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May 29, 2026

VIA ELECTRONIC FILING

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

Re: Docket No. 20260051
Petition of Florida Power & Light Company for Approval of Revisions to the
Underground Residential Differential, Underground Commercial Differential,
And Contribution-In-Aid-Of-Construction Tariffs

Dear Mr. Teitzman:

Enclosed for filing in the above referenced docket, please find Florida Power & Light Company's Responses to Staff's First Data Request Nos. 1-10.

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

Respectfully submitted,

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

Enclosures

cc: Major R. Thompson (mthompso@psc.state.fl.us)
discovery-gcl@psc.state.fl.us

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QUESTION:

Please describe in detail the changes regarding labor and material costs for overhead and underground construction. In your response, include the approximate percentage of increases or decreases.

RESPONSE:

In comparison to FPL's 2023 URD filing in Docket No. 20230045-EI, overhead material costs have increased on average 47%, and the overhead blended labor rate has increased by 7%. The underground material costs have increased on average 34%, and the underground blended labor rate has increased by 30%. These changes in labor and material costs have resulted in generally higher overhead and underground construction costs, primarily driven by increased material costs and underground labor increasing more than overhead labor.

QUESTION:

Referring to Appendix 4, Thirty-Ninth Revised Tariff Sheet No. 6.120 and Thirty-Sixth Revised Tariff Sheet No. 6.130, please provide a detailed explanation for the price increases in Section 10.4.2 and 10.5.4 (a-d).

RESPONSE:

The increases in the charges in Sections 10.4.2 and 10.5.4 (A-D) primarily result from increases in underground labor costs. This is due to the increase in the underground labor (on average 30%) being greater than the increase in the overhead labor (on average 7%).

Section 10.4.2

Service Lateral Differential

The service lateral differential cost was affected by increases in underground labor costs. Overhead labor increased by 7%, while underground labor costs increased by 23%. Overall, the overhead cost increased by 23% and the underground cost increased by 23%. This resulted in an increase in the differential of 22%.

Section 10.4.2

Pole-conduit cost

There was a 42% increase in the average pole-conduit terminal cost.

Section 10.4.2

Total cost

The combined service lateral differential and pole-conduit cost increased 30%.

Section 10.4.2

URD riser to a handhole at the base differential cost

The underground labor and material costs are higher than the overhead costs. Overall, overhead labor increased by 7% and overhead material specific for this charge increased by 25%. Underground labor increased by 24% and underground material specific for this charge increased by 55%. This resulted in an increase in the differential of 60%.

Section 10.5.4 (A-D)

A) Cost per service lateral to replace Company-owned Overhead Service with

1. Company UG Service

The change in UG service lateral cost is referenced in Section 10.4.2 "Total Cost". An increase in trench and conduit installation costs is a direct result of higher underground labor costs. A trench credit is applied based on the assumption that the customer will provide the trench and is reflected in the final cost. In addition to this, the remaining average value of an existing overhead service increased by 13%, and the average cost of removing an existing overhead service increased by 7%.

The overall cost to replace an existing overhead service with a Company-owned underground service increased by 20%.

2. Riser to handhole

The change in UG service lateral cost is referenced in Section 10.4.2 "URD Riser to a Handhole at the Base Differential Cost". In addition to this change, the remaining average value of an existing overhead service increased by 13% and the average cost of removing an existing overhead service increased by 7%.

The overall cost to replace an existing overhead service with a riser-to-handhole underground configuration increased by 49%.

B) Cost per service lateral to replace Company-owned Underground Service

1. Overhead System

The change in UG service lateral cost is referenced in Section 10.4.2 "Service Lateral Differential Cost". An increase to "Handhole for connection to existing riser" cost was driven by a 33% increase in material cost and a 30% increase in labor cost, resulting in a total increase of 51%.

In addition to this, an increase in trench and conduit installation costs is a direct result of higher underground labor costs. A trench credit is applied based on the assumption that the customer will provide the trench and is reflected in the final cost. Finally, the remaining average value of an existing underground service increased by 36% and the average cost of removing an existing underground service increased by 18%.

The overall cost to replace an existing Company-owned underground service with a Company-owned underground service from an overhead source increased by 31%.

2. Underground System

The change in UG service lateral cost is referenced in Section 10.4.2 "Service Lateral Differential Cost". An increase in trench and conduit installation costs is a direct result of higher underground labor costs. A trench credit is applied based on the assumption that the customer will provide the trench and is reflected in the final cost. In addition to this, the remaining average value of an existing underground service increased by 36% and the average cost of removing an existing underground service increased by 18%.

The overall cost to replace an existing Company-owned underground service with a Company-owned underground service from an underground source increased by 28%.

C) Cost to replace Customer-owned Underground Service from an Overhead System

The change in UG service lateral cost is referenced in Section 10.4.2 "Service Lateral Differential Cost". The change in pole-conduit cost is referenced in Section 10.4.2 "Pole-Conduit Cost".

