

# **Scenario Planning Process Guideline**

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## Guideline Overview

### General

- This process applies to Florida Power & Light (includes Florida City Gas) and Gulf Power. The processes discussed in the guideline are managed using BPC sandbox planning version (WVS).
- The 2022-2026 planning cycle focuses on the development of an FPL Scenario as a combined FPL and Gulf Power company for 2022-2026.
  - 2022-2026 O&M and Capital detailed scenarios will be developed for FPL (company 1500) and legacy Gulf Power but input only input into company 1500 master data.
  - FCG (company 1570) detailed scenarios will be developed to roll up as part of FPL's total company budget and is treated as a business unit of FPL for presentation purposes to management.
  - Business Units reviewed Gulf master data (company 1600) and determined if there was comparable FPL master data to use, or if new master data was required for actual and planning purposes.
  - Legacy Gulf Power company plans will be incorporated into FPL and presented as one combined, single company. The presentation will include walks and schedules through 2026.
  - Walks and Schedules requiring 2020 & 2021 data will simply include FPL plus Gulf data per business unit.
- There are key areas where increased due diligence is required when developing the scenarios. Additional information is included throughout the guideline.
  - Development of O&M and Capital scenarios that are accurate, complete, consistent, relevant, and timely
  - Proper assignment of FERC accounts to the plan
  - Staffing that directly align with gross payroll (including existing staff, attrition, additions, reductions). All business units should account for natural attrition based on historical experience or known changes in the business and should ensure that is built into the payroll forecast for all years presented.
  - Walks that are clear and concise in communicating year over year changes
  - Merger costs and savings properly planned in the appropriate version WVS.
  - Affiliate Direct charge and CSC plans do not exist in a combined scenario between FPL and Gulf.

### BPC Version Utilization

- Version **PCY (Plan Current Year)** is created at the conclusion of the scenario planning cycle. PCY will include five years of forecasted O&M and Capital for the period 2022-2026. Once approved by senior management, version PCY remains unchanged throughout the year and is the basis for reporting versus the approved plan. Because PCY is recycled every year each

newly approved PCY is copied and preserved as P##, where ## are the last two digits of the first year of the version (e.g. approved 2022 plan will be saved as P22).

- Version **WV1 (Working Version 1)** is used to forecast the remaining months of the current year (i.e. 2021).
- Version **WVS (Working Version Sandbox)** is used to develop the next five-year plan (i.e. PCY/P22). On or before Workday 6 of each month requested, a snapshot of all WVS years will be taken and designated version B##, where ## is a sequential number (e.g. B07 is created at June close).
- By 5pm of WD 5 each month, the business unit should ensure WVS represents a complete forecast of each year, to the extent practicable. Maintaining WVS in a state of completeness will support a reliable plan.
- When working through the planning cycle, there may be times when some elements of a business unit's forecast may require more than a month to update as a result of some material change to the business (e.g. revised outage schedule, addition of new clause). In these instances, the business unit should take the necessary time to update the impacted portion of the forecast with focus on providing a forecast that is accurate and complete.

#### **Florida Power and Light, Florida City Gas, and Gulf Master Data**

- All O&M and Capital data will be entered into FPL, FCG, and Gulf company specific master data (Cost Centers, Internal Orders, WBS's).
- All O&M and Capital data on Gulf company specific master data will need to be cleared out of WVS by 8/31/2021 for all forecasted years in preparation for reporting properly on executive level presentations.
- The Business Units reviewed Gulf master data (company 1600) and determined if there was comparable FPL master data to use, or if new master data was required for actual and planning purposes.

#### **Planning for Merger Costs/Savings**

- All Merger related costs and savings will be planned in WVS at the appropriate business unit level.
- The business unit will make final determination if the costs/savings are a direct result of the merger or a cost incurred as a part of merging the companies.
- Affiliate Direct Charge and CSC plans will be updated to reflect rates and drivers based on one FPL company and will not charge out to Gulf Power in plan or actuals in 2022.

## Scenario Planning Process Overview

### General

- The scenario planning process is managed using a scenario planning cycle calendar that is distributed as soon as authorized near the beginning of the formal planning cycle.
- This section of the document contains instructions for preparing the executive presentation and general requirements for loading detail data into SAP BPC2 EPM.
- The Appendix to this document provides more detailed instructions for using SAP BPC2 EPM to load detail forecasts and can be a useful reference whenever using EPM.
- Throughout the Scenario Planning Process (SPP) all business unit presentation materials must be submitted through the FCOE FP&A e-Web page. The web site is designed to facilitate the entire SPP and includes reference materials, data and presentation templates, references to BOBJ reports, and access to business unit folders.
- FPL Finance will rely upon the business unit level data in SAP BPC to roll up the total corporate funding requirements for each review meeting. It is required that all business unit presentations tie to the data in the system.
- To assist with the development of forecasts and presentations, BOBJ reporting tools are available in the Corporate Portal. These reports are referenced throughout the guideline.

### Forecast Versions

- Enter and save forecast data in versions WVS.
- Use the July MOPR current year-end forecast and September Outer Year forecast (version R08/B09) for the first round of presentation submittals.
- Use the August MOPR current year-end forecast and October Outer Year forecast (version R09/B10) for the second round of presentation submittals.
- The table below provides a summary of the versions that will be used in the FPL SAP BPC system (Analysis and EPM) throughout the planning cycle.

Purpose	Version Code / Name		Time	Description
For input	WVS	Working Version Sandbox	5 Years	Most recent forecast data 2022-2026
For review	R08	Aug-Dec Forecast	Current Year	July MOPR current year-end forecast
	R09	Sep-Dec Forecast	Current Year	Aug MOPR current year-end forecast
	B##	Sandbox #	5 Years	Snapshot of WVS data
	PCY	Plan Current Year	5 Years	Snapshot of WVS final approved data
	P##	Combined Company Plan	5 Years	Snapshot of PCY final approved data

### **Employee Headcount and Regular Payroll Planning**

- Ensure that all business unit employees currently included on the HR organizational chart are accounted for in the “Headcount Planning” EPM workbook.
- Vacant positions that are not going to be filled in the plan should be removed from the HR organizational chart.
- Scenarios should clearly identify when headcount is to be added or removed and vacancies are planned to be filled. All business units should account for natural attrition based on historical experience or known changes in the business and ensure that is built into the payroll forecast for all years presented.
- Update the business unit headcount to properly reflect when positions are needed to support business operations and project completion or when the headcount will no longer be needed.
- Use the “Topside Input” worksheet in the “Headcount Planning” EPM workbook to enter planned headcount increases or decreases when position master data does not currently exist in the HR organizational chart.
- It is critical that headcounts are accurately input to ensure proper alignment to the scenario for gross payroll.
  - Legacy Gulf Employees will be the only exception allowed. Since these employees are not included in the EPM Headcount Planning workbook, it is preferred to use the Topside Input worksheet mentioned above to forecast headcount and payroll. However, offline spreadsheets will be allowed during 2022 Scenario Planning due to the volume of employees transferring from Gulf.
    - Payroll accounts have been unlocked for WBS L3 manual input to account for Gulf employee payroll.
    - Official Headcounts will be pulled from the submitted executive presentations.

### **WBS element Level 3 to Level 4 Plan Distribution Templates**

- Review and adjust O&M FERC Functionalization percentages as needed.
- Review and adjust CSC percentages (formerly AMF) as needed. Guidance to be provided by Accounting’s Cost Measurement and Allocation group.
- Review and adjust Capital Installation, Removal & Demolition percentages as needed.

