

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In re: DOCKET NO. 20250010-EI
Storm protection plan cost
recovery clause.

VOLUME 1
PAGES 1 - 222

PROCEEDINGS: HEARING

COMMISSIONERS
PARTICIPATING: CHAIRMAN MIKE LA ROSA
COMMISSIONER ART GRAHAM
COMMISSIONER GARY F. CLARK
COMMISSIONER ANDREW GILES FAY
COMMISSIONER GABRIELLA PASSIDOMO SMITH

DATE: Tuesday, November 4, 2025

TIME: Commenced: 11:45 a.m.
Concluded: 12:15 p.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: DEBRA R. KRICK
Court Reporter

PREMIER REPORTING
TALLAHASSEE, FLORIDA
(850) 894-0828

1 COUNSEL OF RECORD FOR APPEARANCES:

2 CHRISTOPHER T. WRIGHT, ESQUIRE, 700 Universe
3 Boulevard, Juno Beach, FL 33408-0420; appearing on
4 behalf of Florida Power & Light Company (FPL).

5 MATTHEW BERNIER and STEPHANIE CUELLO,
6 ESQUIRES, 106 E. College Avenue, Suite 800, Tallahassee,
7 Florida 32301; DIANNE M. TRIPLETT, ESQUIRE, 299 First
8 Avenue North, St. Petersburg, Florida 33701; appearing
9 on behalf of Duke Energy Florida, LLC (DEF).

10 J. JEFFREY WAHLEN, MALCOLM N. MEANS and
11 VIRGINIA PONDER, ESQUIRES, Ausley Law Firm, Post Office
12 Box 391, Tallahassee, Florida 32302; appearing on behalf
13 of Tampa Electric Company (TECO).

14 BETH KEATING, ESQUIRE, Gunster Law Firm, 215
15 South Monroe Street, Suite 601, Tallahassee, Florida
16 32301; appearing on behalf of Florida Public Utilities
17 Company (FPUC).

18 WALT TRIERWEILER, PUBLIC COUNSEL; CHARLES
19 REHWINKEL, DEPUTY PUBLIC COUNSEL; OFFICE OF PUBLIC
20 COUNSEL, c/o The Florida Legislature, 111 West Madison
21 Street, Room 812, Tallahassee, FL 32399-1400, appearing
22 on behalf of the Citizens of the State of Florida (OPC).

23

24

25

1 APPEARANCES CONTINUED:

2 JON C. MOYLE, JR. and KAREN A. PUTNAL,
3 ESQUIRES, Moyle Law Firm, 118 North Gadsden Street,
4 Tallahassee, FL 32301; appearing on behalf of Florida
5 Industrial Users Group (FIPUG).

6 DANIEL DOSE, ESQUIRE, FPSC General Counsel's
7 Office, 2540 Shumard Oak Boulevard, Tallahassee, FL
8 32399-0850, appearing on behalf of the Florida Public
9 Service Commission (Staff).

10 ADRIA HARPER, GENERAL COUNSEL; MARY ANNE
11 HELTON, DEPUTY GENERAL COUNSEL, Florida Public Service
12 Commission, 2540 Shumard Oak Boulevard, Tallahassee,
13 Florida 32399-0850, Advisor to the Florida Public
14 Service Commission.

15

16

17

18

19

20

21

22

23

24

25

1	I N D E X	
2	WITNESS:	PAGE
3	A. SLOAN LEWIS	
4	Prefiled Direct Testimony inserted	8
5	KEVIN E. PALLADINO	
6	Prefiled Direct Testimony inserted	33
7	JESSICA HUSTED	
8	Prefiled Direct Testimony inserted	79
9	P. MARK CUTSHAW	
10	Prefiled Direct Testimony inserted	100
11	MICHAEL JARRO	
12	Prefiled Direct Testimony inserted	116
13	RICHARD L. HUME	
14	Prefiled Direct Testimony inserted	142
15	CHRISTOPHER A. MENENDEZ	
16	Prefiled Direct Testimony inserted	168
17	ROBERT E. McCABE	
18	Prefiled Direct Testimony inserted	181
19	ROBERT BRONG	
20	Prefiled Direct Testimony inserted	201
21	GABRIELLE DEARMOND	
22	Prefiled Direct Testimony inserted	217
23		
24		
25		

1	EXHIBITS			
2	NUMBER:		ID	ADMITTED
3	1	Comprehensive Exhibit List	219	219
4	2-51	As identified in the CEL	219	
5	2-3	As identified in the CEL		220
6	5-7	As identified in the CEL		220
7	9-51	As identified in the CEL		220
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

P R O C E E D I N G S

CHAIRMAN LA ROSA: Let's go ahead and then
move to 10. Mr. Dose.

MR. DOSE: Staff notes for the record that PSC
Phosphate and Nucor have been excused from
participating in this proceeding.

There are proposed Type 2 stipulations on all
issues, with the intervenors not objecting. These
can be voted on today.

All witnesses have been excused from this
proceeding, and their testimony and exhibits may be
entered into the record as though read when
appropriate.

And finally, if the Commission approves the
proposed stipulations, there should be no need for
opening statements or post-hearing briefs.

CHAIRMAN LA ROSA: Okay. Does that sound
accurate? Any prefiled -- or any -- prefiled --
any preliminary matters?

Seeing none, let's go ahead and move to the
prefiled testimony.

MR. DOSE: Staff asks that the prefiled
testimony of all witnesses identified in Section 6
of the Prehearing Order be inserted into the record

1 as though read.

2 CHAIRMAN LA ROSA: All right. Prefiled
3 testimony of all the witnesses will be entered into
4 the record as though read.

5 (Whereupon, prefiled direct testimony of A.
6 Sloan Lewis was inserted.)

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25



BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20250010-EI

IN RE: STORM PROTECTION PLAN COST RECOVERY CLAUSE

TESTIMONY AND EXHIBIT

OF

A. SLOAN LEWIS

FILED: April 1, 2025

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

A. SLOAN LEWIS

Q. Please state your name, address, occupation, and employer.

A. My name is A. Sloan Lewis. My business address is 702 North Franklin Street, Tampa, Florida 33602. I am employed by Tampa Electric Company ("Tampa Electric" or "the company") as Manager, Rates in the Regulatory Affairs Department.

Q. Please provide a brief outline of your educational background and business experience.

A. I received a Bachelor of Science degree in accounting from Florida State University in 1994 and a Master of Education from the University of North Florida in 1996. I joined Tampa Electric in 2000 as a Fuels Accountant and over the past 24 years, expanded my cost recovery clause oversight and leadership to include all of the clauses for Tampa Electric and People's Gas. I led a team of Accountants with the responsibility over the clause-related financial transactions in the company's accounting system, the proper classification of recoverable and non-recoverable

1 expenses, the accurate reporting of clause expenses in
2 Commission filings, and the annual Commission clause
3 audits. In 2024, I moved into the role of Manager,
4 Regulatory Rates overseeing the Storm Protection Plan
5 ("SPP") and Storm Protection Plan Cost Recovery Clause
6 ("SPPCRC").

7
8 **Q.** What is the purpose of your testimony in this proceeding?

9
10 **A.** The purpose of my testimony is to present the company's
11 actual SPPCRC program-related true-up costs incurred during
12 the period of January 2024 through December 2024 for
13 Commission review and approval.

14
15 **Q.** Did you prepare any exhibits in support of your testimony?

16
17 **A.** Yes. Exhibit No. ASL-1, entitled "Tampa Electric Company,
18 Schedules Supporting Storm Protection Cost Recovery Factor,
19 Actual for the period January 2024-December 2024" was
20 prepared under my direction and supervision. This Exhibit
21 includes Schedules A-1 through A-9 which support the
22 company's actual SPPCRC program related costs incurred
23 during the January 2024 through December 2024 period.

24
25 **Q.** Will any other witnesses testify in support of Tampa

1 Electric's actual January 2024 through December 2024 SPPCRC
2 costs?

3
4 **A.** Yes. C. David Sweat will testify on the actual 2024 SPP
5 program achievements and describe any variances between
6 projected and actual SPPCRC costs for January 2024 through
7 December 2024.

8
9 **Q.** What were the actual SPPCRC costs incurred by Tampa Electric
10 in the period of January 2024 through December 2024
11

12 **A.** For the period of January 2024 through December 2024, Tampa
13 Electric incurred actual SPPCRC O&M costs of \$31,164,907 as
14 detailed in Schedule A-5 page 1 of 1 and capital costs of
15 \$172,069,514 as detailed in Schedules A-7 page 1 through
16 page 5, for a total of \$203,234,421.

17
18 **Q.** What were the actual SPPCRC jurisdictionally separated
19 costs incurred by Tampa Electric in the period of January
20 2024 through December 2024?
21

22 **A.** For the period of January 2024 through December 2024, Tampa
23 Electric incurred actual SPPCRC jurisdictionally separated
24 costs of \$83,300,493 as detailed in Schedule A-2 page 1 of
25 1.

1 Q. What is the final end of period true-up amount for the
2 SPPCRC for January 2024 through December 2024?

3
4 A. The final SPPCRC true-up for January 2024 through December
5 2024 is an over-recovery of \$8,677,945, including interest.
6 This calculation is detailed on Schedule A-1, page 1 of 1.
7

8 Q. Please summarize how Tampa Electric's actual SPPCRC
9 jurisdictionally separated costs for January 2024 through
10 December 2024 compared to the actual/estimated costs
11 presented in Docket No. 20240010-EI?
12

13 A. For the period January 2024 through December 2024, Tampa
14 Electric's actual SPPCRC jurisdictionally separated costs
15 were \$6,996,864 or 7.7 percent less than the estimated
16 costs. The estimated SPPCRC jurisdictionally separated
17 costs were projected to be \$90,297,357 which was the amount
18 approved in Order No. PSC 2024-0459-FOF-EI, issued October
19 24, 2024, as compared to the actual SPPCRC jurisdictionally
20 separated costs of \$83,300,493.
21

22 Q. Please summarize the reasons why the actual SPPCRC
23 jurisdictionally separated costs were less than projected
24 expenses by \$6,996,864?
25

1 **A.** Each SPP program's O&M variance contribution is shown on
2 Schedule A-4, Page 1 of 1 and capital variance contribution
3 is shown on Schedule A-6, Page 1 of 1. These variances are
4 described in greater detail in Mr. Sweat's testimony.

5
6 **Q.** Are all costs listed on Schedules A-5 and A-7 attributable
7 to the Commission's approved SPP programs?

8
9 **A.** Yes.

10
11 **Q.** Did the company include any costs that are currently
12 recovered in base rates?

13
14 **A.** No, in accordance with the 2020 Settlement Agreement, which
15 was approved by the Commission on June 9, 2020, no SPP costs
16 recovered through the SPPCRC are also recovered through
17 base rates.

18
19 **Q.** Should Tampa Electric's costs incurred during the period
20 January 2024 through December 2024 for the SPPCRC be
21 approved by the Commission?

22
23 **A.** Yes, the Commission should find that Tampa Electric
24 appropriately incurred the 2024 SPPCRC costs to implement
25 its approved SPP.

1 **Q.** Does that conclude your testimony?

2

3 **A.** Yes, it does.

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25



BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20250010-EI

IN RE: STORM PROTECTION PLAN COST RECOVERY CLAUSE

TESTIMONY AND EXHIBIT

OF

A. SLOAN LEWIS

FILED: May 1, 2025
REVISED: July 10, 2025

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

A. SLOAN LEWIS

Q. Please state your name, address, occupation and employer.

A. My name is A. Sloan Lewis. My business address is 702 N. Franklin Street, Tampa, Florida 33602. I am employed by Tampa Electric Company ("Tampa Electric" or "the company") as Manager, Rates in the Regulatory Affairs Department.

Q. Please describe your duties and responsibilities in that position.

A. As the Manager, Rates, I am responsible for Tampa Electric's Storm Protection Plan ("SPP") and the Storm Protection Plan Cost Recovery Clause ("SPPCRC"). My duties and responsibilities include the oversight of the revenue requirements, rates, and all Florida Public Service Commission ("Commission") filings related to the SPP and SPPCRC.

Q. Please describe your educational background and professional experience.

1 **A.** I received a Bachelor of Science degree in accounting from
2 Florida State University in 1994 and a Master of Education
3 from the University of North Florida in 1996. I joined
4 Tampa Electric in 2000 as a Fuels Accountant and over the
5 past 24 years, expanded my cost recovery clause oversight
6 and leadership to include all of the clauses for Tampa
7 Electric and People's Gas. I led a team of Accountants
8 with the responsibility over the clause-related financial
9 transactions in the company's accounting system, the
10 proper classification of recoverable and non-recoverable
11 expenses, the accurate reporting of clause expenses in
12 Commission filings, and the annual Commission clause
13 audits. In 2024, I moved into the role of Manager, Rates
14 overseeing the regulatory aspects of the SPP and SPPCRC.

15
16 **Q.** Have you previously testified before the Florida Public
17 Service Commission?

18
19 **A.** Yes.

20
21 **Q.** What is the purpose of your testimony in this proceeding?

22
23 **A.** The purpose of my testimony is to present, for Commission
24 approval, the calculation of the January 2025 through
25 December 2025 SPPCRC actual/estimated amounts, the

1 calculation of the January 2026 through December 2026
2 SPPCRC projected amounts and the proposed 2026 SPPCRC cost
3 recovery factors. I will also describe the process used to
4 develop the company's SPPCRC projections, which complies
5 with Rule 25-6.031, Florida Administrative Code ("F.A.C.")
6 and Section 366.96, Florida Statutes. The projected 2026
7 SPPCRC factors have been calculated based on the current
8 approved allocation methodology that was approved in Tampa
9 Electric's most recent base rate case, approved by the
10 Florida Public Service Commission in Order No. PSC-2025-
11 0038-FOF-EI, issued on February 3, 2025, in Docket No.
12 20240026-EI.

13
14 **Q.** Are you sponsoring any exhibits in support of your
15 testimony?

16
17 **A.** Yes. Exhibit No. ASL-2, entitled Storm Protection Plan
18 Costs Projected - Actual and Projected, was prepared under
19 my direction and supervision.

20
21 **Q.** Did Tampa Electric follow all requirements of the 2020
22 Settlement Agreement in developing its request for cost
23 recovery in this docket?

24
25 **A.** Yes, the company followed all requirements of the 2020

1 Agreement in developing the company's request for cost
2 recovery in the SPPCRC.

3
4 **Q.** Will any other witnesses testify in support of Tampa
5 Electric's Proposed SPPCRC?

6
7 **A.** Yes. Kevin E. Palladino will testify regarding the
8 company's storm protection programs and provide specific
9 detail regarding the work actually performed in 2025,
10 projected to be performed in the remainder of 2025, and
11 projected in 2026 for each Storm Protection Program in the
12 company's SPPCRC petition. This includes costs, a
13 description of the work to be performed, and an explanation
14 of how the activities are consistent with Tampa Electric's
15 2022-2031 SPP.

16
17 **DEVELOPMENT OF THE SPPCRC PROJECTIONS**

18 **Q.** What costs are included in Tampa Electric's 2025
19 actual/estimated filing?

20
21 **A.** Tampa Electric developed its 2025 actual/estimated true-up
22 filing based upon two months of actuals and ten months of
23 projected costs for the individual SPP programs and common
24 costs.

1 **Q.** Will you please describe the total SPP costs that Tampa
2 Electric projects it will incur during the period January
3 2025 through December 2025?

4
5 **A.** Tampa Electric estimates the costs incurred for the period
6 of January 2025 through December 2025 are \$218,737,242. A
7 summary of these costs and estimates is fully detailed in
8 Exhibit No. ASL-2, pages 66 through 107.

9
10 **Q.** Has Tampa Electric proposed any new Storm Protection
11 Programs for SPPCRC cost recovery for the period January
12 2026 through December 2026 that were not included in the
13 company's 2022-2031 SPP?

14
15 **A.** Yes. Tampa Electric proposed a new program called
16 Distribution Storm Surge Hardening in its proposed 2026-
17 2035 SPP, filed on January 15, 2025 in Docket No. 20250016-
18 EI. If approved, the company will begin cost recovery for
19 this new program in 2026.

20
21 **Q.** Will you please describe the SPPCRC costs that Tampa
22 Electric projects to incur during the period of January
23 2026 through December 2026?

24
25 **A.** Tampa Electric has estimated that the total SPPCRC costs

for 2026 will be \$192,806,789. A summary of these costs and estimates is fully detailed in Exhibit No. ASL-2, pages 22 through 65.

DEVELOPMENT AND CALCULATION OF EXHIBIT ASL-2: PROJECTED ANNUAL REVENUE REQUIREMENTS FOR 2025 and 2026

Q. Please explain how these projected annual revenue requirements were developed?

A. The projected annual revenue requirements were developed with cost estimates for each of the SPP programs plus depreciation and return on SPP assets, as outlined in Rule 25-6.031(6), Florida Administrative Code ("F.A.C."), the SPP Cost Recovery Clause Rule.

Q. Do these revenue requirements include any costs that are currently recovered in base rates?

A. No, the company agreed to procedures during the development of the company's initial SPPCRC in 2020 that are designed to avoid double recovery of SPP costs through both base rates and the SPPCRC.

Q. Do the projected annual revenue requirements include the annual depreciation expense on SPP capital expenditures?

1 **A.** Yes, Rule 25-6.031, F.A.C., states that the annual
2 depreciation expense is a cost that may be recovered through
3 the SPPCRC. As a result, the projected annual revenue
4 requirements in Exhibit No. ASL-2 includes the annual
5 depreciation expense calculated on the SPP capital
6 expenditures using the depreciation rates from Tampa
7 Electric's most current Depreciation Study, approved by
8 Order No. PSC-2025-0038-FOF-EI issued February 3, 2025, in
9 Docket No. 20230139-EI.

10
11 **Q.** Were the depreciation savings on the retirement of assets
12 removed from service during the SPP capital projects
13 considered in the development of the revenue requirement?
14

15 **A.** Yes, Tampa Electric reduced depreciation expense from the
16 SPP capital asset additions by the depreciation expense
17 savings resulting from the estimated retirement of assets
18 removed from service during the SPP capital projects.
19

20 **Q.** Do the projected annual revenue requirements include a
21 return on the undepreciated balance of the SPP assets?
22

23 **A.** Yes, Rule 25-6.031(6)(c), F.A.C., states that the utility
24 may recover a return on the undepreciated balance of the
25 asset costs through the SPPCRC. As a result, this return

1 was included in the estimated annual jurisdictional revenue
2 requirement. In accordance with Commission Order No. PSC-
3 2020-0165-PAA-EU, issued on May 20, 2020, in Docket No.
4 20200118-EU, Tampa Electric calculated a return on the
5 undepreciated balance of the asset costs using the
6 projected mid-point return on equity 13-month average
7 weighted average cost of capital for 2025.

8
9 **Q.** Did the company include Allowance for Funds Used During
10 Construction ("AFUDC") in the calculation of the projected
11 annual revenue requirements?

12
13 **A.** No. None of the projects in Tampa Electric's 2022-2031 SPP
14 or 2026-2035 SPP meet the criteria for AFUDC eligibility
15 per Rule 25-30.116, F.A.C.

16
17 **Q.** Did Tampa Electric apply jurisdictional distribution and
18 transmission factors to the projected annual revenue
19 requirements in Exhibit No. ASL-2?

20
21 **A.** Yes, the company applied the 2026 jurisdictional
22 transmission factor recently approved in Tampa Electric's
23 most recent base rate case, approved by Order No. PSC-2025-
24 0038-FOF-EI issued February 3, 2025, in Docket No.
25 20240026-EI. The company applied the transmission factor

to the O&M and capital transmission costs to recognize the retail portion of the revenue requirements. This ensures the SPPCRC does not double recover amounts collected from the company's Open Access Transmission Tariff. Tampa Electric does not provide any wholesale distribution service, therefore 100 percent of those project costs are designated as jurisdictional and thus totally recovered through the SPPCRC from retail customers.

Q. What are the projected annual revenue requirements for Tampa Electric's SPP activities in 2025 and 2026 prior to jurisdictional separation?

A. The projected annual revenue requirements for the company's SPP activities for 2025 and 2026 prior to jurisdictional separation and Revenue Tax Factor are set out in Exhibit No. ASL-2 and are included below.

Total Projected SPP Revenue Requirement (2025-2026)

2025	\$111,918,254
------	---------------

2026	\$139,312,474
------	---------------

The revenue requirements for each SPP program are detailed further in Exhibit No. ASL-2.

Q. What are the projected annual revenue requirements for Tampa Electric's SPP activities in 2025 and 2026 after jurisdictional separation?

A. The projected annual revenue requirements for the company's SPP activities for 2025 and 2026 after jurisdictional separation and prior to the Revenue Tax Factor are included in Exhibit No. ASL-2 and below.

Total Projected SPP Revenue Requirement (2025-2026)

2025	\$111,005,744
------	---------------

2026	\$138,185,043
------	---------------

The jurisdictionally separated revenue requirements for each SPP program are detailed further in Exhibit No. ASL-2.

Q. What is the total over/under-recovery amount the company needed to recognize?

A. The company adjusted the jurisdictionally separated revenue requirements for the SPPCRC in 2026 by \$18,640,846 to recognize this over-recovery. This value is detailed in my Exhibit ASL-2 on Form E-2.

Q. What is the SPPCRC revenue requirement that the company is seeking to recover in 2026?

A. The total projected revenue requirement to be recovered in 2026 is \$138,185,043 prior to the addition of the revenue tax factor. Tampa Electric adjusted this revenue requirement to recognize the over-recovery of \$9,284,909 that occurred in 2024 and the over-recovery of \$9,355,937 that is projected to occur in 2025.

AVOIDANCE OF DOUBLE RECOVERY

Q. Rule 25-6.031(7), F.A.C., states that costs recoverable through the SPPCRC "shall not include costs recovered through the utility's base rates or any other cost recovery mechanism." What steps has Tampa Electric taken to ensure that the costs presented for recovery in this docket do not include any costs that are already recovered in base rates?

A. The company has taken two main steps to ensure that the costs recovered through the SPPCRC do not include any costs that are already recovered through base rates. First, the company has implemented internal procedures to accurately track SPP costs. Second, the company adheres to the 2020 Settlement Agreement approved by the Commission that includes a method for avoiding double recovery of SPP costs.

1 **Q.** What internal procedures has the company implemented to
2 accurately track SPP costs to avoid potential double
3 recovery through the SPPCRC?

4
5 **A.** All SPP Programs and SPP Projects are identified using the
6 company's accounting system attributes including Funding
7 Projects, Work Orders and Plant Maintenance Orders
8 ("PMOs")/work requests. Each SPP Project is assigned a
9 specific Funding Project number, which is "tagged" with a
10 code indicating which SPP Program the costs are
11 attributable to. This code clearly differentiates the SPP
12 capital investments from the company's other capital assets
13 in the accounting system. The company has also developed a
14 set of charging guidelines for the SPP and performs several
15 layers of internal review on these costs.

16
17 Additionally, the company collaborates across several
18 functional areas including Energy Delivery SPP, Regulatory
19 Accounting, and Regulatory Affairs on a consistent basis to
20 ensure costs are being appropriately charged and recovered
21 through the SPPCRC. This includes monthly reviews of SPPCRC
22 costs, monthly touchpoint meetings, ad hoc meetings when
23 topics or issues arise, and training for new team members.

ALLOCATION OF THE PROJECTED AND PROPOSED REVENUE REQUIREMENTS

Q. How did Tampa Electric allocate the total revenue requirements to be collected from the rate classes in Exhibit No. ASL-2?

A. For each year, the SPP programs were identified as either substation, transmission, or distribution costs. Tampa Electric then used the cost allocation methodology that was approved by the Commission in the company's most recent base rate case in Order No. PSC-2025-0038-FOF-EI, issued on February 3, 2025, in Docket No. 20240026-EI to allocate the revenue requirement across rate classes.

Q. In the development of the proposed 2026 SPPCRC factors, did the company use the most recent billing determinants, within the most current load forecast?

A. Yes, the 2026 SPPCRC factors are based upon the company's most current load forecast. Tampa Electric is providing the revised proposed SPPCRC rates based on the company's updated 2025 load forecast and associated updated 2026 billing determinants.

Q. Will the rate impacts established through the 2026 SPPCRC differ from those presented in the rate impact calculations

1 that were provided in the company's Commission approved
2 2022-2031 SPP and proposed 2026-2035 SPP filings?

3
4 **A.** Yes, the rate impacts presented in the company's Commission
5 approved 2022-2031 SPP and proposed 2026-2035 SPP reflect
6 the "all-in" costs of the company's SPP without regard to
7 whether the costs are recovered through the SPPCRRC or
8 through the company's base rates. The company's SPPs
9 include programs and their associated costs that are not
10 included in the SPPCRRC. These programs are distribution
11 pole replacement, unplanned vegetation management, and the
12 company's legacy storm hardening activities such as
13 emergency management and the company's geographical
14 information system. The values utilized in the SPPCRRC have
15 also been adjusted to recognize any over or under-recovery
16 that has occurred in prior periods.

17
18 **SPPCRRC FACTORS FOR 2026**

19 **Q.** Please summarize the total proposed SPP recovery factors
20 applicable for the period January 2026 through December
21 2026 using the current approved cost of service methodology
22 based on Exhibit No. ASL-2.

23
24 **A.** The January 2026 through December 2026 cost recovery
25 factors allocated based upon the company's most recent base

rate case, approved by Order No. PSC-2025-0038-FOF-EI issued February 3, 2025, in Docket No. 20240026-EI are as follows:

Cost Recovery Factors

<u>Rate Schedule</u>	<u>(cents per kWh)</u>
RS	0.717
GS and CS	0.568
GSD Optional - Secondary	0.493
GSD Optional - Primary	0.488
GSD Optional - Subtransmission	0.483
LS-1 and LS-2	0.574

Cost Recovery Factors

<u>Rate Schedule</u>	<u>(dollars per kW)</u>
GSD/GSDT/SBD/SBDT - Secondary	2.02
GSD/GSDT/SBD/SBDT - Primary	2.00
GSD/GSDT/SBD/SBDT - Subtransmission	1.98
GSLD/GSLDT/SBLD/SBLDT - Primary	1.35
GSLD/GSLDT/SBLD/SBLDT - Subtransmission	0.11

Q. Please provide the bill impact for these same rate classes for a typical customer bill?

A. Using the same bill assumptions that were provided in the

1 company's proposed 2026-2035 SPP, the typical SPPCRC
2 monthly electric bill for residential, general service
3 demand at secondary service and at primary service for a
4 general service large demand class customer are as follows:

5
6 Docket No. 20240026-EI, Cost of Service Methodology

7 Residential customer using 1,000 kWh: \$7.17

8
9 Commercial customer using 1,000 kW of Demand at 60 percent
10 load factor: \$1,350

11
12 Industrial customer using 10,000 kW of Demand at 60 percent
13 load factor: \$1,100

14
15 **Q.** Does this conclude your testimony?

16
17 **A.** Yes, it does.
18
19
20
21
22
23
24
25

1 (Whereupon, prefiled direct testimony of Kevin
2 E. Palladino was inserted.)

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25



BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20250010-EI

IN RE: STORM PROTECTION PLAN COST RECOVERY CLAUSE

TESTIMONY AND EXHIBIT

OF

KEVIN E. PALLADINO

FILED: May 1, 2025
REVISED: July 10, 2025

TAMPA ELECTRIC COMPANY
DOCKET NO. 20250010-EI
FILED: MAY 1, 2025

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

KEVIN E. PALLADINO

Q. Please state your name, address, occupation, and employer.

A. My name is Kevin E. Palladino. My business address is 5321 Hartford Street, Tampa, Florida 33619. I am employed by Tampa Electric Company ("Tampa Electric" or "the company") as Manager Storm Protection Plan Engineering and Customer Outreach.

Q. Please describe your duties and responsibilities in that position.

A. My duties and responsibilities include the governance and oversight of Tampa Electric's Storm Protection Plan ("SPP" or "the Plan") development and implementation. This includes leading the development of the SPP, prioritization of projects within each of the programs, development of project and program costs and overall implementation of the SPP. Organizationally, Tampa Electric employees responsible for management and

1 implementation of the Vegetation Management, Feeder
2 Hardening, Distribution Lateral Undergrounding,
3 Distribution Storm Surge Hardening, and Transmission
4 Asset Upgrade programs, as well as the SPP warehouse,
5 report through my organization.
6

7 **Q.** Please describe your educational background and
8 professional experience.
9

10 **A.** I have a bachelor's degree in electrical engineering and
11 a master's degree in electrical engineering from the
12 University of South Florida. I have ten years of service
13 with Tampa Electric working in Distribution Design and
14 Engineering.
15

16 **Q.** What is the purpose of your direct testimony in this
17 proceeding?
18

19 **A.** The purpose of my direct testimony is to describe each Storm
20 Protection Plan ("SPP") Program included in the company's
21 approved 2022-2031 SPP and proposed 2026-2035 SPP. This
22 will include a description of each SPP program, a summary
23 of project counts and program costs, and how project-level
24 costs were developed for the SPP projects and activities
25 for 2025 and 2026. I will also explain how the company

1 developed the projected capital expenditures and operations
2 and maintenance ("O&M") costs for the 2025-2026 period to
3 be recovered in Tampa Electric's Storm Protection Plan Cost
4 Recovery Clause ("SPPCRC").

5
6 **Q.** Has Tampa Electric proposed any new Storm Protection
7 Programs for SPPCRC cost recovery for 2026 that were not
8 included in the company's 2022-2031 SPP?

9
10 **A.** Yes. Tampa Electric proposed a new program called
11 Distribution Storm Surge Hardening in its proposed 2026-
12 2035 SPP, filed on January 15, 2025, in Docket No. 20250016-
13 EI. If approved, the company will begin cost recovery for
14 this new program in 2026.

15
16 **Q.** Are you sponsoring any exhibits in this proceeding?

17
18 **A.** Yes. Exhibit No. KEP-2, entitled, "Exhibit of Kevin E.
19 Palladino" was prepared under my direction. It consists of
20 the following eight documents:

- 21 • Document No. 1 provides Tampa Electric's
22 Distribution Lateral Undergrounding Program's 2025-
23 2026 Project List and Summary of Costs.
- 24 • Document No. 2 provides Tampa Electric's
25 Transmission Asset Upgrades Program's 2025-2026

Project List and Summary of Costs.

