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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF TOMER KOPELOVICH

DOCKET NO. 20240010-EI

JULY 1, 2024

Q. Please state your name and business address.

A. My name is Tomer Kopelovich. My business address is 24715 Portofino Drive; Lutz, FL; 33559.

Q. By whom are you presently employed and in what capacity?

A. I am employed by the Florida Public Service Commission (FPSC or Commission) as a Public Utility Analyst IV. I have been employed by the Commission since October 2002.

Q. Please give a brief description of your educational background and professional experience.

A. I graduated from University of South Florida in 1991 with a Bachelor of Science degree in Finance. I have worked for the Florida Public Service Commission for 21 years, and I have varied experience in the electric, gas, and water and wastewater industries. My work experience includes various types of rate cases, cost recovery clauses, and utility audits. I am also a Certified Public Accountant.

Q. Please describe your current responsibilities.

A. My responsibilities consist of planning and conducting utility audits of manual and automated accounting systems for historical and forecasted data.

Q. Have you previously presented testimony before this Commission?

A. Yes. I presented testimony in several dockets before this Commission. Those dockets include Docket Nos. 20090001-EI, 20110001-EI, 20240026-EI, and 20230020-EI.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to sponsor staff's Auditor Report of Florida Power

1 And Light Company which addresses the Utility's filing in Docket No. 20240010-EI. An
2 Auditor's Report was filed in the docket on July 1, 2024. This report is filed with my
3 Testimony and is identified as Exhibit TK-1.

4 **Q. Was this audit prepared by you or under your direction?**

5 A. Yes. I prepared the audit.

6 **Q. Please describe the objectives of the audit and the procedures performed during**
7 **the audit?**

8 A. The objectives and procedures are listed in the Objectives and Procedures section of
9 the attached Exhibit TK-1, pages 2 and 3.

10 **Q. Were there any audit findings in the Auditor's Report (Exhibit TK-1) which**
11 **address the schedules prepared by the Utility in support of its filing in Docket No.**
12 **20240010-EI?**

13 A. No.

14 **Q. Does that conclude your testimony?**

15 A. Yes.

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State of Florida



Public Service Commission

Office of Auditing and Performance Analysis
Bureau of Auditing

Auditor's Report

Florida Power & Light Company
Storm Protection Plan Cost Recovery Clause

Twelve Months Ended December 31, 2023

Docket No. 20240010-EI
Audit Control No. 2024-004-2-1

June 28, 2024

A handwritten signature in black ink, appearing to read "Tomer", written over a horizontal line.

Tomer Kopelovich
Audit Manager

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Purpose

To: Florida Public Service Commission

We have performed the procedures described later in this report to meet the objectives set forth by the Office of Industry Development & Market Analysis in its audit service request dated December 20, 2023. We have applied these procedures to the attached schedules prepared by Florida Power & Light Company in support of its filing for the Storm Protection Plan Cost Recovery Clause in Docket No. 20240010-EI.

The report is intended only for internal Commission use.

Objectives and Procedures

General

Definitions

Utility refers to Florida Power & Light Company.

SPPCRC refers to the Storm Protection Plan Cost Recovery Clause.

SPP refers to Storm Protection Plan.

Capital Investments

Objectives: The objectives were to audit the following capital investments: Feeder Hardening Program, Distribution Lateral Undergrounding Program, Transmission Wooden Structure Hardening: (i) Verify that the investment amounts are recorded in the correct plant accounts; (ii) Reconcile the corresponding Plant-in-Service/Depreciation Base; (iii) verify the calculations of the CWIP-Non Interest Bearing; (iv) Verify that the most recent Commission-approved depreciation and amortization periods are used in calculating the depreciation expenses; (v) Reconcile the depreciation savings for retired assets that have depreciation recovered through base rates.