### **Accelerate**

- Present the differences for Accelerate savings in the Base O&M and the Employee presentation “walks”

### **FCOE FP&A e-Web page**

- The website is structured to help both the business units and FPL Finance with the preparation of deliverables.
- The website contains the following items:
  - Guidelines
  - Planning Calendar
  - Templates for developing presentations
  - Links to business unit folders in SharePoint
  - Reference materials
- Link:  
<http://eweb.fpl.com/bunit/finance/FunctGroups/BgtFcst/budgetsubmissionportal2022-2026.shtml>

### **SAP BPC EPM – Models and Workbooks**

- SAP BPC EPM is accessible on the path Corporate Portal / Applications / BPC2 (EPM-GP1) / “Model Name”.
- A list of Models and Workbooks used to enter headcount, payroll, and non-payroll is available on page 23 of this guideline.

### **SAP BPC BOBJ – Budget Reports**

- Budget reports specific to the SPP are accessible on the path: **Corporate Portal / Applications / SAP Financial Planning & Reporting – New / FPL / “Report Name”**.
- The reports that will help verify on-system data aligns with presentation material are identified throughout this guideline, beginning on page 23.

## Executive Presentation - General

- Each business unit is required to prepare a presentation deliverable for submittal to FPL Finance in advance of each scheduled review meeting.
  - Scheduled deliverable dates are identified in the 2022 Scenario Planning Process Calendar.
  - FCG is presented as a business unit of FPL and will follow the FPL business unit guidelines as outlined below.
- Financial presentation materials must be tied out to the on-system data at each submittal point during the Scenario Planning Process.
- Headcount presentation materials should include FPL and FCG employee counts as described in the above section “Employee Headcount and Regular Payroll Planning”. Gulf employees expected to be transferred to FPL may either use the EPM system tools for Topsides Inputs or offline spreadsheets for support. The Executive presentations will be used as the document of record to determine headcount for each business unit.
- Use the reports in the Corporate Portal to verify the data loaded on-system is correct. The paths to the reports are available as follows.
  - Under Step 2 of the e-Web page: Prepare / Review Scenario Submission using SAP BPC EPM & BOBJ.
- Once EPM has been updated and totals verified using BOBJ reports, transfer the results to the Excel templates. Then paste the templates into the business unit’s Power Point presentation.
  - Blank Excel and PowerPoint templates are available on the e-Web page, Step 3: Prepare Scenario Submission Documents in Microsoft Office.
- Submit the completed PowerPoint presentation to FPL Finance by depositing it in the business unit’s folder on SharePoint.
  - Access to the business unit’s folder on SharePoint is available via the e-Web page, Step 4: Submit Scenario Deliverables in Business Unit SharePoint Folder
  - FCG will have a specific business unit folder labeled ‘FPL Gas Operations’
  - Link to e-Web page  
<http://eweb.fpl.com/bunit/finance/FunctGroups/BgtFcst/budgetsubmissionportal2022-2026.shtml>



## Executive Presentation - Development

The Scenario Presentation must contain the following sections.

NOTE: BOBJ reports supporting the required schedules are in the SAP Business Objects BI Platform using the following path.

- Stand Alone Reports located at **>Finance >FPL >Variance Analysis >Spend Reporting**
- Combined Company Reports located at **>Finance >FPL >Variance Analysis >Spend Reporting >Combined Reporting**

### Executive Summary

- Business Unit's own design

### Base O&M Schedules

- Prepare a schedule identifying your business unit's major projects and activities for the years indicated. **Select a level of detail appropriate for a thorough senior executive review.**
- Combined company views will be required for O&M Base schedules. The schedules from 2020 Actuals through 2021 forecast will reflect FPL plus Gulf Power entities added together. The schedules from 2022 Plan through 2026 Plan will reflect FPL and Gulf Power forecasted as a combined entity with synergies all loaded on FPL Master Data.
  - 2022-2026 detailed scenarios will be developed for FPL (company 1500) and include legacy Gulf Power. Scenario schedules and walks are to be generated and included in the appendix of the Executive presentations.
  - Separate scenario presentations will NOT be required for standalone FPL and standalone Gulf Power.
  - FCG scenario presentation will be developed as a business unit submission.
  - 2022-2026 combined plan will result from adding the Gulf Power plan into the FPL plan beginning in 2022. Schedules and walks will be generated for the content of the FPL Executive presentations.
    - 2020 Actuals – 2021 Forecast (FPL plus Gulf added together)
    - 2022 Forecast – 2026 Forecast (Gulf Power included within FPL forecast w/synergies)
- The following BOBJ reports are useful to stratify your Base O&M scenario.
  - Combined: Expense Forecast – FPL-Gulf (9Yr -2& +7 PY-FC-FC).
    - This will sum FPL and Gulf in 2020 & 2021. This report is also best if Gulf (company 1600) data is removed from EPM.
  - Stand Alone: Expense Forecast (9Yr -2/+7 PY-FC-FC)

**Base O&M**

**Business Unit:** \_\_\_\_\_

(\$millions) or (\$thousands)

Project / Activity	2020 Actual	2021 Forecast	2022 Funds Request	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast
Project 1							
Activity A							
Activity B							
Project 2							
Activity A							
Activity B							
Project 3							
Activity A							
Activity B							
<b>Total Base O&amp;M</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

- Prepare a year to year “walk” patterned after the following example for each of the following comparisons:
  - 2021 MOPR Year End Forecast to 2022 Funds Request (FPL Plus Gulf simply added together)
  - 2022 Funds Request to 2023 Forecast (Combined FPL Company)
  - 2023 Forecast to 2024 Forecast
  - 2024 Forecast to 2025 Forecast
  - 2025 Forecast to 2026 Forecast
  
- Include an explanation for each step-up and step-down in each of the categories shown on the table.
  
- The Inflation category should include merit increases and any other cost increases related to inflation. When applying inflation, do not inflate any cost that will be identified as a non-recurring cost in the Changes in the Business category.
  
- As you “walk” from year to year, be sure to add back all the Accelerate savings in the prior year, in anticipation of removing a full year of Accelerate savings in each forecasted year. This will ensure the same savings are not deducted twice in the same year, and will allow the Full Year Accelerate Savings category in the “walk” to be reconciled with Accelerate source information, which is expressed in terms of annual savings, not incremental savings.
  
- The Changes in the Business category should include cost increases for new work, including increased levels of activity such as from customer growth, and should include cost reductions for non-recurring events. Do not include Accelerate cost changes in the Changes in the Business category.

<b>Base O&amp;M</b>	
<b>Business Unit:</b> _____	
(\$million) or (\$thousand)	
<b>2021 Year End Forecast</b>	<b>\$100.0</b>
Inflation	2.2
2020 Estimated/Actual Accelerate Savings - Add Backs	
2020 Estimated/Actual Savings - item 1	4.0
2020 Estimated/Actual Savings - item 2	2.0
	6.0
Changes in the Business - Increase / (Decrease)	
New Activity - item 3	2.0
Non-recurring - item 4	(1.0)
	1.0
2021 Full Year Accelerate Savings - (Reductions)	
2021 Full Year Savings - item 1	(9.0)
2021 Full Year Savings - item 2	(5.0)
2021 Full Year Savings - item 5	(10.0)
	(24.0)
<b>2022 Funds Request</b>	<b>\$85.2</b>
Repeat 2021 to 2022 Walk Elements	50.0
<b>2023 Forecast</b>	<b>\$135.2</b>
Repeat 2021 to 2022 Walk Elements	50.0
<b>2024 Forecast</b>	<b>\$185.2</b>
Repeat 2021 to 2022 Walk Elements	50.0
<b>2025 Forecast</b>	<b>#####</b>
Repeat 2021 to 2022 Walk Elements	50.0
<b>2026 Forecast</b>	<b>#####</b>

