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VIA ELECTRONIC FILING

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

Re: Docket No. 20250000-OT
Florida Power & Light Company 2024 Storm Protection Plan Annual Status Report
Responses to Staff First Set of Data Requests

Dear Mr. Teitzman:

Enclosed for filing are Florida Power & Light Company's responses to Staff's First Set of Data Requests No. 1-3 related to the 2024 Storm Protection Plan Annual Status Report.

Thank you for your assistance with this matter. If you or your staff have any questions regarding this filing, please contact me at (561) 691-7144.

Respectfully submitted,

/s Christopher T. Wright
Christopher T. Wright
Fla. Auth. House Counsel No. 1007055

Enclosures

cc: Penelope D. Buys (*pbuys@psc.state.fl.us*)
Mark Bubriski (*Mark.Bubriski@fpl.com*)

QUESTION:
Please explain why the cost of the following projects appear to increase when FPL is planning to complete less projects in 2025 compared to 2024.

a. Distribution Inspection

b. Transmission Inspection

RESPONSE:
The costs included in FPL's SPP Annual Report filed on May 30, 2025, are reflective of all costs incurred in 2024 for each program, which is comprised of both completed and ongoing multi-year projects.

As explained in the direct testimony of FPL Witness Michael Jarro in FPL's Storm Protection Plan Cost Recovery Clause ("SPPCRC") filed in Docket No. 20250010-EI on April 1, 2025: *"FPL saw an increase in the costs of materials and supplies due to inflation and supply chain constraints that impacted the costs associated with many of the SPP projects as well as contractor labor. For example, the cost of conduit utilized for lateral undergrounding and poles utilized by both distribution and transmission hardening programs has significantly increased. These inflationary pressures have the effect of increasing the overall cost of SPP projects. To help mitigate these impacts, our supply chain organization has negotiated long-term contracts with multiple manufacturers to help secure more inventory at lower average costs."*

Additionally, as explained in the direct testimony of FPL Witness Jarro filed in that same docket on May 1, 2025, *"FPL expects these inflationary pressures will continue to impact the 2025 SPP projects and associated costs. As such, FPL's actual/estimated 2025 SPP projects and costs reflect the estimated impact of these inflationary pressures." FPL is continuously seeking opportunities to reduce cost through process efficiency, material alternatives, and competitive bidding. FPL material and services contracts range up to three years in duration to provide price stability. Our primary goal is to provide safe, reliable, low-cost service to our customers.*

As explained in FPL Witness Jarro's testimonies filed in Docket No. 20250010-EI, FPL manages the SPP projects at the program level in order to maximize efficiency while still achieving the overall objectives of the SPP programs. As a result, project schedules and completion dates may change based on the actual circumstances and conditions encountered or required for a specific work site to ensure that resources were being efficiently used. See Attachment 1 to this response, which is Exhibit MJ-2 to the direct testimony of FPL witness Jarro filed in Docket No. 20250010-EI, for the list of explanations of drivers for variances in SPP programs and projects.

a. As seen in Section 2(B) of FPL's 2024 SPP Annual Report, the total number of distribution poles to be inspected in 2025 is 180,000, which is the same number that was planned for inspection in 2024. The cost to execute the Distribution Inspection Program depends on various factors, such as, but not limited to, the local region of inspection, the pole composition (i.e. concrete or wood), and if trussing is a reasonable and appropriate option to reinforce the pole.

b. As seen in Section 2(B) of FPL's 2024 SPP Annual Report, the total number of transmission structures to be inspected in 2025 is 84,000, which is the same number that was planned for inspection in 2024., The cost to execute the Transmission Inspection Program depends on various factors, such as, but not limited to, the local region of inspection, the pole composition (i.e. concrete or steel), and if there are mitigating options available to reinforce the pole.

   Specifically, the cost increase in 2024 totaling $10.8 million for the Transmission Hardening Program was related to transmission projects that were reclassified from the SPP transmission Hardening Program to the SPP Transmission Inspection Program. Additionally, certain transmission inspections identified Level 1 Priority issues that required immediate attention and remediation, which totaled $5 million. Level 1 Priority issues are identified as approaching the minimum NESC requirements for Grade B construction with the potential to fall below the minimum before the end of the current year.

List and Explanation of Drivers for Variances in Storm Protection Plan Programs and Projects

Variances – Project Acceleration:

The primary reason that projects may be accelerated is to ensure cost-effective management of projects, resources, and materials, while still achieving the overall statutory objectives of the Storm Protection Plan ("SPP") to reduce restoration costs and outage times associated with extreme weather events. The specific drivers that may result in a project being accelerated are:

Delay to Other Project(s). As a result of schedule delays to other projects within the program, commencement of a project is being moved forward in the schedule or accelerated to maintain consistency within overall SPP program objectives and to cost-effectively manage resources.

Early Execution of Other Project(s). As a result of other projects being completed sooner than estimated or at a lower cost than estimated in the prior year, commencement of a project is being moved forward in the schedule or accelerated to maintain consistency within overall SPP program objectives and to cost-effectively manage resources.

Permit(s) Received. Various federal, state, or local permits may be required before construction on an SPP project may begin. The time required to apply for and obtain a necessary permit is largely beyond the control of FPL. In the event a permit is received earlier than originally estimated in the construction schedule, it may result in the acceleration of a project.

Available Resource(s). The unanticipated availability of additional resources may result in a project being accelerated. For instance, additional resources have been made available or the scheduled resources are available earlier than originally estimated allowing for earlier execution of the project.

