



**Kenneth M. Rubin**  
Assistant General Counsel  
Florida Power & Light Company  
700 Universe Boulevard  
Juno Beach, FL 33408-0420  
(561) 691-2512  
(561) 691-7135 (Facsimile)  
Ken.Rubin@fpl.com

February 5, 2021

**-VIA ELECTRONIC FILING -**

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

**Re: Docket No 20210000-OT – Proposed Amendment of Rule 25-6.0143 (Electric Storm Rule) - Staff's First Data Request**

Dear Mr. Teitzman:

Attached for electronic filing on behalf of Florida Power & Light Company and Gulf Power Company are the responses to the Commission Staff's Statement of Estimated Regulatory Costs (SERC) data requests.

Please contact me at (561) 691-2512 should you or your Staff have any questions or concerns regarding this filing.

Sincerely,

/s/Kenneth M. Rubin  
Kenneth M. Rubin

Enclosures

cc: Sevini Guffey, FPSC Staff

**QUESTION:**

Proposed revision to Section (1)(e)1 states that the utility may adjust historical monthly contract labor costs charged to operation and maintenance expenses and that each adjustment shall be accompanied by a detailed explanation of the nature and derivation of the adjustment. What are the types of transactional costs involved and what would be the estimated annual incremental regulatory costs including transactional costs to your utility to prepare the detailed contract labor costs adjustments?

**RESPONSE:**

FPL does not believe there will be any annual incremental regulatory costs including transactional costs to prepare the detailed historical contractor labor costs charged to operations and maintenance expenses, or any appropriate adjustments. Based upon the language of the proposed revision to Rule 25-6.0143(1)(e)1, F.A.C., in future proceedings governed by this Rule, FPL plans to utilize existing resources to identify the actual monthly average of contract labor costs charged to operations and maintenance expenses for the same month in the three previous calendar years, and will perform the calculations to determine whether and to what degree the storm related contract labor exceeds that three year average. In the event FPL believes that it is appropriate to adjust the historical monthly contract labor costs charged to operations and maintenance expense from the calculated monthly average (e.g., an adjustment would be appropriate if FPL had experienced a hurricane or other weather event in the subject month during the prior three years), FPL would utilize existing resources to provide the detailed explanation of the nature and derivation of the adjustment.

**QUESTION:**

Proposed revision to Section (1)(e)8 states that the utility may adjust historical monthly payroll and payroll related costs charged to operation and maintenance expenses and that each adjustment shall be accompanied by a detailed explanation of the nature and derivation of the adjustment. What are the annual incremental regulatory, including transactional costs to your utility to prepare the detailed payroll and payroll related cost adjustments?

**RESPONSE:**

FPL does not believe there will be any annual incremental regulatory costs including transactional costs to prepare the detailed historical monthly payroll and payroll related costs charged to operations and maintenance expenses, or any appropriate adjustments. Based upon the language of the proposed revision to Rule 25-6.0143(1)(e)8, F.A.C., in future proceedings governed by this Rule, FPL plans to utilize existing resources to identify the actual monthly average of payroll and payroll related costs charged to operations and maintenance expenses for the same month in the three previous calendar years, and will perform the calculations to determine whether and to what degree the storm related payroll and payroll related costs exceed that three year average. In the event FPL believes that it is appropriate to adjust the historical monthly payroll and payroll related costs charged to operations and maintenance expense from the calculated monthly average (e.g., an adjustment would be appropriate if FPL had experienced a hurricane or other weather event in the subject month during the prior three years), FPL would utilize existing resources to provide the detailed explanation of the nature and derivation of the adjustment.

**QUESTION:**

Proposed revision to (1)(e)9 states that the utility may adjust historical monthly fuel costs charged to operation and maintenance expenses and that each adjustment shall be accompanied by a detailed explanation of the nature and derivation of the adjustment. What are the annual incremental regulatory, including transactional expenses to your utility to prepare the detailed fuel costs adjustments?