### Below the Line O&M Schedules

- Prepare a schedule identifying your business unit’s major projects and activities for the years indicated.
- Combined company views will be required for Below the Line O&M schedules. The schedules from 2020 Actuals through 2021 forecast will reflect FPL plus Gulf Power entities added together. The schedules from 2022 Plan through 2026 Plan will reflect FPL and Gulf Power forecasted as a combined entity all loaded on FPL Master Data.
  - 2022-2026 detailed scenarios will be developed for FPL (company 1500) and include legacy Gulf Power. Scenario schedules and walks are to be generated and included in the appendix of the Executive presentations.
  - Separate scenario presentations will NOT be required for standalone FPL and standalone Gulf Power.
  - FCG scenario presentation will be developed as a business unit submission.
  - 2022-2026 combined plan will result from adding the Gulf Power plan into the FPL plan beginning in 2022. Schedules and walks will be generated for the content of the FPL Executive presentations.
    - 2020 Actuals – 2021 Forecast (FPL plus Gulf entities added together)
    - 2022 Forecast – 2026 Forecast (Gulf Power included within FPL forecast w/synergies)
- The following BOBJ reports are useful to stratify your Base O&M scenario.
  - Combined: Expense Forecast – FPL-Gulf (9Yr -2& +7 PY-FC-FC).
    - This will sum FPL and Gulf in 2020 & 2021. This report is also best if Gulf (company 1600) data is removed from EPM.
  - Stand Alone: Expense Forecast (9Yr -2/+7 PY-FC-FC)

**Below the Line**

**Business Unit:** \_\_\_\_\_

(\$millions) or (\$thousands)

Project / Activity	2020 Actual	2021 Forecast	2022 Funds Request	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast
Project 1							
Activity A							
Activity B							
Project 2							
Activity A							
Activity B							
<b>Total Below the Line</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

- Prepare a year to year walk patterned after the following example for each of the following comparisons:
  - 2021 MOPR Year End Forecast to 2022 Funds Request (FPL Plus Gulf simply added together)
  - 2022 Funds Request to 2023 Forecast (Combined FPL Company)
  - 2023 Forecast to 2024 Forecast
  - 2024 Forecast to 2025 Forecast
  - 2025 Forecast to 2026 Forecast
- Include a brief explanation for each step-up and step-down on the table.

<b>Below the Line</b>	
<b>Business Unit:</b> _____	
(\$millions) or (\$thousands)	
<b>2021 Year End Forecast</b>	<b>\$1,000</b>
Additional ...	5.0
Required....	50.0
Non-recurring ...	(30.0)
	25.0
<b>2022 Funds Request</b>	<b>\$1,025</b>
Additional ...	5.0
Required....	50.0
Non-recurring ...	(30.0)
	25.0
<b>2023 Forecast</b>	<b>\$1,050</b>
Additional ...	5.0
Required....	50.0
Non-recurring ...	(30.0)
	25.0
<b>2024 Forecast</b>	<b>\$1,075</b>
Additional ...	5.0
Required....	50.0
Non-recurring ...	(30.0)
	25.0
<b>2025 Forecast</b>	<b>\$1,100</b>
Additional ...	5.0
Required....	50.0
Non-recurring ...	(30.0)
	25.0
<b>2026 Forecast</b>	<b>\$1,125</b>

## Capital Schedules

- Prepare a schedule identifying your business unit's major projects and activities for the years indicated.
- Combined company views will be required for Capital schedules. The schedules from 2020 Actuals through 2021 forecast will reflect FPL plus Gulf Power entities added together. The schedules from 2022 Plan through 2026 Plan will reflect FPL and Gulf Power forecasted as a combined entity all loaded on FPL Master Data.
  - 2022-2026 detailed scenarios will be developed for FPL (company 1500) and include legacy Gulf Power. Scenario schedules and walks are to be generated and included in the appendix of the Executive presentations.
  - Separate scenario presentations will NOT be required for standalone FPL and standalone Gulf Power.
  - FCG scenario presentation will be developed as a business unit submission.
  - 2022-2026 combined plan will result from adding the Gulf Power plan into the FPL plan beginning in 2022. Schedules and walks will be generated for the content of the FPL Executive presentations.
    - 2019 Actuals – 2021 Forecast (FPL plus Gulf entities added together)
    - 2022 Forecast – 2026 Forecast (Gulf Power included within FPL forecast)
- 2022 Plan – 2026 Plan (Gulf Power added into FPL) Provide a level of detail appropriate for a thorough senior executive review.
- Provide a summary explanation of the benefits to support the request for the capital including identification of the customer benefit that the capital investment drives.
- The Total Capital schedule should be stratified into two categories
  - Earning Projects
    - Project receives AFUDC
    - Clause projects (indicate which clause)
    - Automated Meter Reading Infrastructure project (Customer Service only)
  - Infrastructure Projects
    - All other capital expenditures not included in Earning Projects
- The following BOBJ reports are useful to stratify your Capital scenario.
  - Combined: Capital Forecast – FPL-Gulf (9Yr -2& +7 PY-FC-FC)
    - This will sum FPL and Gulf in 2020 & 2021. This report is also best if Gulf (company 1600) data is removed from EPM.
  - Stand Alone: Capital Forecast (9Yr -2/+7 PY-FC-FC)

**Total Capital**  
**Business Unit:** \_\_\_\_\_

(\$millions) or (\$thousands)

Project / Activity	2020 Actual	2021 Forecast	2022 Funds Request	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast
AFUDC / Carrying Charges / Clause / AMI							
Project / Activity 1							
Project / Activity 2							
Project / Activity 3							
Total AFUDC / Carrying Charges / Clause / AMI	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Infrastructure							
Project / Activity 1							
Project / Activity 2							
Project / Activity 3							
Total Infrastructure	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Capital</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

**Employees Schedules**

- Prepare a schedule of your business unit’s Employee count for the years indicated. Count all positions as 1.0 each. Do not count any position as fractional even if it will only be working part time.
- Combined company views will be required for Employee schedules. The schedules from 2020 Actuals through 2021 forecast will reflect FPL plus Gulf Power entities added together. The schedules from 2022 Plan through 2026 Plan will reflect FPL and Gulf Power forecasted as a combined entity all loaded on FPL Master Data.
  - 2022-2026 detailed scenarios will be developed for FPL (company 1500) and include legacy Gulf Power as appropriate. Scenario schedules and walks are to be generated and included in the appendix of the Executive presentations.
  - Separate scenario presentations will NOT be required for standalone FPL and standalone Gulf Power.
  - FCG scenario presentation will be developed as a business unit submission.
  - 2022-2026 combined plan will result from adding the Gulf Power plan into the FPL plan beginning in 2022. Schedules and walks will be generated for the content of the FPL Executive presentations.
    - 2020 Actuals – 2021 Forecast (FPL plus Gulf entities added together)
    - 2022 Forecast – 2026 Forecast (Gulf Power included within FPL forecast as a combined company)
- Utilize the following BOBJ report to stratify your employee plans: Headcount (9Yr -2/+7 A/Fc/Fc).
  - Please note, these will only be accurate if legacy Gulf employees are added into EPM using the Topside Input functionality.
- Employee Headcount

- Ensure that all business unit employees currently included on the HR organizational chart are accounted for in the “Headcount Planning” EPM workbook.
- Vacant positions that are not going to be filled in the plan should be removed from the HR organizational chart.
- Scenario should clearly identify when headcount is planned to be added or removed and vacancies are planned to be filled. All business units should account for natural attrition based on historical experience or known changes in the business and ensure that is built into the payroll forecast for all years presented.
- Update the business unit headcount scenario to properly reflect when positions are needed to support business operations and project completion or when the headcount will no longer be needed.
- Use the “Topside Input” worksheet in the “Headcount Planning” EPM workbook to enter planned headcount increases or decreases when position master data does not currently exist in the HR organizational chart.
- It is critical that headcounts are accurately input to ensure proper alignment to the scenarios for gross payroll.
  - o Legacy Gulf Employees will be the only exception allowed. Since these employees are not included in the EPM Headcount Planning workbook, it is preferred to use the Topside Input worksheet mentioned above to forecast headcount and payroll. However, offline spreadsheets will be allowed during 2022 Scenario Planning due to the volume of employees transferring from Gulf.
    - Payroll accounts have been unlocked for WBS L3 manual input to account for Gulf employee payroll.
    - Official Headcounts will be pulled from the submitted executive presentations.

