

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 20240149-EI
ORDER NO. PSC-2024-0503-PCO-EI
ISSUED: December 17, 2024

The following Commissioners participated in the disposition of this matter:

MIKE LA ROSA, Chairman
ART GRAHAM
GARY F. CLARK
ANDREW GILES FAY
GABRIELLA PASSIDOMO SMITH

ORDER APPROVING FLORIDA POWER & LIGHT COMPANY'S
INTERIM STORM COST RECOVERY CHARGE

BY THE COMMISSION:

BACKGROUND

On October 29, 2024, Florida Power & Light Company (FPL or Company) filed a petition for a limited proceeding seeking authority to implement an interim storm restoration recovery charge to recover \$1.2 billion for the incremental restoration costs related to Hurricanes Debby, Helene, and Milton, as well as the replenishment of its retail storm reserve. Included in the \$1.2 billion is interest charged on the unrecovered balance of storm restoration costs resulting from Hurricanes Debby, Helene, and Milton (collectively, "the Storms"). Pursuant to the 2021 Stipulation and Settlement Agreement approved by us in Order No. PSC-2021-0446-S-EI, the recovery of storm costs from customers will begin, on an interim basis, 60 days after the filing of a cost recovery petition and tariff with the Commission.¹ FPL has requested a 12-month recovery period, applied to all bills from January 1, 2025, through December 31, 2025.

We have jurisdiction over this matter pursuant to Sections 366.04, 366.05, 366.06, and 366.076, Florida Statutes.

DECISION

Interim storm restoration recovery charge

As stated above, FPL filed a petition for a limited proceeding seeking authority to implement an interim storm restoration charge to recover an estimated total of \$1.2 billion for incremental storm restoration costs for the Storms and to replenish its storm reserve. In its petition, FPL requested to replenish the storm reserve to \$150 million.

¹ Order No. PSC-2021-0446-S-EI, issued December 2, 2021, in Docket No. 20210015-EI, *In re: Petition for rate increase by Florida Power and Light Company*.

The petition was filed pursuant to the provisions of the 2021 Settlement approved by us in Order Nos. PSC-2021-0446-S-EI and PSC-2021-0446A-S-EI. Pursuant to paragraph 10 of the 2021 Settlement, FPL can begin recovery of storm costs 60 days following the filing of a petition for recovery.

In its petition, FPL stated that it had incurred approximate recoverable costs in the amount of \$113.5 million for Hurricane Debby, \$157.8 million for Hurricane Helene, and \$811.1 million for Hurricane Milton. The Company further stated that all amounts were calculated in accordance with the Incremental Cost and Capitalization Approach methodology prescribed in Rule 25-6.0143, Florida Administrative Code.

The approval of an interim storm restoration recovery charge is preliminary in nature and is subject to refund pending further review once the total actual storm restoration costs are known. After the actual costs are reviewed for prudence and reasonableness, and are compared to the actual amount recovered through the interim storm restoration recovery charge, a determination will be made whether any over/under recovery has occurred. The disposition of any over or under recovery, and associated interest, will be considered by us at a later date.

Based on a review of the information provided by FPL in its petition, we hereby authorize the Company to implement an interim storm restoration recovery charge subject to refund. Once the total actual storm costs are known, FPL shall be required to file documentation of the storm costs for our review and true-up of any excess or shortfall.

Corporate undertaking

We find that all funds collected shall be subject to refund shall be secured by a corporate undertaking. The criteria for a corporate undertaking include sufficient liquidity, ownership equity, profitability, and interest coverage to guarantee any potential refund. FPL requested a 12-month collection period from January 2025 through December 2025 for the Interim Storm Recovery charges of approximately \$1.2 billion related to the Storms. We reviewed FPL's three most recent annual reports filed with this Commission (2023, 2022, and 2021) to determine if the Company can support a corporate undertaking to guarantee the funds collected for recovery of incremental storm restoration costs related to all the weather events. FPL's financial information demonstrates the Company has acceptable levels of liquidity, ownership equity, profitability, and interest coverage to support a potential refund of \$1.2 billion. Moreover, it is improbable FPL will be required to refund the entire requested amount.

FPL has adequate resources to support a corporate undertaking in the amount requested. Based on our analysis, we find that a corporate undertaking of \$1.2 billion is acceptable. This brief financial analysis is only appropriate for deciding if the Company can support a corporate undertaking in the amount proposed and should not be considered a finding regarding our position on other issues in this proceeding.