External Impact(s). Third-party actions or restrictions, such as by customers or administrative agencies, may impact project schedules. When these actions or restrictions are resolved earlier than estimated, it may cause the project to be moved forward in the schedule or accelerated for earlier execution.

Engineering Available. When detailed engineering estimates for a project are completed earlier than expected, the project may be moved forward in the schedule or accelerated.

Materials Available. When materials for a project become available earlier than estimated, the project may be moved forward in the schedule or accelerated.

Field Conditions. When unanticipated conditions for a project are encountered during detailed engineering and/or job execution, then another project may be moved forward in the schedule or accelerated.

Construction Alignment. An unexpected alignment of factors related to another project (such as resource availability, other scheduled projects, or other construction in the area) may result in a determination that a project should be moved forward in the schedule or accelerated for efficiency.

Program Management. In order to balance and meet a program's overall objectives, a project may need to be moved forward in the schedule or accelerated.

Prioritization Change. As FPL re-reviews the priority of SPP projects on its system in accordance with the Commission-approved SPP program prioritization methods, certain assets or projects may move up (or down) on the prioritization list due to a change in conditions since the previous prioritization.

Variances – Project Delayed:

FPL manages the SPP at the program level in order to meet the program's overall objectives and, therefore, a project may be delayed for the same reason that another project was accelerated. Again, the primary reason that projects may be delayed is to ensure cost-effective management of projects, resources, and materials, while still achieving the overall statutory objectives of the SPP to reduce restoration costs and outage times associated with extreme weather events. The specific drivers that may result in a project delay are:

Delay to Other Project(s). As noted above, an accelerated project may correspond to a project that was delayed. Projects may be delayed for various reasons as explained in this section, resulting in other projects being moved to a later schedule date or delayed to maintain construction timelines, consistency within the overall program objectives, and cost-effective management of resources.

Early Execution of Other Project(s). When projects are completed sooner than estimated, other projects may be delayed to maintain construction timelines, consistency within the overall program objectives, and cost-effective management of resources.

Permit(s) Delayed. As noted above, the time required to apply for and obtain a necessary permit is largely beyond the control of FPL and the receipt of a permit later than originally estimated in the construction schedule may result in project delays.

Resource(s) Delayed. When resources, such as crews and/or material, are not available or a scheduled resource has been delayed longer than estimated, the execution of the project may be delayed.

External Impact(s). As noted above, third-party actions or restrictions may impact project schedules and can result in a project being delayed.

Engineering Delayed. Detailed engineering not completed or delayed longer than estimated may result in project delays.

Material Delayed. Materials not available or delayed longer than estimated may result in a project delay.

Field Conditions. As noted above, unanticipated field conditions may impede engineering designs or work on a jobsite causing delays.

Construction Alignment. Alignment of factors related to other projects, such as resource availability, other scheduled projects, or construction in the area, may result in a determination that a project should be moved to a later date in the schedule or delayed for efficiency.

Program Management. Project delayed in order to maintain consistency and balance to meet overall program objectives.

Prioritization Change. As noted above, as FPL re-reviews the priority of SPP projects on its system in accordance with the Commission-approved SPP program prioritization methods, certain assets or projects may move up (or down) on the prioritization list due to a change in conditions since the previous prioritization.

Customer Negotiation(s). Negotiations with customers to obtain easements or address other issues may result in project delays.

Variances – Project Estimate Change:

Drivers that may result in a change to the project cost estimate are:

Detail Engineering Complete. Projects costs were initially based on general preliminary or order of magnitude cost estimates that are refined once the engineering detail estimate is complete. This may result in either an increase or decrease in the estimated project costs, resulting in a cost variance.

Field Conditions. Unanticipated field conditions discovered during the engineering and/or job execution may require changes to a project estimate resulting in either an increase or decrease in the estimated project costs, resulting in a cost variance.

Scope Change. An original project scope may be modified for a variety of reasons resulting in either an increase or decrease in the initial estimated project costs. For example, to efficiently manage the overall program objective it may be necessary to combine projects or expand a project beyond the original scope and design, the same could be true for a reduction in project scope and design.

QUESTION:
For the Transmission Inspection program, please explain why the cost decreased as the number of projects FPL is planning for 2025 increased.

RESPONSE:
The estimated costs for the Transmission Inspection program in 2025 are in line with historical spend for the program. The "cost decrease" in 2025 reflects a comparison between estimated costs in 2025 to actual costs in 2024 for the Transmission Inspection program that included specific cost adjustments as explained in FPL's response to Staff's First Data Request, No. 1(b).

Additionally, the total planned number of transmission structures to be inspected in 2025 is 84,000, which is the same number that was planned for inspection in 2024 which did not increase.

QUESTION:
Please refer to page 10 of FPL's SPP Annual Report. For the Actual/Projected Bill Impacts (SPPCRC + Base Rates) table. Please provide the bill impacts for the Storm Protection Plan Cost Recovery Clause separate from Base Rates.

RESPONSE:

Actual/Projected Bill Impacts (SPPCRC Rates)			
Year	Residential (RS-1)	Commercial (GSD-1)	Industrial (GSLDT-3)
2024 Estimated	$0.00234/kWh	$0.43/kW	$0.06/kW
2024 Actual	$0.00214/kWh	$0.39/kW	$0.07/kW
2025 Estimated	$0.00214/kWh	$0.38/kW	$0.05/kW

Note:
The revenue requirements and bill impact are not precise calculations used for ratemaking purposes. Rather, the actual SPP clause costs, and associated revenue requirements and rates, are reviewed and set in the applicable SPPCRC filings.