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BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20220050-EI

Review of Storm Protection Plan,  
pursuant to Rule 25-6.030, F.A.C.,  
Duke Energy Florida, LLC.

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PROCEEDINGS: COMMISSION CONFERENCE AGENDA  
ITEM NO. 6

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

DATE: Tuesday, October 4, 2022

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

REPORTED BY: DEBRA R. KRICK  
Court Reporter and  
Notary Public in and for  
the State of Florida at Large

PREMIER REPORTING  
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TALLAHASSEE, FLORIDA  
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1 P R O C E E D I N G S

2 COMMISSIONER GRAHAM: Item No. 6.

3 MS. KNOBLAUCH: Good morning, Commissioners.

4 Item 6 is staff's recommendation for Docket  
5 No. 20220050-EI, review of Duke Energy Florida,  
6 LLC's, Storm Protection Plan.

7 DEF proposed plan covers the period 2023  
8 through 2032, and includes 10 programs which are a  
9 continuation of DEF's 2020 SPP that was last  
10 approved by a settlement agreement.

11 Staff recommends that DEF's SPP is in the  
12 public interest with the following modifications:

13 One, DEF should continue the level of spending  
14 for the distribution lateral hardening program at  
15 the 2022 level, estimated to be approximately 187.3  
16 million per year.

17 And, two, removal of the transmission loop  
18 radially fed substation program.

19 In addition, staff is recommending that DEF  
20 file an amended SPP within 30 days of the final  
21 order for administrative approval by Commission  
22 staff.

23 If staff's recommendation is approved, DEF's  
24 projected costs would be reduced by 175.4 million  
25 over the three years.

1           No customer comments were filed in the docket.  
2           Staff is available for questions.

3           COMMISSIONER GRAHAM: Thank you, staff.  
4           Commissioner Clark.

5           COMMISSIONER CLARK: This -- this -- I guess  
6           my question is how did you determine that the  
7           self-optimizing grid was hardening in this  
8           particular case, yet I think we left off SCADA in  
9           the other one; am I correct? And I am assuming,  
10          when we are talking self-optimizing grid, we are  
11          referring to SCADA or something similar. Is it a  
12          Tom question?

13          MR. BALLINGER: I will take this.

14          The -- for FPUC, the SCADA was the foundation,  
15          if you will, for self-optimizing grid, and they  
16          weren't even sure what they would use it for. So  
17          in our opinion, in FPUC, the SCADA was a normal  
18          utility function that is used for other purposes in  
19          addition to self-optimizing grid.

20          Duke has SCADA already in place in their base  
21          rates. This is going on the hardening, the actual  
22          self -- self-healing, I call it, grid, is a more  
23          hardening function. That's why the difference  
24          between the two.

25          COMMISSIONER CLARK: What component -- what

1 component of SCADA would this expense be going  
2 toward, Tom? Is this equipment? Is this  
3 operations or --

4 MR. BALLINGER: It's equipment that uses SCADA  
5 data to optimize the grid. In FPUC, they were  
6 actually doing the software to implore SCADA, to  
7 gather the data, if you will, which is used for  
8 other reasons of just actually operating the grid.

9 COMMISSIONER CLARK: I am willing to give them  
10 a tradeoff, Mr. Chairman. I will give them back  
11 the lateral hardening and take the self-optimizing  
12 grid.

13 In my opinion, that's -- I see what you are  
14 saying, though. I don't question the direction you  
15 are going there. It's trying to make some rate  
16 mitigation impacts.

17 Mr. Chairman, I would eliminate  
18 self-optimizing grid and the local loop radial  
19 feeds, and leave lateral hardening per the storm  
20 plan. That would be my suggestion to the  
21 Commission.

22 COMMISSIONER GRAHAM: Commissioner Passidomo,  
23 comments on thoughts?

24 COMMISSIONER PASSIDOMO: I'm going to -- I am  
25 going to stick with my earlier statements about the

1 more measured approach to lateral undergrounding  
2 investment. So I would -- I am going to -- I would  
3 kind of move forward towards keeping it at the 2022  
4 level as proposed by staff.