Procedures: We reconciled the capital investments to the Utility's general ledger. We verified the calculations of the non-interest bearing CWIP. We verified that the most recent Commission-approved depreciation and amortization periods were used in calculating the depreciation expenses. We requested support for depreciation savings for retired assets that have depreciation recovered through base rates. We statistically sampled the Feeder Hardening Program, the Distribution Lateral Undergrounding Program, and the Transmission Wooden Structure Hardening capital investments. No exceptions were noted.

Objectives: The objective was to verify the SPPCRC program-related plant additions, retirements, and adjustments for the period January 1 through December 31, 2023.

Procedures: We reconciled the program-related additions, retirements, and adjustments to the general ledger. No exceptions were noted.

Expense

Objectives: The objectives were to reconcile operation and maintenance expenses to the general ledger and review a statistical sample or judgmental sample of the projects listed on Form 5A.

Procedures: We reconciled the operation and maintenance expenses to the general ledger. We statistically sampled projects from the O&M programs listed on Form 5A. No exceptions were noted.

Objectives: The objectives were to reconcile the Implementation SPPCRC Overhead Hardening Operation and Maintenance Expenses to the general ledger, and to review a statistical or judgmental sample of expenses.

Procedures: We reconciled the operation and maintenance (O&M) expenses to the general ledger. We statistically sampled Implementation SPPCRC Overhead Hardening expenses. No exceptions were noted.

Other

Objectives: The objectives were to: 1) Substantiate if the Utility changed any of its accounting practices, procedures, or guidelines for purposes of implementing cost recovery through the Storm Cost Recovery Clause, and 2) Verify if the Utility changed any of its allocation practices, procedures, or guidelines for purposes of implementing cost recovery through the Storm Cost Recovery Clause.

Procedures: We requested and reviewed the accounting practices, procedures, or guidelines for purposes of implementing cost recovery through the Storm Cost Recovery Clause. We reviewed whether the Utility changed any of its allocation practices, procedures, or guidelines for purposes of implementing cost recovery through the Storm Cost Recovery Clause. We determined that the Utility has not made changes to its allocation method. No exceptions were noted.

True-up

Objective: The objective was to determine if the True-Up and Interest Provision, as filed, was properly calculated.

Procedures: We verified the True-Up and Interest Provision amounts as of December 31, 2023, using the Financial Commercial Paper rates and 2023 revenues and costs. No exceptions were noted.

