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John T. Butler 10 JUL 12 PM 3: 28
Managing Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-420
(561) 304-5639
(561) 691-7135 (Facsimile)
Email: John.Butler@fpl.com

July 12, 2010

VIA HAND DELIVERY

Melissa L'Amoreaux
Engineering Specialist
Division of Economic Regulation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Docket No. 100266-EI

Dear Ms. L'Amoreaux:

I am enclosing Florida Power & Light Company's response to Staff's Data Request dated June 24, 2010.

Sincerely,

A handwritten signature in cursive script that reads "John T. Butler".

John T. Butler

Enclosure

cc: Lisa Bennett, Esq., Office of General Counsel (w/enclosure)
Ms. Ann Cole, Commission Clerk (w/o enclosure)

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For the following questions, please refer to the 2010-2012 Storm Hardening Plan filed May 3, 2010.

- 1. Please explain why Davies Consulting was retained, the analysis that Davies performed, and the outcome of its analysis.**

FPL engaged Davies Consulting, Inc. (Davies) after the 2004 storm season to independently review FPL's preparedness for, and response to, Hurricanes Charley, Francis and Jeanne. This review included three main areas of focus — maintaining the infrastructure, managing the restoration and communicating with stakeholders. In January 2005, Davies provided their report to FPL. In summary, Davies concluded that: FPL employees did a tremendous job; Davies knew of no other utility that had the restoration plans and practices in place to successfully address three major disasters in a six-week period; FPL met or exceeded standard utility practices with respect to major weather-related events; and there are opportunities for improvement. This report was discussed and provided to the FPSC in FPL Witness Geisha J. Williams' Rebuttal Testimony that was filed in Docket No. 041291-EI (see Attachment 1 - testimony pages 5 and 6 and GJW-2). During 2005, Davies' engagement with FPL continued as it assisted FPL with the development and implementation of action items identified in the Davies January 2005 Report.

In addition to the above, after the 2005 storm season, FPL also asked Davies to prepare an independent analysis comparing the impact of hurricanes with varying strength on pole replacements for FPL and nine other utilities (the Davies Pole Strength Analysis). The results of the Davies Pole Strength Analysis show: (1) there is a strong correlation between the percentage of poles requiring replacement and the strength of storms; and (2) that FPL's pole replacement rates were lower than those of other utilities for storms of comparable strength. FPL continues to believe that its superior distribution pole performance was the result of its higher (stronger) construction standard. FPL's distribution facilities were built to the higher/stronger National Electrical Safety Code (NESC) Grade B standard, while the other utilities in the analysis built to the NESC Grade C standard. It is the Davies Pole Strength Analysis that is referenced in FPL's 2010-2012 Storm Hardening Plan. This analysis was initially discussed and provided to the FPSC in FPL Witness Geisha J. Williams' Rebuttal Testimony that was filed in Docket No. 060038-EI (see Attachment 2 - testimony page 4 and Document No. GJW-8). It was also discussed and provided in FPL Witness Manuel B. Miranda's Direct Testimony on FPL's 2007-2009 Hardening Plan in Docket No. 070301-EI (see Attachment 3 - testimony pages 16 and 17 and MBM-3) and referenced in the final order approving that Plan (see Order No. PSC-07-1023-FOF-EI).

- 2. Was Davies Consulting's analysis jointly funded with other IOUs? If so, please indicate who the other IOUs were.**

No. The Davies analysis was not jointly funded.

- 3. On page 6, FPL states that the foundation of FPL's hardening plan was extensive analyses the company conducted either directly, or with the aid of KEMA, Inc.**

- a. Please provide any analyses provided to FPL by KEMA.**

KEMA, Inc. (KEMA) prepared a report for FPL entitled "Technical Report: Post Hurricane Wilma Engineering Analysis, Final Report" (the KEMA Report). Like the Davies Pole Strength Analysis, the KEMA Report was provided to the FPSC in Docket No. 060038-

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EI in direct testimony filed on FPL's behalf by Richard E. Brown of KEMA (see Attachment 4 - testimony pages 1-7 and Attachment 5 - REB-1). It was also referenced in FPL Witness Manuel B. Miranda's testimony on FPL's 2007-2009 Hardening Plan in Docket No. 070301-EI (See Attachment 6 – pages 8 and 9) And in the FPSC final order for Docket No. 070301-EI.

b. Provide a brief overview of the analyses provided by KEMA, Inc.