5 I had forgotten the last -- I think for --  
6 this has similar language about the loop  
7 substations being blanket, not a storm hardening  
8 measure. And if possible, you know, I would -- I  
9 would like to include, if, you know, on this to  
10 remove that blanket statement of saying that that's  
11 not storm hardening just because -- I agree in this  
12 instance, I don't -- I don't see that it is, but I  
13 am just hesitant to put such a, like, just to tie  
14 our hands in the future is all. So, yeah, just  
15 that would be just a simple amendment, I think.

16 But, again, back to the lateral  
17 undergrounding, I would stick at the 2022 level  
18 investment. So that's going to be different.

19 COMMISSIONER GRAHAM: Commissioner La Rosa.

20 COMMISSIONER LA ROSA: Question for staff.

21 If the self-optimizing grid, you know, costs  
22 were removed, what options does the company have,  
23 and does, I guess in your opinion, what does that  
24 do to -- does that slow things down as far as what  
25 else they are proposing? I guess is there any

1 affects by doing that?

2 MR. BALLINGER: There are. I don't know of  
3 these numbers, these are the capital and O&M of it,  
4 but you have some existing installations of these  
5 devices, optimize the grid would continue and have  
6 been approved and are going through cost recovery.  
7 So I think you would have an ongoing cost of  
8 certain existing stuff, but it would stop, going  
9 forward, putting them in.

10 COMMISSIONER CLARK: Can I tag on to that  
11 question --

12 COMMISSIONER LA ROSA: Yeah.

13 COMMISSIONER CLARK: -- Commissioner?

14 And would it -- is the system operating now  
15 stand-alone, or is the system being built based on  
16 the plan we've already approved that they are  
17 investing in? I am trying to understand what  
18 disruption we might cause, now that I have made  
19 these bold statements, by disallowing this cost.

20 MR. BALLINGER: I believe that the  
21 self-optimizing grid was in their last storm  
22 protection plan. Is that correct, Emily?

23 COMMISSIONER CLARK: Yes.

24 MS. KNOBLAUCH: That is correct. And it was  
25 also part of, I believe, a 2017 settlement. So it

1 has been in place since 2017.

2 MR. BALLINGER: Maybe this will help. I  
3 think -- and, Emily, please correct me if I'm  
4 wrong -- Duke's proposed storm protection plan is  
5 an extension of their existing storm protection  
6 plan that was approved back in 2020, which is very  
7 similar to hardening plans that have been going on  
8 for 10 years. So there is not a lot of new stuff  
9 in Duke's, except for the underground lateral is  
10 the most recent addition, am I correct?

11 MS. KNOBLAUCH: That is correct.

12 MR. BALLINGER: Okay. And I will let that  
13 sink in, and then I have got one other comment  
14 about the, Commissioner Passidomo, what you said  
15 about mentioning that it's redundant.

16 We don't mention that because our rule says  
17 enhance existing facilities, and we saw a looping  
18 as a redundant, not enhancing an existing  
19 structure. So it's -- it's not to tie our hands.  
20 I understand what you are saying. You don't want  
21 to forbid this, but that's why we did it, to  
22 distinguish it from what the rule says of enhancing  
23 existing structures, such as going from a wood pole  
24 to a concrete pole on that service. That was our  
25 distinction is why we mention that. But I

1 understand your concern. You don't want to, you  
2 know, tie your hands going forward.

3 MS. PASSIDOMO: Yeah, and my understanding  
4 with that technology, or that looping, is really,  
5 you know, if one -- you know, if we have a line, a  
6 transmission line going down, you have got another  
7 one that -- I -- I under -- you might have a  
8 situation like this past storm, where you are going  
9 to have a lot more water damage. And if one -- if  
10 one of those -- the floods were really intense. If  
11 it takes out one line, it might not necessarily  
12 take out another one. And there is a potential, if  
13 we have enough information to say that there is an  
14 enhancement to that existing infrastructure, to  
15 have a backup situation.