Audit Findings

None

Exhibits

Exhibit 1: True-Up Calculation

	Jan - 2023	Feb - 2023	Mar - 2023	Apr - 2023	May - 2023	Jun - 2023	Jul - 2023	Aug - 2023	Sep - 2023	Oct - 2023	Nov - 2023	Dec - 2023	Total
Line No.													
1. Revenues (net of Revenue Taxes)	\$27,439,731.19	\$25,430,771.93	\$27,600,693.47	\$29,832,872.72	\$30,502,168.15	\$33,577,977.64	\$36,248,659.80	\$39,657,320.15	\$38,563,497.73	\$33,338,601.34	\$28,251,921.02	\$25,834,168.58	\$378,356,703.72
2. True-up Provision	(\$104,299.88)	(\$104,299.88)	(\$104,299.88)	(\$104,299.88)	(\$104,299.88)	(\$104,299.88)	(\$104,299.88)	(\$104,299.88)	(\$104,299.88)	(\$104,299.88)	(\$104,299.88)	(\$104,299.88)	(\$1,251,598.26)
3. Revenues Applicable to Period (Lines 1 + 2)	\$27,335,431.34	\$25,326,472.06	\$27,496,393.62	\$29,728,572.87	\$30,477,868.30	\$33,473,677.79	\$36,144,559.95	\$39,553,020.30	\$38,459,197.88	\$33,232,301.49	\$28,147,621.17	\$25,729,868.73	\$377,105,105.46
4. Jurisdictional Costs													
a - O&M Activities	\$8,177,634.41	\$8,795,348.95	\$10,385,828.91	\$8,174,789.15	\$10,237,711.93	\$9,600,349.89	\$7,649,724.58	\$9,782,559.88	\$8,119,135.88	\$6,419,451.87	\$4,149,718.81	\$4,937,780.15	\$96,591,029.77
b - Capital Investment Projects	\$19,534,318.98	\$20,589,241.05	\$21,674,820.63	\$22,770,633.72	\$23,604,655.52	\$24,629,393.77	\$25,738,601.88	\$26,565,558.88	\$27,426,481.84	\$26,360,429.01	\$29,240,472.26	\$28,909,178.12	\$300,441,986.44
c - Total Jurisdictional Costs	\$27,711,953.39	\$29,384,590.00	\$32,060,649.74	\$30,945,422.88	\$34,042,367.45	\$34,629,743.66	\$33,377,326.25	\$36,318,118.52	\$35,545,617.50	\$34,779,880.88	\$33,399,189.07	\$34,846,958.27	\$397,033,016.21
5. Over/(Under) Recovery (Line 3 - Line 4c)	(\$376,522.06)	(\$4,058,115.93)	(\$4,564,256.13)	(\$1,216,850.00)	(\$3,564,479.16)	(\$1,156,065.88)	\$4,767,233.70	\$3,234,901.78	\$2,913,580.37	(\$1,547,579.20)	(\$3,242,567.90)	(\$9,117,090.55)	(\$19,927,910.75)
6. Interest Provision	(\$24,541.42)	(\$33,890.29)	(\$51,424.54)	(\$84,150.52)	(\$78,873.08)	(\$87,538.81)	(\$81,528.31)	(\$65,383.88)	(\$51,280.07)	(\$48,113.07)	(\$83,099.43)	(\$84,513.82)	(\$740,814.22)
7. Prior Periods True-Up to be (Collected)/Refunded	(\$1,251,598.26)	(\$1,548,361.88)	(\$5,535,768.25)	(\$10,047,149.08)	(\$11,223,949.73)	(\$14,759,502.09)	(\$15,899,106.52)	(\$11,109,099.28)	(\$7,635,280.72)	(\$4,868,660.56)	(\$6,360,052.68)	(\$11,561,420.48)	(\$102,000,249.78)
a - Deferred True-Up	(\$5,171,244.82)	(\$5,171,244.82)	(\$5,171,244.82)	(\$5,171,244.82)	(\$5,171,244.82)	(\$5,171,244.82)	(\$5,171,244.82)	(\$5,171,244.82)	(\$5,171,244.82)	(\$5,171,244.82)	(\$5,171,244.82)	(\$5,171,244.82)	(\$62,054,937.86)
8. True-Up Collected /(Re)/unded) (See Line 2)	\$104,299.88	\$104,299.88	\$104,299.88	\$104,299.88	\$104,299.88	\$104,299.88	\$104,299.88	\$104,299.88	\$104,299.88	\$104,299.88	\$104,299.88	\$104,299.88	\$1,251,598.26
9. End of Period True-Up (Lines 5+6+7+8+9)	(\$8,719,606.70)	(\$10,707,013.07)	(\$15,218,393.65)	(\$16,395,194.55)	(\$19,931,046.91)	(\$21,070,351.34)	(\$18,280,344.10)	(\$13,068,525.54)	(\$10,039,905.38)	(\$11,831,297.80)	(\$18,732,665.28)	(\$25,839,969.79)	(\$163,472,314.35)
10. Adjustments to Period Total True-Up Including Items:													
11. End of Period Total Net True-Up (Lines 9+10)	(\$8,719,606.70)	(\$10,707,013.07)	(\$15,218,393.65)	(\$16,395,194.55)	(\$19,931,046.91)	(\$21,070,351.34)	(\$18,280,344.10)	(\$13,068,525.54)	(\$10,039,905.38)	(\$11,831,297.80)	(\$18,732,665.28)	(\$25,839,969.79)	(\$163,472,314.35)
Monthly Over/(Under)	(\$298,783.52)	(\$3,987,406.38)	(\$4,511,380.51)	(\$1,178,600.67)	(\$3,535,852.36)	(\$1,139,304.43)	\$4,760,007.25	\$3,273,818.96	\$2,988,620.16	(\$1,491,392.42)	(\$5,201,397.48)	(\$9,107,304.51)	(\$19,417,120.71)