**FPL Employees**  
**Business Unit:** \_\_\_\_\_

FPL Employees	2019 Actual	2020 Forecast	2021 Request	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
<b>Full Time (excluding Temporaries)</b>							
FPL Exempt							
FPL Non-Exempt							
FPL Bargaining Unit							
<b>Total FPL Full Time Employees</b>	0	0	0	0	0	0	0
<b>Part Time (count each as 1.0)</b>							
FPL Exempt							
FPL Non-Exempt							
FPL Bargaining Unit							
<b>Total FPL Part Time Employees</b>	0	0	0	0	0	0	0
<b>Total FPL Employees (excl Temporaries)</b>	0	0	0	0	0	0	0

- Prepare a year to year walk patterned after the example for each of the following comparisons:
  - 2019 Actual to 2020 MOPR Year End Forecast
  - 2020 MOPR Year End Forecast to 2021 Funds Request
  - 2021 Funds Request to 2022 Forecast
  - 2022 Forecast to 2023 Forecast
  - 2023 Forecast to 2024 Forecast
  - 2024 Forecast to 2025 Forecast
- Include a brief explanation for each step-up and step-down on the table. Include the month of action and the number of positions associated with the addition / reduction.
- Regarding changes due to Accelerate, please note that the employee “walk” is on an incremental basis, not an annual basis. Unlike the Base O&M “walk,” the employee “walk” does not add back the prior year’s reductions related to Accelerate.

<b>FPL Employees</b>			
<b>Business Unit: _____</b>			
	<b>Month - Year</b>	<b>Increment</b>	<b>Total</b>
<b>2020 Actual</b>			<b>1,000</b>
Accelerate ...	Sep-19	(2)	
Replace open position ...	Oct-19	1	
Accelerate ...	Dec-19	(3)	
			<u>(4.0)</u>
<b>2021 Forecast</b>			<b>996</b>
Replace open position ...	Feb-20	1	
Accelerate ...	Mar-20	(5)	
Accelerate ...	Jul-20	(3)	
			<u>(7.0)</u>
<b>2022 Request</b>			<b>989</b>
Accelerate ...	Mar-21	(2)	
			<u>(2.0)</u>
<b>2023 Forecast</b>			<b>987</b>
Accelerate ...	Jun-22	(1)	
			<u>(1.0)</u>
<b>2024 Forecast</b>			<b>986</b>
Accelerate ...	Jun-23	(1)	
			<u>(1.0)</u>
<b>2025 Forecast</b>			<b>985</b>
Accelerate ...	Jun-24	(1)	
			<u>(1.0)</u>
<b>2026 Forecast</b>			<b>984</b>

### Impact of Forecasts on Key Performance Measures

- Business units should provide a discussion of the relationship between the proposed forecasts and the unit’s key performance indicators.
- Provide correlations and sensitivities to illustrate the relationships. No templates are provided. Use an appropriate format:
  - Tables
  - Graphs



- Other

### **IT Funded Business Cases**

- Each business unit must prepare a summary of the business cases it is sponsoring that will be presented by the IT business unit for funding in the IT scenario for 2022 through 2026. Each summary must contain at least the following information:
  - Description of Business Case
  - Accelerate Idea #, if applicable
  - Project Benefits
    - Estimated cost savings
    - Productivity gains, etc.
  - Project Costs
    - O&M and/or capital components
    - Annual / total project costs

### **Final Approved 2022 Scenario Planning Presentation**

- This section provides the requirements for the development of the Final Approved 2022 Scenario Presentation deliverable.
- At the conclusion of the scenario review and approval process, each business unit may be requested to provide a final approved version of its presentation for submittal to FPL Finance.
- Minimum requirements include all templates and walks used during the scenario review process, and key performance indicators.
  - Base O&M Schedules
  - Below the Line Schedules
  - Capital Schedules
  - FPL Employee Schedules
  - Key Performance Indicators
- Ensure all scenarios and forecast amounts are final approved and tie to version PCY in SAP BOBJ reports.
- Revise all walks as necessary to support the changed annual amounts.
- At the discretion of the business unit, the final approved presentation may be expanded to include elements such as the following.
  - Objectives and Goals
  - Key Initiatives
  - Assumptions
  - Additional Benchmarking and Performance Indicators

# **Appendix**

## **Using the FPL SAP BPC System**

**Planning and Forecasting  
in versions  
WV1 and WVS**

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## Data Requirements for Forecasting and Scenario Planning

The following outline provides a summary of the level of data detail required to be reviewed and updated, using the FPL SAP BPC system, prior to each forecast or scenario submittal

### Cash Flow Plan Data (Payroll and Non-Payroll)

- Review of on system data:
  - Monthly cash flow projections (Payroll and Non-Payroll) with appropriate WBS element (Level 4) and account data
    - Operating Expense (O&M) and Revenue
    - Capital and Deferred Expenditures
  
- Review and update of on system data:
  - WBS element (Level 3) non-payroll monthly cash flow projections
  - Internal order non-payroll monthly cash flow projections (as applicable)
  - WBS element (Level 4) plan allocations
  - WBS element (Level 3) plan allocations (as applicable)
  - O&M internal order payroll / non-payroll plan settlement rule allocations
  - Payroll / Headcount Plan Data
  
- Review of on system data:
  - Monthly headcounts with appropriate headcount movement data
  
- Review and update of on system data:
  - Headcount input form
  - Time / payroll cost allocations
  - Salary adjustments
  
- The following table provides the Project Types / Business Area combinations for which forecasts and scenarios should be entered into the system:

<b>Project Type</b>	<b>Business Area</b>	<b>Description</b>
<b>Operating Expenses</b>		
E	A01	Base O&M
E	A02	ECCR (Energy Conservation Cost Recovery)
E	A04	O&M Fuel (Clause)
E	A05	O&M Capacity (Clause)
E	A06	Below the Line
E	A08	ECRC (Environmental Cost Recovery Clause)
E	A09	O&M NR Fuel (not recoverable through the Fuel Clause)
E	A12	Clearing/Overheads (Benefits, EO, Non Productive, Worker's Comp, Stores)
E	A20	Revenue Enhancement Expense
E	A21	Gas Reserves
E	A22	Inter-Company Expenses
E	A23	Rider Programs (Base)
E	A25	Rider Programs (Clause)
E	A26	O&M SPPCRC (Storm Protection Plan Cost Recovery Clause)
<b>Capital Expenditures</b>		
C	A01	Capital Base
C	A02	Capital ECCR (Energy Conservation Cost Recovery Clause)
C	A05	Capital Capacity (Clause)
C	A06	Capital Below the Line
C	A08	Capital ECRC (Environmental Cost Recovery Clause)
C	A17	Capital Storm
C	A18	Capital New Nuclear (Above the Line)
C	A21	Capital Gas Reserves
C	A23	Rider Programs (Base)
C	A25	Rider Programs (Clause)
C	A26	Capital SPPCRC (Storm Protection Plan Cost Recovery Clause)
<b>Deferred Expenditures</b>		
D	A10	Budgeted Deferred Projects (Considered a capital expenditure)
D	A11	Other Balance Sheet Activity (Optional)
<b>Revenues</b>		
E	A20	Revenue Enhancement Revenue

- Special notes regarding Revenue Enhancement:
    - The assignment of Revenue Enhancement business area A20 is determined solely by the accounting treatment the actual transaction receives when recorded in the general ledger
    - Use of business area A20 is limited to existing revenue enhancement programs
    - Business unit proposals for new revenue enhancement programs should be submitted to Accounting and Corporate Scenarios prior to the inclusion of required resources in the 2022 scenario deliverables
    - Revenues are entered as credits in the appropriate Gross Margin accounts
    - Expenses are entered as debits in the appropriate Other Operating Expense accounts
-

## Entering and Reviewing Required Data

### Workbooks Available for Forecast and Scenario Data Entry / Review

- The table below provides a summary of the workbooks (Analysis and EPM) available to review and update different levels of forecast and scenario data details required in the FPL SAP BPC system