16 I am not seeing it when -- with the  
17 information I was provided here. So I agree with  
18 staff in this situation. But that's my -- my only  
19 concern was just, you know, there is -- and there  
20 could be other, sort of, looping. It's a pretty  
21 broad sort of -- yeah, I think that we could use it  
22 in different --

23 MR. BALLINGER: And to be clear, this is a  
24 tough one, because we recognize looping is a --  
25 improves reliability. I think it's pretty common



1           sense to, you know, you have another source of  
2           power coming into a substation, or another  
3           substation, that improves overall reliability. But  
4           we saw it more of a day-to-day, that utilities do  
5           it in design for day-to-day reliability, not as  
6           storm hardening. And even in storm hardening, it  
7           would be very project specific of where it's the  
8           routing of the other line, those kinds of things,  
9           so that's why we recommended to eliminate it for  
10          now.

11                    COMMISSIONER GRAHAM: Commissioner La Rosa,  
12          you have still have the floor.

13                    COMMISSIONER LA ROSA: Great. Thank you,  
14          Chairman.

15                    So a little bit back to my question, and I  
16          think Commissioner Clark followed up. If we  
17          removed the self-optimizing grid, as what started  
18          the discussion, would we be affecting anything that  
19          was previously agreed to, as far as -- as it  
20          relates to that?

21                    MR. BALLINGER: I don't think so. I think you  
22          have approved those costs and they would go forward  
23          as recovery. It's just a little awkward as to why  
24          to stop it. If it's for a rate mitigation, if  
25          that's what you -- that's -- that's a reason.

1           COMMISSIONER GRAHAM: Okay. Let's take about  
2 two or three minutes. Let's get our thoughts  
3 together.

4           (Brief recess.)

5           COMMISSIONER GRAHAM: Okay. Let's all find a  
6 seat.

7           All right. So it is time for last-minute  
8 thoughts or somebody to make a motion.

9           Commissioner La Rosa or Commissioner Clark?  
10 Commissioner Passidomo? La Rosa.

11          COMMISSIONER LA ROSA: Am I on or off? I  
12 think I am on.

13          Okay. So I have dug through this, and good  
14 discussion with staff. So certainly thank you for  
15 the communique back and forth in the last round of  
16 this.

17          Here's where I am at: I don't see -- I don't  
18 see a highlight of why to remove the  
19 self-optimizing grid out of last suggestion, slash,  
20 motion where we were. So my motion is going to be  
21 to accept staff's recommendation with the exception  
22 of the modification that they have made to the  
23 lateral hardening and accept the company's spending  
24 limits.

25          COMMISSIONER GRAHAM: So you are going to

1 accept everything as proposed by the company except  
2 the lateral hardening?

3 COMMISSIONER LA ROSA: No. I am going to  
4 accept staff's recommendation, accept their  
5 modification on the lateral hardening.

6 COMMISSIONER GRAHAM: And then you are going  
7 with the company's request?

8 COMMISSIONER LA ROSA: With the company's  
9 question of spending limits, yes.

10 COMMISSIONER GRAHAM: Okay.

11 COMMISSIONER CLARK: I will second that  
12 motion.

13 COMMISSIONER GRAHAM: There is a motion and  
14 seconded.

15 Discussion? Commissioner Passidomo.

16 COMMISSIONER PASSIDOMO: I am -- I am -- I am  
17 going to dissent. I just want to make, just  
18 specifically dissenting with while it comes to the  
19 company's proposed investment of the lateral  
20 undergrounding, I like I said before, I would like  
21 to continue at the 2022 level, so -- but other than  
22 that, you know, agree with everything else my  
23 colleagues have said. But I will dissent  
24 specifically on that, again, with the sentiment  
25 that the companies can come back in within the year

1 to demonstrate that lateral hardening at that  
2 investment level is appropriate, I want to put that  
3 out there.

4 COMMISSIONER GRAHAM: Okay. We have the La  
5 Rosa motion on the floor duly seconded.

6 Any other discussion?

7 Seeing none, all in favor say aye.

8 (Chorus of ayes.)

9 COMMISSIONER GRAHAM: Any of opposed?

10 (Commissioner Passidomo opposed.)

11 COMMISSIONER GRAHAM: By your action, it  
12 passed three to one.

13 (Agenda item concluded.)

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STATE OF FLORIDA )  
COUNTY OF LEON )

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