Exhibit 2: Interest Provision

	Jan - 2023	Feb - 2023	Mar - 2023	Apr - 2023	May - 2023	Jun - 2023	Jul - 2023	Aug - 2023	Sep - 2023	Oct - 2023	Nov - 2023	Dec - 2023
1. Beginning True-Up Amount	(\$6,422,843.08)	(\$6,719,606.70)	(\$10,707,013.07)	(\$15,218,393.88)	(\$16,395,194.55)	(\$18,931,048.91)	(\$21,070,351.34)	(\$16,280,344.10)	(\$13,008,525.54)	(\$10,039,905.38)	(\$11,531,297.80)	(\$16,732,665.28)
2. Ending True-Up Amount before Interest	(\$6,695,065.28)	(\$10,673,422.78)	(\$15,166,969.34)	(\$18,331,044.02)	(\$19,855,373.85)	(\$20,982,812.73)	(\$16,198,817.78)	(\$12,941,142.47)	(\$9,988,645.31)	(\$11,483,184.72)	(\$16,669,565.85)	(\$25,745,455.97)
3. Total of Beginning & Ending True-Up (Lines 1 + 2)	(\$13,117,908.37)	(\$17,393,029.48)	(\$25,873,982.41)	(\$31,549,437.90)	(\$36,250,568.40)	(\$40,913,859.64)	(\$37,269,169.13)	(\$29,221,488.56)	(\$22,995,170.86)	(\$21,523,090.11)	(\$28,200,863.65)	(\$42,478,121.25)
4. Average True-Up Amount (Line 3 x 1/2)	(\$8,558,954.18)	(\$8,696,514.74)	(\$12,938,991.20)	(\$15,774,718.95)	(\$18,125,284.20)	(\$20,456,929.82)	(\$18,634,584.57)	(\$14,610,743.28)	(\$11,497,585.43)	(\$10,761,545.05)	(\$14,100,431.82)	(\$21,239,060.63)
5. Interest Rate (First Day of Reporting Month)	4.3700%	4.6100%	4.6600%	4.8800%	4.8800%	5.1400%	5.1300%	5.3700%	5.3700%	5.3300%	5.4000%	5.3400%
6. Interest Rate (First Day of Subsequent Month)	4.6100%	4.6600%	4.8800%	4.8800%	5.1400%	5.1300%	5.3700%	5.3700%	5.3300%	5.4000%	5.3400%	5.3400%
7. Total of Beginning & Ending Interest Rates (Lines 5 + 6)	8.9800%	9.2700%	9.5400%	9.7600%	10.0200%	10.2700%	10.5000%	10.7400%	10.7000%	10.7300%	10.7400%	10.6800%
8. Average Interest Rate (Line 7 x 1/2)	4.4900%	4.6350%	4.7700%	4.8800%	5.0100%	5.1350%	5.2500%	5.3700%	5.3500%	5.3650%	5.3700%	5.3400%
9. Monthly Average Interest Rate (Line 8 x 1/12)	0.3742%	0.3863%	0.3975%	0.4067%	0.4175%	0.4279%	0.4375%	0.4475%	0.4458%	0.4471%	0.4475%	0.4450%
10. Interest Provision for the Month (Line 4 x Line 9)	(\$24,541.42)	(\$33,590.20)	(\$51,424.54)	(\$64,150.52)	(\$75,673.06)	(\$87,538.61)	(\$81,526.31)	(\$65,383.08)	(\$51,260.07)	(\$48,113.07)	(\$63,099.43)	(\$94,513.82)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Storm protection plan cost recovery
clause.

DOCKET NO. 20240010-EI

DATED: July 1, 2024

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Direct Testimony of Tomer Kopelovich on behalf of the Florida Public Service Commission has been served by electronic mail to the following this 1st day of July, 2024:

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CERTIFICATE OF SERVICE

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