**RESPONSE:**

FPL does not believe there will be any annual incremental regulatory costs including transactional costs to prepare the detailed historical monthly fuel costs charged to operations and maintenance expenses, or any appropriate adjustments. Based upon the language of the proposed revision to Rule 25-6.0143(1)(e)9, F.A.C., in future proceedings governed by this Rule, FPL plans to utilize existing resources to identify the actual monthly average of fuel costs charged to operations and maintenance expenses for the same month in the three previous calendar years, and will perform the calculations to determine whether and to what degree the storm related fuel costs exceed that three year average. In the event FPL believes that it is appropriate to adjust the historical monthly fuel costs charged to operations and maintenance expense from the calculated monthly average (e.g., an adjustment would be appropriate if FPL had experienced a hurricane or other weather event in the subject month during the prior three years), FPL would utilize existing resources to provide the detailed explanation of the nature and derivation of the adjustment.

**QUESTION:**

Proposed new language in Section (1)(e)11 states that the utility may adjust historical monthly vegetation management costs specifically related to storm restoration activities, charged to operation and maintenance expenses and that each adjustment shall be accompanied by a detailed explanation of the nature and derivation of the adjustment. What are the annual incremental regulatory, including transactional costs to your utility to prepare the detailed vegetation management cost adjustments?

**RESPONSE:**

FPL does not believe there will be any annual incremental regulatory costs including transactional costs to prepare the detailed historical monthly vegetation management costs charged to operations and maintenance expenses, or any appropriate adjustments. Based upon the language of the proposed revision to Rule 25-6.0143(1)(e)11, F.A.C., in future proceedings governed by this Rule, FPL plans to utilize existing resources to identify the actual monthly average of vegetation management costs charged to operations and maintenance expenses for the same month in the three previous calendar years, and will perform the calculations to determine whether and to what degree the storm related vegetation management costs exceed that three year average. In the event FPL believes that it is appropriate to adjust the historical monthly vegetation management costs charged to operations and maintenance expense from the calculated monthly average (e.g., an adjustment would be appropriate if FPL had experienced a hurricane or other weather event in the subject month during the prior three years), FPL would utilize existing resources to provide the detailed explanation of the nature and derivation of the adjustment.

**QUESTION:**

Proposed new language in Section (1)(e)12 requires the utility to report other costs and expenses not specifically identified in 1 through 11, that are directly and solely attributable to a storm restoration event. What are the estimated annual regulatory, including transactional costs and expenses to your utility to collect and report this information to the Commission?

**RESPONSE:**

FPL does not believe there will be any annual regulatory, including transactional costs and expenses to FPL to collect and report other costs and expenses not specifically identified in Rule 25-6.0143(1)(e)1 through (1)(e)11, that are directly and solely attributable to a storm restoration event. FPL plans to utilize existing resources and accounting practices to identify, include in its filing, and provide an explanation of any such costs in the course of any future proceeding in which such costs are at issue.

**QUESTION:**

Please discuss any potential benefits to your utility from the proposed rule revisions for the accounting of electric utilities' costs that result from storm-related damage.

**RESPONSE:**

FPL submits that the proposed rule revisions will provide greater guidance and clarity for determining the types of storm damage restoration costs that can be charged to Account 228.1, Accumulated Provision for Property Insurance. Adoption of the proposed rule revisions will establish a single, consistent, and uniform methodology for determining which storm damage costs incurred by electric utilities may be charged to the property damage reserve. This standardization will provide a benefit to all stakeholders who participate in storm cost recovery dockets.

**QUESTION:**

Proposed revision to Section (1)(e)1 states that the utility may adjust historical monthly contract labor costs charged to operation and maintenance expenses and that each adjustment shall be accompanied by a detailed explanation of the nature and derivation of the adjustment. What are the types of transactional costs involved and what would be the estimated annual incremental regulatory costs including transactional costs to your utility to prepare the detailed contract labor costs adjustments?