An increase in trench and conduit installation costs is a direct result of higher underground labor costs. A trench credit is applied based on the assumption that the customer will provide the trench and is reflected in the final cost.

The overall cost to replace Customer-owned underground service from an overhead system increased by 30%.

D) Cost to replace Customer-owned Underground Service from an Underground System

The change in UG service lateral cost is referenced in Section 10.4.2 "Service Lateral Differential Cost".

An increase in trench and conduit installation costs is a direct result of higher underground labor costs. A trench credit is applied based on the assumption that the customer will provide the trench and is reflected in the final cost.

The overall cost to replace Customer-owned underground service from an underground system increased by 11%.

QUESTION:

Please describe the overhead and underground activities that are performed by inhouse vs. contract employees. If this is a change from 2023, please describe any changes and provide the cost impact for the low and high density differentials.

RESPONSE:

The distribution overhead and underground activities (e.g., construction, maintenance, relocation, restoration, etc.) are performed by both FPL employees and outside contractors. There are no overhead or underground activities that are exclusively performed by either FPL employees or outside contractors. As a result, FPL's labor rates reflect a blended labor rate (i.e., reflects both FPL and contractor labor rates) for all overhead and underground activities. There have been no changes to this process since FPL's 2023 URD/UCD Tariff filing.

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QUESTION:

Please discuss any changes in the assumptions (inflation rate, discount rate, book life) between the calculation of non-storm and storm operational costs filed in the instant petition and the last approved calculation.

RESPONSE:

The methodology utilized for determining the inflation rate, discount rate, and book life for the URD/UCD Tariff filed on April 1, 2026, is consistent with the 2023 URD/UCD Tariff filing. The assumptions were updated to reflect the most current information available as of year end 2025. Below are the assumptions used for both the 2023 and 2026 URD/UCD Tariff filings.

	2023	2026
Inflation Rate/CPI	6.78%	2.75%
Discount Rate	7.49%	8.24%
Book Life/Depreciation	2.64%	2.64%
FERC 5-Year Historical Average	2018-2022	2021-2025

See FPL's response to Staff's First Set of Data Requests, No. 5 for a list of the hurricane restoration costs that were incorporated into the calculation of non-storm and storm operational costs for both the 2023 and 2026 URD/UCD Tariff filing.

QUESTION:

Please discuss any significant changes in the non-storm and storm operation costs, such as recent hurricane events, that impacted the costs filed in the instant petition.

RESPONSE:

The 2026 URD/UCD Tariff filing has been updated to reflect the cost impact of recent hurricane events (storm operation costs) when compared to the 2023 URD/UCD Tariff filing.

2023 URD/UCD Tariff filing incorporated costs from the following hurricane events:

- Ian
- Nicole

2026 URD/UCD Tariff filing incorporates costs from the following hurricane events:

- Idalia
- Debby
- Helene
- Milton

Please refer to FPL's response to Staff's First Set of Data Requests, No. 1 for an explanation regarding changes in labor and material costs for overhead and underground construction (non-storm operation costs).

QUESTION:

For this question, please refer to Appendix 1.2, Operational Costs Differential for Low Density (Exhibit VIII), High Density (Exhibit XVI), and Meter Pedestal (Exhibit XXIV). Please provide the excel spreadsheet, with formulas intact, for each and also include any work papers used to develop the operational costs differential for each.

RESPONSE:

Electronic copies of the following files will be served on Staff via email.

- “2026 UCD Tariff Template - Filing”
- “2026 URD Tariff Template - Filing”
- “URD – Zero Non-Storm Op Costs 2025 Final”

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QUESTION:

Regarding the credits provided to applicant's shown in Section 10.4.3, please discuss the reasons for the increase in the credits.

RESPONSE:

Credits referenced in Section 10.4.3 provided to applicants are directly derived from labor blended rates, which are the average costs of FPL and contractor construction man hours (CMH). For the 2026 URD/UCD Tariff filing, labor blended rates increased, which resulted in an increase in credits.

QUESTION:

Please explain why the CIAC tariff changes were included as part of this docket.

RESPONSE:

FPL included the proposed contribution-in-aid of construction ("CIAC") tariff revisions in this docket because they are closely related to the Underground Residential Differential ("URD") and Underground Commercial Differential ("UCD") tariff provisions that are the subject of the pending Petition.

Although Rule 25-6.078(3), Florida Administrative Code, requires utilities to file updated URD tariff information under specified circumstances, the rule does not state that the URD tariff filing must be made in a standalone docket, nor does it preclude a utility from including other related tariff revisions for Commission review in the same filing. Indeed, although Rule 25-6.078 does not require a UCD tariff filing, FPL has routinely included voluntary UCD tariff updates with its URD tariff filings because the subjects are related and doing so promotes efficient Commission review.