Activity	Data Type	Sub-Activity	Analysis / EPM Workbook
Review of on system data, using Analysis workbooks	Cash flow plan data (payroll and non-payroll)	Review monthly cash flow projections (Payroll and Non-Payroll) with appropriate WBS element (Level 4) and account data	
		<ul style="list-style-type: none"> <li>Operating Expense (O&amp;M) and Revenue</li> </ul>	"BPC - Expense Forecast (8Yr -2/+6 PY/Fc/Fc)" Analysis workbook
	<ul style="list-style-type: none"> <li>Capital and Deferred Expenditures</li> </ul>	"BPC - Capital Forecast (8Yr -2/+6 PY/Fc/Fc)" Analysis workbook	
	Payroll / headcount plan data	Review monthly headcounts	"BPC - Headcount (6Yr -2/+4 A/Fc/Fc)" Analysis workbook
Review and update of on system data, using EPM workbooks	Cash flow plan data (payroll and non-payroll)	Review / update WBS element (Level 3) non-payroll monthly cash flow projections	"WBS Spend Budget Management" EPM workbook
		Review / update internal order non-payroll monthly cash flow projections (as applicable)	"IO Spend Budget Management" EPM workbook
		Review / update WBS element (Level 4) plan allocations	"WBS_L3L4_PERCENT_INPUT" EPM workbook
		Review / update WBS element (Level 3) plan allocations (as applicable for payroll / non-payroll plan values entered using mixed capital internal order)	"WBSL2L3_PERCENT_INPUT" EPM workbook
		Review / update O&M internal order payroll / non-payroll plan settlement rule allocations	"IO_SETTLEMENT_INPUT" EPM workbook
	Payroll / headcount plan data	Review / update headcount monthly movement projections (i.e. baseline of current employees and increases / decreases to account for new hires, separations, and transfers)	"Headcount Planning" EPM workbook
		Review / update time / payroll cost allocations	"Timesheet Planning" EPM workbook
		Review / update salary adjustments (i.e. merit, MOA, other increases / decreases as needed)	"Assumptions Planning" EPM workbook

## **Notes on Scenario Data Entry/Review using EPM workbooks**

### **FPL Employee Headcount**

- Ensure that all business unit employees currently included on the HR organizational chart are accounted for in the “Headcount Planning” EPM workbook.
- Vacant positions that are not going to be filled in the plan should be removed from the HR organizational chart.
- Scenarios should clearly identify when headcount is planned to be added or removed and vacancies are planned to be filled. It is assumed that natural attrition is built into the payroll forecast.
- Update the business unit headcount to properly reflect when positions are needed to support business operations and project completion or when the headcount will no longer be needed.
- Use the “Topside Input” worksheet in the “Headcount Planning” EPM workbook to enter planned headcount increases or decreases when position master data does not currently exist in the HR organizational chart.
- It is critical that headcounts are accurately input to ensure proper alignment to the scenario for gross payroll.

### **Straight-Time Payroll**

- Ensure every headcount entry in the “Headcount Planning” EPM workbook has time and payroll cost allocations that equal 100% in the “Timesheet Planning” EPM workbook.
- Time and payroll cost allocations coming from another business unit to your business unit’s internal orders are not visible in the “Timesheet Planning” EPM Workbook, but the corresponding payroll will be visible in the “IO Spend Budget Management” and/or “WBS Spend Budget Management” EPM workbooks and Analysis report workbooks.

### **Payroll (Other Than Straight-Time Payroll)**

- Ensure the following payroll and payroll related costs are entered using either the “WBS Spend Budget Management” and/or the “IO Spend Budget Management” workbooks in EPM
  - Overtime
  - Overtime Meals
  - Other Earnings
  - Lump Sum Awards
  - Relocation
  - Recruiting
  - Sign-on Bonus
  - Severance
  - Payroll Charges from Affiliates (at fully loaded cost)

### **Non-Payroll**

- The “IO Spend Budget Management” EPM workbook will show the following items as not editable



- Straight-time payroll
- Overheads
- The “WBS Spend Budget Management” EPM workbook will show the following items as not editable
  - Straight-time payroll
  - Non-payroll entered using “IO Spend Budget Management” EPM workbook
  - Overheads
- Be aware of the relationship between the “IO Spend Budget Management” and the “WBS Spend Budget Management” EPM workbooks
  - Data entered using the “IO Spend Budget Management” EPM workbook is visible for the corresponding WBS element in the “WBS Spend Budget Management” EPM workbook, based on plan allocations, but is not editable in the “WBS Spend Budget Management” EPM workbook
  - Data entered into the “WBS Spend Budget Management” EPM workbook is not visible in the “IO Spend Budget Management” (no reverse allocations)
- Amounts entered into the “IO Spend Budget Management” and “WBS Spend Budget Management” EPM workbooks for the same WBS element are summed together
  - If the “IO Spend Budget Management” EPM workbook is chosen to load data, ensure any corresponding duplicate entries are cleared in the “WBS Spend Budget Management” EPM workbooks; otherwise, reports will reflect a “double-count”, as data entered in both the “IO Spend Budget Management” and “WBS Spend Budget Management” EPM workbooks will be totaled
  - Straight-time payroll amounts will appear in both the “IO Spend Budget Management” and “WBS Spend Budget Management” EPM workbooks and will remain in sync as headcount timesheet changes are entered
- When certain payroll and non-payroll costs are forecasted, BPC EPM automatically generates additional forecasted costs in the form of an overhead or loader
  - For the current rates being applied by the system, use the following link to access the Reference Material section on the e-Web page  
<http://eweb.fpl.com/bunit/finance/FunctGroups/BgtFcst/budgetsubmissionportal2022-2026.shtml>

**Additional FPL SAP BPC System training / reference materials**

- Use the following link to access reference materials to guide you in using the FPL SAP BPC System EPM workbooks described in this document  
<http://eweb/bpc>

**Notes on Planning Charges to Affiliates**

**Operations Support Charges – OSC (formerly Service Fees)**

- This charge is specific to Nuclear Business Unit
- Business units having a specific service agreement with an affiliate should forecast the OSC charges as a direct charge using an IO/WBS element defined as business area A22 Inter-company Expenses
- To provide a fully loaded view of the OSC, FCOE FP&A organization will forecast the appropriate affiliate overheads in Loc10, based on all dollars forecast in A22 by the Nuclear Business Unit
- Any IO/WBS element used to forecast A22 dollars should not contain charges of any other nature

### **Corporate Service Charges (CSC)**

- CSC was previously referred to as Affiliate Management Fee (AMF)
- Staff business unit expenditures that are allocable to affiliate entities through the CSC should be forecasted 100% in an IO/WBS defined as business area A01 Base O&M
- Costs that are applicable to the CSC should be allocated to WBS elements (Level 4) that are marked with the appropriate CSC drivers (Investment Reason) and receiving company (WBS Services)
- CSC WBS element (Level 4) allocations will be based on driver percentages determined by Accounting's Cost Measurement and Allocations (CMA) department
- CMA will work with the business units to determine if forecasted costs are applicable to the CSC
- CMA will calculate the appropriate allocation percentages for CSC costs. It will be the responsibility of the business units to ensure that the correct WBS element (Level 4) allocations are reflected in the system using the "IO\_SETTLEMENT\_INPUT" and / or "WBS\_L3L4\_PERCENT\_INPUT" EPM workbooks.
- Once a WBS element is determined to be eligible for the CSC, any non-CSC costs should not be allocated to that WBS element
- CSC charges to Gulf Power will not exist in a merger scenario
  - The FPL CSC credit resulting from distribution of CSC to the affiliates is planned at FPL in Version WVS. The credit systematically calculates because of the forecast being input on specific master data established for CSC allocation. CSC credits are reflected in Location 10 for non-Executive activity and Executive Business Unit for Executive activity
  - The CSC debit to be received by Gulf Power is planned in Version WVS.