**RESPONSE:**

Gulf does not believe there will be any annual incremental regulatory costs including transactional costs to prepare the detailed historical contractor labor costs charged to operations and maintenance expenses, or any appropriate adjustments. Based upon the language of the proposed revision to Rule 25-6.0143(1)(e)1, F.A.C., in future proceedings governed by this Rule, Gulf plans to utilize existing resources to identify the actual monthly average of contract labor costs charged to operations and maintenance expenses for the same month in the three previous calendar years, and will perform the calculations to determine whether and to what degree the storm related contract labor exceeds that three year average. In the event Gulf believes that it is appropriate to adjust the historical monthly contract labor costs charged to operations and maintenance expense from the calculated monthly average (e.g., an adjustment would be appropriate if Gulf had experienced a hurricane or other weather event in the subject month during the prior three years), Gulf would utilize existing resources to provide the detailed explanation of the nature and derivation of the adjustment.



**QUESTION:**

Proposed revision to Section (1)(e)8 states that the utility may adjust historical monthly payroll and payroll related costs charged to operation and maintenance expenses and that each adjustment shall be accompanied by a detailed explanation of the nature and derivation of the adjustment. What are the annual incremental regulatory, including transactional costs to your utility to prepare the detailed payroll and payroll related cost adjustments?

**RESPONSE:**

Gulf does not believe there will be any annual incremental regulatory costs including transactional costs to prepare the detailed historical monthly payroll and payroll related costs charged to operations and maintenance expenses, or any appropriate adjustments. Based upon the language of the proposed revision to Rule 25-6.0143(1)(e)8, F.A.C., in future proceedings governed by this Rule, Gulf plans to utilize existing resources to identify the actual monthly average of payroll and payroll related costs charged to operations and maintenance expenses for the same month in the three previous calendar years, and will perform the calculations to determine whether and to what degree the storm related payroll and payroll related costs exceed that three year average. In the event Gulf believes that it is appropriate to adjust the historical monthly payroll and payroll related costs charged to operations and maintenance expense from the calculated monthly average (e.g., an adjustment would be appropriate if Gulf had experienced a hurricane or other weather event in the subject month during the prior three years), Gulf would utilize existing resources to provide the detailed explanation of the nature and derivation of the adjustment.

**QUESTION:**

Proposed revision to (1)(e)9 states that the utility may adjust historical monthly fuel costs charged to operation and maintenance expenses and that each adjustment shall be accompanied by a detailed explanation of the nature and derivation of the adjustment. What are the annual incremental regulatory, including transactional expenses to your utility to prepare the detailed fuel costs adjustments?

**RESPONSE:**

Gulf does not believe there will be any annual incremental regulatory costs including transactional costs to prepare the detailed historical monthly fuel costs charged to operations and maintenance expenses, or any appropriate adjustments. Based upon the language of the proposed revision to Rule 25-6.0143(1)(e)9, F.A.C., in future proceedings governed by this Rule, Gulf plans to utilize existing resources to identify the actual monthly average of fuel costs charged to operations and maintenance expenses for the same month in the three previous calendar years, and will perform the calculations to determine whether and to what degree the storm related fuel costs exceed that three year average. In the event Gulf believes that it is appropriate to adjust the historical monthly fuel costs charged to operations and maintenance expense from the calculated monthly average (e.g., an adjustment would be appropriate if Gulf had experienced a hurricane or other weather event in the subject month during the prior three years), Gulf would utilize existing resources to provide the detailed explanation of the nature and derivation of the adjustment.

**QUESTION:**

Proposed new language in Section (1)(e)11 states that the utility may adjust historical monthly vegetation management costs specifically related to storm restoration activities, charged to operation and maintenance expenses and that each adjustment shall be accompanied by a detailed explanation of the nature and derivation of the adjustment. What are the annual incremental regulatory, including transactional costs to your utility to prepare the detailed vegetation management cost adjustments?

**RESPONSE:**

Gulf does not believe there will be any annual incremental regulatory costs including transactional costs to prepare the detailed historical monthly vegetation management costs charged to operations and maintenance expenses, or any appropriate adjustments. Based upon the language of the proposed revision to Rule 25-6.0143(1)(e)11, F.A.C., in future proceedings governed by this Rule, Gulf plans to utilize existing resources to identify the actual monthly average of vegetation management costs charged to operations and maintenance expenses for the same month in the three previous calendar years, and will perform the calculations to determine whether and to what degree the storm related vegetation management costs exceed that three year average. In the event Gulf believes that it is appropriate to adjust the historical monthly vegetation management costs charged to operations and maintenance expense from the calculated monthly average (e.g., an adjustment would be appropriate if Gulf had experienced a hurricane or other weather event in the subject month during the prior three years), Gulf would utilize existing resources to provide the detailed explanation of the nature and derivation of the adjustment.