- Document No. 3 provides Tampa Electric's Substation Extreme Weather Hardening Program's 2025-2026 Project List and Summary of Costs.
- Document No. 4 provides Tampa Electric's Distribution Overhead Feeder Hardening Program's 2025-2026 Project List and Summary of Costs.
- Document No. 5 provides Tampa Electric's Distribution Storm Surge Hardening Program's 2025-2026 Project List and Summary of Costs.
- Document No. 6 provides Tampa Electric's Vegetation Management Program's 2025-2026 Activities and Summary of Costs.
- Document No. 7 provides Tampa Electric's Infrastructure Inspections Program's 2025-2026 Activities and Summary of Costs.
- Document No. 8 provides Tampa Electric's Common Storm Protection Plan 2025-2026 Activities and Summary of Costs.

Cost Estimate Methodology

Q. How was the cost estimate developed for each of the SPP projects for 2025 and 2026?

A. Project cost estimates are completed in two phases.

1 Initially, a prioritization model provided by a third-party
2 consultant provides a cost estimate based on a set of
3 assumptions. Those assumptions are based on internal
4 historical data, an internal cost estimation tool, and
5 information obtained from industry sources with experience
6 in this type of work. The combined data set used for
7 modeling represents the company's most current cost data
8 for both unit rates and activity rates for each type of
9 asset. The company then supplements this data with project
10 and cost information obtained from active and completed
11 projects at the date of the analysis.

12
13 As the projects are initiated, designed, fully scoped and
14 materials are ordered, the company and the contractor
15 partners develop a more refined cost estimate.

16
17 The company's 2025 and 2026 cost estimates use the projected
18 costs from the model for all new projects. For any active
19 projects or projects that were part of the company's
20 previous SPP work, the more refined cost estimates from
21 actual design work are used.

22
23 **Q.** Does each project have its own unique cost estimate profile?

24
25 **A.** Yes, each project is assigned characteristics based on its

location, the number of phases, the number of customers, and the number and type of assets to be hardened. These characteristics directly affect the required volume of work, the number, and types of assets within the project scope, and the activity rate that is used for the project-level cost estimate.

Distribution Lateral Undergrounding

Q. Please provide a description of the Distribution Lateral Undergrounding Program("DLU").

A. Tampa Electric's DLU program converts existing overhead distribution lateral facilities to underground to increase the resiliency and reliability of the distribution system serving the company's customers during extreme weather events.

Q. How many DLU projects are planned for 2025 and 2026?

A. There are 337 DLU projects planned for 2025, and 114 DLU projects planned for 2026. The project list and costs are detailed in my Exhibit No. KEP-2, Document No. 1.

Q. Are these project counts the same as what the company included in its approved 2022-2031 SPP for 2025 and 2026?

A. No. The approved 2022-2031 SPP estimated 538 projects for 2025 and 471 for 2026. Tampa Electric is projecting fewer projects in 2025 and 2026 due to two main reasons. First, the company reduced the targeted number of miles converted in 2025 from 111 miles to 73 miles (a 34 percent reduction) and in 2026 from 110 miles to 75 miles (a 32 percent reduction). Tampa Electric reduced the mileage target as a way to offset the increasing costs of labor, equipment, and boring associated with this program. Additionally, the Commission-approved 2026-2035 SPP includes a lower underground conversion mileage target of 75 miles per year. Second, Tampa Electric has established a sufficient backlog of engineering projects to support construction. Achieving this backlog level has allowed for a reduction in active projects in the engineering phase.

Q. What are the total projected capital and O&M expenditures for DLU in 2025 and 2026?

A. The 2025 projected capital expenditures are \$122.9 million, and the 2025 projected O&M expenditures are \$1.4 million. The 2026 projected capital expenditures are \$107.6 million, and the 2026 projected O&M expenditures are \$0.4 million.

Q. How were the cost estimates developed for the DLU projects?

1 **A.** Cost estimates for the DLU projects were developed using
2 the methodology described above.

3
4 **Q.** Are the DLU project costs for 2025 and 2026 the same as
5 what the company included in its approved 2022-2031 SPP?

6
7 **A.** No. Since the filing of the company's approved 2022-2031 SPP
8 in November 2022, the company has continued to experience
9 cost increases. The company expects the upward pressure on
10 labor, equipment, and boring costs to continue. To offset
11 some of these costs, Tampa Electric has lowered its target
12 miles for undergrounding to 73 miles in 2025 and 75 miles
13 in 2026.

14
15 **Transmission Asset Upgrades**

16 **Q.** Please provide a description of the Transmission Asset
17 Upgrades Program ("TAU").

18
19 **A.** The TAU Program proactively and systematically replaces the
20 company's remaining wood transmission poles with non-wood
21 material.

22
23 **Q.** How many TAU projects are planned for 2025 and 2026?

24
25 **A.** In 2025, the company will initiate 10 new projects and

1 continue work on prior year projects to obtain an annual
2 total goal of 471 poles installed. Due to all engineering
3 work for the TAU projects being complete in 2025, the company
4 will continue working on its existing projects in 2026.
5 Tampa Electric is not initiating any new TAU projects. The
6 project list and costs are detailed in my Exhibit No. KEP-
7 2, Document No. 2.

8
9 **Q.** Are these project counts the same as what the company
10 included in its approved 2022-2031 SPP for 2025 and 2026?
11

12 **A.** No. The project counts in the company's approved 2022-2031
13 SPP reflected 10 projects initiated in 2025 and five
14 projects initiated in 2026. The company plans to initiate
15 10 new projects in 2025; however, the company will not
16 initiate any new projects in 2026. In 2025 the company will
17 have completed the last of the engineering work for TAU and
18 will not need to initiate any new projects.
19

20 **Q.** What are the total projected capital and O&M expenditures
21 for TAU in 2025 and 2026?
22

23 **A.** The 2025 projected capital expenditures are \$24.9 million,
24 and the 2025 projected O&M expenditures are \$0.6 million.
25 The 2026 projected capital expenditures are \$17.3 million,

1 and the 2026 projected O&M expenditures are \$0.7 million.

2

3 **Q.** How were the cost estimates developed for each of TAU
4 projects?

5

6 **A.** The company has reactively replaced wood transmission poles
7 that fail an inspection with non-wood material for many
8 years. Because of these reactive replacements, the company
9 has developed an extensive set of historical data for
10 transmission pole replacements and upgrades. The historical
11 data was used as a foundation for the project-level costs
12 estimates. These historical costs combined with recent work
13 on the program build up to an updated cost estimate that
14 reflects current trends.

15

16 **Q.** Are the TAU project costs for 2025 and 2026 the same as
17 what the company included in its approved 2022-2031 SPP?

18

19 **A.** No. Tampa Electric expedited the replacement of wood poles
20 in 2025 based on the company's experience with Hurricane
21 Milton in 2024, which caused substantial damage to wood
22 transmission poles. In addition, the projected costs
23 increased for TAU in 2025 and 2026 due to the efforts
24 required to complete transfers of distribution equipment on
25 the older wood poles to the new non-wood poles. Some of

1 this work was not completed in previous years when the new
2 non-wood poles were replaced. The company is actively
3 working through these remaining activities to close these
4 projects out.

5
6 **Substation Extreme Weather Hardening**

7 **Q.** Please provide a description of the Substation Extreme
8 Weather Hardening Program ("SEW").

9
10 **A.** The SEW program hardens and protects the company's
11 substation assets that are vulnerable to flooding or storm
12 surge.

13
14 **Q.** How many SEW projects are planned for 2025 and 2026?

15
16 **A.** There are six projects planned to be in-progress during
17 2025 and five in 2026. The project list and costs are
18 provided in my Exhibit No. KEP-2, Document No. 3.

19
20 **Q.** Are these the same number of projects that were included in
21 the company's approved 2022-2031 SPP, for 2025 and 2026?

22
23 **A.** No. In response to the impacts from Hurricanes Helene and
24 Milton in 2024, the company is planning to harden additional
25 substations in 2025 and 2026, as described in its proposed

1 2026-2035 SPP.

2
3 **Q.** What are the total estimated capital and O&M expenditures
4 for SEW in 2025 and 2026?

5
6 **A.** The 2025 projected capital expenditures are \$6.3 million,
7 and the 2026 projected capital expenditures are \$7.9
8 million. There are no projected O&M expenditures for 2025
9 and 2026.

10
11 **Q.** Are the SEW project costs for 2025 and 2026 the same as
12 what the company included in its approved 2022-2031 SPP?

13
14 **A.** No. Due to the impact of the 2024 Hurricane season, and the
15 historical flooding events that took place in several of the
16 company's substations, Tampa Electric is proposing to
17 increase the pace of the SEW program in the proposed 2026-
18 2035 SPP to provide much needed resilience from storm surge
19 and freshwater intrusion at vulnerable substations.

20
21 **Distribution Overhead Feeder Hardening**

22 **Q.** Please provide a description of the Distribution Overhead
23 Feeder Hardening Program("FH").

24 **A.** This program includes strategies to further enhance the
25 resiliency and reliability of the distribution network by

1 hardening the grid through feeder strengthening, feeder
2 sectionalization and automation to minimize interruptions
3 and reduce customer outages during extreme weather events
4 and abnormal system conditions.

5
6 **Q.** How many FH projects are planned for 2025 and 2026?

7
8 **A.** Tampa Electric plans for 78 projects in 2025 and 92 in 2026.
9 The project list and costs are provided in my Exhibit No.
10 KEP-2, Document No. 4.

11
12 **Q.** Are these project counts the same as what the company
13 included in the company's approved 2022-2031 SPP for 2025
14 and 2026?

15
16 **A.** No. The project counts have increased compared to the
17 approved 2022-2031 SPP. Project counts for 2025 and 2026
18 include engineering and construction work carried over
19 from previous years and projects started in 2024. The
20 amount of work in progress was therefore greater than
21 projects originally scheduled for 2025 and 2026 alone.

22
23 **Q.** What are the projected capital and O&M expenditures for FH
24 in 2025 and 2026?

1 **A.** The 2025 projected capital expenditures are \$30.3 million,
2 and the 2025 projected O&M expenditures are \$1.0 million.
3 The 2026 projected capital expenditures are \$25.3 million,
4 and the 2026 projected O&M expenditures are \$1.0 million.

5
6 **Q.** How were the cost estimates developed for each of the FH
7 projects for 2025 and 2026?

8
9 **A.** Cost estimates for the FH projects were developed using the
10 methodology described above.

11
12 **Q.** Are the FH project costs for 2025 and 2026 the same as what
13 the company included in its approved 2022-2031 SPP?

14
15 **A.** No. The 2025 estimate is the same as the company's approved
16 2022-2031 SPP filing, but the 2026 estimate has been reduced
17 from \$30 million to \$25 million. Tampa Electric is proposing
18 to decrease the estimated costs for 2026 in order to offset
19 the increase in the cost of labor, materials, and equipment
20 associated with this program since the filing of the
21 approved 2022-2031 SPP.

22
23 **Distribution Storm Surge Hardening**

24 **Q.** Please provide a description of the newly proposed
25 Distribution Storm Surge Hardening Program ("DSSH").

1 **A.** Tampa Electric's DSSH will upgrade the live front
2 switchgear in flood zones A through C to a
3 submersible/water-resistant unit and replace the secondary
4 bushings on pad-mounted transformers with an insulated
5 water-resistant unit. This work will make this vital
6 equipment more resistant to water intrusion. This project
7 mitigate the need for complete and more costly replacement
8 of these units which, in turn, will reduce restoration costs
9 outage times. Additional information regarding this new
10 Program is provided in Tampa Electric's proposed 2026-2035
11 SPP.

12
13 **Q.** How many DSSH projects are planned for 2025 and 2026?

14
15 **A.** There are no DSSH projects planned for 2025, and one project
16 planned in 2026. The project and cost are detailed in my
17 Exhibit No. KEP-2, Document No. 5.

18
19 **Q.** What are the total projected capital and O&M expenditures
20 for DSSH in 2025 and 2026?

21
22 **A.** The expenditures for DSSH will begin in 2026 with the first
23 project. Projected capital expenditures are \$0.2 million
24 and there are no projected O&M expenditures for 2026.

1 **Q.** How were the cost estimates developed for each of these
2 components?

3
4 **A.** Tampa Electric performed its own in-house analysis of the
5 potential costs and benefits and prioritization of
6 projects. Costs were developed utilizing a mix of updated
7 rates for engineering and construction services to reflect
8 the latest market conditions and historical averages for
9 this type of work.

10
11 **Vegetation Management**

12 **Q.** Can you please provide a description of the Vegetation
13 Management ("VM") Program?

14
15 **A.** The VM Program consists of five VM initiatives, including:
16 • Distribution Four-Year Cycle VM
17 • Supplemental Distribution Circuit VM
18 • Mid-Cycle Distribution VM
19 • Reactive VM
20 • Transmission VM

21
22 **Q.** Does this represent the same initiatives the company
23 included in its approved 2022-2031 SPP for 2025 and 2026?

24
25 **A.** Yes.

1 **Q.** What level of activity are you projecting for each VM
2 initiative?

3
4 **A.** In 2025, the company projects the following activity:

- 5 • Distribution VM: 1,513 miles and 215,433 customers
- 6 • Supplemental Distribution Circuit VM: 500 miles and
7 44,366 customers
- 8 • Mid-Cycle Distribution VM: 1,181 miles and 176,769
9 customers
- 10 • Transmission VM: 530 miles

11
12 These activities and costs are provided in my Exhibit No.
13 KEP-2, Document No. 6.

14
15 In 2026, the company projects the following VM initiatives:

- 16 • Distribution VM: 1,513 miles and 220,224 customers
- 17 • Supplemental Distribution Circuit VM: 500 miles and
18 57,428 customers
- 19 • Mid-Cycle Distribution VM: 1,403 miles and 193,639
20 customers
- 21 • Transmission VM: 530 miles

22
23 These activities and costs are provided in my Exhibit No.
24 KEP-2, Document No. 6.

1 Q. Does this represent the same projected activity levels the
2 company included in its approved 2022-2031 SPP, for 2025
3 and 2026?

4 A. No. In the company's proposed 2026-2035 SPP, the
5 Supplemental initiative is decreasing from 700 to 500
6 annual miles and Mid-Cycle initiative is increasing from
7 1,000 to approximately 1,200 annual miles.

8
9 Q. Are the costs of all VM initiatives recovered through the
10 SPPCRC?

11
12 A. No. The costs of reactive (or unplanned) VM on both the
13 distribution and transmission system are not recovered
14 through the SPPCRC.

15
16 Q. What are the total estimated capital and O&M expenditures
17 for VM?

18
19 A. For 2025, actual/estimated SPPCRC O&M expenditures are:

- 20 • Initiative 1 (Four-Year): \$14.0 million
- 21 • Initiative 2 (Supplemental): \$3.5 million
- 22 • Initiative 3 (Mid-Cycle): \$6.5 million
- 23 • Initiative 5 (Transmission): \$4.1 million

24
25 For 2026, projected SPPCRC O&M expenditures are:

- 1 • Initiative 1 (Four-Year): \$13.3 million
- 2 • Initiative 2 (Supplemental): \$5.0 million
- 3 • Initiative 3 (Mid-Cycle): \$6.8 million
- 4 • Initiative 5 (Transmission): \$4.0 million

5

6 There are no capital VM expenditures.

7

8 **Q.** How were the cost estimates developed for each of the VM
9 initiatives for 2025 and 2026?

10

11 **A.** The company engages a third-party consultant to assist in
12 the development of the distribution VM initiatives. This
13 includes the development of the level of incremental work
14 and the cost for each initiative using the company's
15 historical VM costs combined with estimated resource needs
16 and mileage.

17

18 **Q.** Are the VM costs for 2025 and 2026 the same as what was
19 included in the company's approved 2022-2031 SPP?

20

21 **A.** Yes. The overall costs for the VM program are approximately
22 the same. Due to the change in activity levels described
23 above, costs did decrease for the Four-Year and Supplemental
24 initiatives but were offset by increases in the Mid-Cycle
25 and Transmission initiatives.

Infrastructure Inspections

Q. Please provide a description of the Infrastructure Inspections Program.

A. This SPP program involves the inspections performed on the company's transmission and distribution infrastructure including all wooden distribution and transmission poles, transmission structures and substations, as well as the audit of all joint use attachments.

Q. How many infrastructure inspection projects does the company plan to complete in 2025 and 2026?

A. The number of inspections, by type, planned for 2025 and 2026 are as follows:

		<u>2025</u>	<u>2026</u>
Distribution	Wood Pole	35,625	35,625
Transmission	Wood Pole/Groundline	122	326
Transmission	Ground Patrol (circuits)	218	218
Transmission	Aerial Infrared Patrol (circuits)	218	218
Distribution	Substations	524	524
Transmission	Substations	414	414

These activities and costs are provided in my Exhibit No. KEP-2, Document No. 7.

1 **Q.** What are the total estimated capital and O&M expenditures
2 for this Program?

3
4 **A.** For 2025, the projected O&M expenditures are:

- 5 • Distribution Inspections: \$1.4 million
- 6 • Transmission Inspections: \$0.4 million
- 7 • Substation Inspections: \$0.2 million

8
9 For 2026, projected O&M expenditures are:

- 10 • Distribution Inspections: \$1.5 million
- 11 • Transmission Inspections: \$0.4 million
- 12 • Substation Inspections: \$0.2 million

13
14 There are no capital expenditures for infrastructure
15 inspection.

16
17 **Q.** How were the cost estimates developed for each of the
18 inspection types for 2025 and 2026?

19
20 **A.** The cost estimate for each inspection type is based on
21 projected activity and historical spending.

22 **Q.** Are the infrastructure inspection costs for 2025 and 2026
23 the same as what the company included in its approved 2022-
24 2031 SPP?

25

1 **A.** No. When the previous contract for infrastructure
2 inspection work expired in December of 2023, the company
3 sought competitive market rates through a Request for
4 Proposal ("RFP") process. As a result, the new rates for
5 this work have increased compared to the approved 2022-2031
6 SPP.

7
8 **LEGACY STORM HARDENING INITIATIVES**

9 **Q.** What are the legacy storm hardening initiatives?
10

11 **A.** These are storm hardening activities that were mandated by
12 the Commission as components of the company's prior storm
13 hardening plan that was approved by the Commission in Order
14 No. PSC-2019-0302-PAA-EI on July 29, 2019.
15

16 **Q.** Are the legacy storm hardening initiatives the same as what
17 the company included in its approved 2022-2031 SPP?
18

19 **A.** Yes, they are the same.
20

21 **Q.** Are all the legacy storm hardening initiatives recovered
22 through the SPPCRC?
23

24 **A.** No. Only the following legacy storm hardening initiatives
25 are recovered through the SPPCRC:

- Distribution vegetation management
- Transmission vegetation management
- Distribution infrastructure inspections
- Transmission infrastructure inspections
- Substation infrastructure inspections
- Transmission asset upgrades

COMMON STORM PROTECTION PLAN COSTS

Q. Will you please provide a description of the Common Costs?

A. Yes. Common Costs represent those costs that cannot be attributed to a specific Program. They are an accumulation of incremental costs associated with developing, implementing, managing, and administering the entire portfolio of SPP programs.

Q. How much does the company estimate and project to spend on common expenses in 2025 and 2026?

A. The company estimates O&M expenditures of \$1.3 million in 2025 and \$1.1 million in 2026. There are no common capital expenditures. This activity and costs are provided in my Exhibit No. KEP-2, Document No. 8.

CONCLUSION

Q. Please summarize your direct testimony.

A. My testimony identifies the SPP programs for which Tampa Electric is seeking cost recovery for expenditures occurring in 2025 and 2026. My testimony describes the number and types of activities that are planned to be carried out under the company's proposed 2026-2035 SPP in 2025 and 2026 and explains how the company developed cost estimates for each of these activities. My testimony also demonstrates that the estimated costs are reasonable as they are based on sound methods and because the company has a high level of confidence in its projections.

Q. Are the company's planned activities and projected costs consistent with the company's SPP?

A. Yes. As explained in my testimony, the company has implemented each of the SPP programs in a manner consistent with the company's modified 2022-2031 SPP filing made on November 11, 2022, and the proposed 2026-2035 SPP filing made on January 15, 2025. While pace and costs have been refined in some cases, the planned activities are prioritized consistently with the SPPs, and the projected costs are largely consistent at both the program and project

1 levels.

2
3 **Q.** Should the Commission approve the company's projected
4 expenditures for its Distribution Lateral Undergrounding,
5 Transmission Asset Upgrades, Substation Extreme Weather
6 Hardening, Distribution Overhead Feeder Hardening,
7 Distribution Storm Surge Hardening, Vegetation Management,
8 Infrastructure Inspections Programs and Common SPP costs?

9
10 **A.** Yes, these projected expenditures should be approved. The
11 projected costs are reasonable and consistent with the
12 company's SPP.

13
14 **Q.** Does this conclude your testimony?

15
16 **A.** Yes.
17
18
19
20
21
22
23
24
25



BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20250010-EI

IN RE: STORM PROTECTION PLAN COST RECOVERY CLAUSE

TESTIMONY AND EXHIBIT

OF

KEVIN E. PALLADINO

FILED: MAY 14, 2025

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

KEVIN E. PALLADINO

Q. Please state your name, address, occupation, and employer.

A. My name is Kevin E. Palladino. My business address is 5321 Hartford Street, Tampa, Florida 33619. I am employed by Tampa Electric Company ("Tampa Electric" or "the company") as Manager Storm Protection Plan Engineering and Customer Outreach.

Q. Please describe your duties and responsibilities in that position.

A. My duties and responsibilities include the governance and oversight of Tampa Electric's Storm Protection Plan ("SPP" or "the Plan") development and implementation. This includes leading the development of the SPP, prioritization of projects within each of the programs, development of project and program costs and overall implementation of the SPP. Organizationally, Tampa Electric employees responsible for management and implementation of the Vegetation Management, Feeder

1 Hardening, Distribution Lateral Undergrounding,
2 Distribution Storm Surge Hardening, and Transmission
3 Asset Upgrade programs, as well as the SPP warehouse,
4 report through my organization.
5

6 **Q.** Please provide a brief outline of your educational
7 background and professional experience.
8

9 **A.** I have a bachelor's degree in electrical engineering and a
10 master's degree in electrical engineering from the
11 University of South Florida. I have ten years of service
12 with Tampa Electric working in Distribution Design and
13 Engineering.
14

15 **Q.** What is the purpose of your testimony in this proceeding?
16

17 **A.** The purpose of my testimony is to present and support the
18 company's actual SPP costs and accomplishments achieved
19 from January 2024 through December 2024 for Commission
20 review and approval. My testimony will also provide a
21 description of each program, a summary of accomplishments,
22 and detail for the variances between the actual and
23 projected costs recovered through the company's Storm
24 Protection Plan Cost Recovery Clause ("SPPCRC").
25

1 **Q.** Did you prepare any exhibits in support of your testimony?

2

3 **A.** Yes. Exhibit No. KEP-1, entitled "Tampa Electric Company,
4 2024 Storm Protection Plan Accomplishments" was prepared
5 under my direction and supervision.

6

7 **Distribution Lateral Undergrounding**

8 **Q.** Please provide a description of the Distribution Lateral
9 Undergrounding Program.

10

11 **A.** The Distribution Lateral Undergrounding Program converts
12 existing overhead distribution lateral facilities to
13 underground to increase the resiliency and reliability of
14 the distribution system serving the company's customers
15 during extreme weather events.

16

17 **Q.** How many Distribution Lateral Underground projects were
18 projected to be completed in 2024?

19

20 **A.** Tampa Electric projected to engineer 309 projects and
21 construct 190 projects in 2024.

22

23 **Q.** How many Distribution Lateral Underground projects did the
24 company complete in 2024?

25

1 **A.** Tampa Electric completed 96 engineering projects and 89
2 construction projects in 2024, which is detailed in my
3 Exhibit No. KEP-1, Table DLU.1.

4
5 **Q.** What contributed to the difference between planned and
6 completed projects?

7
8 **A.** A total of 499 projects were in progress and 185 projects
9 were completed in 2024. Projects in progress include
10 engineering and construction work carried over from
11 previous years and projects started in 2024. The amount of
12 work in progress was therefore greater than projects
13 originally scheduled for 2024 alone.

14
15 **Q.** What was the cost variance in the Distribution Lateral
16 Underground program in 2024?

17
18 **A.** The Distribution Lateral Underground program had a variance
19 of \$513,038 less than projected, which is detailed in the
20 company's Storm Protection Plan Cost Recovery Clause
21 ("SPPCRC") True-up file (Form A-4, line 7 and Form A-6,
22 line 1).

23
24 **Q.** Can you explain what contributed to this variance?
25

A. Yes. Restoration efforts following Hurricanes Helene and Milton delayed the Distribution Lateral Underground program for over three weeks while these restoration activities were ongoing. Debris from the storms also hampered the ability to begin underground work in certain areas, further contributing to delays.

Vegetation Management

Q. Please provide a description of the Vegetation Management ("VM") Program?

A. The VM Program involves the strategic planning and maintenance of vegetation around power lines and electrical infrastructure, ensuring the reliability and safety of the system, preventing outages, and reducing outage duration times. Tampa Electric's VM Program consists of five initiatives.

- Four-year Cycle Distribution VM (Planned)
- Transmission VM (Planned)
- Reactive VM (Unplanned)
- Supplemental Distribution Circuit VM (Planned)
- Mid-Cycle Distribution VM (Planned)

Q. How many VM miles were projected to be completed in 2024?

1 **A.** Tampa Electric projected to complete the following miles:

2

- 3 • Four-Year Cycle VM: 1,534 miles
- 4 • Transmission VM: 525 miles
- 5 • Supplemental VM: 700 miles
- 6 • Mid-Cycle VM: 1,000 miles

7

8 **Q.** How many VM miles did the company complete in 2024?

9

10 **A.** Tampa Electric completed the following miles, which is
 11 detailed in my Exhibit No. KEP-1, Tables VM.1, VM.2, VM.3,
 12 and VM.5:

13

- 14 • Four-Year Cycle VM: 1,372 miles
- 15 • Transmission VM: 525 miles
- 16 • Supplemental VM: 461 miles
- 17 • Mid-Cycle WM: 1,008 miles

18

19 **Q.** What was the cost variance in the VM program in 2024?

20

21 **A.** The VM program had a cost variance of \$5,650,987 less than
 22 projected, which is detailed in the company's SPPCRC True-
 23 up file (Form A-4, lines 1.1, 1.2 and 1.3).

24

25 **Q.** Can you explain what contributed to this variance?

1 **A.** Yes. The primary contributor to the VM variance was the
2 contract default of one of Tampa Electric's vegetation
3 management contractors, resulting in fewer miles being
4 trimmed and consequently a reduction in spending.
5 Additionally, several weeks of storm restoration after
6 Hurricanes Milton and Helene led to fewer miles being
7 trimmed, reducing the spend for fourth quarter of 2024.

8
9
10 **Transmission Asset Upgrades**

11 **Q.** Please provide a description of the Transmission Asset
12 Upgrades Program.

13
14 **A.** The Transmission Asset Upgrades Program proactively and
15 systematically replaces the company's remaining wood
16 transmission poles with non-wood material.

17
18 **Q.** How many Transmission Asset Upgrade projects were projected
19 to be completed in 2024?

20
21 **A.** Tampa Electric projected 10 projects would be worked in
22 2024 that would upgrade 472 poles.

23
24 **Q.** How many Transmission Asset Upgrade projects did the
25 company complete in 2024?

1 **A.** Tampa Electric completed five projects in 2024. The total
2 number of poles upgraded were 428, which is detailed in my
3 Exhibit No. KEP-1, Table TAU.1. The poles upgraded are a
4 combination of projects carried over from previous years as
5 well as projects initiated in 2024.

6
7 **Q.** Are there instances when projects carry over into the
8 following year?

9
10 **A.** Yes. A single project for the Transmission Asset Upgrade
11 Program equates to one transmission circuit, which may
12 include anywhere from a few poles up to several hundred
13 poles. The pace of replacement is between 450 to 500 poles
14 per year and is comprised of poles from several projects.
15 Depending on factors such as permitting challenges, outage
16 constraints and resource availability, poles can be
17 upgraded during a project (circuit) already in progress or
18 another project that is readily available without
19 constraints.

20
21 **Q.** What was the cost variance in the Transmission Asset
22 Upgrades program in 2024?

23
24 **A.** The Transmission Asset Upgrades program had a cost variance
25 of \$146,140 less than projected, which is detailed in the

1 company's SPPCRC True-up file (Form A-4, line 2 and Form A-
2 6, line 2).

3
4 **Q.** Can you explain what contributed to this variance?

5
6 **A.** Yes. Transmission Asset Upgrade contractors were called
7 upon to support Tampa Electric's and the Southeastern
8 Electric Exchange's restoration efforts following
9 Hurricanes Debby, Helene, and Milton. This led to a
10 reduction in the number of poles completed in 2024, which
11 in turn reduced spending for this program.

12
13 **Substation Extreme Weather Hardening**

14 **Q.** Please provide a description of the Substation Extreme
15 Weather Hardening Program.

16
17 **A.** The Substation Extreme Weather Hardening program hardens
18 and protects the company's substation assets that are
19 vulnerable to flooding or storm surge.

20
21 **Q.** How many Substation Extreme Weather Hardening projects were
22 projected to be completed in 2024?

23
24 **A.** Tampa Electric projected to complete two projects in 2024.
25

1 **Q.** How many Substation Extreme Weather Hardening projects did
2 the company complete in 2024?

3

4 **A.** Tampa Electric completed one project in 2024. The second
5 project that was scheduled to start in 2024 will be
6 completed in 2025.

7

8 **Q.** What was the cost variance in the Substation Extreme Weather
9 Hardening program in 2024?

10

11 **A.** The Substation Extreme Weather Hardening program had a cost
12 variance of \$6,247 less than projected, which is detailed
13 in the company's SPPCRC True-up file (Form A-4, line 3 and
14 Form A-6, line 3).

15

16 **Q.** Can you explain what contributed to the variance?

17

18 **A.** Yes. The variance is due to delays in the receipt of
19 materials for the project, which pushed the project into
20 2025.

21

22 **Distribution Overhead Feeder Hardening**

23 **Q.** Please provide a description of the Distribution Overhead
24 Feeder Hardening Program.

25

1 **A.** The Distribution Overhead Feeder Hardening program includes
2 strategies to further enhance the resiliency and
3 reliability of the distribution network by hardening the
4 grid to minimize interruptions and reduce customer outage
5 counts during extreme weather events by implementing
6 distribution feeder strengthening and distribution feeder
7 sectionalizing and automation.

8
9 **Q.** How many Distribution Overhead Feeder Hardening projects
10 were projected to be completed in 2024?

11
12 **A.** Tampa Electric projected 79 Distribution Overhead Feeder
13 Hardening projects would be in progress during 2024.

