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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20240149-EI

Petition for limited proceeding for recovery
of incremental storm restoration costs related
to Hurricanes Debby, Helene, and Milton, by
Florida Power & Light Company.

PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 2

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

DATE: Tuesday, December 3, 2024

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
TALLAHASSEE, FLORIDA
(850) 894-0828

1 P R O C E E D I N G S

2 CHAIRMAN LA ROSA: All right. Let's move into
3 Item No. 2, and I will let folks get into place for
4 that.

5 Ms. Hinson, you are recognized when you are
6 ready.

7 MS. HINSON: Good morning, Commissioner. I am
8 Karesha Hinson with the Division of Accounting and
9 Finance.

10 Item 2 is staff's recommendation on Florida
11 Power & Light Company's request for approval to
12 implement an interim storm restoration recovery
13 charge.

14 On October 29th, 2024, FPL filed a petition
15 for a limited proceeding seeking authority to
16 implement an interim storm restoration recovery
17 charge to recover an estimated \$1.2 billion for
18 incremental storm restoration costs related to
19 Hurricanes Debby, Helene and Milton, as well as to
20 replenish its storm reserve.

21 The approval of an interim storm restoration
22 recovery charge is preliminary in nature and is
23 subject to refund pending a further review once the
24 total actual storm restoration costs are known.

25 Based on the review of the information

1 provided by FPL in its petition, staff recommends
2 the Commission approve FPL to implement the interim
3 storm restoration recovery subject to refund. Once
4 the total actual storm costs are known, FPL should
5 be required to file documentation of the storm
6 costs for Commission review.

7 The Office of Public Counsel has intervened in
8 this docket. There were 16 consumer comments in
9 the correspondence file. Mr. Luebkekmann from FP --
10 from Florida Rising -- sorry -- would like to
11 address the Commission, and Joel Baker from FPL is
12 available to answer any questions.

13 CHAIRMAN LA ROSA: Excellent.

14 I will go to Mr. Luebkekmann. You are
15 recognized. If you don't mind just keeping your
16 comments maybe to two minutes, if that's okay, and
17 we will take it to the Commission.

18 MR. LUEBKEMANN: Thank you very much, Mr.
19 Chairman.

20 Good morning. Jordan Luebkekmann for Florida
21 Rising, Florida League of United Latin American
22 Citizens, better known as LULAC, and the
23 Environmental Confederation of Southwest Florida,
24 better known as ECOSWF.

25 We appreciate the opportunity to address the

1 Commission on FPL's proposed storm cost recovery
2 plan. I would like to touch briefly on two points
3 regarding cost allocation between customer classes
4 and the pass-through of storm restoration costs to
5 FPL customers.

6 Regarding cost allocations, FPL's proposed
7 tariff uses the same allocations developed as part
8 of the 2021 rate case -- FPL rate case settlement
9 agreement. Under the agreement, residential
10 customers, who are already charged above parity in
11 FPL's as-filed case, saw their cost allocations
12 further increase while large commercial and
13 industrial customers got a break. This allocation
14 gives residential customers 70 percent of costs,
15 when they make up nowhere near that in terms of
16 FPL's sales or just raw customers.

17 These class allocations are not the result of
18 any cost of service study, but secret negotiations
19 where no parties representing residential customers
20 were invited to the table. The settlement
21 agreement, including the issue of cost of service
22 allocation, is currently on appeal at the Florida
23 Supreme Court.

24 If the settlement agreement is invalidated,
25 the Commission should separately consider the

1 appropriate amount of storm restoration costs
2 recovered from each customer class as part of the
3 final true-up in this docket. As it stands, FPL's
4 own load forecasting shows that the average
5 residential household would pay an additional \$157
6 in storm restoration costs next year.

7 Second, regarding the cost pass-through, we
8 note that FPL is one of the largest and most
9 profitable utilities companies in the world;
10 meanwhile, many of its customers are struggling to
11 make ends meet.

12 The company contributed \$4.5 billion in
13 dividends to NextEra last year alone, and appears
14 to be on track to surpass that this year. FPL's
15 customers don't cause these storms but are required
16 to pay the costs of cleaning up after. FPL should
17 have some skin in the game, and we urge the
18 Commission to consider not automatically passing
19 all restoration costs through to FPL's customers.

20 This is all the more important given the
21 inextricable relationship between climate change
22 and our ever stronger storms.

23 As one example, Hurricane Milton, which is
24 responsible for the great majority of the recovery
25 FPL requests in this docket, intensified to a

1 Category 5 storm at an unprecedented rate. It
2 could not have done so without a Gulf of Mexico
3 super heated to record temperatures due to climate
4 change.