In summary, the KEMA Report concluded that: (1) FPL's existing distribution construction standards met or exceeded the requirements of the NESC; (2) FPL's quality systems and processes and key suppliers are sufficient to reasonably ensure that procured distribution poles meet national standards/FPL specifications and poles requiring treatment/replacement are identified as such; (3) FPL's pole performance during non-hurricane conditions is good and FPL has two systematic programs related to pole inspections; (4) FPL's transmission lines and substations are designed to the NESC's extreme wind requirements; (5) Hurricane Wilma was a strong storm (Category 3 at landfall) that affected a large percentage of FPL's system; (6) FPL's pole performance during Hurricane Wilma was acceptable; (7) based on extensive forensic data on Hurricane Wilma pole failures - wind was the predominant root cause of pole breakage, many pole failures involved multiple CCA feeder poles where one pole breaks first and takes down a series of adjacent poles, and the number of creosote pole failures was relatively small; and (8) based on KEMA's industry benchmark survey - FPL designs and constructs its distribution system to a more stringent standard than most other companies (Grade B vs. Grade C), none of the companies are required by their regulatory authority to place facilities underground in response to storm damage, and most companies have a systematic pole inspection/treatment program in place ranging from 10-15 years for poles older than a certain age.

c. Please describe any other external resources that were used to develop FPL's storm hardening plan.

KEMA also provided assistance to FPL in developing FPL's overall hardening approach, strategies, and construction standards that were included in FPL's previously approved 2007-2009 Hardening Plan and its current proposed plan. FPL also used the NESC, particularly in its development of construction standards and guidelines associated with the application of extreme wind loading criteria.

4. Please list all changes made in the updated storm hardening plan that differ from the currently approved plan.

FPL's 2010-2012 Hardening Plan is a continuation of, and substantially similar to, FPL's previously approved 2007-2009 Hardening Plan. This includes FPL's overall three-prong hardening strategy as well as its construction standards and design guidelines. Below is a list that summarizes the incremental changes FPL has made in the 2010-2012 Hardening Plan:

- new hardening projects are identified, consistent with FPL's progress in working through its list of priority facilities to be hardened;
- an update on research and development activities;
- the inclusion of the results of FPL's analytical study on Restoration Cost Savings (this was provided previously in a discovery response in the 2007-2009 hardening plan proceeding);
- a modification to provide for replacement of all wood transmission structures instead of just single un-guyed wood transmission structures (this modification has been previously reflected in

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- FPL's annual March 2009 and March 2010 filings); and
- revised attachment guidelines and procedures that include modification of the language associated with "overlapping," consistent with the stipulation reached with attachers in the 2007-2009 hardening plan proceeding and minor clarification wording and grammatical edits.

5. Please provide any work papers or supporting documents pertaining to increases in the costs of obtaining permits.

Over the past several years, FPL has experienced throughout its service territory an increase in costs and delays attributed to more stringent agency (e.g., city, county, Florida Dept. of Transportation (FDOT), etc.) permitting, processes and fees. Attached (see Attachment 7) are some examples which include:

- 1) Permit fees (pages 1-12)
- 2) Lane and sidewalk closures (pages 13 and 14)
- 3) Lane closure restrictions (pages 14-20)
- 4) Traffic control plans for maintenance of traffic on limited access highways that are required to be signed and sealed by a Florida registered professional engineer (pages 21-23)
- 5) FDOT permits which will require permits for replacing poles in sidewalks – draft currently in rulemaking (see page 24)
- 6) Permitting requirements/fees, including written proof of denial of all other alternative routes and approval by Board of Supervisors (pages 25-29)