14
15 **Q.** How many Distribution Overhead Feeder Hardening projects
16 did the company complete in 2024?

17
18 **A.** Tampa Electric completed the engineering design of 50
19 Distribution Overhead Feeder Hardening projects in 2024,
20 which is detailed in my Exhibit No. KEP-1, Table OVHF.1.
21 Operationally, the company worked on 23 distribution
22 projects and completed nine. These projects included 723
23 pole replacement/upgrades, nine three-phase reclosers and
24 51 single-phase reclosers. This work is detailed in my
25 Exhibit No. KEP-1, Table OVHF.2.

1 Q. What contributed to the difference between projected and
2 completed projects?

3

4 A. Restoration efforts following Hurricanes Helene and Milton
5 delayed the Distribution Overhead Feeder Hardening program
6 for over three weeks while these restoration activities
7 were ongoing.

8

9 Q. What was the cost variance in the Distribution Overhead
10 Feeder Hardening program in 2024?

11

12 A. The Distribution Overhead Feeder Hardening program had a
13 variance of \$335,229 less than projected, which is detailed
14 in the company's SPPCRC True-up file (Form A-4, line 4 and
15 Form A-6, line 4).

16

17 Q. Can you explain what contributed to the variance?

18

19 A. Yes. Hurricanes Helene and Milton required all available
20 resources to assist in the restoration efforts. This resulted
21 in a reduction in available time and resources to complete
22 the originally planned projects.

23

24 **Infrastructure Inspections**

25 Q. Please provide a description of the Infrastructure

Inspections Program.

A. The Infrastructure Inspections Program involves the inspections performed on the company's transmission and distribution infrastructure, including all wooden distribution and transmission poles, transmission structures, and substations, as well as the audit of all joint use attachments.

Q. How many infrastructure inspections did the company project to complete in 2024?

A. The company projected to complete the following number of infrastructure inspections:

<u>Distribution:</u>	<u>2024</u>
Wood Pole:	35,625
<u>Transmission:</u>	<u>2024</u>
Wood Pole/Groundline	124

Aerial Infrared Patrol, Ground Patrol and Substations inspections are performed on all circuits and substations multiple times throughout the year.

1 Q. How many infrastructure inspections did the company
2 complete in 2024?

3

4 A. Tampa Electric completed the following infrastructure
5 inspections in 2024:

6

7 Distribution: 2024

8 Wood Pole: 36,789

9

10 Transmission: 2024

11 Wood Pole/Groundline: 125 poles

12 Aerial Infrared Patrol: 216 circuits

13 Ground Patrol: 216 circuits

14 Substations:

15 Distribution 524 inspections

16 Transmission 414 inspections

17

18 Q. What was the cost variance in the Infrastructure Inspection
19 program in 2024?

20

21 A. The Infrastructure Inspection program had a cost variance
22 of \$216,347 less than projected, which is detailed in the
23 company's SPPCRC True-up file (Form A-4, lines 5.1 and 5.2).

24

25 Q. Can you explain what contributed to the variance?

1 **A.** Yes. Distribution Infrastructure Inspection requirements
2 were refined in a new contract in 2024. This included the
3 removal of the comprehensive clearance assessment, visual
4 inspection of non-wood poles and photos of failed poles.
5 Tampa Electric determined that these activities are already
6 being accomplished in the company's existing processes and
7 are therefore duplicative. This contract refinement led to
8 lower than projected spend for this program.

9
10 **LEGACY STORM HARDENING INITIATIVES**

11 **Q.** What are the legacy storm hardening initiatives?
12

13 **A.** The legacy storm hardening initiatives are storm hardening
14 activities that were mandated by the Commission as
15 components of the company's prior storm hardening plan in
16 Commission in Order No. PSC-06-0351-PAA-EI.
17

18 **Q.** Are the legacy storm hardening initiatives the same for the
19 company's current 2022-2031 SPP as they were in the
20 company's most recent three-year Storm Hardening Plan that
21 was approved by the Commission in Order No. PSC-2019-0302-
22 PAA-EI on July 29, 2019?
23

24 **A.** Yes, they are the same.
25

1 **Q.** Does Tampa Electric recover all of the costs for the legacy
2 storm hardening initiatives through the SPPCRC?

3
4 **A.** No. Tampa Electric recovers the costs associated with the
5 following legacy storm hardening initiatives through the
6 SPPCRC:

- 7
- 8 • Distribution vegetation management
- 9 • Transmission vegetation management
- 10 • Distribution infrastructure inspections
- 11 • Transmission infrastructure inspections
- 12 • Transmission asset upgrades

13
14 **Q.** What are the other legacy storm hardening initiatives for
15 which costs are not recovered through the SPPCRC?

16
17 **A.** Costs associated with the following legacy storm hardening
18 initiatives are not recovered through the SPPCRC:

- 19
- 20 • Unplanned distribution vegetation management
- 21 • Unplanned transmission vegetation management
- 22 • Geographic Information System
- 23 • Post-Storm Data Collection
- 24 • Outage Data - Overhead and Underground Systems
- 25 • Increased Coordination with Local Governments

- Collaborative Research
- Disaster Preparedness and Recovery Plan
- Distribution Wood Pole Replacements

COMMON STORM PROTECTION PLAN COSTS AND ACTIVITIES

Q. Will you please provide a description of the Common SPP costs?

A. Yes. The Common SPP costs represent those costs that cannot be attributed to a specific SPP Program. They are made up of an accumulation of incremental costs associated with developing, implementing, managing, and administering all of the SPP Programs.

Q. What was the cost variance in the Common SPP category in 2024?

A. The Common SPP category had a variance of \$100,821 less than projected, which is detailed in the company's SPPCRC True-up file (Form A-4, line 6).

Q. Can you explain what contributed to the variance?

A. Yes. The company experienced a lower amount of labor in 2024, due to a SPP manager position vacancy in the

1 Regulatory Affairs Department.

2

3 **SUMMARY**

4 **Q.** Please summarize your testimony.

5

6 **A.** Despite the challenges in 2024, such as hurricanes and
7 contractor issues, the company has demonstrated successful
8 accomplishments in each of its SPP Programs in 2024 with an
9 overall lower than projected level of spending.

10

11 **Q.** Does that conclude your testimony?

12

13 **A.** Yes.

14

15

16

17

18

19

20

21

22

23

24

25

1 (Whereupon, prefiled direct testimony of
2 Jessica Husted was inserted.)

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Docket No. 20250010-EI: Storm Protection Plan Cost Recovery (SPPCRC)

REVISED DIRECT TESTIMONY (TRUE UP) OF BRITTNEE BAKER

On behalf of

Florida Public Utilities Company (FPUC)

Filed: May 2, 2025

Q. Please state your name and business address.

A. My name is Brittnee Baker. My business address is 500 Energy Lane, Dover, Delaware 19901.

Q. By whom are you employed and in what capacity?

A. I am employed by Chesapeake Utilities Corporation as Regulatory Analyst III. Chesapeake Utilities Corporation is the parent company of Florida Public Utilities Company ("Company" or "FPUC").

Q. Can you please provide a brief overview of your educational and employment background?

A. I received a Bachelor of Science degree in Accounting from Johnson & Wales University. I have been employed with Chesapeake Utilities since 2018. I was hired as a Staff Accountant in 2018 before moving into the regulatory department in 2024. This role includes regulatory analysis and filings before the Florida Public Service Commission ("FPSC" or "Commission") for FPUC

Q. Have you testified before this Commission?

A. Yes, I have previously provided written, pre-filed testimony in the Company's annual Fuel proceeding, Docket No. 20240001-EI and Final 2024 True-up Docket No.

Docket No. 20230010-EI – Storm Protection Plan Cost Recovery Clause (FPUC)

1 20250001-EI.

2 **Q. What is the purpose of your testimony in this docket?**

3 A. The purpose of my testimony is to present the Company's actual SPP costs and revised
4 True-Up for the period January 2024 through December 2024.

5 **Q. Is FPUC providing the required schedules with this filing?**

6 A. Yes. Included with this filing is Revised Exhibit BB-1, which includes Forms 1A –
7 through 9A and is co-sponsored by Company witness P. Mark Cutshaw, who prepared
8 Form 8-A in this exhibit. These forms support the Company's actual SPP program
9 costs for the January 2024 through December 2024 period.

10 **Q. Were the Forms filed by the Company completed by you or under your direct**
11 **supervision?**

12 A. Yes, they were completed by me, except for Form 8A, which was completed by
13 witness Cutshaw, who will discuss details pertaining to the variances in SPPCRC
14 program costs and a summary of the Company's 2024 SPP accomplishments in his
15 direct testimony.

16 **Q. What were FPUC's actual 2024 SPP costs?**

17 A. FPUC incurred total costs of \$20,112,582, which consists of \$2,811,229 in operating
18 and maintenance ("O&M") expense and \$17,301,353 of capital investment for the
19 period January 2024 through December 2024.

20 **Q. Please state the actual end of period true-up amount for the SPPCRC for the**
21 **period January 1, 2024 – December 31, 2024.**

22 A. During January 2024 through December 2024, the final SPPCRC end of period true-
23 up is an under-recovery of \$812,316 including interest, as detailed on Revised Exhibit

Witness: Brittnee Baker

Docket No. 20230010-EI – Storm Protection Plan Cost Recovery Clause (FPUC)

1 BB-1 page 1, Form 1A.

2 **Q. How does this amount compare with the estimated true-up amount, which was**
3 **approved by the Commission in its December 2024 Final Order?**

4 A. As recognized in Order No. PSC-2024-0459-FOF-EI, in Docket No. 20240010-EI,
5 FPUC anticipated an under-recovery of \$1,120,304, including interest, for the period
6 January 2024 through December 2024.

7 **Q. What is the final remaining true-up amount estimated to be collected or refunded**
8 **for the period January 2026 – December 2026?**

9 A. The SPPCRC final remaining true-up amount is an over-recovery of \$307,988 for the
10 period ending 2024.

11 **Q. Please summarize the variance between the projected costs and the actual costs**
12 **incurred for the 2024 period.**

13 A. Revised Exhibit BB-1 Page 4, Form 4A and Page 7, Form 6A detail the variances for
14 both the O&M and Capital SPP Programs for the year. Witness Cutshaw provides
15 variance explanations in his testimony.

16 **Q. On Revised Exhibit BB-1 Page 5, Form 5A, do the costs associated with pole**
17 **inspection and vegetation management include the amount that is already**
18 **recovered through base rates?**

19 A. Yes, the costs for pole inspection and vegetation management reported on Form 5A
20 represent the total amount spent by the Company on these projects, including the
21 amount already recovered in base rates.

22 **Q. Did the Company make an adjustment to remove the costs included in base rates**
23 **for vegetation management and distribution pole inspections from the SPPCRC**

3 | Page

Witness: Brittnee Baker

Docket No. 20230010-EI – Storm Protection Plan Cost Recovery Clause (FPUC)

1 **calculation to prevent double recovery?**

2 A. On Revised Exhibit BB-1 Page 2, Form 2A, Line 4d, the Company reduced the
3 SPPCRC revenue requirement by \$975,504 to reflect the costs associated with
4 vegetation management of \$852,742 as well as \$122,762 for distribution pole
5 inspection that are being recovered through base rates.

6 **Q. What capital structure, components and cost rates did FPUC rely on to calculate**
7 **the revenue requirement rate of return for the period January 2024 through**
8 **December 2024?**

9 A. As shown on Revised Exhibit BB-1, Page 34, Form 9A, the Company used the same
10 capital structure, components, and cost rates that were approved in Docket No.
11 20240010-EI to calculate the revenue requirement rate of return.

12 **Q. Should FPUC's costs related to the SPPCRC incurred during the January 2024**
13 **through December 2024 be approved?**

14 A. Yes, they should be approved, since the costs incurred by the Company for inclusion
15 in the SPPCRC were practical and directly related to the Company's Commission
16 approved SPP.

17 **Q. Does this conclude your testimony?**

18 A. Yes.

Witness: Brittnee Baker

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Docket No. 20250010-EI: Storm Protection Plan Cost Recovery (SPPCRC)

DIRECT TESTIMONY OF BRITTNEE BAKER

On behalf of

Florida Public Utilities Company (FPUC)

Filed: May 1, 2025

Q. Please state your name and business address.

A. My name is Brittnee Baker. My business address 500 Energy Lane, Dover DE 19702

Q. By whom are you employed and in what capacity?

A. I am employed by Chesapeake Utilities Corporation, the parent company of Florida Public Utilities Company ("FPUC") as a Regulatory Analyst III.

Q. Can you please provide a brief overview of your educational and employment background?

A. I received a Bachelor of Science degree in Accounting from Johnson & Wales University. I have been employed with Chesapeake Utilities since 2018. I was hired as a Staff Accountant in 2018 before moving into the regulatory department in 2024. This role includes regulatory analysis and filings before the Florida Public Service Commission ("FPSC" or "Commission") for FPUC.

Q. Have you testified before this or any other Commission?

A. Yes. I have previously provided written, pre-filed testimony in the Company's annual Fuel proceeding, Docket No. 20240001-EI and Docket No. 20250001-EI.

Q. What is the purpose of your testimony in this docket?

A. The purpose of my testimony is to present the following for Commission approval:

Docket No. 20250010-EI – Storm Protection Plan Cost Recovery Clause (FPUC)

1 (1) The calculation of the January 2025 through December 2025 Storm Protection
2 Plan actual/estimated amounts to be recovered in the January 2026 through
3 December 2026 projection period.

4 (2) The calculation of the January 2026 through December 2026 Storm Protection
5 Plan projected amounts to be recovered during the January 2026 through
6 December 2026 projection period

7 (3) The proposed 2026 SPPCRC cost recovery factors.

8 **Q. Is FPUC providing the required schedules with this filing?**

9 A. Yes. Included with this filing is Exhibit BB-2, which includes Forms 1P through 6P
10 and Forms 1E through 9E and is co-sponsored by Company witness P. Mark Cutshaw,
11 who prepared Form 8E in this exhibit. These forms support the Company's
12 actual/estimated SPP program costs for the January 2025 through December 2025
13 period and the projected SPP program costs for the January 2026 through December
14 2026 period.

15 **Q. Were the Forms filed by the Company completed by you or under your direct**
16 **supervision?**

17 A. Yes, they were completed by me, except for Form 8E, which was completed by
18 Witness Cutshaw, who will discuss details pertaining to the variances in SPP program
19 actual/estimated costs and provide an update of the status of the Company's various
20 SPP programs.

21 **Q. What costs did the Company include in the 2025 actual/estimated amount?**

22 A. FPUC included three months of actual costs and nine months of estimates in its 2025
23 actual/estimated amount.

Docket No. 20250010-EI – Storm Protection Plan Cost Recovery Clause (FPUC)

1 **Q. What are the costs that FPUC has incurred and projects to incur for the Storm**
2 **Protection Plan in 2025?**

3 A. As detailed on Forms 4E and 7E, the Company projects to incur \$3.24 million of O&M
4 expense and \$21.25 million of capital expenditures for a total of \$24.49 million in
5 2025.

6 **Q. Has the Company proposed any new programs or modified any existing**
7 **programs from what was approved in the Company’s Storm Protection Plan at**
8 **Docket No. 20220049-EI?**

9 A. No, the Company plans to carry out the Storm Protection Plan as proposed. However,
10 the timeline of completing these projects has changed as discussed by Witness
11 Cutshaw in his testimony.

12 **Q.** While the programs have not changed, has the way the Company budgeted for
13 the programs changed?

14 A. No, the Company has not changed how it budgets for programs.

15 **Q. What are the Company's estimated costs for the Storm Protection Plan in 2026?**

16 A. As detailed on Forms 2P and 3P Capital Project, the Company projects to incur \$3.10
17 million of O&M expense and \$20.75 million of capital expenditures for a total of
18 \$23.85 million in 2026.

19 **Q.** **What are the annual revenue requirements associated with these costs in 2025**
20 **and 2026?**

21 A. As detailed on Forms 2E and 1P, the Company's projected revenue requirements,
22 adjusted to remove costs already included in base rates in the first quarter of 2025 are:

23 2025: \$6,324,627

3 | Page

Witness: Brittnee Baker

Docket No. 20250010-EI – Storm Protection Plan Cost Recovery Clause (FPUC)

1 2026: \$8,493,207

2 **Q. How did the Company develop the annual revenue requirements?**

3 A. The Company used the projected cost estimates for the SPP programs, along with the
4 associated depreciation and return components associated with this investment to
5 develop the annual revenue requirement, in compliance with the SPP Cost Recovery
6 Clause Rule, Rule 25-6.031(6), Florida Administrative Code.

7 **Q. On Exhibit BB-2 Form 2P and Form 4E, do the costs associated with pole
8 inspection and vegetation management include the amount that is already
9 recovered through base rates?**

10 A. Yes, the costs for pole inspection and vegetation management reported on both
11 Forms represent the total amount the Company projects to spend during the
12 associated period, including the amount already recovered in base rates only for
13 January through March 2025. However, as of March 2025 and consistent with
14 ORDER NO. PSC-2025-0114-PAA-EI, DOCKET NO. 20240099-EI, these expenses
15 are no longer included in base rates and therefore are fully recoverable through the
16 SPPCRC and not adjusted on Form 2P.

17 **Q. Did the Company make an adjustment to remove the costs included in base
18 rates for vegetation management and distribution pole inspections from the
19 SPPCRC calculation to prevent double recovery?**

20 A. On Form 2E Page 1, Line 4d, the Company reduced the annual SPPCRC revenue
21 requirement by \$215,030 for January 2025 through March 2025 to reflect the costs
22 associated with vegetation management and distribution pole inspection that are
23 being recovered through base rates prior to the approval of Company's most recent

Docket No. 20250010-EI – Storm Protection Plan Cost Recovery Clause (FPUC)

1 rate case, Docket No. 20240099-EI, Order No. PSC-2025-0114-PAA-EI.

2 **Q. Does the Company anticipate that the plant retired due to the SPP will either be**
3 **fully or mostly depreciated?**

4 A. Yes, the Company anticipates that any plant retired as a result of the SPP will either
5 be fully or nearly fully depreciated. As a result, the Company anticipates no
6 depreciation expense savings, or a negligible amount on the nearly depreciated plant.

7 **Q. What is the total revenue requirement for 2026?**

8 A. As shown on Form 1P, total jurisdictional projected revenue requirement for 2026
9 including true-up amounts are \$9,701,226, adjusted for taxes. This amount includes
10 estimated true-up under-recovery for the period of January 2025 through December
11 2025 of \$1,507,787 and the final true-up over-recovery for the period of January
12 2024 through December 2024 of \$307,988.

13 **Q. Were there any changes to the Company's Final 2024 True-Up filed in Docket**
14 **No. 20250010?**

15 A. Yes, in preparation of this filing, it was discovered the true-up filing had the
16 incorrect True-Up Provision on Form 2, which caused the interest and Final True-up
17 remaining for 2024 to be incorrect.

18 **Q. Has the Company corrected its 2024 Final True-Up amount?**

19 A. Yes, the Company has Revised Forms 1A, 2A and 3A, which are attached and
20 updated for most recent rate case.

21 **Q. What is the cost allocation methodology used by the Company in this**
22 **proceeding?**

23 A. The Company used the allocation methodology from Company's most recent 2024

Docket No. 20250010-EI – Storm Protection Plan Cost Recovery Clause (FPUC)

1 base rate case in Docket No. 20240099-EI to allocate costs among the customer
2 classes.

3 **Q. How did the Company incorporate the methodology from that proceeding in**
4 **Exhibit BB-2?**

5 A. On Form 5P, the Company used the approved projected revenues allocated to each
6 customer class, derived a percentage of the total revenues for each rate class to
7 allocate the SPPCRC revenue requirement among the customer classes.

8 **Q. Does the Company propose to use this cost allocation methodology to calculate**
9 **the SPPCRC revenue requirement in future SPPCRC proceedings?**

10 A. Yes, the Company proposes to use this cost allocation methodology in future
11 SPPCRC proceeding until the completion of its next base rate case proceeding, in
12 which new allocation factors for base rate revenues will be established for each rate
13 class.

14 **Q. What are the proposed SPPCRC factors for 2026?**

15 A. Refer to the table below.

Rate Schedule	Dollars PER KWH	Tax Factor	SPP Factors PER KWH
Residential	\$0.01673	1.000848	\$0.01674
General Service	\$0.02205	1.000848	\$0.02207
General Service Demand	\$0.01104	1.000848	\$0.01105
General Service	\$0.00708	1.000848	\$0.00708

Witness: Brittnee Baker

Docket No. 20250010-EI – Storm Protection Plan Cost Recovery Clause (FPUC)

Large Demand			
Industrial/Standby	\$0.04198	1.000848	\$0.04202
Lighting Service	\$0.18731	1.000848	\$0.18747

1

2 **Q. What is the projected residential bill impact of FPUC's proposed SPPCRC**
3 **factors?**

4 A. A residential customer using 1,000 KWH per month will pay an additional \$16.74
5 per month.

6 **Q. What capital structure, components and cost rates did FPUC rely on to calculate**
7 **the revenue requirement rate of return for the actual/estimated period of**
8 **January 2025 through December 2025 and projected period of January 2026**
9 **through December 2026?**

10 A. As shown on Exhibit BB-2, Form 9E, the Company used the capital structure,
11 components, and cost rates that were used in its most recent rate case filing for the
12 forecasted period ending December 31, 2025. On Form 6P, the Company used the
13 forecasted capital structure for the period ending December 31, 2026.

14 **Q. What should be the effective date of the SPPCRC surcharge factors for billing**
15 **purposes?**

16 A. The SPPCRC surcharge factors should be effective for all meter reading during the
17 period of January 1, 2026 through December 31, 2026.

18 **Q. Does this conclude your testimony?**

19 A. Yes.

Witness: Brittnee Baker



Writer's Direct Dial Number: (850) 521-1706
Writer's E-Mail Address: bkeating@gunster.com

July 7, 2025

VIA E-PORTAL

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

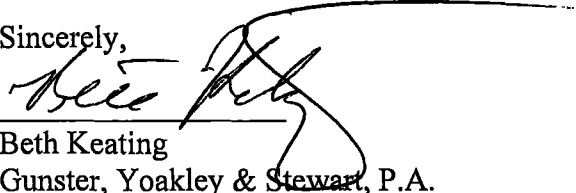
Re: Docket No. 20250010-EI: Storm protection plan cost recovery clause.

Dear Mr. Teitzman:

Attached for filing, please find Florida Public Utilities Company's revised/substituted testimony of Witness Jessica Husted (substituting for Brittnee Baker), and the revised projection schedules, included in Ms. Husted's Exhibit JH-1. This replaces the testimony and Exhibit BB-2 of Brittnee Baker filed on May 1, 2025.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

MEK

Attachment

Cc://(Certificate of Service)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Docket No. 20250010-EI: Storm Protection Plan Cost Recovery (SPPCRC)

DIRECT TESTIMONY OF JESSICA HUSTED

(REVISED ACTUAL/ESTIMATED AND PROJECTIONS)

On behalf of

Florida Public Utilities Company (FPUC)

Filed: July 7, 2025

Q. Please state your name and business address.

A. My name is Jessica Husted. My business address 1635 Meathe Blvd., West Palm Beach, FL 33411.

Q. By whom are you employed and in what capacity?

A. I am employed by Chesapeake Utilities Corporation, the parent company of Florida Public Utilities Company ("FPUC") as a Regulatory Analyst IV.

Q. Can you please provide a brief overview of your educational and employment background?

A. I received a Bachelor of Science in Accounting and Business Administration and a Master of Accounting from Nova Southeastern University. I have been employed with Chesapeake Utilities since 2014. I worked in the internal audit department as a Manager, Internal Audit, where I managed and performed various operational and financial audits and testing to ensure compliance with Sarbanes Oxley requirements, prior to moving into the regulatory department in 2025. This role includes regulatory analysis and filings before the Florida Public Service Commission ("FPSC" or "Commission") for FPUC.

Docket No. 20250010-EI – Storm Protection Plan Cost Recovery Clause (FPUC)

1 **Q. Have you testified before this or any other Commission?**

2 A. No.

3 **Q. What is the purpose of your testimony in this docket?**

4 A. The purpose of my testimony is to present the following revisions for Commission
5 approval based on the Company's approved modified Storm Protection Plan (SPP):

6 (1) The calculation of the January 2025 through December 2025 Storm Protection
7 Plan actual/estimated amounts to be recovered in the January 2026 through
8 December 2026 projection period.

9 (2) The calculation of the January 2026 through December 2026 Storm Protection
10 Plan projected amounts to be recovered during the January 2026 through
11 December 2026 projection period

12 (3) The proposed 2026 SPPCRC revised cost recovery factors.

13 **Q. Is FPUC providing the required schedules with this filing?**

14 A. Yes. Included with this filing is Exhibit JH-1, which includes Forms 1P through 6P
15 and Forms 1E through 9E and is co-sponsored by Company witness P. Mark Cutshaw,
16 who prepared Form 8E in this exhibit. These forms support the Company's
17 actual/estimated SPP program costs for the January 2025 through December 2025
18 period and the revised projected SPP program costs for the January 2026 through
19 December 2026 period as approved in Docket No. 20250017-EI.

20 **Q. Were the Forms filed by the Company completed by you or under your direct**
21 **supervision?**

22 A. Yes, they were completed by me, except for Revised Form 8E, which was completed
23 by Witness Cutshaw, who will discuss details pertaining to the variances in SPP

Docket No. 20250010-EI – Storm Protection Plan Cost Recovery Clause (FPUC)

1 program actual/estimated costs and provide an update of the status of the Company's
2 various SPP programs.

3 **Q. What costs did the Company include in the 2025 actual/estimated amount?**

4 A. FPUC included three months of actual costs and nine months of estimates in its 2025
5 actual/estimated amount.

6 **Q. What are the costs that FPUC has incurred and projects to incur for the Storm
7 Protection Plan in 2025?**

8 A. As detailed on Forms 4E and 7E, the Company projects to incur \$3.24 million of O&M
9 expense and \$21.25 million of capital expenditures for a total of \$24.49 million in
10 2025.

11 **Q. Has the Company proposed any new programs or modified any existing
12 programs from what was approved in the Company's Storm Protection Plan at
13 Docket No. 20220049-EI?**

14 A. No, the Company plans to carry out the Storm Protection Plan as proposed. However,
15 the timeline of completing these projects has changed as discussed by Witness
16 Cutshaw in his testimony.

17 **Q. While the programs have not changed, has the way the Company budgeted for
18 the programs changed?**

19 A. No, the Company has not changed how it budgets for programs.

20 **Q. What are the Company's revised estimated costs for the Storm Protection Plan
21 in 2026?**

22 A. As detailed on Revised Forms 2P and 3P Capital Project, the Company projects to
23 incur \$3.05 million of O&M expense and \$18.25 million of capital expenditures for a

Docket No. 20250010-EI – Storm Protection Plan Cost Recovery Clause (FPUC)

1 total of \$21.30 million in 2026.

2 **Q. What are the revised annual revenue requirements associated with these costs in**
3 **2025 and 2026?**

4 A. As detailed on Revised Forms 2E and 1P, the Company's revised projected revenue
5 requirements, adjusted to remove costs already included in base rates in the first
6 quarter of 2025 are:

7 2025: \$6,334,083

8 2026: \$8,377,215

9 **Q. How did the Company develop the annual revenue requirements?**

10 A. The Company used the projected cost estimates for its revised SPP programs, along
11 with the associated depreciation and return components associated with this
12 investment to develop the annual revenue requirement, in compliance with the SPP
13 Cost Recovery Clause Rule, Rule 25-6.031(6), Florida Administrative Code.

14 **Q. On Exhibit JH-1 Forms 2P and Form 4E, do the costs associated with pole**
15 **inspection and vegetation management include the amount that is already**
16 **recovered through base rates?**

17 A. Yes, the costs for pole inspection and vegetation management reported on both
18 Forms represent the total amount the Company projects to spend during the
19 associated period, including the amount already recovered in base rates only for
20 January through March 2025. However, as of March 2025 and consistent with
21 ORDER NO. PSC-2025-0114-PAA-EI, DOCKET NO. 20240099-EI, these expenses
22 are no longer included in base rates and therefore are fully recoverable through the
23 SPPCRC and not adjusted on Form 2P.

Docket No. 20250010-EI – Storm Protection Plan Cost Recovery Clause (FPUC)

1 **Q. Did the Company make an adjustment to remove the costs included in base**
2 **rates for vegetation management and distribution pole inspections from the**
3 **SPPCRC calculation to prevent double recovery?**

4 A. On Revised Form 2E Page 1, Line 4d, the Company reduced the annual SPPCRC
5 revenue requirement by \$215,030 for January 2025 through March 2025 to reflect
6 the costs associated with vegetation management and distribution pole inspection
7 that are being recovered through base rates prior to the approval of Company's most
8 recent rate case, Docket No. 20240099-EI, Order No. PSC-2025-0114-PAA-EI.

9 **Q. Does the Company anticipate that the plant retired due to the SPP will either be**
10 **fully or mostly depreciated?**

11 A. Yes, the Company anticipates that any plant retired as a result of the SPP will either
12 be fully or nearly fully depreciated. As a result, the Company anticipates no
13 depreciation expense savings, or a negligible amount on the nearly depreciated plant.

14 **Q. What is the revised total revenue requirement for 2026?**

15 A. As shown on Revised Form 1P, total jurisdictional projected revenue requirement for
16 2026 including true-up amounts are \$9,594,785 adjusted for taxes. This amount
17 includes estimated true-up under-recovery for the period of January 2025 through
18 December 2025 of \$1,517,429 and the final true-up over-recovery for the period of
19 January 2024 through December 2024 of \$307,988.

20 **Q. Were there any changes to the Company's Final 2024 True-Up filed in Docket**
21 **No. 20250010?**

22 A. Yes, in preparation of this filing, it was discovered the true-up filing had the
23 incorrect True-Up Provision on Form 2, which caused the interest and Final True-up

Docket No. 20250010-EI – Storm Protection Plan Cost Recovery Clause (FPUC)

1 remaining for 2024 to be incorrect.

2 **Q. Has the Company corrected its 2024 Final True-Up amount?**

3 A. Yes, the Company has Revised Forms 1A, 2A and 3A and is attached.

4 **Q. What is the cost allocation methodology used by the Company in this**
5 **proceeding?**

6 A. The Company used the allocation methodology from Company's most recent 2024
7 base rate case in Docket No. 20240099-EI to allocate costs among the customer
8 classes.

