 customers impacted by Hurricane Nicole.

9. On January 23, 2023, FPL filed a petition in the above-captioned docket for approval to implement an interim storm surcharge to recover the incremental storm restoration costs related to Hurricanes Ian and Nicole and to replenish the storm reserve, which was approved by Commission Order No. PSC-2023-0110-PCO-EI subject to true-up once the final total actual consolidated storm costs are known. As set forth therein, FPL initially estimated the

total storm-related restoration costs for Hurricane Ian will be approximately \$1.3 billion, and the total storm-related restoration costs for Hurricane Nicole will be approximately \$175.8 million.

10. Pursuant to Section 18 of the Stipulation and Settlement of FPL's Hurricane Irma storm restoration costs approved by Commission Order No. PSC-2019-0319-S-EI in Docket No. 20180049-EI ("Irma Settlement"), FPL is required to engage an outside independent auditor to audit FPL's requested storm restoration costs for the first named tropical system whose damages exceed \$250 million. Section 17 of the Irma Settlement further provides that FPL's petition and pre-filed direct testimony will be filed after any required audit is concluded.

11. Hurricane Ian is the first named tropical system wherein FPL's damages have exceeded \$250 million. As such, FPL is required to and has engaged an outside independent audit firm to audit the storm restoration costs associated with Hurricane Ian in accordance with the Section 18 of the Irma Settlement.

12. As a result of Hurricane Ian's widespread and prolonged devastation of Florida, FPL's storm restoration effort necessarily resulted in a very significant volume of storm-related costs and invoices. Given the volume of invoices to be reviewed and the fact that both Hurricanes Ian and Nicole occurred late in the 2022 storm season, additional time was required for FPL to review and approve the voluminous storm restoration invoices for payment as appropriate. As a result, FPL was not able to finalize the internally approved storm restoration invoices until mid-2023.

13. Given the need and time required to internally review and finalize the voluminous invoices associated with Hurricane Ian, it required additional lead time before the outside independent auditor could start the audit of the Company's Hurricane Ian storm restoration costs as required by the Irma Settlement. Further, due to the significant volume of storm-related costs

and invoices for Hurricane Ian, the auditor retained by FPL requires additional time for review and to complete the audit in accordance with the scope set forth in Section 18 of the Irma Settlement.

14. At this time, FPL anticipates that the outside independent audit should be completed in or around November 2023, which is after the September 30 filing date in the Rule. Per Section 17 of the Irma Settlement, FPL's petition and testimony supporting the total actual incremental storm restoration costs related to Hurricane Ian are to be filed after the audit has been completed.

15. FPL submits that completing the audit before filing the total actual incremental storm restoration costs for Hurricanes Ian and Nicole will benefit the Commission, Staff, and parties, as well as potentially reduce the scope and volume of discovery as contemplated in Section 19 of the Irma Settlement.¹

16. In light of the foregoing, FPL respectfully requests a three-month variance from or waiver of Rule 25-6.0143(1)(g), F.A.C., such that the petition and documentation supporting the total actual incremental storm restoration costs related to Hurricanes Ian and Nicole may be filed no later than December 31, 2023. FPL submits that keeping the final review of the final Hurricane Ian and Hurricane Nicole storm restoration costs on the same procedural track is appropriate and consistent with the approved interim storm surcharge and Commission Order No. PSC-2023-0110-PCO-EI, which directed FPL to file the final review and true-up "once the total actual consolidated storm costs are known."

¹ Although only the storm-related costs and invoices associated with Hurricane Ian are subject to the outside audit under terms of the Irma Settlement, FPL anticipates that the results of the audit will also be beneficial to the final review and true-up of the Hurricane Nicole storm restoration costs, which were subject to the same FPL processes and procedures as the Hurricane Ian storm restoration costs.

17. The underlying statutes that Rule 25-6.0143, F.A.C., is implementing are Sections 366.03, 366.04(2), 366.05(1) and 366.06(1), F.S. FPL's request does not contravene any of these sections of the Florida Statutes, and in light of the foregoing, FPL's request would serve the underlying purposes of the statutes.

18. No anticipated party to the proceeding, and no customers, will be adversely affected or prejudiced by the granting of this Petition. Further, FPL has contacted the Office of Public Counsel ("OPC"), the only current party of record, and is authorized to represent that OPC has no objection.

III. REQUEST FOR EXPEDITED CONSIDERATION

19. Given the September 30 filing date in the Rule, FPL is requesting expedited consideration of this Petition.

20. FPL respectfully requests the Commission place this item for consideration on the September 2023 Agenda such that it can become effective on or before September 30, 2023.

IV. CONCLUSION

WHEREFORE, FPL respectfully requests that the Commission:

- (a) Consider this Petition on an expedited basis;
- (b) Publish notice of this Petition on an expedited basis;
- (c) Issue an order granting the temporary variance or waiver of Rule 25-6.0143(1)(g),

F.A.C., as requested in this Petition; and

- (d) Grant such other relief as the Commission deems appropriate.

Respectfully submitted this 28th day of July 2023.

By: s/ Christopher T. Wright

Christopher T. Wright

Fla. Auth. House Counsel No. 1007055

Joel T. Baker

Fla. Bar No. 0108202

Florida Power & Light Company

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Counsel for Florida Power & Light Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copies of the foregoing have been furnished by Electronic Mail to the following parties of record this 28th day of July 2023:

<p>Shaw Stiller Daniel Dose Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 ddose@psc.state.fl.us ssiller@psc.state.fl.us <i>For Commission Staff</i></p>	<p>Office of Public Counsel Patricia A. Christensen c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 rehwinkel.charles@leg.state.fl.us christensen.patty@leg.state.fl.us <i>For Office of Public Counsel</i></p>
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s/ Christopher T. Wright
Christopher T. Wright
Fla. Auth. House Counsel No. 1007055

Attorney for Florida Power & Light Company