Interim storm restoration recovery charge

FPL calculated the interim storm surcharge for the 12-month period of January 1, 2025 through December 31, 2025, subject to true-up once the final total recoverable storm amount is known and determined. FPL states that the updated surcharges are allocated to the rate classes consistent with the rate design approved in the 2021 Settlement. We have reviewed the allocation to rate classes and find that the allocations provided in Appendix F to FPL's petition

are consistent with those approved in FPL's most recent rate case. Furthermore, we have reviewed the derivation of the surcharges provided in Appendix F to the petition and find that the surcharges have been calculated correctly, using projected kilowatt hour (kWh) sales for January through December 2025.

The proposed interim storm restoration surcharges are shown on Fifth Revised Tariff Sheet No. 8.030.7, provided in Appendix G to FPL's petition. For residential customers, the proposed surcharge would be 1.202 cents per kWh, which equates to a total surcharge of \$12.02 for a 1,000 kWh monthly bill. The storm cost recovery surcharge would be included in the non-fuel energy charge on customer bills.

Paragraph 10(b) of the 2021 Settlement states that FPL may petition us for recovery of storm costs at a rate beyond \$4.00 on a 1,000 kWh residential bill if FPL incurs in excess of \$800 million of storm recovery costs. FPL has requested to recover \$1.2 billion in incremental storm restoration costs.

We hereby approve FPL's proposed interim storm restoration recovery tariff and associated surcharges, as shown in Attachment A to this order. The tariff shall become effective the first billing cycle of January 2025. The interim storm restoration surcharges shall be subject to final true-up once the total actual storm costs are known.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power & Light Company's request to implement an interim storm restoration recovery charge subject to refund is hereby granted. It is further

ORDERED that Florida Power & Light Company's interim storm restoration recovery tariff, found in Attachment A hereto, is approved effective the first billing cycle of January 2025. The interim storm restoration surcharges shall be subject to final true-up once the total actual storm costs are known. It is further

ORDERED that Florida Power & Light Company shall post a corporate undertaking in the amount of \$1.2 billion. It is further

ORDERED that this docket shall remain open pending final reconciliation of actual recoverable storm costs with the amount collected pursuant to the interim storm restoration recovery charge and the calculation of a refund or additional charge, if warranted.

By ORDER of the Florida Public Service Commission this 17th day of December, 2024.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

SBr

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

FLORIDA POWER & LIGHT COMPANY

~~Fourth-Fifth Revised Sheet No. 8.030.7~~
 Cancels ~~Fourth-Third Revised Sheet No. 8.030.7~~

(Continued from Sheet No. 8.030.3)

2025 INTERIM STORM RESTORATION RECOVERY

APPLICATION:

The 2025 Interim Storm Restoration Recovery Surcharge is designed to recover incremental storm-related costs incurred by the Company related to Hurricanes Debby, Helene, and Milton. The factor is applicable to the Energy Charge under FPL's various rate schedules.

Rate Schedule	¢/kWh
<u>ALL KWH - RS-1, RTR-1</u>	<u>1.202</u>
<u>GS-1, GST-1</u>	<u>1.118</u>
<u>GSD-1, GSD-1EV, GSDT-1, HLFT-1, SDTR-1</u>	<u>0.545</u>
<u>GSLD-1, GSLD-1EV, GSLDT-1, CS-1, CST-1, HLFT-2, SDTR-2</u>	<u>0.522</u>
<u>GSLD-2, GSLDT-2, CS-2, CST-2, HLFT-3, SDTR-3</u>	<u>0.397</u>
<u>GSLD-3, GSLDT-3, CS-3, CST-3</u>	<u>0.024</u>
<u>OL-1</u>	<u>5.035</u>
<u>OS-2</u>	<u>1.436</u>
<u>SL-1, PL-1, LT-1, OS I/II</u>	<u>2.072</u>
<u>SL-1M</u>	<u>1.089</u>
<u>SL-2</u>	<u>0.598</u>
<u>SL-2M</u>	<u>2.800</u>
<u>SST-1(T), ISST-1(T)</u>	<u>0.021</u>
<u>SST-1(D1), SST-1(D2), SST-1(D3), ISST-1(D)</u>	<u>2.552</u>
<u>CILC-1(D)</u>	<u>0.394</u>
<u>CILC-1(G)</u>	<u>0.513</u>
<u>CILC-1(T)</u>	<u>0.024</u>
<u>MET</u>	<u>0.540</u>
<u>GSCU-1</u>	<u>2.509</u>

~~RESERVED FOR FUTURE USE~~

(Continued on Sheet No. 8.031)