9 **Q. How did the Company incorporate the methodology from that proceeding in**
10 **Exhibit JH-1?**

11 A. On Form 5P, the Company used the approved projected revenues allocated to each
12 customer class, derived a percentage of the total revenues for each rate class to
13 allocate the SPPCRC revenue requirement among the customer classes.

14 **Q. Does the Company propose to use this cost allocation methodology to calculate**
15 **the SPPCRC revenue requirement in future SPPCRC proceedings?**

16 A. Yes, the Company proposes to use this cost allocation methodology in future
17 SPPCRC proceeding until the completion of its next base rate case proceeding, in
18 which new allocation factors for base rate revenues will be established for each rate
19 class.

20 **Q. What are the proposed SPPCRC factors for 2026?**

21 A. Refer to the table below.

Witness: Jessica Husted

Docket No. 20250010-EI – Storm Protection Plan Cost Recovery Clause (FPUC)

Rate Schedule	Dollars PER KWH	Tax Factor	SPP Factors PER KWH
Residential	\$0.01655	1.000848	\$0.01656
General Service	\$0.02181	1.000848	\$0.02182
General Service Demand	\$0.01092	1.000848	\$0.01093
General Service Large Demand	\$0.00700	1.000848	\$0.00700
Industrial/Standby	\$0.04152	1.000848	\$0.04156
Lighting Service	\$0.18526	1.000848	\$0.18541

1

2 **Q. What is the projected residential bill impact of FPUC's proposed SPPCRC**
3 **factors?**

4 A. A residential customer using 1,000 KWH per month will pay an additional \$16.56
5 per month.

6 **Q. What capital structure, components and cost rates did FPUC rely on to calculate**
7 **the revenue requirement rate of return for the actual/estimated period of**
8 **January 2025 through December 2025 and projected period of January 2026**
9 **through December 2026?**

10 A. As shown on Exhibit JH-1, Form 9E, the Company used the capital structure,
11 components, and cost rates that were used in its most recent rate case filing for the
12 forecasted period ending December 31, 2025. On Form 6P, the Company used the
13 forecasted capital structure for the period ending December 31, 2026.

7 | Page

Witness: Jessica Husted

Docket No. 20250010-EI – Storm Protection Plan Cost Recovery Clause (FPUC)

1 **Q. What should be the effective date of the SPPCRC surcharge factors for billing**
2 **purposes?**

3 A. The SPPCRC surcharge factors should be effective for all meter reading during the
4 period of January 1, 2026 through December 31, 2026.

5 **Q. Does this conclude your testimony?**

6 A. Yes.

Witness: Jessica Husted

1 (Whereupon, prefiled direct testimony of P.
2 Mark Cutshaw was inserted.)

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

Before the Florida Public Service Commission

Direct Testimony (True Up) of P. Mark Cutshaw

On Behalf of

Florida Public Utilities Company

Docket 20250010-EI: Storm Protection Plan Cost Recovery (SPPCRC)

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is P. Mark Cutshaw. My business address is 780 Amelia Island Parkway, Fernandina Beach, Florida 32034.

Q. By whom are you employed?

A. I am employed by Florida Public Utilities Company (“FPUC” or “Company”).

Q. Could you give a brief description of your background and business experience?

A. I graduated from Auburn University in 1982 with a B.S. in Electrical Engineering. My electrical engineering career began with Mississippi Power Company in June 1982. I spent nine years with Mississippi Power Company and held positions of increasing responsibility that involved budgeting, as well as operations and maintenance activities at various locations. I joined FPUC in 1991 as Division Manager in our Northwest Florida Division and have since worked extensively in both the Northwest Florida and Northeast Florida divisions. Since joining FPUC, my responsibilities have included all aspects of budgeting, customer service, operations and maintenance. My

FPUC Storm Protection Plan Cost Recovery (SPPCRC)

1 responsibilities have also included involvement with Cost of Service Studies and Rate
2 Design in other rate proceedings before the Commission, as well as other regulatory
3 issues. During January 2024, I moved into my current role as Manager, Electric
4 Operations.

5 **Q. Have you previously testified before the Commission?**

6 **A.** Yes, I've provided testimony in a variety of Commission proceedings, including the
7 Company's 2014 rate case, addressed in Docket No. 20140025-EI, rebuttal testimony
8 in Docket No. 20180061-EI, testimony in Docket No. 20190156-EI for the Limited
9 Proceeding to recover storm costs incurred as a result of Hurricane Michael and
10 numerous dockets for Fuel and Purchased Power Cost Recovery. Most recently, I
11 provided testimony in the Storm Protection Plan Dockets No. 20250017-EI and No.
12 20240010-EI.

13

14 **II. PURPOSE AND SUMMARY OF TESTIMONY**

15 **Q. What is the purpose of your testimony in this proceeding?**

16 **A.** The purpose of my direct testimony is to support the Company's request for recovery
17 of Transmission and Distribution costs for the time period January 2024 through
18 December 2024 associated with FPUC's Storm Protection Plan ("SPP") through the
19 Storm Protection Plan Cost Recovery Clause ("SPPCRC"), pursuant to Rule 25-6.031,
20 F.A.C. and to explain material variances between 2024 estimated and actual program
21 expenditures.

22 **Q. Are you sponsoring any exhibits in this proceeding?**

FPUC Storm Protection Plan Cost Recovery (SPPCRC)

1 A. Yes. I am co-sponsoring Exhibit BB-1 included in the testimony by Witness Brittnee
2 Baker and did personally prepare Form 8-A contained in that exhibit.

3 Q. **Please provide a summary of your testimony.**

4 A. FPUC filed its first SPP in April 2022, which was approved, with modifications, by
5 Order PSC-2022-0387-FOF-EI, issued November 10, 2022. FPUC's initial Final True
6 Up for 2022 was therefore based on an eight month (May through December) prorated
7 calendar year. Overall, FPUC's SPP intentionally contained a methodical ramp up of
8 investments that allowed for the acquisition of resources, initiation of design activities,
9 and the refinement of projects in the early years of the plan. FPUC's focus in 2022
10 was, therefore, to stand-up the new SPP programs and implement approved
11 adjustments to programs that were carried over from legacy storm hardening
12 initiatives. Based upon our experience in our first year of implementing the SPP, we
13 made some adjustments in our processes and have continued with the engineering
14 design, materials procurement, and construction to implement our SPP, as detailed in
15 Form 8A of Exhibit BB-1. Advancements in SPP program engineering and
16 construction activities were achieved, positioning the company well for continued
17 execution into 2024. Additionally, efforts to eliminate the distribution pole
18 replacement backlog made progress with 40 poles remaining.

19
20 **III. 2024 ACTUAL SPP PROJECT COSTS AND VARIANCES**

21 Q. **Can you please describe what was accomplished in 2024 with the incurred**
22 **expense (O&M) and explain any significant variances against estimates provided**
23 **in the SPP?**

FPUC Storm Protection Plan Cost Recovery (SPPCRC)

1 **A.** Yes. Most of the expense-related charges within the SPP were related to the
2 Vegetation Management program. This program, along with the Distribution Pole
3 Inspection and Replacement program, were carried over from legacy storm hardening
4 initiatives. Additionally, there were expense cost from the Overhead Feeder Hardening
5 and Lateral Undergrounding programs during 2024. Costs were incurred throughout
6 all of 2024 for these programs, some of which are partially recovered through base
7 rates. As noted in the testimony of Witness Baker, FPUC has accounted for this to
8 avoid double recovery. In 2024, FPUC began its third, 8-year inspection cycle of
9 distribution poles and trimmed 152.91 miles of overhead lines. The associated
10 expense for 2024 was \$2.81M compared to the projected amount of \$3.18M. Form
11 4A in Exhibit BB-1 reflects a variance of (\$0.37M) which is mostly driven by the
12 Transmission System Inspection & Hardening, Overhead Feeder Hardening, Lateral
13 Hardening and Lateral Underground programs which had a variance of (\$0.22M).
14 This reduction in expense was due in part to the over estimation of the expense related
15 to the hardening programs and the delay in completion of the 2024 transmission
16 inspection.

17 **Q.** **Can you please describe what was accomplished in 2024 with the incurred capital**
18 **costs and explain any significant variances against estimates provided in the SPP?**

19 **A.** Yes. FPUC is committed to the effective and efficient implementation of SPP related
20 expenditures. To ensure this occurs, and for the reasons stated above, FPUC's focus
21 during 2024 continued to be the engineering of a substantial number of projects in
22 order to prepare for future construction, increased the procurement of materials needed
23 for construction and constructed projects that were designed for completion in 2024.

FPUC Storm Protection Plan Cost Recovery (SPPCRC)

1 Contract engineering and construction resources were acquired who continued
2 engineering design and completed construction on the projects identified in the SPP.
3 The 2024 capital cost were \$17.30M compared to the projected amount of \$13.61M
4 reflecting a variance of \$3.69M above original projections, which is mostly driven by
5 large variances in the Overhead Feeder Hardening and Overhead Lateral Hardening
6 programs. This variance was as a result of FPUC working to ramp up the construction
7 activities for projects that have been previously engineered and original cost estimates
8 being understated based on the actual work that was performed in these areas. Access
9 to the facilities, traffic control, energized work, vegetation management activities and
10 material cost increases all contributed to the overrun on costs. During 2024, the
11 overhead feeder program was able to complete designs on 18.82 miles of line and
12 completed construction on 7.48 miles of line. The overhead lateral hardening program
13 was able to complete designs on 12.6 miles of line and completed construction on 0.68
14 miles of line. The overhead lateral undergrounding program was able to complete
15 designs on 13.49 miles and completed construction on 1.20 miles. Also, during 2024,
16 FPUC was able to acquire a full-time equivalent position to focus on the SPP Program
17 Management which will allow continued improvement in the projections and
18 efficiency of the overall SPP.

19 **Q. What will be the overall impact of the \$3.32M variance for the 2024 SPP?**

20 **A.** The variance will be incorporated into the 2025 and 2026 capital projects to re-align
21 SPP investments with the 10-year projected totals reflected in the SPP.

22 **Q. Does this conclude your testimony?**

23 **A.** Yes, it does.

Writer's Direct Dial Number: (850) 521-1706
Writer's E-Mail Address: bkeating@gunster.com

July 7, 2025

VIA E-PORTAL

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

Re: Docket No. 20250010-EI: Storm protection plan cost recovery clause.

Dear Mr. Teitzman:

Attached for filing, please find Florida Public Utilities Company's Revised Testimony of P. Mark Cutshaw, replacing testimony originally filed May 1, 2025.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

MEK

Attachment

Cc://(Certificate of Service)

Before the Florida Public Service Commission

Direct Testimony of P. Mark Cutshaw

(Revised Actual/Estimated and Projection)

On Behalf of

Florida Public Utilities Company

Docket 20250010-EI: Storm Protection Plan Cost Recovery Clause

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is P. Mark Cutshaw. My business address is 780 Amelia Island Parkway, Fernandina Beach, Florida 32034.

Q. By whom are you employed?

A. I am employed by Florida Public Utilities Company ("FPUC" or "Company").

Q. Could you give a brief description of your background and business experience?

A. I graduated from Auburn University in 1982 with a B.S. in Electrical Engineering. My electrical engineering career began with Mississippi Power Company in June 1982. I spent nine years with Mississippi Power Company and held positions of increasing responsibility that involved budgeting, as well as operations and maintenance activities at various locations. I joined FPUC in 1991 as Division Manager in our Northwest Florida Division and have since worked extensively in both the Northwest Florida and Northeast Florida divisions. Since joining FPUC, my responsibilities have included all aspects of budgeting,

FPUC Storm Protection Plan Cost Recovery (SPPCRC)

customer service, operations and maintenance. My responsibilities have also included involvement with Cost of Service Studies and Rate Design in other rate proceedings before the Commission, as well as other regulatory issues. During January 2024, I moved into my current role as Manager, Electric Operations.

Q. Have you previously testified before the Commission?

A. Yes, I've provided testimony in a variety of Commission proceedings, including the Company's 2014 rate case, addressed in Docket No. 20140025-EI, rebuttal testimony in Docket No. 20180061-EI, testimony in Docket No. 20190156-EI for the Limited Proceeding to recover storm costs incurred as a result of Hurricane Michael and numerous dockets for Fuel and Purchased Power Cost Recovery. Most recently, I provided testimony in the Storm Protection Plan Dockets No. 20250017-EI and No. 20240010-EI.

II. PURPOSE AND SUMMARY OF TESTIMONY

Q. What is the purpose of your direct testimony in this proceeding?

A. The purpose of my direct testimony is to support the Company's request for recovery of Storm Protection Plan ("SPP") program costs associated with FPUC's Transmission and Distribution system for January 2025 through December 2025, as well as revisions for January 2026 through December 2026, through the Storm Protection Plan Cost Recovery Clause ("SPPCRC"), pursuant to Rule 25-6.031, F.A.C and stipulations approved in Docket No. 20250017-EI. My testimony supports the year to date costs in 2025, projected remaining expenditures through December 2025, estimated costs in 2026, and shows how

FPUC Storm Protection Plan Cost Recovery (SPPCRC)

these are consistent with the revised FPUC Storm Protection Plan approved in Docket 20220017-EI.

Q. Are you sponsoring any exhibits in this proceeding?

A. Yes. I am co-sponsoring Exhibit JH-1 included in the testimony by Witness Jessica Husted and did personally prepare Form 8-E contained in this exhibit.

Q. Please provide a summary of your testimony.

A. FPUC filed its first SPP in April 2022, which was approved, with modifications, by Order No. PSC-2022-0387-FOF-EI, issued November 10, 2022. FPUC's Final True Up for 2024 is based on the January 2024 through December 2024 calendar year. Overall, FPUC's approved SPP intentionally contained a methodical ramp up of investments that allows for the acquisition of resources, initiation of design activities, and the refinement of projects in the early years of the plan. FPUC's focus in 2025 is to continue to execute on the "ramp up" methodology mentioned above and then begin to stabilize the program in 2026 going forward. FPUC's SPP introduced new programs for which project design activities began in 2022/2023, carried over into 2024 and will stabilize during the years 2025 and 2026. Design, material acquisition and construction activities associated with these projects continue during these years as FPUC continues to execute in alignment with its previously approved SPP.

III. 2025 OVERVIEW OF THE ACTUAL/PROJECTED SPP PROJECT COSTS AND VARIANCES

Q. Under which SPP programs will FPUC incur costs during calendar year 2025?

FPUC Storm Protection Plan Cost Recovery (SPPCRC)

1 **A.** FPUC expects to incur costs for the Distribution Overhead Feeder Hardening, Distribution
2 Overhead Lateral Hardening, Distribution Overhead Lateral Undergrounding, Distribution
3 Pole Inspection & Replacement, Transmission Inspection & Hardening, and the
4 Transmission & Distribution Vegetation Management programs during calendar year
5 2025.

6 **Q.** **Please describe how the 2025 current actual/estimated expenditures compare with the**
7 **previously projected 2025 approved expenditures for the Distribution Overhead**
8 **Feeder Hardening program?**

9 **A.** FPUC's current actual/estimated 2025 expenditures are approximately \$7.35M compared
10 to the previously projected amount of \$4.21M, which is a variance of \$3.14M. This
11 variance is due to additional resources added in the second half of 2024 as part of the
12 continued ramping up of the previously engineered projects. This also is due in part to
13 adjustments in unit cost projections performed during late 2024 in line with acquired
14 Program to date experience.

15 **Q.** **What is the reason for the stabilization of 2026 project identification?**

16 **A.** Identification of projects for 2026 has reached a point that we are able to begin to stabilize
17 the growth of projects which can support the effective continuation of the SPP. Project
18 design activities will continue, allowing for systematic material procurement orders
19 allowing for the start of planned project construction activities the following year.

20 **Q.** **Please describe how the 2025 current actual/estimated expenditures compare with the**
21 **previously projected 2025 approved expenditures for the Distribution Overhead**
22 **Lateral Hardening program?**

FPUC Storm Protection Plan Cost Recovery (SPPCRC)

1 **A.** FPUC's current actual/estimated 2025 expenditures are approximately \$5.94M compared
2 to the previously projected amount of \$4.87M which represents a variance of \$1.07M. This
3 variance is due in part to the continued ramping up of previously engineered projects and
4 acquisition of materials that allow an increase in Overhead Lateral Hardening projects.
5 This also is due in part to adjustments in unit cost projections performed during late 2024
6 in line with acquired Program to date experience.

7 **Q.** **Please describe how the 2025 current actual/estimated expenditures compare with the**
8 **previously projected 2025 approved expenditures for the Distribution Overhead**
9 **Lateral Undergrounding program?**

10 **A.** FPUC's current actual/estimated 2025 expenditures are approximately \$6.23M compared
11 to the previously projected amount of \$5.98M, which is a variance of \$.25M. This
12 variance is due in part to the carryover of projects into 2025 and also due in part to
13 adjustments in unit cost projections performed during late 2024 in line with acquired
14 Program to date experience.

15 **Q.** **Please describe how the 2025 current actual/estimated expenditures compare with the**
16 **previously projected 2025 approved expenditures for the Distribution Pole Inspection**
17 **& Replacement program?**

18 **A.** FPUC's current actual/estimated 2025 expenditures is approximately \$.75M compared to
19 the previously projected amount of \$0.24M, which is a negative variance of \$.51M. This
20 variance is mostly due to an error in the calculation of previously reported 2025 projected
21 costs.

FPUC Storm Protection Plan Cost Recovery (SPPCRC)

1 **Q. Please describe how the 2025 current actual/estimated expenditures compare with the**
2 **previously projected 2025 approved expenditures for the Transmission Inspection &**
3 **Hardening program?**

4 **A.** FPUC's current actual estimated 2025 expenditures are approximately \$1.59M compared
5 to the previously projected amount of \$2.45M, which is a variance of \$.86M. This
6 variance is due in part to stabilization of engineering, procurement, and construction
7 activities during the first few years of the program.

8 **Q. Please describe how the 2025 current actual/estimated expenditures compare with the**
9 **previously projected 2025 approved expenditures for the Transmission &**
10 **Distribution Vegetation Management program?**

11 **A.** FPUC's current actual/estimated 2025 expenditures is approximately \$2.63M compared to
12 the previously projected amount of \$2.70M which represents a variance of \$.07M. This is
13 a continuation of the third year of the transition from a three-year feeder trim cycle and six-
14 year lateral trim cycle to a four-year trim cycle on all overhead primary transmission and
15 distribution lines. The variance is mostly due to a change in vegetation management
16 contractor resources needed to improve efficiency moving forward.

17 **Q. Please describe how the 2025 current actual/estimated expenditures compare with the**
18 **previously projected 2025 approved expenditures for FPUC's entire Storm**
19 **Protection Plan program?**

20 **A.** FPUC's current actual/estimated 2025 expenditures are \$24.49M compared to the
21 previously projected amount of \$20.44M, which is a variance of \$4.05M. As mentioned
22 above, as well as in my earlier testimony filed as part of the prior year true-up portion of
23 this Docket, FPUC has continued to ramp up the SPP Programs due to previously designed

FPUC Storm Protection Plan Cost Recovery (SPPCRC)

1 projects and has improved the acquisition of materials that has allowed the escalated
2 expenditures which will catch up on projects not completed in previous years.
3 Additionally, adjustments in initial cost estimating assumptions were performed as FPUC
4 gained experience in executing these SPP projects. Assumption validation and adjustments
5 are an on-going part of the active management of the SPP and are necessary to ensure the
6 most up to date cost estimates are reflected. The work associated with the SPP will begin
7 to stabilize during 2026 and continue with similar construction amounts each following
8 year.

9 **Q. Does FPUC anticipate any future issues and what is being done to mitigate these?**

10 **A.** Though difficult to say for certain what challenges may arise, thus far FPUC has realized
11 that labor resources and supply chain issues have had a large impact on the accomplishment
12 of goals within the SPP. FPUC continues to work towards building a number of
13 engineering projects to stay ahead of supply chain challenges in the market today. Based
14 on activities in 2025, it appears that impacts from the supply chain and labor resources are
15 reduced compared to previous years which should assist with project completions.
16

17 **IV. 2026 OVERVIEW OF THE PROJECTED SPP PROJECT COSTS AND**
18 **VARIANCES**
19

20 **Q. Under which SPP programs will FPUC incur costs during calendar year 2026?**

21 **A.** The Company will incur costs associated with the Distribution Overhead Feeder
22 Hardening, Distribution Overhead Lateral Hardening, Distribution Overhead Lateral
23 Undergrounding, Distribution Pole Inspection & Replacement, Transmission Inspection &

FPUC Storm Protection Plan Cost Recovery (SPPCRC)

Hardening, and the Transmission & Distribution Vegetation Management Programs during 2026.

Q. Does FPUC anticipate any changes in the scope or projected cost for 2026 compared to what is discussed above for 2025?

A. No, FPUC anticipates that project scope for 2026 will be consistent with what will have occurred during 2025 and contained within the approved SPP. However, during 2026, FPUC is projecting total SPP expenditures of \$21.30M compared to a projected expenditure in 2026 of \$13.44M against original SPP projections included in Docket 20220049-EI. This variance is due in part to adjustments approved in the SPP Docket No. 20250017-EI and changes in unit cost projections performed during late 2024 in line with acquired SPP experience to date across all Programs. Additionally, the expansion of construction resources from the original 2022 filing to accommodate the stabilization of investments expected as we enter 2026 is contributing to this variance.

V. SUMMARY

Q. Are the programs included for 2025 and 2026 consistent with FPUC's approved SPP?

A. Yes. The programs and activities are consistent with FPUC's revised SPP which was approved by Order No. PSC-2022-0387-FOF-EI in Docket No. 20220049-EI. Associated cost estimates for each program are detailed in the table below.

FPUC Storm Protection Plan Cost Recovery (SPPCRC)

FPUC's 2022-2026 Estimated Storm Protection Plan Costs by Program (in Millions)							
		2022 Actual	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated	
Distribution - OH Feeder Hardening	Capital	\$ 0.21	\$ 4.06	\$ 7.12	\$ 7.21	\$ 5.67	
	O&M	\$ -	\$ 0.01	\$ 0.19	\$ 0.14	\$ 0.11	
	Total	\$ 0.21	\$ 4.08	\$ 7.32	\$ 7.35	\$ 5.78	
Distribution - OH Lateral Hardening	Capital	\$ 0.05	\$ 0.63	\$ 3.25	\$ 5.82	\$ 6.75	
	O&M	\$ -	\$ -	\$ -	\$ 0.12	\$ 0.14	
	Total	\$ 0.05	\$ 0.63	\$ 3.25	\$ 5.94	\$ 6.89	
Distribution - OH Lateral Underground	Capital	\$ 0.06	\$ 1.02	\$ 4.30	\$ 6.11	\$ 4.13	
	O&M	\$ -	\$ -	\$ -	\$ 0.12	\$ 0.08	
	Total	\$ 0.06	\$ 1.02	\$ 4.30	\$ 6.23	\$ 4.22	
Distribution - Connectivity and Automation	Capital	\$ -	\$ -	\$ -	\$ -	\$ -	
	O&M	\$ -	\$ -	\$ -	\$ -	\$ -	
	Total	\$ -	\$ -	\$ -	\$ -	\$ -	
Distribution - Pole Insp. & Replace	Capital	\$ -	\$ 1.98	\$ 1.01	\$ 0.62	\$ 0.50	
	O&M	\$ 0.08	\$ 0.18	\$ 0.12	\$ 0.13	\$ 0.19	
	Total	\$ 0.08	\$ 2.16	\$ 1.13	\$ 0.75	\$ 0.69	
T&D - Vegetation Management	Capital	\$ -	\$ -	\$ -	\$ -	\$ -	
	O&M	\$ 1.04	\$ 1.81	\$ 2.50	\$ 2.63	\$ 2.50	
	Total	\$ 1.04	\$ 1.81	\$ 2.50	\$ 2.63	\$ 2.50	
Transmission - Inspection and Hardening	Capital	\$ -	\$ 0.08	\$ 1.62	\$ 1.49	\$ 1.20	
	O&M	\$ -	\$ -	\$ -	\$ 0.11	\$ 0.02	
	Total	\$ -	\$ 0.08	\$ 1.62	\$ 1.59	\$ 1.22	
SPP Program Management	Capital	\$ 0.06	\$ -	\$ -	\$ -	\$ -	
	O&M	\$ 0.01	\$ -	\$ -	\$ -	\$ -	
	Total	\$ 0.07	\$ -	\$ -	\$ -	\$ -	
Totals	Capital	\$ 0.39	\$ 7.78	\$ 17.30	\$ 21.25	\$ 18.26	
	O&M	\$ 1.14	\$ 2.01	\$ 2.81	\$ 3.24	\$ 3.05	
	Total	\$ 1.52	\$ 9.79	\$ 20.11	\$ 24.49	\$ 21.30	

1

2 Q. Does this conclude your testimony?

3 A. Yes, it does.

1 (Whereupon, prefiled direct testimony of
2 Michael Jarro was inserted.)

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 **THE FLORIDA PUBLIC SERVICE COMMISSION**
2 **DOCKET NO. 20250010-EI**
3
4
5 **FLORIDA POWER & LIGHT COMPANY**
6 **STORM PROTECTION PLAN COST RECOVERY CLAUSE FINAL TRUE-UP**
7 **FOR THE PERIOD JANUARY 1, 2024 THROUGH DECEMBER 31, 2024**

8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

DIRECT TESTIMONY OF
MICHAEL JARRO

Filed: April 1, 2025

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Michael Jarro. My business address is Florida Power & Light Company, 15430 Endeavor Drive, Jupiter, FL, 33478.

Q. By whom are you employed and what is your position?

A. I am employed by Florida Power & Light Company ("FPL" or the "Company") as the Vice President of Distribution Operations.

Q. Please describe your duties and responsibilities in that position.

A. My current responsibilities include the operation and maintenance of FPL's distribution infrastructure that safely, reliably, and efficiently delivers electricity to more than 6 million customer accounts representing approximately 12 million people in 43 counties in peninsular and Northwest Florida. FPL's service area is divided into nineteen (19) distribution management areas with a total of approximately 81,800 miles of distribution lines and 1.4 million distribution poles. The functions and operations within my area are quite diverse and include distribution operations, major projects and construction services, power quality, meteorology, and other operations that together help provide the highest level of service to FPL's customers.

Q. Please describe your educational background and professional experience.

A. I graduated from the University of Miami with a Bachelor of Science Degree in Mechanical Engineering and Florida International University with a Master of Business Administration. I joined FPL in 1997 and have held several leadership positions in distribution operations and customer service, including serving as distribution reliability manager, manager of distribution operations for the south Miami-Dade area,

control center general manager, director of network operations, senior director of customer strategy and analytics, senior director of power delivery central maintenance and construction, and vice-president of transmission and substations.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to: (1) present FPL's final actual SPP projects and costs for the period of January 2024 through December 2024; and (2) explain the variances between the final actual 2024 costs and the actual/estimated 2024 costs presented and approved in Docket No. 20240010-EI.

Q. Are you sponsoring any exhibits in this case?

A. Yes. I am sponsoring the following exhibits:

- Exhibit MJ-1 – FPL Actual Storm Protection Plan Work Completed in 2024; and
- Exhibit MJ-2 – List of Explanations of Drivers for Variances in Storm Protection Plan Programs and Projects.

II. THE STORM PROTECTION PLAN ("SPP")

Q. Please describe the SPP that forms the basis for the final actual SPP program and project costs for calendar year 2024.

A. On April 11, 2022, FPL filed its 2023-2032 SPP in Docket No. 20220051-EI (the "2023 SPP"). The programs and projects included in the 2023 SPP were approved with certain modifications by Commission Order PSC-2022-0389-FOF-EI issued November 10, 2022. The 2024 actual SPP programs and projects that are the subject of this proceeding are based on and consistent with FPL's Commission-approved 2023

1 SPP.¹

3 **III. 2024 ACTUAL SPP PROJECT COSTS AND VARIANCES**

4 **Q. How did FPL manage the SPP projects during 2024?**

5 A. During 2024, FPL managed the SPP projects at the program level in order to maximize
6 efficiency while still achieving the overall objectives of the SPP programs. As a result,
7 projected schedules and completion dates changed based on the actual circumstances
8 and conditions encountered or required for a specific work site to ensure that resources
9 were being efficiently used. For example, an unanticipated condition on a jobsite or
10 delay in obtaining a necessary permit may impede the ability to complete a scheduled
11 project in that location. Rather than keeping a crew at that jobsite while the condition
12 is addressed, FPL would temporarily suspend work on that project site and move the
13 crew to another jobsite to ensure that resources are being utilized appropriately and
14 efficiently.

15 **Q. Did FPL previously provide a description of the SPP work and associated costs**
16 **that were projected to be performed in 2024?**

17 A. Yes. On May 1, 2024, FPL submitted a petition, together with supporting testimony
18 and exhibits in Docket No. 20240010-EI requesting approval of the 2024
19 actual/estimated true-up amounts and the projected 2025 SPP Cost Recovery Clause
20 (“SPPCRC”) Factors. Included with that filing were schedules that provided the FPL
21 2024 actual/estimated SPP projects and costs for the period January 1, 2024 through
22 December 31, 2024. On October 24, 2024, the Commission issued Order No. PSC-

¹ A true and correct copy of FPL’s final, approved 2023 SPP is available in Docket No. 20220051-EI at:
<https://www.floridapsc.com/pscfiles/library/filings/2022/11240-2022/11240-2022.pdf>.

1 2024-0459-FOF-EI, approving FPL's actual/estimated SPPCRC true-up amounts for
2 the period January 1, 2024 through December 31, 2024.

3 **Q. Has FPL provided the final actual SPP projects and costs for calendar year 2024?**

4 A. Yes. The final 2024 project level detail and actual cost are provided in Exhibit MJ-1.
5 This exhibit started with the FPL 2024 actual/estimated SPP projects and costs that
6 were approved in Docket No. 20240010-EI, and then updated the exhibit to reflect the
7 final 2024 actual projects and costs. In addition, Exhibit MJ-1 provides the material
8 variances between the 2024 actual/estimated and the final 2024 actual SPP projects and
9 costs, along with explanations for each material variance.

10 **Q. Please summarize the 2024 project variances shown in Exhibit MJ-1.**

11 A. FPL has determined that the SPP project variances for 2024 are typically the result of
12 one or more of three occurrences: an acceleration of a project, a project delay, or
13 change to a project estimate. Accordingly, Exhibit MJ-1 contains three general
14 categories of project variances: "Project Acceleration," "Project Delayed," and
15 "Project Estimate Change." Within each of these categories, FPL has identified
16 specific drivers that cause projects to be accelerated, delayed, or changed. A detailed
17 list and explanation of each of these drivers is provided in Exhibit MJ-2.