5 FPL sought and received four gigawatts of new
6 or expanded gas generation in its most recent rate
7 case alone. FPL's past and continued carbon
8 emissions contribute to these intensifying storms,
9 it is only appropriate that it contribute some of
10 its extraordinary profits to the cleanup.

11 Thank you very much.

12 CHAIRMAN LA ROSA: Thank you.

13 Would anyone else like to speak? Mr. Baker.

14 MR. BAKER: Just briefly, Chairman La Rosa.
15 This is Joel Baker appearing on behalf of Florida
16 Power & Light here.

17 I just note to the extent that allocation is
18 an issue, that was performed in accordance with our
19 Commission-approved settlement and the allocation
20 factors set forth therein.

21 And I would also just like to say for a few
22 Commissioners, that is this is the exercise of an
23 approved storm cost recovery mechanism that was
24 included in the 2021 rate case settlement, which we
25 have exercised on a prior occasion -- on multiple

1 prior occasions, in fact, consistent with that
2 settlement agreement, and is consistent with what
3 staff is recommending for your approval, and we
4 support staff's recommendation.

5 Thank you.

6 CHAIRMAN LA ROSA: All right. Thank you.

7 Commissioners, are there questions or
8 discussion? Questions or discussion?

9 Commissioner Fay, you are recognized.

10 COMMISSIONER FAY: Thank you, Mr. Chairman.

11 Just a question for Mr. Luebkeermann.

12 So on the cost allocation, I am just trying to
13 understand what you are suggesting. If for some
14 reason the settlement was invalidated that set that
15 cost allocation, then at a future date, you would
16 want the Commission to give some consideration to
17 that, is that --

18 MR. LUEBKEMANN: Thank you for the question,
19 Mr. Commissioner.

20 Yes. We understand that FPL's proceeding
21 under the cost allocation is developed as part of
22 the 2021 settlement agreement. If that is
23 agreement is invalidated and new class allocations
24 are developed in the proceedings that follow, we
25 would ask that those be applied here as well

1 retroactively in the true-up hearing.

2 COMMISSIONER FAY: Okay. Gotcha.

3 So on your issue of -- I don't want to -- I
4 don't want to, you know, tangle your words, but the
5 objection as far as the item in front of us today,
6 it doesn't sound like from a cost allocation
7 perspective and what's approved based on the
8 settlement and based on what the Commission has
9 done, you are not objecting to that. You are
10 objecting to the idea that that cost allocation
11 would pass through even if a portion of the
12 settlement was invalid, correct?

13 MR. LUEBKEMANN: Yeah, so it's two things.

14 The first is planting the seed, that if those
15 cost allocations are later invalidated, they should
16 be fixed here as well.

17 And the second is suggesting for the
18 Commission's consideration that utilities which
19 have participated in the carbon emissions that
20 drive these stronger storms should have more skin
21 in the game in terms of the cost recovery following
22 those storms.

23 COMMISSIONER FAY: Okay. Gotcha. Thank you.

24 Thank you Mr. Chairman.

25 CHAIRMAN LA ROSA: Sure. No problem.

1 Commissioners, any further questions or
2 discussion?

3 Not hearing any, open for a motion.

4 COMMISSIONER CLARK: Move to approve staff
5 recommendation, Mr. Chairman.

6 COMMISSIONER GRAHAM: Second.

7 CHAIRMAN LA ROSA: Hearing a motion and
8 hearing a second.

9 All those in favor signify by saying yay.

10 (Chorus of yays.)

11 CHAIRMAN LA ROSA: Yay.

12 Opposed no?

13 (No response.)

14 CHAIRMAN LA ROSA: Show that the motion on
15 Item No. 2 passes.

16 Thank you all.

17 (Agenda item concluded.)

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CERTIFICATE OF REPORTER

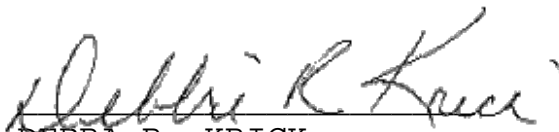
STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, Court Reporter, do hereby
certify that the foregoing proceeding was heard at the
time and place herein stated.

IT IS FURTHER CERTIFIED that I
stenographically reported the said proceedings; that the
same has been transcribed under my direct supervision;
and that this transcript constitutes a true
transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative,
employee, attorney or counsel of any of the parties, nor
am I a relative or employee of any of the parties'
attorney or counsel connected with the action, nor am I
financially interested in the action.

DATED this 12th day of December, 2024.


DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #HH575054
EXPIRES AUGUST 13, 2028