**QUESTION:**

Proposed new language in Section (1)(e)12 requires the utility to report other costs and expenses not specifically identified in 1 through 11, that are directly and solely attributable to a storm restoration event. What are the estimated annual regulatory, including transactional costs and expenses to your utility to collect and report this information to the Commission?

**RESPONSE:**

Gulf does not believe there will be any annual regulatory, including transactional costs and expenses to Gulf to collect and report other costs and expenses not specifically identified in Rule 25-6.0143(1)(e)1 through (1)(e)11, that are directly and solely attributable to a storm restoration event. Gulf plans to utilize existing resources and accounting practices to identify, include in its filing, and provide an explanation of any such costs in the course of any future proceeding in which such costs are at issue.

**QUESTION:**

Please discuss any potential benefits to your utility from the proposed rule revisions for the accounting of electric utilities' costs that result from storm-related damage.

**RESPONSE:**

Gulf submits that the proposed rule revisions will provide greater guidance and clarity for determining the types of storm damage restoration costs that can be charged to Account 228.1, Accumulated Provision for Property Insurance. Adoption of the proposed rule revisions will establish a single, consistent, and uniform methodology for determining which storm damage costs incurred by electric utilities may be charged to the property damage reserve. This standardization will provide a benefit to all stakeholders who participate in storm cost recovery dockets.

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was served by electronic delivery to the following parties this 5th day of February 2021:

<p>Adria Harper Office of General Counsel Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 aharper@psc.state.fl.us <b>For Commission Staff</b></p>	<p>Charles J. Rehwinkel Mireille Fall-Fry Office of Public Counsel c/o The Florida Legislature 111 West Madison St., Room 812 Tallahassee, FL 32399-1400 rehwinkel.charles@leg.state.fl.us fall-fry.mireille@leg.state.fl.us <b>For the Office of Public Counsel</b></p>
<p>James D. Beasley, Esq. J. Jeffrey Wahlen, Esq. Malcolm N. Means, Esq. Ausley &amp; McMullen P.O. Box 391 Tallahassee, FL 32302 jbeasley@ausley.com jwahlen@ausley.com mmeans@ausley.com <b>For Tampa Electric Company</b></p>	<p>Paula Brown Tampa Electric Company P.O. Box 111 Tampa, FL 33601-0111 regdept@tecoenergy.com <b>For Tampa Electric Company</b></p>
<p>Russell A. Badders Gulf Power Company Vice President &amp; General Counsel One Energy Place, Bin 100 Pensacola, FL 32520-0100 russell.badders@nexteraenergy.com <b>For Gulf Power Company</b></p>	<p>Christopher T. Wright Florida City Gas 700 Universe Boulevard (JB/LAW) Juno Beach, Florida 33408 Christopher.Wright@fpl.com <b>For Florida City Gas</b></p>
<p>Dianne M. Triplett 299 First Avenue North St. Petersburg, FL 33701 Dianne.triplett@duke-energy.com</p> <p>Matthew R. Bernier, Esq. 106 East College Avenue, Suite 800 Tallahassee, FL 32301 Matthew.bernier@duke-energy.com FLRegulatoryLegal@duke-energy.com <b>For Duke Energy Florida</b></p>	<p>Mike Cassel Director, Regulatory Affairs Florida Public Utilities 208 Wildlight Ave Yulee, Florida 32097 mcassel@fpuc.com</p> <p>Beth Keating Gunster, Yeakley &amp; Stewart, P.A. 215 South Monroe St., Suite 601 Tallahassee, Florida 32301-1804 bkeating@gunster.com <b>For Florida Public Utilities Corp.</b></p>

/s/Kenneth M. Rubin

Kenneth M. Rubin  
Fla. Bar No. 349038  
Attorney for Florida Power & Light