18 **Q. Does the acceleration of a project impact the total overall project cost?**

19 A. Generally, no. Accelerated projects result in a greater proportion of the overall project
20 cost being incurred sooner rather than later, but the overall estimated cost for the project
21 typically remains substantially the same. An accelerated project could result in greater
22 costs being incurred for a project during an earlier year and less costs incurred in a later
23 year. Importantly, however, as demonstrated in Exhibit MJ-1, FPL effectively

1 managed the 2024 projects at the program level to ensure that the total 2024 program
2 costs remained consistent with the costs projected in FPL's Commission-approved
3 2023 SPP.

4 **Q. Does a project delay impact the overall project cost?**

5 A. Generally, no. Delayed projects result in a proportion of the overall project cost being
6 incurred later than originally estimated, but the overall estimated cost for the project
7 typically remains substantially the same. A delayed project could result in less costs
8 being incurred for a project during an earlier year and more costs incurred in a later
9 year. Again, however, as demonstrated in Exhibit MJ-1, FPL effectively managed the
10 2024 SPP projects at the program level to ensure that the total 2024 SPP program costs
11 remained consistent with the costs projected in FPL's Commission-approved 2023
12 SPP.

13 **Q. Does a project estimate change impact the overall project cost?**

14 A. Generally, yes. Unlike the drivers that result in a change in costs incurred during the
15 year due to the timing of when the work is being completed (either being accelerated
16 or delayed), changes to a project estimate may result in a change to the overall cost of
17 a project. Any such changes are reflected in Exhibit MJ-1; however, FPL effectively
18 managed the 2024 projects at the program level to ensure that the total 2024 program
19 costs remained consistent with the costs projected in FPL's Commission-approved FPL
20 2023 SPP.

21 **Q. Are there any other drivers of the 2024 project variances that you wish to discuss?**

22 A. Yes. First, Florida remains the most hurricane-prone state in the nation, and FPL's
23 service areas are susceptible to extreme weather events. Storms or other extreme

1 weather events, such as Hurricanes Debby, Helene, and Milton in 2024, impacting the
2 FPL service areas could have significant impacts to ongoing SPP programs and
3 projects. Work on SPP projects is suspended during storms or other extreme weather
4 events and may not be resumed until restoration following the extreme weather event
5 is complete, which could result in project schedules being delayed. SPP projects could
6 also be delayed due to resources working on SPP projects becoming unavailable as
7 crews are assigned to storm restoration activities within the FPL service areas and/or
8 to provide mutual assistance to other utilities impacted by extreme weather events. FPL
9 cannot predict the impact that extreme weather events may have on the SPP activities
10 that can be completed in any given year. SPP projects that are delayed due to impacts
11 from extreme weather events may result in changes in the timing of when the costs are
12 actually incurred.

13
14 Second, FPL saw an increase in the costs of materials and supplies due to inflation and
15 supply chain constraints that impacted the costs associated with many of the SPP
16 projects as well as contractor labor. For example, the cost of conduit utilized for lateral
17 undergrounding and poles utilized by both distribution and transmission hardening
18 programs has significantly increased. These inflationary pressures have the effect of
19 increasing the overall cost of SPP projects. To help mitigate these impacts, our supply
20 chain organization has negotiated long-term contracts with multiple manufacturers to
21 help secure more inventory at lower average costs. These efforts helped mitigate the
22 impacts of inflation and supply chain constraints, as well as helped keep the total 2024

1 program costs consistent with the costs projected in FPL's Commission-approved 2023
2 SPP.

3 **Q. In your opinion, are the FPL final actual SPP costs for calendar year 2024**
4 **reasonable and prudent?**

5 A. Yes. The actual SPP costs and projects completed during 2024 are consistent with the
6 2023 SPP approved by Commission Order PSC-2022-0389-FOF-EI issued in Docket
7 No. 20220051-EI on November 10, 2022. The actual SPP work completed in 2024 and
8 related costs shown in Exhibit MJ-1 were based on competitive solicitations and other
9 contractor and supplier negotiations to ensure that FPL selected the best qualified
10 contractors and equipment suppliers at the lowest evaluated costs. Additionally, FPL
11 managed the SPP work at the program level to ensure that resources are being utilized
12 appropriately and efficiently and the SPP projects are consistent with the approved
13 2023 SPP. FPL appropriately responded to each of the 2024 project variances to ensure
14 cost-effective management of projects, resources, and materials, while still achieving
15 the overall statutory objectives of Section 366.96, Florida Statutes, to reduce restoration
16 costs and outage times associated with extreme weather events.

17 **Q. Does this conclude your direct testimony?**

18 A. Yes.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 20250010-EI
FLORIDA POWER & LIGHT COMPANY
ACTUAL/ESTIMATED 2025 STORM PROTECTION PLAN COST RECOVERY
CLAUSE TRUE-UP AND PROJECTED 2026 STORM
PROTECTION PLAN COST RECOVERY CLAUSE FACTORS
DIRECT TESTIMONY OF MICHAEL JARRO

Filed May 1, 2025

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Michael Jarro. My business address is Florida Power & Light Company,
15430 Endeavor Drive, Jupiter, Florida, 33478.

Q. By whom are you employed and what is your position?

A. I am employed by Florida Power & Light Company (“FPL” or the “Company”) as the
Vice President of Distribution Operations.

Q. Have you previously provided testimony in this docket?

A. Yes. On April 1, 2025, I submitted direct testimony in this docket, together with
Exhibits MJ-1 and MJ-2, in support of FPL’s Storm Protection Plan Cost Recovery
Clause (“SPPCRC”) final true-up amounts for the period January 1, 2024 through
December 31, 2024.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to: (1) present FPL’s 2025 actual/estimated costs
associated with the FPL 2023-2032 Storm Protection Plan (“2023 SPP”) approved by
Commission Order No. PSC-2022-0389-FOF-EI issued in Docket No. 20220051-EI;
(2) explain the material variances between the actual/estimated 2025 costs and the 2025
cost projections approved in Commission Order No. PSC-2024-0459-FOF-EI issued in
Docket No. 20240010-EI; and (3) describe FPL’s 2026 programs and projects and their
associated cost projections and explain how those activities and costs are consistent
with FPL’s 2026-2035 SPP (“2026 SPP”) currently pending for Commission review
and approval in Docket No. 20250014-EI.

1 **Q. Are you sponsoring any exhibits in this case?**

2 A. Yes. I am sponsoring the following exhibits:

- 3 • Exhibit MJ-3 – Form 6P - Program Description and Progress Report (“Form
4 6P”).
- 5 • Exhibit MJ-4 – FPL Actual/Estimated Storm Protection Plan Work to be
6 Completed in 2025; and
- 7 • Exhibit MJ-5 – FPL Storm Protection Plan Work Projected to be Completed in
8 2026.

9

10 **II. THE STORM PROTECTION PLANS**

11 **Q. Please describe the SPP that forms the basis for the actual/estimated 2025**
12 **programs and projects that are the subject of this proceeding.**

13 A. On April 11, 2022, FPL filed its 2023 SPP in Docket No. 20220051-EI. The programs
14 and projects included in the FPL 2023 SPP were approved with certain modifications
15 by Commission Order PSC-2022-0389-FOF-EI issued November 10, 2022. The
16 actual/estimated 2025 programs and projects that are the subject of this proceeding are
17 based on FPL’s 2023 SPP.¹

18 **Q. Please describe the SPP that forms the basis for the projected 2026 programs and**
19 **projects that are the subject of this proceeding.**

20 A. On January 15, 2025, FPL filed an updated SPP for the ten-year period of 2026-2035
21 (“2026 SPP”), which is currently pending for Commission review and approval in

¹ A true and correct copy of the final, approved FPL 2023-2032 SPP is available in Docket No. 20220051-EI at: <https://www.floridapsc.com/pscfiles/library/filings/2022/11240-2022/11240-2022.pdf>.

1 Docket No. 20250014-EI.² The 2026 SPP is a continuation of the same existing eight
2 storm hardening programs included in FPL's 2023 SPP previously approved by the
3 Commission. For purposes of the 2026 SPP, FPL is not proposing any material
4 modifications to the programs previously approved in the 2023 SPP. If approved, the
5 programs and projects included in the 2026 SPP would become effective and applied
6 throughout the consolidated FPL service area beginning January 1, 2026.

7 **Q. If the Commission approves FPL's currently pending 2026 SPP with modification,**
8 **please explain how FPL will address such modification for purposes of this**
9 **proceeding.**

10 A. If the Commission approves FPL's proposed 2026 SPP with modifications, within 15
11 days from the approval FPL will file an amended cost recovery petition and supporting
12 testimony reflecting those modifications consistent with Rule 25-6.031(2), Florida
13 Administrative Code.

14 **Q. Has FPL provided details on the annual SPP programs and associated costs?**

15 A. Yes. This information is shown in Commission Staff's prescribed Form 6P, which is
16 provided as Exhibit MJ-3. For each SPP program, Form 6P describes the program
17 activities, identifies the fiscal expenditures incurred to date, reports on the progress for
18 the current year, and provides a projection of work to be completed and the associated
19 costs for the projected year.

20

² A true and correct copy of the FPL's proposed 2026 SPP is available in Docket No. 20250014-EI at: <https://www.floridapsc.com/pscfiles/library/filings/2025/00290-2025/00290-2025.pdf>.

1 **III. 2025 ACTUAL/ESTIMATED SPP PROJECTS**

2 **Q. Did FPL previously provide a description of the SPP costs and work projected to**
3 **be performed in 2025?**

4 A. Yes. On May 1, 2024, FPL submitted a petition in Docket No. 20240010-EI requesting
5 approval of the projected 2025 SPPCRC Factors, which included a description of the
6 costs and work projected to be performed for each SPP program during 2025. On
7 October 24, 2024, the Commission issued Order No. PSC-2024-0459-FOF-EI
8 approving FPL's projected 2025 SPPCRC Factors.

9 **Q. Has FPL updated the 2025 work and associated costs that were included in the**
10 **projected 2025 SPPCRC Factors?**

11 A. Yes. The updated actual/estimated 2025 costs are provided in Exhibit MJ-3 – Form 6P
12 and the updated project level detail and cost projections for the actual/estimated 2025
13 programs are provided in Exhibit MJ-4. These exhibits started with the projected 2025
14 project level detail and associated costs that were approved in Commission Order No.
15 PSC-2024-0459-FOF-EI, and then updated the actual/estimated 2025 projects and costs
16 based on information that was available and known as of February 2025. In addition,
17 Exhibit MJ-4 provides the variances between the projected 2025 costs and the
18 actual/estimated costs updated as of February 2025, along with explanations for each
19 of the material variances provided therein.

20 **Q. Please summarize the actual/estimated 2025 project variances shown in Exhibit**
21 **MJ-4.**

22 A. FPL determined that each of its SPP project variances are the result of one of three
23 occurrences: an acceleration of a project, a project delay, or change to a project

1 estimate. Accordingly, Exhibit MJ-4 contains three general categories of project
2 variances: "Project Acceleration," "Project Delayed," and "Project Estimate Change."
3 Within each of these categories, the Company has identified specific drivers that cause
4 projects to be accelerated, delayed, or changed. A detailed list and explanation of each
5 of these drivers is provided in Exhibit MJ-2, which was previously provided with my
6 direct testimony submitted in this docket on April 1, 2025. Additionally, on pages 5-8
7 of my direct testimony submitted in this docket on April 1, 2025, I explained the impact
8 that each of these drivers may have on the total overall cost of the SPP projects.

9 **Q. How does FPL manage its SPP projects?**

10 A. FPL manages its SPP projects at the program level in order to maximize efficiency
11 while still achieving the overall objectives of the SPP program. As a result, project
12 schedules and completion dates are subject to change based on the actual circumstances
13 and conditions encountered or required for a specific work site to ensure that resources
14 are being efficiently used. For example, an unanticipated condition on a jobsite or
15 delay in obtaining a necessary permit may impede the ability to complete a scheduled
16 project in that location. Rather than keeping a crew at that jobsite while the condition
17 is addressed, FPL would temporarily suspend work on that project and move the crew
18 to another jobsite to ensure that resources are being utilized appropriately and
19 efficiently.

20

21 By managing the SPP projects at the program level, this allows FPL to initially target
22 and plan to the estimated program budget set forth in the approved SPP while
23 accommodating unexpected variances and conditions that impact individual SPP

1 projects throughout the year.

2 **Q. Are there any other drivers of the 2025 project costs that you wish to discuss?**

3 A. Yes. In my direct testimony submitted in this docket on April 1, 2025, I explain that
4 FPL saw an increase in the costs of materials and supplies due to inflation and supply
5 chain constraints that impacted the costs associated with many of the SPP projects as
6 well as contractor labor. For example, these drivers significantly impacted 2025
7 actual/estimated distribution feeder hardening costs, which are determined utilizing the
8 length of each feeder, the average historical feeder hardening cost per mile, and updated
9 cost assumptions (*e.g.*, labor and materials). FPL expects these inflationary pressures
10 will continue to impact the 2025 SPP projects and associated costs. As such, FPL's
11 actual/estimated 2025 projects and costs reflect the estimated impact of these
12 inflationary pressures. On pages 7 and 8 of my direct testimony submitted in this
13 docket on April 1, 2025, I explain the mitigating efforts taken by FPL to help address
14 the impact of inflation and supply chain constraints.

15 **Q. Are the FPL actual/estimated 2025 projects and associated costs reasonable?**

16 A. Yes. The actual/estimated SPP work to be completed in 2025 and related costs shown
17 in Exhibit MJ-4 are based on competitive solicitations and other contractor and supplier
18 negotiations to obtain qualified providers for services that are competitive, reasonable,
19 and provide value for FPL and its customers. Further, the actual/estimated SPP work
20 to be completed in 2025 and related costs shown in Form 6P and Exhibit MJ-4 are
21 consistent with the FPL 2023 SPP approved by Commission Order PSC-2022-0389-
22 FOF-EI issued in Docket No. 20220051-EI on November 10, 2022. Further, FPL will
23 appropriately respond to each of the 2025 project variances to ensure cost-effective

1 management of projects, resources, and materials, while still achieving the overall
2 statutory objectives of Section 366.96, Florida Statutes, to reduce restoration costs and
3 outage times associated with extreme weather events.

4
5 **IV. 2026 PROJECTED SPP COSTS**

6 **Q. Has FPL provided a description of the work projected to be performed in 2026**
7 **for each SPP program?**

8 A. Yes. Exhibit MJ-3 – Form 6P and Exhibit MJ-5 identify each of the SPP programs for
9 which costs are projected to be incurred during 2026, as well as provide a description
10 of the work projected to be performed for each SPP program during 2026. As explained
11 above, the projected 2026 programs and projects are based on the FPL 2026 SPP that
12 is currently pending for review and approval by the Commission in Docket No.
13 20250014-EI.

14
15 I note that FPL's distribution and transmission annual inspection and vegetation
16 management programs do not have project components and, instead, are completed on
17 a cycle-basis. As such, these SPP programs do not lend themselves to identification of
18 specific or individual projects to be performed in 2026. FPL has provided 2026 project
19 level detail for the other SPP programs that have project components. However, the
20 SPP projects that will actually be completed in 2026 could vary based on a number of
21 factors, including, but not limited to: permitting; easement issues; change in scope;
22 resource constraints (*i.e.*, labor & material); and/or extreme weather events. Any such
23 variances will be addressed in the actual/estimated 2026 SPPCRC true-up filing to be

1 submitted in 2026, and the final 2026 SPPCRC true-up filing to be submitted in 2027.

2 **Q. Are the SPP activities and costs estimated for 2026 consistent with the FPL 2026**
3 **SPP pending in Docket No. 20250014-EI?**

4 A. Yes. The SPP activities and costs estimated for each SPP program during 2026 are
5 consistent with those described in the FPL 2026 SPP pending in Docket No. 20250014-
6 EI. However, as I previously stated, the number of SPP projects that will actually be
7 completed in 2026, as well as the associated SPP costs, could vary based on a number
8 of factors, but FPL will manage these project variances and conditions at the program
9 level as explained above. Further, the prudence of the actual SPP costs incurred during
10 the projected period of January 1, 2026 through December 31, 2026, will be addressed
11 in the subsequent SPPCRC true-up filings.

12 **Q. Are there any other drivers of the 2026 project costs that you wish to discuss?**

13 A. Yes. Similar to the 2025 projects, FPL expects inflationary pressures and supply chain
14 constraints will continue to impact the 2026 projects and costs. As such, FPL's
15 projected 2026 projects and costs reflect the estimated impact of these inflationary
16 pressures. Again, FPL will continue to take steps to mitigate the impact of inflation
17 and supply chain constraints as described in my direct testimony submitted on April 1,
18 2025.

19 **Q. Are the FPL projected 2026 costs reasonable?**

20 A. Yes. Just like the actual/estimated 2025 work and costs, the projected SPP work to be
21 completed in 2026 and related costs will be based on competitive solicitations to obtain
22 qualified providers for services that are competitive, reasonable, and provide value for
23 FPL and its customers for these projects. Further, the projected 2026 work and related

1 costs shown in Exhibit MJ-3 Form 6P and Exhibit MJ-5 are consistent with the FPL
2 2026 SPP pending in Docket No. 20250014-EI. Further, FPL will appropriately
3 respond to each of the 2026 project variances to ensure cost-effective management of
4 projects, resources, and materials, while still achieving the overall statutory objectives
5 of Section 366.96, Florida Statutes, to reduce restoration costs and outage times
6 associated with extreme weather events.

7 **Q. Does this conclude your direct testimony?**

8 A. Yes.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 20250010-EI
FLORIDA POWER & LIGHT COMPANY
2026 STORM PROTECTION PLAN COST RECOVERY CLAUSE FACTORS
SUPPLEMENTAL TESTIMONY OF MICHAEL JARRO

Filed July 11, 2025

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Michael Jarro. My business address is Florida Power & Light Company, 15430 Endeavor Drive, Jupiter, Florida, 33478.

Q. Have you previously provided testimony in this docket?

A. Yes. On April 1, 2025, I submitted direct testimony in this docket, together with Exhibits MJ-1 and MJ-2, in support of FPL's Storm Protection Plan Cost Recovery Clause ("SPPCRC") final true-up amounts for the period January 1, 2024 through December 31, 2024. On May 1, 2025, I submitted direct testimony in this docket, together with Exhibits MJ-3 through MJ-5, in support of FPL's Actual/Estimated 2025 SPPCRC True-Up and the Projected 2026 SPPCRC Factors.

Q. What is the purpose of your supplemental testimony?

A. The purpose of my supplemental testimony is to amend FPL's projected 2026 projects and their associated costs originally filed in this docket on May 1, 2025, in order to reflect the modifications to FPL's 2026-2035 Storm Protection Plan ("2026 SPP") that were approved by the Commission in Docket No. 20250014-EI.

Q. Are you sponsoring any exhibits with your supplemental testimony?

A. Yes. I am sponsoring the following exhibits:

- Amended Exhibit MJ-3 – Amended Form 6P - Program Description and Progress Report;
- Amended Exhibit MJ-5 – Amended FPL Storm Protection Plan Work Projected to be Completed in 2026; and
- Exhibit MJ-6 – Comparison of the Targeted Number of Annual SPP Projects in

1 the Originally Filed 2026 SPP with the Targeted Number of Annual Projects in
2 the Approved 2026 SPP.

3 **Q. Please explain why you are submitting supplemental testimony and amended**
4 **exhibits in this proceeding.**

5 A. On January 15, 2025, FPL filed a new 2026 SPP for the ten-year period of 2026-2035
6 for Commission review and approval in Docket No. 20250014-EI. If approved, the
7 programs and projects included in the 2026 SPP would become effective beginning
8 January 1, 2026. Accordingly, on May 1, 2025, FPL filed its proposed 2026 SPPCRC
9 Factors based on the programs and projects included in FPL's proposed 2026 SPP that
10 was pending in Docket No. 20250014-EI.

11
12 On April 25, 2025, FPL and the Office of Public Counsel filed Joint Stipulations and
13 Proposed Resolutions ("Stipulation") in Docket No. 20250014-EI that, if approved,
14 would modify certain programs in the 2026 SPP. On June 19, 2025, the Commission
15 issued Order No. PSC-2025-0218-FOF-EI approving FPL's 2026 SPP as modified by
16 the Stipulation. Because the Commission approved FPL's proposed 2026 SPP with
17 modifications, FPL is submitting an amended cost recovery petition and supporting
18 testimony reflecting those modifications consistent with Rule 25-6.031(2), Florida
19 Administrative Code.

20 **Q. Do any of the modifications to FPL's 2026 SPP impact the projects or costs**
21 **associated with FPL's proposed 2024 SPPCRC final true-up or proposed 2025**
22 **actual/estimated true-up submitted in this docket?**

1 A. No. The projects and costs associated with the 2024 SPPCRC final true-up and 2025
2 SPPCRC actual/estimated true-up are based on FPL's 2023-2032 SPP approved in
3 Docket No. 20220051-EI. The 2024 and 2025 SPP projects and associated costs are
4 not affected by the modifications to FPL's 2026 SPP.

5 **Q. Can you please summarize the modifications to FPL's 2026 SPP that were**
6 **approved by the Commission?**

7 A. Yes. FPL's Commission-approved 2026 SPP resulted in modifications to the targeted
8 number of annual projects to be completed for the Distribution Feeder Hardening
9 Program, Distribution Lateral Hardening Program, and Transmission Hardening
10 Program over the 10-year plan period. Exhibit MJ-6 to my supplemental testimony
11 provides a comparison of the estimated number of annual projects for these programs
12 in the originally filed 2026 SPP with the targeted number of annual projects in the
13 approved 2026 SPP. Per Commission Order No. PSC-2025-0218-FOF-EI approving
14 the modified 2026 SPP, these modifications are to be annual targets and not hard caps,
15 and reasons for any variances will be addressed in FPL's annual SPPCRC filings.
16 Although the estimated annual SPP costs vary from year-to-year, combined over the
17 10-year period 2026-2035, these modifications under the approved 2026 SPP are
18 estimated to result in a reduction of approximately \$809 million in total costs.

19 **Q. Can you explain the impact these modifications have on the 2026 SPP projects and**
20 **associated costs to be recovered through the proposed 2026 SPPCRC Factors?**

21 A. Yes. For the Distribution Feeder Hardening Program, the approved targeted number
22 of annual projects (275) is slightly higher than the projected number of projects
23 included in FPL's original filing (265). However, FPL is not at this time projecting an

1 increase in the number of Distribution Feeder Hardening Program projects to be
2 completed in 2026, or an increase in the associated costs. Thus, for purposes of the
3 2026 SPPCRC Factors, the approved modification to the Distribution Feeder
4 Hardening Program is not projected to have any impact.

5
6 For the Distribution Lateral Hardening Program, the approved targeted number of
7 annual projects (1,100) is 114 projects less than the projected number of projects
8 included in FPL's original filing (1,214). Because the Distribution Lateral Hardening
9 Program projects are typically multi-year projects, FPL had to adjust certain projects
10 included in its original filing to ensure it was completing the projects efficiently while
11 still meeting the targeted number of projects for 2026, which included delaying certain
12 projects and accelerating others as compared to FPL's original filing. At this time, FPL
13 is projecting to complete approximately 1,096 Distribution Lateral Hardening Program
14 projects in 2026, which is a reduction of approximately 118 projects as compared to
15 FPL's original filing. This reduced number of projects is estimated to result in a
16 reduction of approximately \$26.5 million in Distribution Lateral Hardening Program
17 costs projected to be incurred for 2026.

18
19 Finally, for the Transmission Hardening Program, the approved targeted number of
20 annual projects (350) is 45 projects more than the projected number of projects included
21 in FPL's original filing (305). However, in preparing this amended filing, FPL
22 identified that it inadvertently counted engineering activities as 41 separate projects in

1 its original filing.¹ Thus, the correct number Transmission Hardening Program projects
2 for 2026 included in FPL's original filing was 264 and not 305. To better meet the
3 targeted number of projects for 2026, FPL is projecting to complete approximately 312
4 Transmission Hardening Program projects in 2026, which is an increase of
5 approximately 48 projects as compared to FPL's original filing (as corrected). This
6 modest increase in the number of projects is estimated to result in an increase of
7 approximately \$2.2 million in costs projected for 2026.

8
9 Combined, the modifications to the Distribution Feeder Hardening Program,
10 Distribution Lateral Hardening Program, and Transmission Hardening Program result
11 in a net decrease of \$24.3 million in the total projected SPP costs for 2026 as compared
12 to FPL's original filing.

13 **Q. Has FPL provided updated exhibits to reflect these modifications to the SPP**
14 **projects and associate costs projected to be incurred during 2026?**

15 A. Yes. The modifications to the 2026 SPP are reflected in Amended Exhibit MJ-3 and
16 Amended Exhibit MJ-5 attached to my supplemental testimony. These amended
17 exhibits identify each of the SPP programs for which costs are projected to be incurred
18 during 2026, as well as provide a description of the work projected to be performed for
19 each SPP program during 2026. However, the number of SPP projects that will actually

¹ This was caused by line item "Design, Engineering, and Procurement for 2027 Projects" in Excel row 24 of the original Exhibit MJ-5, which listed 41 projects. However, this line item identifies preliminary engineering and design related activities for projects scheduled to be performed in 2027, not scheduled for construction in 2026. As a result, the original Exhibit MJ-5 inadvertently overstated the total number of 2026 Transmission Hardening Program projects by 41 projects.

1 be completed in 2026, as well as the associated SPP costs, could vary based on a
2 number of factors and will be addressed in separate subsequent true-up filings.

3 **Q. Are the amended FPL projected 2026 costs reasonable?**

4 A. Yes. The SPP work projected to be completed in 2026 and related costs shown in
5 Amended Exhibit MJ-3 and Amended Exhibit MJ-5 are consistent with FPL's 2026
6 SPP approved in Docket No. 20250014-EI. The SPP work projected to be completed
7 in 2026 and related costs will be based on competitive solicitations to obtain qualified
8 providers for services that are competitive, reasonable, and provide value for FPL and
9 its customers for these projects. Further, FPL will appropriately respond to each of the
10 2026 project variances to ensure cost-effective management of projects, resources, and
11 materials, while still achieving the overall statutory objectives of Section 366.96,
12 Florida Statutes, to reduce restoration costs and outage times associated with extreme
13 weather events.

14 **Q. Does this conclude your supplemental testimony?**

15 A. Yes.

1 (Whereupon, prefiled direct testimony of
2 Richard L. Hume was inserted.)

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20250010-EI

FLORIDA POWER & LIGHT COMPANY

STORM PROTECTION PLAN COST RECOVERY CLAUSE FINAL TRUE-UP

FOR THE PERIOD JANUARY 1, 2024 THROUGH DECEMBER 31, 2024

DIRECT TESTIMONY OF

RICHARD L. HUME

Filed: April 1, 2025

1 **Q. Please state your name and address.**

2 A. My name is Richard L. Hume. My business address is Florida Power & Light
3 Company, 700 Universe Boulevard, Juno Beach, Florida 33408.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by Florida Power & Light Company ("FPL" or the "Company") as Sr.
6 Manager, Clause Accounting and Analysis, FPL Finance.

7 **Q. Please describe your educational background and professional experience.**

8 A. I graduated from the University of Florida in 1991 with a Bachelor of Science degree
9 in Business Administration with a Finance Major and earned a Master of Business
10 Administration degree with a Finance Concentration from the University of Florida in
11 1995. I have worked in the utility finance sector since 1998, when I was employed by
12 New-Energy Associates, (which became a subsidiary of Siemens Power Generation),
13 working in the areas of financial forecasting, budgeting, as well as cost of service and
14 rate forecasting for both electric and gas utilities. In 2007, I joined Oglethorpe Power
15 and was promoted to the position of Director of Financial Forecasting the following
16 year. In that position, I was primarily responsible for the long-range financial forecast
17 and resource planning along with new rate design. In 2012, I joined FPL managing a
18 budgeting and data analytics team where my responsibilities included conducting
19 analysis related to customer rates and bill impacts. In 2019, I joined the former Gulf
20 Power Company as a Regulatory Issues Manager, where my responsibilities included
21 oversight of the Fuel and Purchased Power and Environmental cost recovery clauses,
22 including calculation of cost recovery factors and the related regulatory filings. I am
23 currently employed by FPL as Sr. Manager of Clause Accounting and Analysis, where

1 my responsibility and oversight include support for FPL's cost recovery clause filings.

2 **Q. What is the purpose of your testimony?**

3 A. The purpose of my testimony is to present FPL's Storm Protection Plan Cost Recovery
4 Clause ("SPPCRC") 2024 final true-up for the period January 1, 2024, through
5 December 31, 2024.

6 **Q. Are you sponsoring any exhibits in this proceeding?**

7 A. Yes, I am sponsoring Exhibit RLH-1, which provides the data and information required
8 on the following Commission-prescribed schedules and forms for the SPPCRC 2024
9 final true-up:

- 10 • Form 1A - Summary of Current Period Final True-up
- 11 • Form 2A - Calculation of True-up Amount
- 12 • Form 3A - Calculation of Interest Provision for True-up Amount
- 13 • Form 4A - Variance Report of Annual O&M Costs by Program
- 14 • Form 5A – Summary - Calculation of Annual Revenue Requirements for
15 O&M Programs
- 16 • Form 6A - Variance Report of Annual Capital Investment Costs by Program
- 17 • Form 7A - Summary - Calculation of Annual Revenue Requirements for
18 Capital Investment Programs
- 19 • Form 7A - Capital - Actual Revenue Requirements by Program
- 20 • Form 8A - Approved Capital Structure and Cost Rates

21 **Q. What is the source of the data presented in your testimony and/or exhibit?**

22 A. The data presented in my testimony and supporting schedules is taken from FPL's
23 accounting books and records. The accounting books and records are kept in the

1 regular course of the Company's business in accordance with Generally Accepted
2 Accounting Principles and practices, as well as the provisions of the Uniform System
3 of Accounts as prescribed by this Commission. The data for the final true-up of FPL's
4 actual 2024 Storm Protection Plan ("SPP") projects and costs is provided in Exhibit
5 MJ-1 attached to the testimony of FPL witness Jarro, less the cost of removal and other
6 costs that are charged to base.

7 **Q. Please explain the calculation of FPL's 2024 final net true-up amount.**

8 A. The final net true-up amount for the period January 2024 through December 2024 is an
9 over-recovery, including interest, of \$21,904,884 (Exhibit RLH-1, Form 1A). The
10 actual end-of-period under-recovery for the period January 2024 through December
11 2024 of \$37,765,800 shown on line 4, minus the actual/estimated end of period under-
12 recovery for the same period of \$59,670,684 shown on line 9, results in the final net
13 true-up over-recovery for the period January 2024 through December 2024 of
14 \$21,904,884 shown on line 10. FPL requests this over-recovery be included in the
15 calculation of the SPPCRC factors for the January 2026 through December 2026
16 period.