### **Direct Charges**

- A business unit planning direct charges to affiliate entities should forecast 100% of its cash expenditures in an Internal Order (IO)/WBS defined as business area A22 Inter-company expenses. Payroll dollars need to be planned on the internal order to allow the system to calculate the overheads rates established in the BPC EPM forecast tables
- It is recommended that the costs be allocated to WBS elements unique to a single receiving company. The WBS Services field may be used for that purpose
- To provide a fully loaded view of the Direct Charge plan, FCOE FP&A will forecast the appropriate affiliate incremental overheads in Loc10, based on all dollars forecasted in A22 by the business units
- Any IO/WBS element used to forecast A22 dollars should not contain charges of any other nature
- Direct charges to Gulf Power or Gulf to FPL charges will not exist in a combined scenario.

### **Notes on FERC Functionalization of O&M**

- Shortly after the due date for initial completion of detail forecasts in FPL SAP BPC system, FPL Finance will initiate the FERC Functionalization of the O&M forecasts loaded into versions WVS

- Once the FERC Functionalization has been completed, each business unit will review, and if necessary, adjust, the FERC Functionalization of all O&M project type / business area combinations entered by the business unit. This will ensure an accurate forecast of O&M from a regulatory perspective. Use BW reports such as the “FERC O&M Trend Analysis (A/FFc/FFc)” report to perform the review.
  - If your unit’s O&M FERC allocations appear to be incorrectly allocated compared to historical FERC actuals or other plan years, update your allocation percentages using the “IO\_SETTLEMENT\_INPUT” and / or “WBS\_L3L4\_PERCENT\_INPUT” EPM workbooks.
  - When all business units have completed their changes to the percentage splits, Corporate FPL Finance will re-run the FERC Functionalization of the O&M forecasts loaded into WVS, so the units can see the impact of the percentage changes on their forecasted dollars.
  - The above sequence may be iterated during the planning and forecasting process as necessary on a schedule to be announced.
  - The schedule for final FERC Functionalization of the O&M forecasts will be announced.
-

# Capital Forecasting and Scenario Planning

## General

- Each business unit is required to provide capital forecast details in accordance with the foregoing instructions for entering detail forecasts into BPC EPM and the following guidance specific to capital forecasting.
- Enter monthly cash flows in whole dollars for all years
  - Do not forecast annual amounts in December; provide monthly cash flows
  - Major projects should be cash flowed monthly based on the best information available
  - Minor projects may be forecasted using an even monthly spread if better information is not available
- Ensure all master data is correct for all capital WBS elements
- Capital synergies resulting from the combination of Gulf Power with FPL beginning 2022 will be planned in version WVS.

## Installation, Removal, Demolition and Nuclear Fuel Assignment

- Review, and if necessary, adjust the BPC EPM WBS\_L3L4\_Percent\_Input workbook (Level 3 to Level 4 WBS percentage allocations) percentage splits for installation, removal, and demolition capital. This will ensure accurate cost detail is available to support depreciation calculations in the Financial Forecasting Model.
  - **All capital projects** must be classified as either installation, removal, demolition, or Nuclear Fuel capital, by assigning percentages to the Level 4 WBS elements
  - In most cases a capital project will be assigned one or both of the following level 4 WBS elements
    - Install: FERC Indicator 9901
    - Remove: FERC Indicator 9902
  - When a plan represents the demolition of assets, such as in the case of the demolition of a plant, the “Demolition” FERC Indicator 9904 must be assigned as the level 4 WBS element
  - When a plan represents the purchase of Nuclear Fuel, a Level 4 WBS element with a unique FERC Indicator 9903 and Capital Type 3 must be created and the Level 4 WBS allocation assigned.
  - The push of dollars from Level 3 to Level 4 is automatic and will immediately reflect any changes to the percentage splits made using the BPC EPM WBS\_L3L4\_Percent\_Input workbook (Level 3 to Level 4 WBS percentage allocations).

### Capital Project Master Data Assignments

Capital Type	GAAP Account	FERC Indicator	FERC Account
1 – Install	2609300 - CWIP	9901	9107100
2 – Remove	2650200 - ACC. DEPRECIATION (DP)	9902	9108050
3 – Nuclear Fuel	2607200 - NUCLEAR FUELS - In Process	9903	9120100
	2607100 - NUCLEAR FUELS - In Stock	9903	9120200
	2607310 - NUCLEAR FUELS: Inventory In Rx	9903	9120300
4 – Demolition	3701010 - DISMANTLEMENT RESERVE: Fossil	9904	9108332

## **Capital WBS Element Master Data**

- Master Data for all capital WBS elements includes “corporate attributes” that define the capital project:
  - Business Area
  - IM Position
  - WBS Project Type
  - WBS Capital Type
  - FERC Function code
  - Plant Site code
  - Major Project designation
  - In-service date (Required only for Major Projects)
  - AFUDC relevance
  - Earning a Return status
  - Depreciation status
  - Storm Secure status
  
- When forecasting capital expenditures, it is important to ensure the corporate attributes that define the Project or WBS element accurately describe all the capital expenditures forecasted under that Project or WBS element. If not, then the expenditures should be allocated to two or more WBS elements as necessary
  
- **FERC Function Code (FERCFncID)**
  - A single digit code describing a classification of expenditures under the FERC System of Accounts
  - All costs associated with a single WBS should be reflective of the FERC Function selected.  
Multiple WBS elements may be needed for proper differentiation
    - 1 – Steam Generation
    - 2 – Nuclear Generation
    - 3 – Other Generation
    - 4 – Transmission
    - 5 – Distribution Line
    - 6 – Distribution Substation
    - 7 – Buildings
    - 8 – General Plant Equipment
    - 9 – Transportation Equipment
    - 0 – Intangible Plant
    - 12 – Intangible Software
    - 13 – General Plant – EDP Equipment
    - 14 – General Plant – Communication Equipment
    - 15 – General Plant – Fiber Optic

● **Plant Site Code**

- A three-digit code
- Expenditures pertaining to a specific plant site must be forecasted in a WBS element unique to that site, per the following table: for all other expenditures use default plant site 000