The proposed CIAC tariff revisions are related to the URD and UCD tariff provisions because all three address customer or applicant requests for new, expanded, upgraded, or underground electric service and the associated tariffed costs, credits, and contribution requirements. CIAC provisions govern contributions associated with requested new or upgraded facilities, while URD and UCD provisions govern the cost differential and related credits when a customer/applicant requests underground service in lieu of overhead service. Notably, the costs and credits set forth in the URD and UCD tariffs are used to calculate the CIAC for underground service. These provisions therefore are related and concern the same general subject matter.

Including the CIAC tariff clarifications in the same docket also is consistent with prior Commission practice. In FPL's 2023 URD filing in Docket No. 20230045-EI, FPL included URD tariff revisions, voluntary UCD tariff revisions, and CIAC-related revisions to its overhead-to-underground conversion tariff and associated agreement. The Commission addressed those issues together and approved FPL's URD tariffs, UCD tariffs, and CIAC-related tariff revisions in Order No. PSC-2023-0253-TRF-EI issued August 21, 2023.

FPL included the CIAC tariff revisions here for the same reason: they are customer-facing tariff provisions related to requests for new, expanded, upgraded, or underground service, and addressing them in a single filing is efficient, transparent, and consistent with the Commission's broad authority under Chapter 366, Florida Statutes, to review and approve public utility tariffs, rates, charges, rules, and regulations. Accordingly, FPL believes it was reasonable, appropriate, and efficient to include the proposed CIAC tariff clarifications in this docket with the URD and UCD tariff updates.

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QUESTION:

Please explain whether the proposed changes to the CIAC tariffs are already in effect in practice or are the proposed tariffs introducing changes to the CIAC process prospectively.

RESPONSE:

The purpose of the proposed CIAC tariff revisions is to provide better transparency and clarity to customers or applicants requesting new or expanded service. Please refer to FPL's response to Staff's First Set of Data Requests, No. 8. The proposed changes are already in effect and in practice.

QUESTION:

Please refer to Paragraph 26 of the petition for the following question. Please explain how the deposit amounts required for a binding cost estimate under URD Tariff Sheet No. 6.200 and UCD Tariff Sheet No. 6.310 were determined. Please provide any calculations in excel format with formulas unlocked.

RESPONSE:

The deposit amounts required for a binding cost estimate under URD Tariff Sheet No. 6.200 and UCD Tariff Sheet No. 6.310 were determined using a similar methodology. For both tariffs, FPL identified the average per-foot cost of the work involved and applied a percentage of that cost attributable to engineering effort to arrive at a deposit amount per linear foot.

The conversion under Tariff Sheet No. 6.310 involves a greater number of distinct work requests, including overhead make-ready, overhead removal, underground installation, and the overhead equivalent cost calculation, making it more complex than a standard underground installation request under Tariff Sheet No. 6.200. This additional complexity results in a higher effort allocation and therefore higher deposit amounts for underground extensions from \$0.75 to \$2.80, and conversion work from \$1.20 to \$3.26 under Tariff Sheet No. 6.310.

See the tables on the page that follows for additional details on how the deposit amounts were determined.

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CONVERSION DEPOSIT ESTIMATE

Cost Justification Summary

OVERHEAD (OH) MAKE READY COSTS

Cost Component	Total Cost	Cost Per Foot	Notes
Poles	\$1,300.30	\$8.67	Pole-related costs
Disconnect	\$2,121.83	\$0.42	Disconnection work
Make Ready	\$5,517.89	\$0.14	Preparation and switch installation (×2 for up/down)
OH Removal/Make Ready Subtotal	8940.02	\$9.23	

UNDERGROUND (UG) INSTALLATION COSTS

Cost Component	Total Cost	Cost Per Foot	Notes/Assumptions
UG Cable Installation	\$2,164,362.00	\$28.37	Primary underground cable installation
PME (Pad-Mounted Equipment)	\$64,307.00	\$12.64	Assumes 15 PME on average conversion
Risers	\$10,715.00	\$0.28	Two per conversion (dip down & dip up)
Splice Boxes	\$225,120.00	\$14.76	splice boxes and splices
UG Installation Subtotal	2464504	\$56.05	

Total Cost Per Foot (OH + UG)		\$65.28	Sum of OH Removal/Make Ready + UG Installation
DEPOSIT AMOUNT (5% of Total)		\$3.26	Required deposit per foot

UNDERGROUND EXTENSIONS DEPOSIT ESTIMATE

Cost Justification Summary

UNDERGROUND (UG) INSTALLATION COSTS

Cost Component	Total Cost	Cost Per Foot	Notes/Assumptions
UG Cable Installation	\$2,164,362.00	\$28.37	Primary underground cable installation
PME (Pad-Mounted Equipment)	\$64,307.00	\$12.64	Assumes 15 PME on average extension
Risers	\$10,715.00	\$0.28	Two per extension (dip down & dip up)
Splice Boxes	\$225,120.00	\$14.76	splice boxes and splices
UG Installation Subtotal		\$56.05	

TOTAL COST SUMMARY

Total Cost Per Foot		\$56.05	Sum of all UG installation costs
DEPOSIT AMOUNT (5% of Total)		\$ 2.80	Required deposit per foot