17 **Q. Does this conclude your testimony?**

18 A. Yes.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 20250010-EI

FLORIDA POWER & LIGHT COMPANY
ACTUAL/ESTIMATED 2025 STORM PROTECTION PLAN COST RECOVERY
CLAUSE TRUE-UP AND PROJECTED 2026 STORM
PROTECTION PLAN COST RECOVERY CLAUSE FACTORS

DIRECT TESTIMONY OF RICHARD L. HUME

Topics: Actual/Estimated 2025 SPPCRC True-Up,
2026 SPPCRC Factors

Filed May 1, 2025

1 I. INTRODUCTION

2 Q. Please state your name and address.

3 A. My name is Richard Hume. My business address is Florida Power & Light Company,
4 700 Universe Boulevard, Juno Beach, Florida 33408.

5 Q. By whom are you employed and in what capacity?

6 A. I am employed by Florida Power & Light Company ("FPL" or the "Company") as Sr.
7 Manager, Clause Accounting and Analysis, FPL Finance.

8 Q. Have you previously provided testimony in this docket?

9 A. Yes. On April 1, 2025, I submitted direct testimony in this docket, together with
10 Exhibit RLH-1, in support of the Storm Protection Plan Cost Recovery Clause
11 ("SPPCRC") final true-up for the period January 1, 2024 through December 31, 2024.

12 Q. What is the purpose of your testimony?

13 A. The purpose of my testimony is to present for Commission review and approval the
14 actual/estimated 2025 SPPCRC true-up amounts for the period January 1, 2025 through
15 December 31, 2025; and the projected 2026 SPPCRC Factors to be applied to bills
16 issued during the period of January 1, 2026 through December 31, 2026.

17 Q. Have you prepared or caused to be prepared under your direction, supervision,
18 or control any exhibits in this proceeding?

19 A. Yes, I am sponsoring the forms contained in the following exhibits:

- 20 • Exhibit RLH-2: FPL 2025 Actual/Estimated SPPCRC
- 21 - Form 1E - Summary of Current Period Estimated True-Up
- 22 - Form 2E - Calculation of True-Up Amount
- 23 - Form 3E - Calculation of Interest Provision for True-Up Amount

- 1 - Form 4E - Variance Report of Annual O&M Costs by Program
- 2 - Form 5E - Calculation of Annual Revenue Requirements for O&M
- 3 Programs
- 4 - Form 6E - Variance Report of Annual Capital Investment Costs by
- 5 Program
- 6 - Form 7E - Summary - Calculation of Annual Revenue Requirements for
- 7 Capital Investment Programs
- 8 - Form 7E - Capital - Estimated Revenue Requirements by Program
- 9 - Form 8E - Approved Capital Structure and Cost Rates
- 10 • Exhibit RLH-3: FPL 2026 Projections
- 11 - Form 1P - Summary of Projected Period Recovery Amount
- 12 - Form 2P - Calculation of Annual Revenue Requirements for O&M
- 13 Programs
- 14 - Form 3P - Calculation of the Total Annual Revenue Requirements for
- 15 Capital Investment Programs
- 16 - Form 3P - Capital - Calculation of Annual Revenue Requirements for
- 17 Capital Investment by Program
- 18 - Form 4P - Calculation of the Energy & Demand Allocation % By Rate
- 19 Class
- 20 - Form 5P - Calculation of the Cost Recovery Factors by Rate Class
- 21 - Form 7P - Approved Capital Structure and Cost Rates
- 22 • Exhibit RLH-4: Retail Separation Factors

23 I note that Form 6P - Program Description and Progress Report is sponsored by and

1 attached to the direct testimony of FPL witness Jarro as Exhibit MJ-3. These
2 Commission Forms were used to calculate the actual/estimated 2025 SPPCRC true-up
3 amounts for the period January 1, 2025 through December 31, 2025, and FPL's
4 proposed 2026 SPPCRC Factors for the period of January 1, 2026 through December
5 31, 2026.

6 **Q. What is the source of the actual data presented in your testimony and/or exhibits?**

7 A. The actual data presented in my testimony and supporting schedules is taken from
8 FPL's accounting books and records. The accounting books and records are kept in
9 the regular course of the Company's business in accordance with Generally Accepted
10 Accounting Principles, as well as the provisions of the Uniform System of Accounts as
11 prescribed by this Commission. The data for the FPL actual/estimated 2025 Storm
12 Protection Plan ("SPP") costs is provided in Exhibits MJ-3 and MJ-4 attached to the
13 testimony of FPL witness Jarro, less the cost of removal and other costs that are not
14 recovered through the SPPCRC. The data for the FPL 2026 SPP costs is provided in
15 Exhibits MJ-3 and MJ-5 attached to the testimony of FPL witness Jarro, less the cost
16 of removal and other costs that are not recovered through the SPPCRC. The
17 actual/estimated 2025 and projected 2026 SPP projects and associated costs are
18 consistent with the updated SPP for the ten-year period of 2026-2035 ("2026 SPP"),
19 which is currently pending for Commission review and approval in Docket No.
20 20250014-EI.

21 **Q. Do your calculations of the SPPCRC true-up, revenue requirements, and factors**
22 **proposed in this proceeding reflect any of FPL's proposals in its base rate case**
23 **currently pending before the Commission in Docket No. 20250011-EI?**

1 A. No. For purposes of the SPPCRC true-up, revenue requirements, and factors proposed
2 in this proceeding, FPL has relied on what has currently been approved and effective
3 as of the time of this filing and has not attempted to incorporate any pending proposals
4 that have not been approved, including, but not limited to, company adjustments,
5 weighted average cost of capital, depreciation rates, separation factors, cost allocations,
6 and etc. The impact of any applicable proposals or modifications approved by the
7 Commission as part of FPL's pending base rate case will be reflected in FPL's 2026
8 SPPCRC actual/estimated true-up filing to be submitted in 2027.

9

10 **II. ACTUAL/ESTIMATED 2025 SPPCRC TRUE-UP**

11 **Q. Please explain the calculation of FPL's actual/estimated 2025 SPPCRC true-up**
12 **amount.**

13 The actual/estimated 2025 SPPCRC true-up amount is calculated on Form 2E of
14 Exhibit RLH-2 by comparing actual data for January 2025 and February 2025 and
15 revised estimates for March 2025 through December 2025 to original projections for
16 the same period that were approved by Order No. PSC-2024-0459-FOF-EI in Docket
17 No. 20240010-EI. The actual/estimated true-up amount for the period January 2025
18 through December 2025 is an under-recovery of \$6,200,197 (shown on line 1 of Form
19 1E) plus the interest provision of \$971,817 (shown on line 2 of Form 1E), which is
20 calculated on Form 3E of Exhibit RLH-2. This results in a total under-recovery of
21 \$7,172,014, including interest, for the actual/estimated 2025 SPPCRC true-up amount
22 as shown on Form 1E of Exhibit RLH-2. The O&M and Capital variance drivers of
23 this estimated under-recovery are discussed in the testimony of witness Jarro.

1 **Q. Are any of the 2025 SPP costs included in the actual/estimated 2025 SPPCRC true-**
2 **up being recovered through base rates or any other cost recovery mechanism?**

3 A. No. Effective January 1, 2022, all O&M and capital costs associated with the SPP
4 programs, with the exception of the cost of removal and retirements for assets existing
5 prior to 2021, have been and will be booked to and tracked through the SPPCRC. Thus,
6 none of the 2025 SPP capital and O&M costs have been or will be booked to or
7 recovered through base rates or any other clause mechanism. The cost of removal and
8 retirements associated with the SPP programs for assets existing prior to 2021 will
9 continue to be recovered through base rates.

10

11 **III. PROJECTED 2026 SPPCRC FACTORS**

12 **Q. Please explain how the costs for the FPL projected 2026 SPPCRC Factors were**
13 **determined.**

14 A. The 2026 capital and O&M costs included in FPL's currently pending 2026 SPP were
15 used for purposes of calculating the 2026 SPPCRC revenue requirement and resulting
16 projected 2026 SPPCRC Factors. This data is provided in Exhibits MJ-3 and MJ-5
17 attached to the testimony of FPL witness Jarro, less the cost of removal and other costs
18 that are not recovered through the SPPCRC.

19 **Q. Will any of the 2026 SPP costs included in the 2026 SPPCRC projections be**
20 **recovered through base rates or any other cost recovery mechanism?**

21 A. No. All O&M and capital costs associated with the 2026 SPP programs, except for
22 cost of removal and retirements, will be separately booked to and tracked through the
23 SPPCRC. The cost of removal and retirements associated with the SPP programs for

1 assets existing prior to 2021 will continue to be recovered through base rates.

2 **Q. Please explain the calculation of the 2026 SPPCRC revenue requirements.**

3 A. The calculation of the 2026 SPPCRC revenue requirements is provided in Exhibit
4 RLH-3. Form 2P titled "Calculation of Annual Revenue Requirements for O&M
5 Programs" shows the monthly O&M for the projected period January 2026 through
6 December 2026. Form 3P titled "Calculation of Annual Revenue Requirements for
7 Capital Investment Programs" shows the calculation of the monthly revenue
8 requirements for the capital expenditures projected to be incurred during the period
9 January 2026 through December 2026. The monthly capital revenue requirements
10 include the debt and equity return grossed up for income taxes on the average monthly
11 net investment (including construction work in progress), depreciation and
12 amortization expense. The identified recoverable costs are then allocated to retail
13 customers using the appropriate separation factors provided in Exhibit RLH-4.

14 **Q. Have you provided a schedule showing the calculation of projected SPPCRC**
15 **revenue requirements being requested for recovery for the period January 2026**
16 **through December 2026?**

17 A. Yes. Page 1 of Form 1P of Exhibit RLH-3 provides a summary of projected SPPCRC
18 revenue requirements being requested for recovery for the period January 2026 through
19 December 2026. Total jurisdictional revenue requirements including true-up amounts
20 are \$859,244,393 (Form 1P, line 4). This amount includes: (a) \$873,977,263 of
21 revenue requirements associated with the SPP programs projected to be incurred
22 between January 1, 2026 and December 31, 2026 (Form 1P, line 1 Total); (b) FPL's
23 actual/estimated true-up under-recovery of \$7,172,014, including interest, for the

1 period of January 2025 through December 2025 Form 1P, line 2); and (c) the total net
2 final true-up over-recovery amount of \$21,904,884, including interest, for the period
3 January 2024 through December 2024 (Form 1P, line 3).¹ The detailed calculations
4 supporting the 2024 final true-up and the 2025 actual/estimated true-up are provided in
5 Exhibits RLH-1 and RLH-2, respectively.

6 **Q. Does this conclude your direct testimony?**

7 A. Yes.

¹ On April 1, 2025, FPL filed its Petition and supporting testimony, exhibits, and schedules seeking approval of the actual net final true-up of the 2024 SPPCRC costs.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 20250010-EI
FLORIDA POWER & LIGHT COMPANY
2026 STORM PROTECTION PLAN COST RECOVERY CLAUSE FACTORS
SUPPLEMENTAL TESTIMONY OF RICHARD L. HUME

Filed July 11, 2025

I. INTRODUCTION

Q. Please state your name and address.

A. My name is Richard Hume. My business address is Florida Power & Light Company, 700 Universe Boulevard, Juno Beach, Florida 33408.

Q. By whom are you employed and in what capacity?

A. I am employed by Florida Power & Light Company (“FPL” or the “Company”) as Sr. Manager, Clause Accounting and Analysis, FPL Finance.

Q. Have you previously provided testimony in this docket?

A. Yes. On April 1, 2025, I submitted direct testimony in this docket, together with Exhibit RLH-1, in support of the Storm Protection Plan Cost Recovery Clause (“SPPCRC”) final true-up for the period January 1, 2024 through December 31, 2024. On May 1, 2025, I submitted direct testimony in this docket, together with Exhibits RLH-2 through RLH-4, in support of FPL’s Actual/Estimated 2025 SPPCRC True-Up and the Projected 2026 SPPCRC Factors.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to amend the projected 2026 SPPCRC Factors to be applied to bills issued during the period of January 1, 2026 through December 31, 2026, consistent with the modifications to FPL’s 2026-2035 Storm Protection Plan (“2026 SPP”) approved by the Commission in Order No. PSC-2025-0218-FOF-EI issued on June 19, 2025, in Docket No. 20250014-EI and addressed in the supplemental testimony and exhibits of FPL witness Jarro.

Q. Are you sponsoring any exhibits with your supplemental testimony?

A. Yes, I am sponsoring the following exhibits:

- Amended Exhibit RLH-3: FPL 2026 Projections; and
- Exhibit RLH-5: FPL 2026 Projection Comparison Summary.

These Commission Forms were used to calculate FPL's amended 2026 SPPCRC Factors for the period of January 1, 2026 through December 31, 2026.

Q. Has FPL provided an updated calculation of the SPPCRC revenue requirements for the 2026 projected period?

A. Yes. Consistent with the 2026 SPP approved by the Commission in Docket No. 20250014-EI, FPL has updated targeted number of projects and associate costs projected to be incurred during 2026 for the Distribution Feeder Hardening Program, Distribution Lateral Hardening Program, and Transmission Hardening Program as explained in the supplemental testimony of FPL witness Jarro and reflected in Amended Exhibits MJ-3 and MJ-5. These changes are reflected in Amended Exhibit RLH-3 on Amended Forms 1P, 3P, 3P Capital 604, 3P Capital 605, and 5P. No other changes or modifications have been made to Amended Exhibit RLH-3.

Q. Have you prepared an exhibit showing the impacts of these modifications to the calculation of the recoverable costs and the SPPCRC factors?

A. Yes. Exhibit RLH-5 summarizes the change in projections of recoverable costs and the SPPCRC factors resulting from the modifications to the 2026 SPP that were adopted by the Commission. As shown on page 1 of Exhibit RLH-5, these modifications result in a total decrease of \$1,214,162 in jurisdictional revenue requirements to be recovered through the 2026 SPPCRC Factors as compared to FPL's original filing.

1 **Q. Have you provided an amended schedule showing the projected costs and revenue**
2 **requirements to be recovered through the SPPCRC Factors for the period**
3 **January 2026 through December 2026?**

4 A. Yes. This information is provided in Amended Exhibit RLH-3. As shown in that
5 exhibit, the total jurisdictional revenue requirements, including true-up amounts, are
6 \$858,030,231 (Amended Form 1P, line 4). This amount includes: (a) \$872,763,101 of
7 amended revenue requirements associated with the SPP programs projected to be
8 incurred between January 1, 2026 and December 31, 2026 pursuant to FPL's
9 Commission-approved 2026 SPP (Amended Form 1P, line 1 Total); (b) FPL's
10 actual/estimated true-up under-recovery of \$7,172,014¹, including interest, for the
11 period of January 2025 through December 2025 (Amended Form 1P, line 2); and (c)
12 the total net final true-up over-recovery amount of \$21,904,884², including interest, for
13 the period January 2024 through December 2024 (Amended Form 1P, line 3).

14 **Q. Have you provided a schedule showing the allocation of projected revenue**
15 **requirements by retail rate class?**

16 A. Yes. The projected revenue requirements were allocated to retail customers using the
17 appropriate separation factors provided in Exhibit RLH-4 submitted with my direct
18 testimony filed on May 1, 2025. Form 4P of Amended Exhibit RLH-3 provides the
19 factors for the allocation of the revenue requirements to the retail rate classes. Although
20 the total costs to be allocated have changed due to the Commission's modification of

¹ The detailed calculations supporting the 2025 actual/estimated true-up are provided in Exhibit RLH-2 attached to my direct testimony submitted in this docket on May 1, 2025.

² T The detailed calculations supporting the 2024 final true-up are provided in Exhibit RLH-1 attached to my direct testimony submitted in this docket on April 1, 2025

1 the 2026 SPP, the allocation methodologies are unchanged since the original 2026
2 SPPCRC filing on May 1, 2025.

3 **Q. Have you provided a schedule showing the calculation of the 2026 SPPCRC**
4 **Factors based on the amended SPPCRC revenue requirements?**

5 A. Yes. Amended Form 5P of Amended Exhibit RLH-3 provides the calculation of the
6 2026 SPPCRC Factors based on the revised recoverable costs reflected in Amended
7 Form 1P.

8 **Q. Does this conclude your supplemental testimony?**

9 A. Yes.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 20250010-EI

FLORIDA POWER & LIGHT COMPANY
2026 STORM PROTECTION PLAN COST RECOVERY CLAUSE FACTORS

SECOND SUPPLEMENTAL TESTIMONY OF RICHARD L. HUME

Filed September 24, 2025

I. INTRODUCTION

Q. Please state your name and address.

A. My name is Richard Hume. My business address is Florida Power & Light Company, 700 Universe Boulevard, Juno Beach, Florida 33408.

Q. By whom are you employed and in what capacity?

A. I am employed by Florida Power & Light Company (“FPL” or the “Company”) as Sr. Manager, Clause Accounting and Analysis, FPL Finance.

Q. Have you previously provided testimony in this docket?

A. Yes. On April 1, 2025, I submitted Direct Testimony in this docket, together with Exhibit RLH-1, in support of the Storm Protection Plan Cost Recovery Clause (“SPPCRC”) final true-up for the period January 1, 2024 through December 31, 2024. On May 1, 2025, I submitted Direct Testimony in this docket, together with Exhibits RLH-2 through RLH-4, in support of FPL’s Actual/Estimated 2025 SPPCRC True-Up and the Projected 2026 SPPCRC Factors. On July 11, 2025, I submitted Supplemental Testimony, together with Amended Exhibit RLH-3 and Exhibit RLH-5, to amend the projected 2026 SPPCRC Factors (hereinafter “Amended 2026 SPPCRC Factors”) to be applied to bills issued during the period of January 1, 2026 through December 31, 2026, consistent with the modifications to FPL’s 2026-2035 Storm Protection Plan (“2026 SPP”) approved by the Florida Public Service Commission (“Commission”) in Order No. PSC-2025-0218-FOF-EI issued in Docket No. 20250014-EI on June 19, 2025.

Q. What is the purpose of your Second Supplemental Testimony?

A. The purpose of my Second Supplemental Testimony is to provide and sponsor

1 alternative projected 2026 SPPCRC Factors (hereinafter “Alternative 2026 SPPCRC
2 Factors”) to be applied to bills issued during the period of January 1, 2026 through
3 December 31, 2026, if the proposed 2025 Stipulation and Settlement Agreement
4 currently pending in FPL’s 2025 rate case in Docket No. 20250011-EI (the “2025 Rate
5 Case Settlement Agreement”) is approved by the Commission.¹

6 **Q. Are you sponsoring any exhibits with your Second Supplemental Testimony?**

7 A. Yes, I am sponsoring the following exhibits:

- 8 • Exhibit RLH-6: Alternative FPL 2026 Projections
 - 9 - Alternative Form 1P - Summary of Projected Period Recovery Amount
 - 10 - Alternative Form 2P - Calculation of Annual Revenue Requirements for
 - 11 O&M Programs
 - 12 - Alternative Form 3P - Calculation of the Total Annual Revenue
 - 13 Requirements for Capital Investment Programs
 - 14 - Alternative Form 3P - Capital - Calculation of Annual Revenue
 - 15 Requirements for Capital Investment by Program
 - 16 - Alternative Form 4P - Calculation of the Energy & Demand Allocation
 - 17 % By Rate Class
 - 18 - Alternative Form 5P - Calculation of the Cost Recovery Factors by Rate
 - 19 Class
 - 20 - Alternative Form 7P - Approved and Proposed Capital Structure and
 - 21 Cost Rates

¹ The 2025 Rate Case Settlement Agreement is provided as Attachment 1 to Joint Motion for Approval of Settlement Agreement in Docket No. 20250011-EI, *available at*:
<https://www.floridapsc.com/pscfiles/library/filings/2025/08075-2025/08075-2025.pdf>.

- Exhibit RLH-7: - Alternative Retail Separation Factors

These Commission Forms were used to calculate FPL's Alternative 2026 SPPCRC Factors to be applied for the period of January 1, 2026 through December 31, 2026, in the event the Commission approves the pending 2025 Rate Case Settlement Agreement.²

Q. Please describe the impact of the pending 2025 Rate Case Settlement Agreement to the proposed 2026 SPPCRC Factors.

A. In the its 2025 rate case in Docket No. 20250011-EI, FPL proposed to move certain costs and expenses from base rates to the SPPCRC starting in 2026 to better align the recovery of these costs with how they are incurred consistent with the ratemaking principle of cost causation, while ensuring there is no double-recovery.³ Specifically, FPL proposed to realign the following costs by moving them from base rates to the SPPCRC:

- Move the recovery of SPP related costs associated with FPL's transmission (i) visual patrols and (ii) wire and cable materials associated specifically with FPL's SPP projects from base to the SPPCRC;
- Discontinue the recovery of cost of removal and retirements associated with SPP projects in base rates;
- Move all the inventory associated with the SPP from base to the SPPCRC; and

² In the event the Commission declines to approve the 2025 Rate Case Settlement Agreement in Docket No. 20250011-EI, then the Commission should approve the Amended 2026 SPPCRC Factors set forth in the Amended Exhibit RLH-3 submitted with my Supplemental Testimony filed on July 11, 2025.

³ See Direct Testimony of FPL witness Liz Fuentes in Docket No. 20250011-EI, pp. 13-14, available at: <https://www.floridapsc.com/pscfiles/library/filings/2025/01183-2025/01183-2025.pdf>.

- Recover the property taxes associated with SPP investments through the SPPCRC.

These adjustments result in a net increase in the 2026 SPP operating and capital expenses of \$86.0 million and \$66.6 million, respectively.⁴ These adjustments are included within the 2025 Rate Case Settlement Agreement and, if approved, will need to be reflected in the 2026 SPPCRC Factors.⁵

Additionally, the 2025 Rate Case Settlement Agreement provides that, “[e]ffective January 1, 2026, all clause factors shall be allocated using the 4CP and 12% Average Demand methodology for Production Plant and 4CP for Transmission Plant,” and that “FPL will reflect this revised allocation methodology in the 2025 clause proceedings by filing revised clause factors that take effect January 1, 2026, subject to the Commission’s approval of the factor calculations.” Thus, if the 2025 Rate Case Settlement Agreement is approved, this modification to the allocation of the SPP costs will need to be reflected in the 2026 SPPCRC Factors. .

Q. Are there any other changes needed to the revenue requirements to be recovered through the 2026 SPPCRC Factors if the 2025 Rate Case Settlement Agreement is approved?

⁴ The realignment of these SPP costs from base to the SPPCRC will result in a corresponding net decrease in base operating expenses and rate base in 2026 of (\$86.0) million and (\$66.6) million, respectively

⁵ Paragraph 2 of the 2025 Rate Case Settlement Agreement provides that, except as set forth in the agreement, “adjustments to rate base, net operating income and cost of capital set forth in FPL’s Minimum Filing Requirements (‘MFR’) Schedules B-2, C-1, C-3 and D1a, as revised by Exhibit LF-12, shall be deemed approved for accounting and regulatory reporting purposes.” The proposed adjustments to realign the SPP costs from base rates to the SPPCRC was not modified in the 2025 Rate Case Settlement Agreement.

1 A. Yes. The weighted average cost of capital (“WACC”) used to calculate the revenue
2 requirements to be recovered through the 2026 SPPCRC Factors will need to be revised
3 to reflect a mid-point return on equity (“ROE”) of 10.95% if the 2025 Rate Case
4 Settlement Agreement is approved. The calculation of the revised WACC is provided
5 in Alternative Form 7P of Exhibit RLH-6.

6
7 Additionally, the 2026 SPPCRC Factors submitted with Amended Exhibit RLH-3 to
8 my Supplemental Direct Testimony were calculated using the composite depreciation
9 rates for distribution/transmission as reflected in the settlement of FPL’s 2021 rate case
10 approved in Commission Order No. PSC-2021-0446-S-EI in Docket No. 20210015-EI.
11 However, if the 2025 Rate Case Settlement Agreement is approved, the composite
12 depreciation rates used to calculate the 2026 SPPCRC Factors will need to be updated
13 to reflect the depreciation parameters and resulting rates set forth in FPL’s 2025
14 Depreciation Study included as part of the 2025 Rate Case Settlement Agreement. This
15 modification to depreciation expense for the 2026 SPP program costs is reflected on
16 the Alternative Form 3P of Exhibit RLH-6.

17 **Q. Have you provided an alternative schedule showing the projected costs and**
18 **revenue requirements to be recovered through the 2026 SPPCRC Factors if the**
19 **Commission approves the 2025 Rate Case Settlement Agreement?**

20 A. Yes. This information is provided in Exhibit RLH-6. As shown in that exhibit, the
21 total jurisdictional revenue requirements, including true-up amounts, are \$984,084,441
22 (Alternative Form 1P, line 4). This amount includes: (a) \$998,817,311 of updated
23 revenue requirements associated with the SPP programs projected to be incurred

1 between January 1, 2026 and December 31, 2026 if the 2025 Rate Case Settlement
2 Agreement is approved (Alternative Form 1P, line 1 Total); (b) FPL's actual/estimated
3 true-up under-recovery of \$7,172,014,⁶ including interest, for the period of January
4 2025 through December 2025 (Alternative Form 1P, line 2); and (c) the total net final
5 true-up over-recovery amount of \$21,904,884,⁷ including interest, for the period
6 January 2024 through December 2024 (Alternative Form 1P, line 3).

7 **Q. Have you provided an alternative schedule showing the allocation of projected**
8 **revenue requirements by retail rate class using the cost allocation methodologies**
9 **set forth in the 2025 Rate Case Settlement Agreement?**

10 A. Yes. The projected revenue requirements were allocated to retail customers using the
11 alternative separation factors provided in Exhibit RLH-7. Alternative Form 4P of
12 Exhibit RLH-6 provides the factors for the allocation of the revenue requirements to
13 the retail rate classes using the cost allocation methodologies set forth in the 2025 Rate
14 Case Settlement Agreement.

15 **Q. Have you provided a schedule showing the calculation of the Alternative 2026**
16 **SPPCRC Factors based on the updated SPPCRC revenue requirements and**
17 **modified cost allocation if the 2025 Rate Case Settlement Agreement is approved?**

18 A. Yes. Alternative Form 5P of Exhibit RLH-6 provides the calculation of the Alternative
19 2026 SPPCRC Factors based on the updated recoverable costs reflected in Alternative
20 Form 1P of Exhibit RLH-6 and the modified cost allocation reflected in Alternative
21 Form 4P of Exhibit RLH-6 and Exhibit RLH-7. In the event the Commission approves

⁶ The detailed calculations supporting the 2025 actual/estimated true-up are provided in Exhibit RLH-2 attached to my Direct Testimony submitted in this docket on May 1, 2025.

⁷ The detailed calculations supporting the 2024 final true-up are provided in Exhibit RLH-1 attached to my Direct Testimony submitted in this docket on April 1, 2025

1 the 2025 Rate Case Settlement Agreement pending in Docket No. 20250011-EI, the
2 Alternative 2026 SPPCRC Factors set forth in Alternative Form 5P of Exhibit RLH-6
3 should be approved to be applied to bills for the period of January 1, 2026 through
4 December 31, 2026.

5 **Q. Does this conclude your Second Supplemental Testimony?**

6 A. Yes.

1 (Whereupon, prefiled direct testimony of
2 Christopher A. Menendez was inserted.)

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
IN RE: STORM PROTECTION PLAN COST RECOVERY CLAUSE PURSUANT
TO RULE 25-6.031, F.A.C., DUKE ENERGY FLORIDA, LLC

DOCKET NO. 20250010-EI
DIRECT TESTIMONY OF CHRISTOPHER A. MENENDEZ

APRIL 1, 2025

1 **Q. Please state your name and business address.**

2 A. My name is Christopher A. Menendez. My business address is Duke Energy Florida,
3 LLC, 299 1st Avenue North, St. Petersburg, Florida 33701.

4

5 **Q. By whom are you employed and what is your position?**

6 A. I am employed by Duke Energy Florida, LLC (“DEF” or the “Company”) as Director
7 of Rates and Regulatory Planning.

8

9 **Q. Please describe your duties and responsibilities in that position.**

10 A. I am responsible for the Company’s regulatory planning and cost recovery, including
11 the Company’s Storm Protection Plan Cost Recovery Clause (“SPPCRC”) filing.

12

13 **Q. Please describe your educational background and professional experience.**

14 A. I joined the Company on April 7, 2008. Since joining the company, I have held various
15 positions in the Florida Planning & Strategy group, DEF Fossil Hydro Operations
16 Finance and DEF Rates and Regulatory Strategy. I was promoted to my current position
17 in April 2021. Prior to working at DEF, I was the Manager of Inventory Accounting

1 and Control for North American Operations at Cott Beverages. I received a Bachelor
2 of Science degree in Accounting from the University of South Florida, and I am a
3 Certified Public Accountant in the State of Florida.

4

5 **Q. What is the purpose of your testimony?**

6 A. The purpose of my testimony is to present, for Commission review and approval,
7 DEF's actual true-up costs for the period January 2024 through December 2024
8 associated with DEF's Storm Protection Plan ("SPP") and recovered through the
9 SPPCRC.

10

11 **Q. Have you prepared, or caused to be prepared under your direction, supervision,**
12 **or control, exhibits in this proceeding?**

13 A. Yes. I am sponsoring Exhibit No. (CAM-1) attached to my direct testimony. This
14 exhibit is true and accurate to the best of my knowledge and belief. Portions of that
15 exhibit are being co-sponsored by Witnesses Robert E. Brong and Robert E. McCabe
16 (as identified in their respective testimonies).

17

18 **Q. What is the source of the data that you will present in testimony and exhibits in**
19 **this proceeding?**

20 A. The actual data is taken from the books and records of DEF. The books and records are
21 kept in the regular course of DEF's business in accordance with generally accepted
22 accounting principles and practices, provisions of the Uniform System of Accounts as
23 prescribed by the Federal Energy Regulatory Commission, and any accounting rules

1 and orders established by this Commission. The Company relies on the information
2 included in this testimony and exhibits in the conduct of its affairs.

3

4 **Q. What is the final true-up amount DEF is requesting for the period January 2024**
5 **- December 2024?**

6 A. DEF requests approval of an actual over-recovery amount of \$19,738,171 for the year
7 ending December 31, 2024. This amount is shown on Form 1A, Line 4.