Plant Site	Col	Plant Site	Col	Plant Site	Col	Plant Site	Code
NON-PRODUCTION PLANT	000	Martin Coal Unit	183	St Lucie River Farms Solar	201	Rodeo Solar Energy Center	328
CUTLER	010	MARTIN UNIT 2	184	VOLUNTARY SOLAR PARTNERSHIP (VSP)	210	Etonia Solar(Weyerhaeuser)	329
RIVIERA UNIT #3 & #4	040	MARTIN GAS PIPELINE	185	C & I SOLAR PARTNERSHIP	211	Morimer Bates(solar land)	330
RIVIERA BEACH ENERGY CENTER U5	041	MARTIN UNIT #7	186	IOTA CAROL (SOLAR PROJECT)	212	Family Alaska, LLC (solar land)	331
RIVIERA UNIT #2	042	MARTIN Unit 3	187	Magnolia Springs Solar	213	Fort Drum Site	332
TURKEY POINT UNIT #3 EPU LAR	043	MARTIN Unit 4	189	Hibiscus Solar	214	Raymond&Deborah Williams (Solar Lnd)	333
TURKEY POINT UNIT #4 EPU LAR	044	West County Energy Center U1/U2	190	Sandricourt Farms Solar	215	Bluefield Organic Farms (solar land)	334
PUTNAM	050	WEST COUNTY ENERGY CENTER UNIT	191	CLYMAN SOLAR	216	Slavic Natural Resources In. (solar Land)	335
ST LUCIE UNIT #1 EPU LAR	051	Okeechobee Clean Energy Center	194	Egret Solar	217	GHOST ORCHID SOLAR	336
ST LUCIE UNIT #2 EPU LAR	052	UNSITE COMBINED CYCLE	195	CORAL FARM SOLAR	260	SAWGRASS SOLAR	337
PALATKA	060	Hendry Site	196	HORIZON SOLAR	261	IMMOKALEE SOLAR	338
PALATKA PLANT UNIT 3	061	VERO BEACH	198	IBIS SOLAR	262	Watson Cattle CO (Land for Solar)	339
Sanford Unit 3	070	CEDAR BAY	200	Hammock Solar	263	Shirer Branch Solar	340
Sanford Unit 5	071	INDIANTOWN COGENERATION	205	INTERSTATE SOLAR	264	Flowers Creek Solar/Yoder (land)	341
Sanford Unit 4	072	TURKEY POINT UNIT #3 Uprates	243	Twin Lakes Solar	265	Heritage Family Farms (land)	342
Sanford U4/U5 Common	073	TURKEY POINT UNIT #4 Uprates	244	KROME SOLAR	266	Yoder (land) / Flowers Creek Solar	343
Ft. Lauderdale Unit 4	080	ST LUCIE UNIT #1 Uprates	251	Wildflower Solar	267	Gerald Bishop (land) / Solar	344
FT LAUDERDALE Gas Turbines - Blackstart	081	ST LUCIE UNIT #2 Uprates	252	Blue Cypress Solar	268	FPL Evolution Hub-45th St (Solar)	377
Ft Lauderdale Simple Cycle Peakers U6	082	Tesoro Groves	289	Loggerhead Solar	269	Blue Lagoon Floating - Solar	380
DANIA BEACH ENERGY CENTER	083	Turkey Point U6/U7 Common	291	Barefoot Bay Solar	270	Van Der Veer (land/solar site)	381
Ft. Lauderdale Unit 5	084	WEST COUNTY ENERGY CENTER UNIT	292	Indian River Solar	271	Optimum Ranch (land for solar)	382
Ft. Lauderdale Common	085	WEST COUNTY ENERGY CENTER UNIT	293	Miami Dade Solar	272	Horus (land for solar)	383
Ft. Lauderdale U4/U5 Common	086	WEST COUNTY ENERGY CENTER COMI	294	Echo River Solar	273	Melvin Family Trust (land for solar)	384
FLORIDA GAS PIPELINE	090	Turkey Point U3/U4 Common	295	DE SOTO POWER PLANT COMMON	274	Chipola Farm (FKA Shelton 3628)	385
Ft Myers Total Site Common	110	Martin U1/U2 Common	296	Pioneer Trail Solar	275	McArthur Farms (land/solar)	386
Ft. Myers Unit 2	112	Martin U3/U4 Common	297	Northern Preserve Solar	276	Crystal Mine Solar (fka Hamrick)	387
Ft Myers Simple Cycle Peakers U3	113	MARTIN PLANT FUEL OIL PIPELINE	298	Commonwealth Solar	277	Prairie Creek Solar (fka Chapman)	388
Ft. Myers Unit 3	114	Transmission - Gen Step Up (GSU)	401	Sunshine Gateway Solar	278	Cypress Pond Solar (fka WSR)	389
Ft. Myers Common	115	TRANSMISSION - OTHER RETAIL	402	Blue Heron Solar	279	Future Solar Site	775
Ft Myer Gas Turbines - Blackstart	116	TRANSMISSION - OTHER WHOLESALE	403	Sweetbay Solar	280	Unidentified Solar	993
Ft. Myers U2/U3 Common	117	Okeechobee Hydrogen Pilot	408	Tesoro Groves Solar	281		
Port Everglades Energy Center Common	120	SJRPP Unit 1	500	Weyerhaeuser Solar	282		
Port Everglades Energy Center Unit 5	121	SJRPP COAL CARS	501	Ryland Solar	283	<b>Gulf Power Sites</b>	
Port Everglades Gas Turbines	122	SJRPP UNIT 2	502	Skinner Solar (aka Trailside Solar)	284	GULF CRIST PIPELINE	611
CAPE CANAVERAL	130	SJRPP COAL TERMINAL	503	Lakeside Solar	285	GULF CRIST COMMON	612
Cape Canaveral Unit 3	131	SJRPP U1/U2 Common	504	Cattle Ranch Solar	286	GULF CRIST UNIT 4	613
Turkey Point Unit 1	139	Scherer Unit 4	505	Okeechobee Solar	287	GULF CRIST UNIT 5	614
Turkey Point Total Site Common	140	Steam Common	771	Southfork Solar	288	GULF CRIST UNIT 6	615
TURKEY POINT UNIT 5	141	Other Generation Common	772	Jebbie Solar	300	GULF CRIST UNIT 7	616
TURKEY POINT UNIT #3 EPU	142	Active Fossil Fleet	777	Davis & Davis LLP	301	GULF DANIEL COMMON	617
TURKEY POINT UNIT 3	143	Active Nuclear Fleet	778	Palm Bay Solar	302	GULF DANIEL UNIT 1	618
TURKEY POINT UNIT 4	144	ALL Active GEN Fleet	779	Willow Solar (Del Monte)	305	GULF DANIEL UNIT 2	619
TURKEY POINT UNIT #4 EPU	145	INTANGIBLE PLANT FT LAUDERDALE	908	Elder Branch (Del Monte (north) solar	306	GULF SCHERER COMMON	620
TURKEY POINT UNIT 6	146			Nassau Solar (aka Crawford Dia)	307	GULF SCHERER UNIT 3	621
TURKEY POINT UNIT 7	147	<b>Energy Storage</b>		Union Springs Solar (aka Plum Creek)	308	GULF SCHOLZ PLANT	622
TURKEY POINT COMMON #6 & #7	148	Dania Beach Energy Storage	374	Norris (land for solar)	309	GULF PACE PLANT	623
TURKEY POINT COMMON EPU	149	Babcock Ranch Solar Battery Storage	375	Trucane Sugar	310	GULF PERDIDO LANDFILL	624
ST LUCIE COMMON	150	FIU Microgrid Energy Storage	376	Orange Blossom	311	GULF SMITH UNIT 3	625
ST LUCIE UNIT 1	151	FPL Evolution Hub-45th St (Battery)	378	Lakewood Park	312	GULF SMITH PLANT CT	626
ST LUCIE UNIT 2	152	Turkey Point Clean Energy Center	379	Southeast Grove	313	GULF SMITH COMMON	627
ST LUCIE COMMON EPU	153	Wynwood Energy Storage Center	400	Rayonier Atlantic Timber	314	GULF CRIST SIMPLE CYCLE CTS	628
ST LUCIE UNIT #1 EPU	154	Citrus Solar Battery Storage Center	404	St Joe Company	315	GULF MASON SOLAR	650
ST LUCIE UNIT #2 EPU	155	Manatee Energy Storage Center	405	Sundew Solar	316	GULF BLUE SPRINGS SOLAR	651
ST LUCIE UNIT 1 STOREROOM	156	Echo River Energy Storage Center	406	Ridge Farm North 320	317	GULF YODER SOLAR	652
ST LUCIE UNIT 2 STOREROOM	157	Sunshine Gateway Energy Storage Center	407	First Citrus	318	GULF M. BATES SOLAR	653
ST. LUCIE WIND	160	Unidentified Battery Storage	994	Roper (land for solar)	319	GULF SLAVIC SOLAR	654
Manatee Total Site Common	170			Nail Ranch	320	GULF J. WALKER SOLAR	655
Manatee Unit 3	171	<b>SOLAR SITES</b>		Woodland III	321	GULF BLACKWATER SUB - SOLAR EG	656
Manatee Unit 1	173	MANATEE PV SOLAR	172	B&E Holdings	322	GULF HERMAN WALKER SOLAR	657
Manatee Unit 2	174	MARTIN SOLAR ENERGY CENTER	188	St Lucie River Farms 969	323	GULF COTTON CREEK SOLAR	658
Manatee U1/U2 Common	175	DESOTO SOLAR ENERGY CENTER	192	AW Hatcher Farms Inc	324	GULF NORTH ESCAMBIA SOLAR	659
Martin Total Station Common	180	SPACECOAST SOLAR ENERGY CENTER	193	Babcock Ranch Reserve Solar	325	JOHN B DOREMUS JR TRUST	660
MARTIN UNIT 1	181	BABCOCK RANCH SOLAR PV.	197	Jones Road LLC (aka Lincoln Energy)	326	VSP (Volunteer Solar Partnership)	661
Martin Unit 8	182	CITRUS PV SOLAR	199	Discovery Solar Energy Center	327		