8

9 **Q. What is the net true-up amount DEF is requesting for the period January 2024 -**
10 **December 2024 to be applied in the calculation of the SPPCRC factors to be**
11 **refunded/recovered in the next projection period?**

12 A. DEF requests approval of an adjusted net true-up over-recovery amount of \$9,479,063
13 for the period January 2024 - December 2024, as reflected on Form 1A, Line 6. This
14 amount is the difference between an actual over-recovery amount of \$19,738,171 and
15 an actual/estimated over-recovery of \$10,259,107 for the period January 2024 -
16 December 2024, as approved in Order No. PSC- 2024-0459-FOF-EI.

17

18 **Q. How did actual O&M expenditures for January 2024 - December 2024 compare**
19 **with DEF's actual/estimated projections as presented in previous testimony and**
20 **exhibits?**

21 A. Form 4A shows a total O&M Program variance of approximately \$3.8M or 5.9% lower
22 than projected. Individual O&M project amounts are shown on Form 5A-Projects.
23 Explanations associated with material variances for Distribution and Transmission

1 costs are contained in the direct testimonies of witnesses McCabe and Brong,
2 respectively.

3

4 **Q. How did actual capital recoverable expenditures for January 2024 - December**
5 **2024 compare with DEF's estimated/actual projections as presented in previous**
6 **testimony and exhibits?**

7 A. Form 6A shows a total capital investment recoverable Program cost variance of
8 approximately \$5.2M or 4.0% lower than projected. Individual project costs are on
9 Form 7A-Projects. Return on capital investment, depreciation, and property taxes for
10 each project for the period are provided on Form 7A-Details. Explanations associated
11 with material variances for Distribution and Transmission costs are contained in the
12 direct testimonies of witnesses McCabe and Brong, respectively.

13

14 **Q. What capital structure, components and cost rates did DEF rely on to calculate**
15 **the revenue requirement rate of return for the period January 2024 through**
16 **December 2024?**

17 A. DEF used the capital structure and cost rates consistent with the language in Order No.
18 PSC-2020-0165-PAA-EU and Order PSC-2022-0357-FOF-EI. The capital structure,
19 components and cost rates relied on to calculate the revenue requirement rate of return
20 for the period January 2024 through December 2024 are shown on Form 9A in Exhibit
21 No. (CAM-1). This form includes the derivation of debt and equity components used
22 in the Return on Average Net Investment, lines 7 (a) and (b), on Form 7A-Detail.

23

1 **Q.** **Does that conclude your testimony?**

2 **A.** **Yes.**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
IN RE: STORM PROTECTION PLAN COST RECOVERY CLAUSE

DOCKET NO. 20250010-EI
AMENDED DIRECT TESTIMONY OF CHRISTOPHER A. MENENDEZ
ON BEHALF OF DUKE ENERGY FLORIDA, LLC

JULY 11, 2025

1 **I. INTRODUCTION AND QUALIFICATIONS.**

2 **Q. Please state your name and business address.**

3 **A.** My name is Christopher A. Menendez. My business address is Duke Energy Florida,
4 LLC, 299 1st Avenue North, St. Petersburg, Florida 33701.

5

6 **Q. By whom are you employed and what is your position?**

7 **A.** I am employed by Duke Energy Florida, LLC (“DEF” or the “Company”) as Director,
8 Rates and Regulatory Planning.

9

10 **Q. Please describe your duties and responsibilities in that position.**

11 **A.** I am responsible for the Company’s regulatory planning and cost recovery, including
12 the Company’s Storm Protection Plan Cost Recovery Clause (“SPPCRC”) filing.

13

14 **Q. Please describe your educational background and professional experience.**

1 A. I joined the Company on April 7, 2008. Since joining the company, I have held various
2 positions in the Florida Planning & Strategy group, DEF Fossil Hydro Operations
3 Finance and DEF Rates and Regulatory Strategy. I was promoted to my current position
4 in April 2021. Prior to working at DEF, I was the Manager of Inventory Accounting
5 and Control for North American Operations at Cott Beverages. I received a Bachelor
6 of Science degree in Accounting from the University of South Florida, and I am a
7 Certified Public Accountant in the State of Florida.

8

9 **II. PURPOSE AND SUMMARY OF TESTIMONY.**

10 **Q. What is the purpose of your amended testimony?**

11 A. The purpose of my amended testimony is to present, for Commission review and
12 approval, DEF's calculation of revenue requirements and SPPCRC factors for
13 customer billings for the period January 2026 through December 2026 as permitted by
14 Rule 25-6.031, F.A.C. My amended testimony also addresses implementation
15 activities, their associated capital, and O&M costs.

16

17 **Q. Have you prepared, or caused to be prepared under your direction, supervision,
18 or control, exhibits in this proceeding?**

19 A. Yes. I am sponsoring Exhibit No. (CAM-2) and Amended Exhibit No. (CAM-3)
20 attached to my amended direct testimony. These exhibits are true and accurate to the
21 best of my knowledge and belief.

22

23 **Q. Please summarize your amended testimony.**

1 A. My amended testimony supports the approval of an average SPPCRC billing factor of
2 0.773 cents per kWh, which includes projected jurisdictional capital and O&M revenue
3 requirements for the period January 2026 through December 2026 of approximately
4 \$316.5 million associated with the Storm Protection Plan (“SPP”) Programs, as shown
5 on Form 1P line 4 of Amended Exhibit No. (CAM-3) and that the projected SPP
6 expenditures for 2026 are appropriate for recovery through the SPPCRC. I will also
7 present, for Commission approval, DEF’s actual/estimated true-up costs associated
8 with the SPPCRC activities for the period January 2025 through December 2025, as
9 presented in Exhibit No. (CAM-2). Finally, my amended testimony presents a summary
10 of the projected costs associated with the SPP Programs and activities. Details
11 explaining the Company’s 2025 actual/estimated variances and regarding the
12 Company’s projected 2026 SPP work are provided in the testimony of Witness Brong
13 and amended testimony of McCabe.

14
15 2025 Actual/Estimated Filing:

16 **Q. What is the actual/estimated true-up amount for which DEF is requesting**
17 **recovery for the period January 2025 through December 2025?**

18 A. The 2025 actual/estimated true-up is an over-recovery, including interest, of
19 \$21,779,919 as shown on Line 4 on Form 1E (pages 1 of 145) in Exhibit No. (CAM-
20 2).

1 **Q. What capital structure, components and cost rates did DEF rely on to calculate**
2 **the revenue requirement rate of return for the period January 2025 through**
3 **December 2025?**

4 A. DEF used the capital structure and cost rates consistent with the language in Order No.
5 PSC-2024-0472-AS-EI. These calculations are shown on Form 9E (page 145 of 145)
6 in Exhibit No. (CAM-2). This form includes the derivation of debt and equity
7 components used in the Return on Average Net Investment, lines 7 (a) and (b), on Form
8 7E.

9

10 **Q. How do actual/estimated O&M expenditures for January 2025 through December**
11 **2025 compare with original projections?**

12 A. Form 4E in Exhibit No. (CAM-2) shows that total O&M project costs are estimated to
13 be \$66,418,708. This is \$750,099 or 1.1% lower than originally projected; the primary
14 driver of this variance is explained in the amended testimony of witness McCabe. This
15 form also lists individual O&M program variances.

16

17 **Q. How do actual/estimated capital recoverable costs for January 2025 through**
18 **December 2025 compare with DEF's original projections?**

19 A. Form 6E in Exhibit No. (CAM-2) shows that total recoverable capital costs are
20 estimated to be \$203,489,003. This is \$19,346,160 or 8.7% lower than originally
21 projected. This form also lists individual project variances. The return on investment,
22 depreciation expense and property taxes for each project for the actual/estimated period
23 are provided on Form 7E (pages 38 through 127 of 145). Explanations for these

1 variances are included in the amended direct testimony of Witness McCabe and direct
2 testimony of Brong.

3

4 2026 Projection Filing:

5 **Q. Are the Programs and activities included in the Company's SPPCRC consistent**
6 **with DEF's latest SPP filing?**

7 A. Yes, the planned activities are consistent with the Programs described in detail in
8 DEF's Amended 2026 SPP, Amended Exhibit No. (BML-1) in Docket No. 20250015-
9 EI, filed on July 11, 2025.

10

11 **Q. Have you prepared schedules showing the calculation of the SPPCRC recoverable**
12 **O&M project costs for 2026?**

13 A. Yes. Form 2P of Amended Exhibit No. (CAM-3) summarizes recoverable
14 jurisdictional O&M cost estimates for these projects of approximately \$63.3 million,
15 shown on Line 11.

16

17 **Q. Has DEF included any cost estimates related to administrative costs associated**
18 **with the SPP and/or SPPCRC filings?**

19 A. No. However, it is likely that DEF will incur some level of incremental costs related to
20 increased workload in areas such as IT, billing, legal, regulatory, and accounting in the
21 future but it is hard to quantify these costs at this time. As such, rather than speculating,
22 DEF will record those costs to the deferred account for SPPCRC and will submit those
23 costs in future filings.

1

2 **Q. Have you prepared schedules showing the calculation of the recoverable capital**
3 **project costs for 2026?**

4 A. Yes. Form 3P of Amended Exhibit No. (CAM-3) summarizes recoverable
5 jurisdictional capital cost estimates for these projects of approximately \$284.5 million,
6 shown on Line 5b. Form 4P (pages 34-124 of 127) shows detailed calculations of these
7 costs.

8

9 **Q. What are the total projected jurisdictional costs for SPPCRC recovery for the**
10 **year 2026 including true-up activity from prior periods?**

11 A. The total jurisdictional capital and O&M costs to be recovered through the SPPCRC in
12 2026 are approximately \$316.5 million, shown on Form 1P line 4 of Amended Exhibit
13 No. (CAM-3).

14

15 **Q. Please describe how the proposed SPPCRC factors are developed.**

16 A. The SPPCRC factors are calculated on Forms 5P and 6P of Amended Exhibit No.
17 (CAM-3). The demand component of class allocation factors is calculated by
18 determining the percentage each rate class contributes to monthly system peaks
19 adjusted for losses for each rate class which is obtained from DEF's load research study
20 filed with the Commission in April 2023. The energy allocation factors are calculated
21 by determining the percentage each rate class contributes to total kilowatt-hour sales
22 adjusted for losses for each rate class. Form 6P presents the calculation of the proposed
23 SPPCRC billing factors by rate class.

1

2 **Q. When is DEF requesting that the proposed SPPCRC billing factors be**
3 **effective?**

4 A. DEF is requesting that its proposed SPPCRC billing factors be effective with the first
5 bill group for January 2026 and continue through the last bill group for December 2026.

6

7 **Q. What capital structure and cost rates did DEF rely on to calculate the revenue**
8 **requirement rate of return for the period January 2026 through December 2026?**

9 A. DEF used the capital structure and cost rates consistent with the language in Order No.
10 PSC-2024-0472-AS-EI. These calculations are shown on Form 7P (page 127 of 127),
11 Amended Exhibit No. (CAM-3). This form includes the derivation of debt and equity
12 components used in the Return on Average Net Investment, lines 7 (a) and (b), on Form
13 4P.

14

15 **Q. Does that conclude your testimony?**

16 A. Yes.

1 (Whereupon, prefiled direct testimony of
2 Robert E. McCabe was inserted.)

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
IN RE: STORM PROTECTION PLAN COST RECOVERY CLAUSE

DOCKET NO. 20250010-EI

DIRECT TESTIMONY OF ROBERT E. MCCABE
ON BEHALF OF DUKE ENERGY FLORIDA, LLC

APRIL 1, 2025

I. INTRODUCTION AND QUALIFICATIONS.

Q. Please state your name and business address.

A. My name is Robert (Bob) E. McCabe. My current business address is 299 1st Ave
N, St Petersburg FL 33701.

Q. By whom are you employed and in what capacity?

A. I am employed by Duke Energy Florida, LLC (“DEF” or the “Company”) as
Manager of Project Management.

Q. What are your responsibilities as Manager of Project Management?

A. My duties and responsibilities include managing our project development group for
Storm Protection Plan and major project work in addition to providing support for
our regulatory filings.

1 **Q. Please summarize your educational background and work experience.**

2 **A.** I joined the Company on August 26, 1996. Since joining the Company, I have held
3 various positions in Customer Service, Engineering, Engineer Auditing, and
4 Subdivision Design. My current position is Manager of Project Management for
5 Power Grid Operations. I received a Bachelor of Science degree in Electrical
6 Engineering from the University of South Florida.
7

8 **II. PURPOSE AND SUMMARY OF TESTIMONY.**

9 **Q. What is the purpose of your direct testimony?**

10 **A.** The purpose of my direct testimony is to support the Company's request for
11 recovery of Distribution-related costs associated with DEF's Storm Protection Plan
12 ("SPP") through the Storm Protection Plan Cost Recovery Clause ("SPPCRC").
13 My testimony will focus on SPP Distribution programs with material variances
14 between 2024 actual incurred costs and the previously filed actual/estimated
15 program expenditures.
16

17 **Q. Do you have any exhibits to your testimony as it relates to January 2024**
18 **through December 2024 Distribution investments?**

19 **A.** No. I am co-sponsoring portions of the schedules attached to Mr. Menendez's direct
20 testimony, included as part of Exhibit No. (CAM-1). Specifically, I am sponsoring
21 the Distribution-related O&M project level information shown on Schedule Form
22 5A (Pages 6-25 of 163), the Distribution-related Capital Projects on Form 7A

(Pages 32-51 of 163), the Program Description and Progress Reports on Form 8A (Pages 146-154 of 163), and the cost portions of:

- Form 5A (Page 5 of 163, Lines 1.1 through 1.5, 3.1, and 4 through 4b),
- Form 7A (Pages 57-88, 114-138, and 143 of 163, Lines 1a and 1b)

Q. Please summarize your testimony.

A. In 2024, DEF incurred costs in Distribution Feeder Hardening, Distribution Lateral Hardening, Self-Optimizing Grid, Underground Flood Mitigation Programs, and Distribution Vegetation Management; these SPP implementation costs relate to the engineering and construction costs associated with hardening and automating distribution circuits, as well as continuing DEF's Vegetation Management program, as outlined in DEF's Commission-approved SPP. Additionally, DEF incurred costs associated with planning and engineering projects scheduled for 2025 within all Distribution programs.

DEF incurred these costs implementing its Commission-approved SPP. These costs are not being recovered through base rates or any other clause mechanism, and as such, they should be approved for recovery through the SPPCRRC.

III. OVERVIEW OF SPP PROGRAM MATERIAL VARIANCES FROM ESTIMATES

Q. How did the 2024 scope and actual expenditures compare to the actual/estimated scope and expenditures for the SPP Distribution Feeder Hardening program?

1 A. DEF planned to complete approximately 198 miles of feeder hardening on 117
2 distribution circuits but actually completed 164 miles and performed project
3 activities on 174 distribution circuits in 2024. The primary reason for this and other
4 SPP related variances, is explained later in my testimony. All planned feeders have
5 some portions of hardening completed, but DEF considers miles complete only
6 when the entire circuit is hardened. DEF completed the full distribution feeder pole
7 inspection plan. DEF replaced 855 rejected feeder poles in 2024 as compared to the
8 previously estimated 1,955. Fewer feeder poles were rejected, than previously
9 estimated in this cycle.

10
11 DEF's actual 2024 Feeder Hardening Capital spend was approximately \$227.2M
12 compared to the forecasted spend of \$178.8M. The O&M expenditures were \$0.9M
13 compared to the forecasted \$0.6M. The primary driver is higher unit costs and a
14 focus on the Feeder Hardening subprogram (which is why DEF began work on
15 more feeders than projected) recognizing DEF would not be able to complete the
16 planned work in Lateral Hardening Undergrounding due to transformer availability.
17 DEF had planned on completing more miles of feeder hardening but was delayed
18 due to storm impacts.

19
20 **Q. How did the 2024 scope and actual expenditures compare to the**
21 **actual/estimated scope and expenditures for the SPP Distribution Lateral**
22 **Hardening program?**

1 A. DEF planned to complete approximately 101 miles of overhead lateral hardening
2 on 113 distribution circuits but completed 98 miles on 168 distribution circuits in
3 2024 and plans to complete the balance in 2025. DEF planned to convert
4 approximately 61 existing overhead miles of lateral lines to underground on 24
5 distribution circuits but completed 2 miles and project activities on 90 distribution
6 circuits in 2024. The primary variance driver in the Lateral Hardening
7 Undergrounding subprogram was a delay in padmount transformer availability with
8 transformers becoming available in late second quarter of 2024 in addition to
9 resource reallocation due to storm impacts discussed later in my testimony. DEF
10 plans to complete portions already under construction in 2025. DEF completed the
11 full lateral pole inspection plan and replaced 5,639 as compared to the previously
12 filed estimated 6,545 poles. Fewer lateral poles were rejected than previously
13 estimated in this cycle.

14
15 DEF's actual 2024 Lateral Hardening Capital spend was approximately \$129.0M
16 compared to the previously filed estimated spend of \$270.2M. The O&M
17 expenditures were \$1.1M compared to the forecasted \$1.9M.

18
19 **Q. How did the 2024 scope and actual expenditures compare to the**
20 **actual/estimated scope and expenditures for the SPP Self-Optimizing Grid**
21 **("SOG") program?**

22 A. DEF had planned to complete installation of 944 automated switching devices and
23 completed 739 units in 2024. In addition, DEF planned to complete 36 miles of

1 capacity & connectivity work in 2024 and completed approximately 26 miles. For
2 the units planned but not completed, DEF has in fact performed and completed most
3 of the work on these installations. However, DEF does not recognize an installation
4 as “complete” until it is placed in-service; the timing of which typically lags
5 construction in the field. Therefore, the unit variances are primarily the result of in-
6 service timing and do not reflect a gap in actual work performed; DEF anticipates
7 completing the remaining 2024 SOG scope in 2025.

8
9 DEF’s actual 2024 SOG Capital spend was approximately \$104.3M compared to
10 the planned filed spend of \$79.1M. The O&M expenditures were \$0.2M compared
11 to the forecasted \$0.4M.

12
13 **Q. How did the 2024 scope and actual expenditures compare to the**
14 **actual/estimated scope and expenditures for the SPP Underground Flood**
15 **Mitigation program?**

16 A. DEF completed some incremental engineering in 2024. DEF has plans to complete
17 construction of the delayed planned construction units in 2025.

18
19 DEF’s actual 2024 Underground Flood Mitigation Capital cost was approximately
20 (\$0.3M) compared to the planned filed spend of \$0.3M. The program reflects a
21 credit for 2024 due to returning transformers into DEF’s inventory as these
22 materials were needed to address high priority work such as new customers, storm
23 restoration work, etc.

1
2 **Q. How did the 2024 scope and actual expenditures compare to the**
3 **actual/estimated scope and expenditures for the SPP Distribution Vegetation**
4 **Management program?**

5 A. DEF materially met its 2024 scope commitment for Distribution Vegetation
6 Management with 4,006 miles completed out of the actual/estimated filing amount
7 of 4,179 miles. The shortage of miles was primarily due to the significant
8 restoration and recovery work as a result of Hurricanes Debby, Helene, and Milton.
9 DEF still expects to meet the 2025 lateral anniversary year and 2026 feeder
10 anniversary year of its Distribution Vegetation Management plan.
11

12 DEF's actual 2024 Distribution Vegetation Management Capital spend was
13 approximately \$2.3M compared to the planned filed spend of \$2.1M. The O&M
14 expenditures were \$45.5M compared to the forecasted \$46.9M. The total
15 Distribution Vegetation Management program spend was approximately \$47.8M
16 compared to a forecast of \$49.0M reflecting a variance of approximately (3%).
17

18 **Q. Have there been any adjustments to Distribution Removal expenditures**
19 **associated with Capital projects since DEF's last SPPCRC filing?**

20 A. Yes, Duke Energy identified an issue in the interface between our work
21 management system (Maximo) and the application that serves as our system of
22 record for assets (PowerPlan) causing the allocation of costs between Construction
23 Work In Progress (CWIP) and Retirement Work In Progress (RWIP) to be

inaccurately reflected for impacted distribution projects. This issue was identified during the monthly financial review by a Project Controls Specialist. The specialist noted an unexpected increase in the CapEx of an impacted project due to a PowerPlan CWIP / RWIP true up entry. Analysis was conducted and DEF determined that the error existed in projects executed under both fixed price agreements and projects with cost adders to construction for tasks such as flagging. Impacted projects were analyzed to determine the correct allocation of costs between CWIP and RWIP based on the project designs and estimates and the current allocation of costs. Adjustments have been made within Maximo and PowerPlan to correct these issues. Additionally, there is a monthly process to identify projects impacted by the two issues noted above and ensure correct CWIP / RWIP allocations are pushed to PowerPlan to ensure CWIP and RWIP balances align with the current project estimates.

The afore-mentioned changes reduced actual Capital Expenditures amounts reflected in 2024 for 2023 project costs in the Distribution programs:

Distribution SPP Program	Estimated Reduction in 2024 CapEx
Feeder Hardening	\$8.5M
Lateral Hardening	\$10.5M
Self-Optimizing Grid	\$30k
Underground Flood Mitigation	\$2k

1 **Q. What prevented DEF from completing its planned 2024 SPP projects?**

2 **A.** While all projects encountered a mixture of typical execution challenges, such as
3 but not limited to, scope adjustments in the field, permitting delays, and resource
4 availability, the primary impediment that DEF encountered in 2024 was the impact
5 of Hurricanes Debby, Helene, and Milton. These major hurricanes impacted DEF's
6 ability to execute planned work in 2024 because DEF appropriately redirected
7 resources to complete storm restoration work instead of SPP work for several
8 weeks. In addition to resource re-allocation, DEF also allocated materials to storm
9 restoration work that would have been used in SPP program installation work such
10 as pad mount transformers, switchgears, and other smaller assets like elbows,
11 connectors, etc. This material reallocation in addition to a delay in transformer
12 availability is why DEF completed less Lateral Undergrounding work than
13 projected.

14 DEF was able to partially mitigate a more prolonged impact to work schedules by
15 having dedicated crews to refocus on SPP work once storm restoration was
16 complete, but given the impact to DEF's system (as well as resources provided to
17 mutual assistance partners in their time of need), the impacts from the 2024 storm
18 season could not be fully mitigated.

19
20 **Q. Does this conclude your testimony?**

21 **A.** Yes, it does.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
IN RE: STORM PROTECTION PLAN COST RECOVERY CLAUSE

DOCKET NO. 20250010-EI
AMENDED DIRECT TESTIMONY OF ROBERT E. MCCABE
ON BEHALF OF DUKE ENERGY FLORIDA, LLC

JULY 11, 2025

I. INTRODUCTION AND QUALIFICATIONS.

Q. Please state your name and business address.

A. My name is Robert (Bob) E. McCabe. My current business address is 299 1st Ave
N, St Petersburg FL 33701.

Q. By whom are you employed and in what capacity?

A. I am employed by Duke Energy Florida, LLC (“DEF” or the “Company”) as
Manager of Project Development and Project Management.

Q. What are your responsibilities as Manager of Project Management?

A. My duties and responsibilities include managing our project development group for
Storm Protection Plan and major project work in addition to providing support for
our regulatory filings.

1 **Q. Please summarize your educational background and work experience.**

2 **A.** I have a Bachelor of Science degree in Electrical Engineering from the University
3 of South Florida. Throughout my 28 years at Duke Energy, I have held various
4 positions in Customer Service, Engineering, Engineer Auditing, and Subdivision
5 Design. My current position is Manager of Project Development and Project
6 Management for Power Grid Operations.
7

8 **II. PURPOSE AND SUMMARY OF TESTIMONY.**

9 **Q. What is the purpose of your amended direct testimony?**

10 **A.** The purpose of my amended direct testimony is to support the Company's request
11 for recovery of Distribution-related costs associated with implementing DEF's
12 Storm Protection Plan ("SPP") through the Storm Protection Plan Cost Recovery
13 Clause ("SPPCRC"). My amended testimony supports the Company's actual SPP
14 costs incurred year to date in 2025, estimated costs through the remainder of 2025,
15 projected costs for 2026, and explains how those activities and costs are reasonable
16 and consistent with DEF's SPP 2023-2032 ("SPP 2023"), as approved by the
17 Commission in Docket No. 20220050-EI, and DEF's SPP 2026-2035 ("SPP 2026")
18 filing submitted in Docket No. 20250015-EI.
19

20 **Q. Do you have any exhibits to your testimony as it relates to January 2025**
21 **through December 2025 Distribution investments?**

22 **A.** No, but I am co-sponsoring portions of the schedules attached to Mr. Menendez's
23 direct testimony, included as part of Exhibit No. (CAM-2), May 1, 2025, Actual

1 Estimated and Projection filing. Specifically, I am sponsoring the Distribution-
2 related O&M project level information shown on Schedule Form 5E (Pages 6-18
3 of 145), the Distribution-related Capital Projects on Form 7E (Pages 23-35 of 145),
4 the Program Description and Progress Report on Form 8E (Pages 128-135 and 144
5 of 145), and the cost portions of:

- 6 • Form 5E (Page 5 of 145, Lines 1 through 1.5, 3.1, and 4 through 4b), and
- 7 • Form 7E (Pages 38-69, 96-120, and 126 of 145, Lines 1a and 1b).

8
9 **Q. Do you have any exhibits to your testimony as it relates to January 2026**
10 **through December 2026 Distribution investments?**

11 **A.** No, but I am co-sponsoring portions of the schedules attached to Mr. Menendez's
12 amended direct testimony, included as part of Amended Exhibit No. (CAM-3).
13 Specifically, I am sponsoring the Distribution-related O&M project level
14 information shown on Schedule Form 2P (Pages 3-14 of 127), the Distribution-
15 related Capital Projects on Form 4P (Pages 19-30 of 127), and the cost portions of:

- 16 • Form 2P (Page 2 of 127, Lines 1 through 1.5, 3.1, and 4 through 4b), and
- 17 • Form 4P (Pages 34-65, 92-116 and 123 of 127, Lines 1a and 1b).

18
19 **Q. Please summarize your amended testimony.**

20 **A.** In 2025 and 2026, consistent with DEF's SPP 2023 & SPP 2026, DEF has incurred
21 or will incur engineering, material acquisition, and construction costs associated
22 with projects and work within its Distribution Feeder Hardening, Lateral
23 Hardening, Self-Optimizing Grid, Underground Flood Mitigation and Vegetation

1 Management Programs (collectively, the “Distribution Programs”). These
2 reasonable SPP-implementation costs are not being recovered through base rates or
3 any other clause mechanism, and as such, they should be approved for recovery
4 through the SPPCRC.

5
6 **Q. Are DEF's 2025 and 2026 SPP program expenditures reasonable and**
7 **consistent with the Commission approved SPP 2023 and filed SPP 2026?**

8 **A.** Yes, DEF’s 2025 and 2026 Distribution Program expenditures are reasonable and
9 consistent with SPP 2023, and projections provided in Docket No. 20240010-EI,
10 and SPP 2026, respectively, with the minor exceptions explained below and shown
11 on Exhibit No. (CAM-2) and Amended Exhibit No. (CAM-3). Moreover, from an
12 execution standpoint, these programs are being implemented in a reasonable
13 manner and consistent with the Commission-approved SPP 2023 and the submitted
14 SPP 2026.

15
16 **III. OVERVIEW OF 2025 SPP PROGRAM ACTIVITIES FOR CURRENT COST**
17 **RECOVERY**

18 **Q. What, if any, impediments does DEF anticipate with completing 2025 and/or**
19 **2026 SPP Distribution Program work and what steps is the Company taking**
20 **to mitigate any such issues?**

21 **A.** As discussed in my April 1, 2025, True-Up testimony, DEF experienced material
22 constraints and significant storm restoration work activities that inhibited full
23 execution of our 2024 work plan. Barring any new economic challenges, DEF does

1 not see a continued risk of material availability in 2025 or 2026 as the majority of
2 these issues have since resolved with the exception of pad mount transformers in
3 Q1 2025 and some pad mounted reclosers for the SOG program. Labor availability
4 for feeder and lateral hardening has improved, however DEF expects it will take
5 until Q3 2025 to fully meet construction needs levels. DEF has worked to anticipate
6 total material demand for its 2025 and 2026 workplans and has notified its vendors
7 of long lead time materials needed to potentially mitigate availability issues. DEF
8 previously transitioned to spun concrete poles due to wood pole availability. DEF
9 expects wood poles to be available to meet construction needs in 2026, therefore
10 will be transitioning the majority of Feeder Hardening work back to wood poles.

11
12 **Q. Does DEF anticipate variances to any specific programs' scope when**
13 **compared to what was previously approved in SPP 2023?**

14 **A.** Yes, DEF currently expects variances to annual scope for the Feeder and Lateral
15 Hardening programs. These temporal variations, while consistent with the overall
16 10-year SPP, are driven by carryover of some projects and reprioritization of work
17 based on the external factors discussed above. Timing for projects within Feeder
18 Hardening and Lateral Hardening Overhead were brought forward while projects
19 within Lateral Hardening Underground were shifted out for completion in later
20 periods. These adjustments will allow DEF to continue valuable grid hardening
21 projects for the benefit of our customers, while allowing Lateral Hardening
22 Underground engineering and planning to continue while DEF works to manage
23 the external factors previously discussed. Changes noted as related to pole

1 replacement programs within the Feeder and Lateral Hardening program are
2 estimates based upon potential failure rates during inspection. Whether the poles
3 replaced will ultimately be under Feeder Hardening or Lateral Hardening will not
4 be known until inspections are completed.

5 This prioritization adjustment is reasonable and consistent with SPP 2023's
6 systematic approach to achieving reductions in restoration costs and outage times
7 associated with extreme weather events while enhancing reliability.

8
9 **Q. Does DEF anticipate variances to the 2025 actual/estimated program costs**
10 **compared to previous projections?**

11 **A.** Yes, DEF anticipates variances within the Feeder Hardening, Lateral Hardening,
12 Self-Optimizing Grid, and Underground Flood Mitigation programs. The Feeder
13 Hardening capital variance is estimated to be \$45.6M higher than the previous
14 forecast and is primarily driven by planning 67 additional miles of feeder hardening
15 work and an additional 1,360 feeder pole replacements. The variance for O&M is
16 estimated to be \$0.4M lower than the previous forecast with the primary driver
17 being the reallocation of costs related to pole treatments during inspections. This
18 adjustment is to recognize that pole treatment extends the useful life of the pole and
19 is therefore properly a capital cost.

20
21 The Lateral Hardening capital variance is estimated to be \$32.5M lower than the
22 previous forecast and is primarily driven by 23 fewer miles of overhead removed
23 in the Lateral Hardening Underground subprogram and 743 fewer lateral pole

1 replacements than originally planned. However, DEF also plans to complete an
2 additional 34 miles of Lateral Overhead replacement work. The Lateral Hardening
3 variance for O&M is estimated to be \$1.1M lower than the previous forecast with
4 the primary driver being the reallocation of costs related to pole treatments during
5 inspections as discussed above in relation to Feeder Hardening.

6
7 The Self-Optimizing Grid capital variance is \$12M lower than the previous
8 forecast, however, DEF anticipates installation of 151 additional units compared to
9 the planned 2025 work as the Company anticipates finishing installations that were
10 started in 2024. The variance for O&M is estimated to be \$66K lower than the
11 previous forecast with the primary driver being the same as outlined for capital
12 costs. Further, the program was originally planned to finish in 2025 but is now
13 planned to finish in 2026. The SOG program requires specifically trained engineers
14 to design and plan device coordination, and this skill set is in short supply. DEF is
15 working to manage the need with more in-house training and allowing for an
16 additional year into 2026 for program completion and reflected this timing change
17 in the SPP 2026 filing.

18
19 **IV. OVERVIEW OF 2026 SPP PROGRAMS PROJECTED COSTS FOR RECOVERY**

20 **Q. Are the activities for Feeder Hardening in 2026 consistent with SPP 2026?**

21 **A.** Yes, the 2026 activities for Feeder Hardening are consistent with SPP 2026. Please
22 refer to Schedule Form 4P (Pages 34-50 of 127) (Line 1a) and Schedule Form 2P
23 (Page 2 of 127) (Lines 1.1-1.2) in Amended Exhibit No. (CAM-3).

Q. Are the activities for Lateral Hardening in 2026 consistent with SPP 2026?

A. Yes, the 2026 activities for Lateral Hardening are consistent with SPP 2026. Please refer to Schedule Form 4P (Pages 51-65 and 92-99 of 127) (Line 1a) and Schedule Form 2P (Page 2 of 127) (Lines 1.3-1.4 and 4.2) in Amended Exhibit No. (CAM-3).

Q. Are the activities for Self-Optimizing Grid in 2026 consistent with SPP 2026?

A. Yes, the 2026 activities for Self-Optimizing Grid are consistent with SPP 2026. Please refer to Schedule Form 4P (Pages 100-115 of 127) (Line 1a) and Schedule Form 2P (Page 2 of 127) (Line 1.5) in Amended Exhibit No. (CAM-3).

Q. Are the activities for Underground Flood Mitigation in 2026 consistent with SPP 2026?

A. Yes, the 2026 activities for Underground Flood Mitigation are consistent with SPP 2026. Please refer to Schedule Form 4P (Page 116 of 127) (Line 1a) and Schedule Form 2P (Page 2 of 127) (Line 4.1) in Amended Exhibit No. (CAM-3).

Q. Are the activities for Distribution Vegetation Management in 2026 consistent with SPP 2026?

A. Yes, the 2026 activities for Distribution Vegetation Management are consistent with SPP 2026. Please refer to Schedule Form 4P (Page 123 of 127) (Line 1a) and Schedule Form 2P (Page 2 of 127) (Line 3.1) in Amended Exhibit No. (CAM-3).

1
2 **Q. Does DEF project any material variances from SPP 2026 to program scope**
3 **and/or projected costs for the activities planned for 2026?**

4 **A.** No, DEF does not anticipate material variances within the Distribution Programs.
5 However, as discussed above, it is normal for annual program scope to fluctuate
6 due to a myriad of issues (e.g., material and labor availability or weather impacts).
7 The total overall cost of the Distribution Programs is projected to remain the same
8 as originally forecast.
9

10 **V. SUMMARY**

11 **Q. Are the Programs and activities discussed above consistent with DEF's SPP?**

12 **A.** Yes, the 2025 and 2026 activities are consistent with the Programs described in
13 DEF's SPP 2023, specifically Exhibit No. (BML-1), approved by the Commission
14 in Docket No. 20220050-EI, as well as DEF's SPP 2026, specifically Amended
15 Exhibit No. (BML-1), submitted in Docket No. 20250015-EI on July 11, 2025.
16

17 **Q. Did DEF reach a Settlement in Docket No. 20250015-EI?**

18 **A.** Yes.
19

20 **Q. How did DEF account for the Settlement in the SPP 2026 docket in Docket No.**
21 **20250010-EI?**

22 **A.** DEF reduced Feeder Hardening and Lateral Hardening 2026 scope targets
23 consistent with the Stipulations filed on May 16, 2025.

Q. Would you please provide a summary of the costs associated with the Programs and activities discussed above?

A. Yes, the tables below represent the projected SPP investments for 2025 and 2026.

<i>(\$ Millions)</i>	2025	2025	2025
SPP Program	Capital	O&M	Total
Feeder Hardening	\$196.5	\$0.3	\$196.8
Lateral Hardening	\$278.6	\$1.1	\$279.7
Self-Optimizing Grid	\$106.7	\$0.5	\$107.2
Underground Flood Mitigation	\$2.8	\$0.0	\$2.8
D - Vegetation Management	\$2.3	\$49.0	\$51.3
Total	\$587.0	\$50.9	\$637.9

<i>(\$ Millions)</i>	2026	2026	2026
SPP Program	Capital	O&M	Total
Feeder Hardening	\$139.0	\$0.2	\$139.2
Lateral Hardening	\$223.5	\$1.0	\$224.5
Self-Optimizing Grid	\$115.1	\$0.5	\$115.6
Underground Flood Mitigation	\$1.5	\$0.0	\$1.5
D - Vegetation Management	\$3.3	\$49.7	\$53.0
Total	\$482.4	\$51.5	\$533.8

Q. Does this conclude your testimony?

A. Yes, it does.

1 (Whereupon, prefiled direct testimony of
2 Robert Brong was inserted.)

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
IN RE: STORM PROTECTION PLAN COST RECOVERY CLAUSE

DOCKET NO. 20250010-EI

DIRECT TESTIMONY OF ROBERT BRONG
ON BEHALF OF DUKE ENERGY FLORIDA, LLC

APRIL 1, 2025

I. INTRODUCTION AND QUALIFICATIONS.

Q. Please state your name and business address.

A. My name is Robert (Bob) E. Brong. My current business address is 3300 Exchange Place, Lake Mary, FL 32746.

Q. By whom are you employed and in what capacity?

A. I am employed by Duke Energy Florida, LLC (“DEF” or “the Company”) as Director, Power Grid Operations (PGO) Project Management.

Q. What are your responsibilities as Director PGO Project Management?

A. My duties and responsibilities include the execution of capital projects for transmission system grid upgrades, system planning, and asset management across DEF.

1 **Q. Please summarize your educational background and work experience.**

2 A. I have an undergraduate degree from the University of Pittsburgh, and a Master's
3 degree in Business Administration from the University of Central Florida.
4 Throughout my 23 years at Duke Energy, I have held various positions within
5 distribution and transmission ranging from Manager, Sr. Project Manager, Director,
6 focusing on the planning and execution of transmission capital projects. My current
7 position as Director of PGO Project Management began in September 2020.

8
9 **II. PURPOSE AND SUMMARY OF TESTIMONY.**

10 **Q. What is the purpose of your direct testimony?**

11 A. The purpose of my direct testimony is to support the Company's request for
12 recovery of Transmission-related costs associated with DEF's Storm Protection
13 Plan ("SPP") through the Storm Protection Plan Cost Recovery Clause
14 ("SPPCRC"). My testimony will focus on SPP Transmission programs or
15 subprograms with material variances between 2024 actual incurred costs and the
16 previously filed actual/estimated program expenditures.

17
18 **Q. Do you have any exhibits to your testimony as it relates to January 2024**
19 **through December 2024 transmission system investments?**

20 A. No, but I am co-sponsoring portions of the schedules attached to Mr. Menendez's
21 direct testimony, included as part of Exhibit No. (CAM-1). Specifically, I am
22 sponsoring the 2024 Transmission-related O&M project level information shown
23 on Schedule Form 5A (pages 26-29 of 163), the Transmission-related Capital

Projects on Form 7A (52-56 of 163), the Program Description and Progress Report on Form 8A (pages 155-162 of 163), and the cost portions of:

- Form 5A (Page 5 of 163, Lines 1.6, 2 through 2b and 3.2), and
- Form 7A (Pages 89-113, 139-142, and 144-145 of 163, Lines 1a and 1b).

Q. Please summarize your testimony.

A. In 2024, DEF incurred costs to implement its Commission-approved Transmission-related SPP Programs: the Transmission Structure Hardening Program, which includes Wood to non-Wood pole replacements, Tower Upgrade, Cathodic Protection, Drone Inspections, Structure Inspections, Overhead Ground Wires, and GOAB Automation; the Substation Hardening Program, which includes the Breaker Replacements and Electromechanical Relays sub-program activities; and the Transmission Vegetation Management Program. Additionally, DEF incurred costs to procure material and equipment and perform analytical and engineering work in preparation for 2025 SPP Transmission-related projects. My testimony provides explanations for material variances within the Transmission Program expenditures or implementation versus previous filings.

DEF's 2024 Transmission-related SPP costs are not being recovered through base rates or any other clause mechanism, and as such, they should be approved for recovery through the SPPCRC.

III. OVERVIEW OF SPP PROGRAMS VARIANCES FROM ESTIMATES

1 **Q. Did the Transmission Programs incur any material variances in 2024 actual**
2 **expenditures compared to the previously filed 2024 actual/estimated spend?**

3 A. No, while Transmission Programs did not see material spend variances, I will
4 further discuss the Structure Hardening subprogram spend and units in more detail
5 below.

6
7 **Q. How did DEF's 2024 actual expenditures compare with the previously filed**
8 **2024 actual/estimated spend for the Transmission Substation Hardening**
9 **Program?**

10 A. DEF Transmission's actual 2024 Capital spend in the Transmission Substation
11 Hardening Program was approximately \$11.2M, which is \$0.5M lower than the
12 previously filed actual/estimated spend of \$11.7M. DEF completed the forecasted
13 22 units for this program during 2024.

14
15 **Q. How did DEF's 2024 actual expenditures compare with the previously filed**
16 **2024 actual/estimated spend for the Transmission Structure Hardening**
17 **Program?**

18 A. DEF Transmission's actual 2024 total spend for the Transmission Structure
19 Hardening Program was approximately \$153.7M, roughly 2% lower than the 2024
20 previously filed actual/estimated spend of \$156.0M. I discuss the performance of
21 two Transmission Structure Hardening subprograms, Overhead Ground Wires
22 (OHGW) and Gang Operated Air Break (GOAB) Automation, below.

1 **Q. Can you expand on DEF's 2024 actual units complete, and expenditures**
2 **compared with the previously filed 2024 actual/estimated units and**
3 **expenditure for the Transmission OHGW subprogram?**

4 A. In the Transmission OHGW subprogram, DEF PGO had planned to complete 63
5 miles of overhead ground wire upgrades and completed 48 miles in 2024, which is
6 15 miles less than the filed actual/estimated mileage. For the units planned but not
7 completed, DEF has performed work on these units, and DEF anticipates
8 completing the remaining scope of 2024 OHGW upgrades in 2025. The variance is
9 primarily due to the impact of Hurricanes Debby, Helene and Milton, as introduced
10 in witness Bob McCabe's testimony, in that resources were not able to return to
11 OHGW subprogram work until storm restoration work was complete.

12 DEF's actual 2024 Capital spend was approximately \$8.7M compared to the
13 previously filed estimated spend of \$11.0M. There are no O&M expenditures for
14 this Program.

15
16 **Q. Can you expand on DEF's 2024 actual units complete, and expenditures**
17 **compared with the previously filed 2024 actual/estimated units and**
18 **expenditures for the Transmission GOAB Automation subprogram?**

19 A. In the Transmission GOAB Automation subprogram, DEF's actual 2024 units
20 completed was 6, which is 1 unit less than the actual/estimated total of 7. For the
21 units planned but not completed, DEF has performed work on these units, and DEF
22 anticipates completing the remaining scope of 2024 GOAB automation in 2025.
23 The impediment for this subprogram that DEF encountered in 2024 was the impact

1 of Hurricanes Debby, Helene, and Milton. These major hurricanes impacted DEF's
2 ability to execute scheduled project work that needed to be completed prior to this
3 SPP project.

4 DEF's actual 2024 Capital spend was approximately \$5.4M compared to the
5 previously filed estimated spend of \$8.2M. Additionally, there was no actual O&M
6 expenditure although \$40K was forecasted.

7
8 **Q. How did DEF's 2024 actual Transmission Vegetation Management miles**
9 **trimmed compare to actual/estimated projected mileage?**

10 A. DEF completed approximately 756 miles of Transmission Vegetation Management
11 work, exceeding the actual/estimate projection of 755 miles by 1 mile, while the
12 2024 total actual costs incurred was within 3% of the estimated total for 2024.

13
14 **Q. Does this conclude your testimony?**

15 A. Yes, it does.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
IN RE: STORM PROTECTION PLAN COST RECOVERY CLAUSE

DOCKET NO. 20250010-EI
DIRECT TESTIMONY OF ROBERT BRONG
ON BEHALF OF DUKE ENERGY FLORIDA, LLC

MAY 1, 2025

I. INTRODUCTION AND QUALIFICATIONS.

Q. Please state your name and business address.

A. My name is Robert E Brong. My current business address is 3300 Exchange Place,
Lake Mary, FL 32746.

Q. By whom are you employed and in what capacity?

A. I am employed by Duke Energy Florida, LLC (“DEF” or “the Company”) as
Director, Transmission Project Management.

**Q. What are your responsibilities as Director, Transmission Resources and
Project Management?**

A. My duties and responsibilities include the execution of capital projects for
transmission system grid upgrades, system planning, and asset management across
DEF.

1
2 **Q. Please summarize your educational background and work experience.**

3 **A.** I have an undergraduate degree from the University of Pittsburgh, and a Master's
4 degree in Business Administration from the University of Central Florida.
5 Throughout my 22 years at Duke Energy, I have held various positions within
6 distribution and transmission ranging from Manager, Sr. Project Manager, Director,
7 focusing on the planning and execution of transmission capital projects. My current
8 position as Director of Transmission Project Management began in September
9 2020.
10

11 **II. PURPOSE AND SUMMARY OF TESTIMONY.**

12 **Q. What is the purpose of your direct testimony?**

13 **A.** The purpose of my direct testimony is to support the Company's request for
14 recovery of Transmission-related costs associated with DEF's Storm Protection
15 Plan ("SPP") through the Storm Protection Plan Cost Recovery Clause
16 ("SPPCRC"). My testimony supports the Company's actual SPP costs incurred
17 year to date in 2025, estimated costs through the remainder of 2025, projected costs
18 through 2026, and demonstrates how those activities and costs are consistent with
19 DEF's SPP 2023 – 2032 ("SPP 2023") as approved by the Commission in Docket
20 No. 20220050-EI and DEF's SPP 2026-2035 ("SPP 2026") filing submitted in
21 Docket No. 20250015-EI.
22

1 **Q. Do you have any exhibits to your testimony as it relates to January 2025**
2 **through December 2025 Transmission investments?**

3 **A.** No, but I am co-sponsoring portions of the schedules attached to Mr. Menendez's
4 direct testimony, included as part of Exhibit No. (CAM-2). Specifically, I am
5 sponsoring the Transmission-related O&M project level information shown on
6 Schedule Form 5E (Line 1.6 on Page 18 and Pages 19-20 of 145), the Transmission-
7 related Capital Projects on Form 7E (Lines 1.6 and 1.7 on Page 35 and Pages 36-
8 37 of 145), the Program Description and Progress Report on Form 8E (Pages 136-
9 143 of 145), and the cost portions of:

- 10 • Form 5E (Page 5 of 145, Lines 1.6 and 2 through 2b, and 3.2), and
- 11 • Form 7E (Pages 70-95, 121-125, and 127 of 145, Lines 1a and 1b).

12
13 **Q. Do you have any exhibits to your testimony as it relates to January 2026**
14 **through December 2026 Transmission investments?**

15 **A.** No, but I am co-sponsoring portions of the schedules attached to Mr. Menendez's
16 direct testimony, included as part of Exhibit No. (CAM-3). Specifically, I am
17 sponsoring the Transmission-related O&M project level information shown on
18 Schedule Form 2P (Line 1.6 on Page 13 of 127, and Pages 15-17 of 127), the
19 Transmission-related Capital Projects on Form 4P (Lines 1.6 through 1.8 on Page
20 29, and Pages 31-33 of 127), and the cost portions of:

- 21 • Form 2P (Page 2 of 127, Lines 1.6, 2 through 2b, and 3.2), and
- 22 • Form 4P (Pages 66-91, 117-122, and 124 of 127, Lines 1a and 1b).

1 **Q. Please summarize your testimony.**

2 **A.** In 2025 and 2026, consistent with DEF's SPP 2023 & SPP 2026, DEF has incurred
3 or will incur costs to implement the Transmission-related SPP Programs: the
4 Transmission Structure Hardening Program, which includes Wood to Non-Wood
5 Pole Replacements, GOAB Automation, Tower Upgrades, Tower Cathodic
6 Protection, Overhead Ground Wires, Drone Inspections, and Structure Inspections
7 (O&M) activities; the Substation Flood Mitigation Program; the Substation
8 Hardening Program, which includes Breaker and Electromechanical Relay
9 Replacements; and the Transmission Vegetation Management Program.
10 Additionally, DEF will incur costs to procure material and equipment and perform
11 analytical and engineering work in preparation for 2026 and 2027 SPP projects.
12 These costs are not being recovered through base rates or any other clause
13 mechanism, and as such, they should be approved for recovery through the
14 SPPCRC.

15
16 **Q. Are DEF's 2025 and 2026 SPP program expenditures reasonable and**
17 **consistent with the Commission approved SPP 2023 and filed SPP 2026?**

18 **A.** Yes, DEF's 2025 and 2026 Transmission Program expenditures are reasonable and
19 consistent with SPP 2023, and projections provided in Docket No. 20240010-EI,
20 and SPP 2026, respectively, with the minor variances explained below and shown
21 on Exhibit No. (CAM-2) and (CAM-3). Moreover, from an execution standpoint,
22 these programs are being implemented in a reasonable manner and consistent with
23 the Commission-approved SPP 2023 and the submitted SPP 2026.

III. OVERVIEW OF SPP 2025 AND 2026 PROGRAM ACTIVITIES FOR COST RECOVERY

Q. Does DEF anticipate any impediments to completing the 2025 and 2026 transmission related work included in SPP 2023 and SPP 2026 and if so, what steps are being taken to mitigate the issue?

A. As discussed in my SPPCRC 2024 True-Up testimony filed April 1st in Docket No. 20250010-EI, last year DEF experienced material and labor constraints, but also our service territory was directly impacted by three named hurricanes that affected our 2024 work plan. DEF sees a continued risk of material shortages, such as switches used in the Gang-Operated Air-Break (GOAB) subprogram, in 2025. Labor availability may continue to be constrained, and DEF is continuing to monitor that availability for 2025. DEF continues to work to anticipate total material demand for its 2025 and 2026 workplans and is evaluating long-term strategies to mitigate material and labor availability.

Q. Does DEF anticipate cost variances to the 2025 annual program investments compared to what was previously projected?

A. Yes, DEF does anticipate a variance with the Substation Flood Mitigation program but does not currently anticipate any notable cost variances for the Structure Hardening, Substation Hardening, or Transmission Vegetation Management programs. However, I will further discuss the Structure Hardening subprograms in more detail below.

1
2 **Q. Does DEF anticipate cost variances to the 2026 annual program investments**
3 **compared to what was previously filed in DEF's SPP 2026?**

4 **A.** No, DEF does not currently anticipate any notable cost variances.
5

6 **Q. Does DEF anticipate variances to the 2025 annual scope by program compared**
7 **to what was previously projected?**

8 **A.** No, DEF does not anticipate notable variances to the 2025 annual unit forecast in
9 the programs. However, I will further discuss the Structure Hardening subprograms
10 in more detail below.
11

12 **Q. Does DEF anticipate variances to the 2026 annual scope by program compared**
13 **to the previously filed DEF's SPP 2026?**

14 **A.** No, DEF does not anticipate any notable scope variances to the 2026 annual unit
15 forecast.
16

17 **Q. Can you elaborate on what Structure Hardening program investments will be**
18 **made in 2025?**

19 **A.** DEF plans to invest approximately \$168.6M of capital in 2025 for the Structure
20 Hardening program. Please refer to Schedule Form 7E, (Pages 70-95 of 145) (Line
21 1a) in Exhibit No. (CAM-2) for 2025.
22

1 For the GOAB Automation subprogram, DEF anticipates completing in 2025 the
2 unit planned but not completed in 2024 due to impact of Hurricanes Debby, Helene,
3 and Milton. In addition, DEF is forecasting to complete one more unit in 2025. This
4 results in a unit increase in 2025 for a new total of 6 estimated units. A combination
5 of part of the cost already incurred in 2024 for the unit not completed last year and
6 scope refinement for the rest of the units has allowed this increase in units for 2025
7 while keeping the projected cost at approximately \$6.6M, which is \$0.8M less than
8 the previous projection of \$7.5M.

9
10 For the Overhead Ground Wires subprogram, DEF projects to complete 61 units
11 and invest \$20.3M in 2025. This differs from DEF's previous projection, in which
12 DEF estimated 72 units and an investment of \$15M. The difference is driven by
13 adjusted construction cost based on less opportunities to coordinate execution of
14 this sub program with the Wood to Non-Wood Pole Replacements as the wood pole
15 population is being reduced.

16
17 **Q. Can you elaborate on what is driving the variance in the Substation Flood**
18 **Mitigation program for 2025?**

19 **A.** The 2025 capital forecast is approximately \$0.5M higher than previously projected
20 due to the timing of procuring material and equipment as well as engineering work
21 necessary to perform Substation Flood Mitigation work in 2026 and 2027
22 consistent with DEF's SPP 2026.

1 **Q. Other than the program-specific issues discussed herein, are there any other**
2 **overall reasons you would expect to see variances or adjustments in the**
3 **currently planned projects for either 2025 or 2026?**

4 **A.** Yes, DEF expects that there will certainly be adjustments to the current plan as the
5 normal project development process continues. As previously described in my
6 testimony filed May 1, 2024, in Docket No. 20240010-EI, much of the work
7 included in the plan requires outages to be taken to perform the work safely and
8 cost-effectively. While outages can be planned, there is the potential for exigent
9 circumstances (e.g., emergent work and weather events) to make an outage at a
10 specific location not possible. In such a circumstance, DEF would adjust the project
11 prioritization to allow for work to continue while the necessary outage can be
12 rescheduled. Again, this is one example of a situation that could require a shuffling
13 of projects and given that we are attempting to provide project level schedules for
14 not only the remainder of 2025 but also all of 2026, changes should be expected.

15
16 **V. SUMMARY**

17 **Q. Are the Programs and activities discussed above consistent with DEF's SPP?**

18 **A.** Yes, the 2025 and 2026 activities are consistent with the Programs described in
19 DEF's SPP 2023, specifically Exhibit No. (BML-1), approved by the Commission
20 in Docket No. 20220050-EI as well as DEF's SPP 2026, specifically corrected
21 Exhibit No. (BML-1), submitted in Docket No. 20250015-EI on March 13, 2025.

Q. Would you please provide a summary of the costs associated with the Programs and activities discussed above?

A. Yes, the tables below represent the estimated SPP transmission investments for 2025 and 2026.

<i>(\$ Millions)</i>	2025	2025	2025
SPP Program	Capital	O&M	Total
Structure Hardening	\$168.6	\$3.4	\$172.0
Substation Flood Mitigation	\$0.5	-	\$0.5
Substation Hardening	\$17.2	-	\$17.2
T -Vegetation Management	\$10.8	\$12.1	\$22.9
Total	\$197.1	\$15.5	\$212.6

<i>(\$ Millions)</i>	2026	2026	2026
SPP Program	Capital	O&M	Total
Structure Hardening	\$171.3	\$3.6	\$174.9
Substation Flood Mitigation	\$6.9	-	\$6.9
Substation Hardening	\$22.2	-	\$22.2
T -Vegetation Management	\$12.8	\$12.9	\$25.7
Total	\$213.1	\$16.5	\$229.6

Q. Does this conclude your testimony?

A. Yes, it does.

1 (Whereupon, prefiled direct testimony of
2 Gabrielle Dearmond was inserted.)

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **COMMISSION STAFF**

3 **DIRECT TESTIMONY OF GABRIELLE DEARMOND**

4 **DOCKET NO. 20250010-EI**

5 **AUGUST 18, 2025**

6 **Q. Please state your name and business address.**

7 A. My name is Gabrielle Dearmond. My business address is 2540 Shumard Oak
8 Boulevard, Tallahassee, Florida 32399.

9 **Q. By whom are you presently employed and in what capacity?**

10 A. I am employed by the Florida Public Service Commission (FPSC or Commission) as a
11 Public Utility Analyst in the Office of Auditing and Performance Analysis.

12 **Q. Briefly review your educational and professional background.**

13 A. I received a Bachelor of Science degree in Political Science from Florida State
14 University in 2021. I have been employed by the Florida Public Service Commission
15 since February 2025.

16 **Q. Please describe your current responsibilities.**

17 A. My responsibilities consist of planning and conducting utility audits of manual and
18 automated accounting systems for historical data.

19 **Q. Have you presented testimony before this Commission or any other regulatory**
20 **agency?**

21 A. No.

22 **Q. What is the purpose of your testimony today?**

23 A. The purpose of my testimony is to sponsor the staff audit report of Duke Energy
24 Florida, LLC which addresses the Company's filing in Docket No. 20250010-EI. This
25 audit report is filed with my testimony and is identified as Exhibit GD-1.

1 **Q. Was this audit prepared by you or under your direction?**

2 A. Yes, it was prepared under my direction.

3 **Q. What audit period did you use in this audit?**

4 A. We audited the 12 Months Ended December 31, 2024.

5 **Q. Please describe the work you performed in this audit?**

6 A. The procedures that we performed in this audit are listed in the Objectives and
7 Procedures section of the attached Exhibit GD-1, pages 4 of 9 through 6 of 9.

8 **Q. Please review the audit findings in this audit report.**

9 A. There was one finding which is presented on page 7 of 9 of the attached Exhibit GD-1.
10 This finding discusses that the Company used a different Financial Commercial Paper
11 Rate than audit staff used when calculating the Interest Provision for the months of
12 January to July 2025. The calculated difference is \$1,306. The effect on the True-up
13 for the year is immaterial.

14 **Q. Does that conclude your testimony?**

15 A. Yes.

16

17

18

19

20

21

22

23

24

25

1 CHAIRMAN LA ROSA: Let's go to exhibits.

2 MR. DOSE: Staff has compiled a stipulated
3 Comprehensive Exhibit List, which includes the
4 prefiled exhibits attached to the witnesses'
5 testimony in this case and a number of staff
6 exhibits. The list has been provided to the
7 parties, the Commissioners, and the court reporter.

8 The list is marked as the first hearing
9 exhibit, and the other exhibits should be marked as
10 set forth in the Comprehensive Exhibit List.

11 CHAIRMAN LA ROSA: The exhibits, then, are so
12 marked.

13 (Whereupon, Exhibit Nos. 1-51 were marked for
14 identification.)

15 MR. DOSE: Staff requests that the
16 Comprehensive Exhibit List, marked as Exhibit No.
17 1, be entered into the record.

18 CHAIRMAN LA ROSA: Exhibit 1 is then entered.

19 (Whereupon, Exhibit No. 1 was received into
20 evidence.)

21 MR. DOSE: Staff asks that Exhibits 2 to 3, 5
22 to 7 and 9 to 51 be included into the record.

23 CHAIRMAN LA ROSA: Parties, any questions on
24 the exhibit list?

25 Seeing none, there is no objections. For the

1 record, let's go ahead and move 2 and 3, 5 through
2 7, 9 through 51 into the record as entered.

3 (Whereupon, Exhibit Nos. 2-3, 5-7 & 9-51 were
4 received into evidence.)

5 MR. DOSE: Because the parties have reached
6 Type 2 stipulations, with the intervenors not
7 objecting to the Commission considering the
8 stipulations on all the issues in this the case,
9 staff suggests that the Commission may make a bench
10 decision in this docket because the parties have
11 agreed to waive post-hearing briefs.

12 Staff is also available to answer any
13 questions.

14 The stipulations are reflected on pages 21
15 through 36 of the Prehearing Order.

16 CHAIRMAN LA ROSA: Okay. Commissioners, are
17 there any questions on this docket?

18 All right. Seeing none, open for a motion.

19 COMMISSIONER PASSIDOMO SMITH: I would move
20 approval of the proposed Type 2 stipulations shown
21 on pages 21 through 36 of the Prehearing Order.

22 COMMISSIONER GRAHAM: Second.

23 CHAIRMAN LA ROSA: All right. Hearing a
24 motion, and hearing a second.

25 All those in favor signify by saying yay.

1 (Chorus of yays.)

2 CHAIRMAN LA ROSA: Yay.

3 Opposed no?

4 (No response.)

5 CHAIRMAN LA ROSA: Show that the motion
6 passes.

7 Any other matters that need to be addressed in
8 the 10 docket?

9 MR. DOSE: All issues, testimony and exhibits
10 having been stipulated to, and all stipulations
11 having been approved by the Commission, staff has
12 no additional matters to be addressed at this time.

13 CHAIRMAN LA ROSA: Parties, any additional?

14 Seeing none, then let's go ahead and adjourn
15 from this docket and let's move into 01.

16 (Proceedings concluded.)

17

18

19

20

21

22

23

24

25

1 CERTIFICATE OF REPORTER

2 STATE OF FLORIDA)
3 COUNTY OF LEON)
45 I, DEBRA KRICK, Court Reporter, do hereby
6 certify that the foregoing proceeding was heard at the
7 time and place herein stated.8 IT IS FURTHER CERTIFIED that I
9 stenographically reported the said proceedings; that the
10 same has been transcribed under my direct supervision;
11 and that this transcript constitutes a true
12 transcription of my notes of said proceedings.13 I FURTHER CERTIFY that I am not a relative,
14 employee, attorney or counsel of any of the parties, nor
15 am I a relative or employee of any of the parties'
16 attorney or counsel connected with the action, nor am I
17 financially interested in the action.18 DATED this 12th day of November, 2025.
19
20
21

22

23

24

25



DEBRA R. KRICK

NOTARY PUBLIC

COMMISSION #HH575054

EXPIRES AUGUST 13, 2028