- **Major Project Designation**

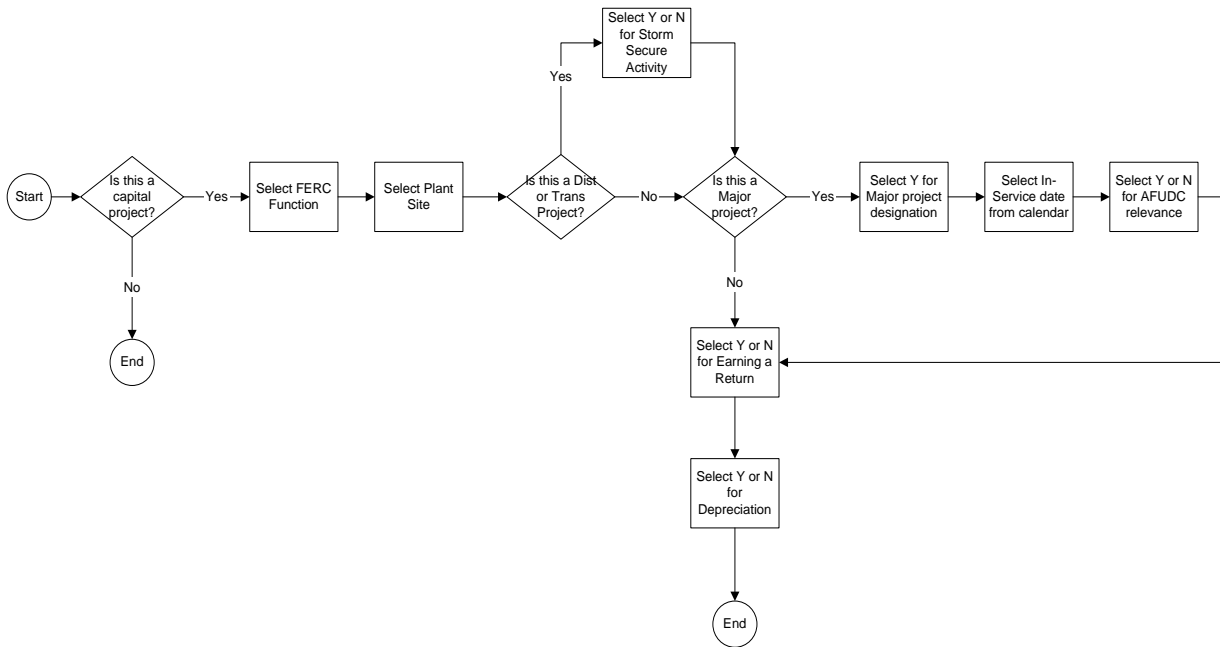
- A specific project is considered a Major project when the total cost over the life of the project is \$10 million or more
- A Major project should be identified with a Level 1 WBS Element
- Stratify a Major project into sub-activities using separate Level 3 WBS elements for the following reasons:
  - When a project comprises individual sub-projects that have individual total lifetime costs of \$10 million or more
  - When the sub-projects have different in-service dates, regardless of their respective sub-project cost
  - To identify demolition or removal costs (see below for further guidance)
  - To identify asbestos removal costs (see below for further guidance)
  - To identify land held for future use (see below for further guidance)
  - When the business unit finds a further breakdown to be a meaningful way to forecast the project
- Use "Y" to indicate a Major project and "N" if not a major project

- **In Service Date (ISD)**

- The date a Major project will be completed and go into service
- ISDs are used for Major projects only; it is not necessary to provide or maintain ISDs for minor projects
- The ISD is used by the Financial Forecasting Model (FFM), which is a non-SAP system. The FFM uses the ISD to determine when a project's Construction Work In-Progress (CWIP) balance should be reclassified to Plant In-Service and for initiating Depreciation. The FFM only requires a MM/YYYY ISD format. However, the SAP convention for entering dates is the MM/DD/YYYY format. To reconcile the formatting differences and to minimize the need to update changes in ISDs the following guidance is provided.
- Creating a new major capital WBS Element
  - Enter the ISD in the format MM/DD/YYYY
  - Always enter the last day of the month that the project will go into service
  - Examples
    - Enter 06/30/YYYY for a June ISD
    - Enter 08/31/YYYY for an August ISD
- Revising the ISD for an existing major capital WBS Element
  - Revise the ISD only when the month or year has changed; it is not necessary to revise the ISD to reflect a change in the day of the month within the same month
  - When revising an ISD always enter the last day of the month that the project will go into service

- Examples
  - If the current ISD is 06/15/2022 and the new ISD is 06/30/22, no change is required
  - If the current ISD is 06/15/2022 and the new ISD is 07/15/22, revise the ISD to 07/31/22
- **AFUDC Relevance**
  - Indicates eligibility for an accounting treatment known as Allowance for Funds Used During Construction
  - Used only for a WBS element designated as a Major Project; check with Accounting to make the determination for AFUDC eligibility
  - Enter "Y" if the project is AFUDC relevant and "N" if not
  - AFUDC rates and thresholds are different for standalone FPL and standalone Gulf Power.
    - AFUDC forecasts are calculated through Utilities International (UI) and provided as inputs to each of the Capital scenario.
    - AFUDC will be recalculated for the combined scenario for 2022-2026.
- **Earning a Return**
  - A project is considered earning a return if it meets any of the following requirements
    - Project receives AFUDC
    - Project is Clause related (ECCR, ECRC, Capacity, New Nuclear, Gas Reserves)
    - Project is Automated Meter Reading Infrastructure (AMI) related
  - Enter "Y" if the project is earning a return and "N" if not
- **Depreciation Status**
  - Use "Y" if depreciable and "N" if non-depreciable
  - Land is the only capital expenditure that is non-depreciable; land should be in a separate WBS with a code of "N"
- **Storm Secure**
  - Applicable for Power Delivery projects only
  - Enter "Y" if a Storm Secure project and "N" if not
- **Flow Diagram for Assigning Corporate Defined Attributes**
  - The following is a flow diagram to help guide in the set-up of WBS elements and projects using the “Corporate” defined WBS attributes for Capital projects





## **Special Capital Forecasting Requirements**

- **Demolition or Dismantlement Costs for a major project**
  - must be forecasted in a separate level 3 WBS element
  - the words Demolition or Dismantlement must appear in the WBS element name and description
  - must have a level 4 WBS element with FERC Indicator 9904 and 100% of the plan assigned to that WBS element
  
- **Land Held for Future Use**
  - must be forecasted in a separate level 3 WBS element
  - the words Future Use must appear in the WBS element name and description
  - All land purchases for future generation sites should be set up as Major Projects with an In-Service Date for proper treatment by the Financial Forecasting Model (FFM)
  
- **Asbestos Removal Activity**
  - must be forecasted in a separate level 3 WBS element
  - the words Asbestos Removal must appear in the WBS element name and description
  - must have a level 4 WBS element with FERC Indicator 9904 and 100% of the plan assigned to that WBS element
  - Also, see the Accounting Department memo of July 30, 2009 titled “FPL-2016 Asbestos Removal Accounting Process Reference,” in the “Reference Material” section of the FCOE FP&A e-Web page for additional requirements relative to FIN 47 and FASB 143

- **Retirements**

- Units must submit a list of major project retirements for individual items of property with historical costs of \$10 million or more
- Identify the month and year of retirement
- If none, submit notification indicating nothing to report

