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FPL's response to Staff's Fourth Set of Interrogatories Nos. 32-42

Florida Power & Light Company
Docket No. 20220007-EI
Staff's Fourth Set of Interrogatories
Interrogatory No. 32

QUESTION:
For the following question, please refer to FPL witness Deaton's direct testimony filed July 29, 2022.

Please refer to page 5, lines 1 through 9. Please provide examples of the accounting clean-up that was required for the 15 projects list on the table.

RESPONSE:
The accounting clean-up for the 15 projects listed on the table per page 5, line 9 of FPL witness Deaton's direct testimony were all associated with adjustments to accounts payable balances. After FPL and Gulf's books and records were merged on January 1, 2022, FPL completed a detailed review of purchase orders and determined that adjustments were required to previously recorded O&M expense and accounts payable balances in order to accurately reflect that such balances already had been paid. Therefore, purchase orders related to certain ECRC projects were adjusted, resulting in a net reduction to O&M expense of $958,952.67 in 2022.

Florida Power & Light Company
Docket No. 20220007-EI
Staff's Fourth Set of Interrogatories
Interrogatory No. 33

QUESTION:
For the following question, please refer to FPL witness Deaton's direct testimony filed August 5, 2022, Exhibit RBD-3, page 4 of 96.

FPL's Project 48 – Industrial Boiler MACT. Please explain the 42.3 percent decrease in operation and maintenance (O&M) expense for Project 48.

RESPONSE:
The 42.3% decrease ($5,500) is a result of actual costs for testing being lower than originally projected based on efficiencies achieved by better sequencing of testing with annual boiler maintenance for affected units.

Florida Power & Light Company
Docket No. 20220007-EI
Staff's Fourth Set of Interrogatories
Interrogatory No. 34

QUESTION:
For the following question, please refer to FPL witness Deaton's direct testimony filed August 5, 2022, Exhibit RBD-3, page 4 of 96.

FPL's Project 428 – Asbestos Fees. Please explain the 33.3 percent decrease in the O&M expense for Project 428.

RESPONSE:
The 33.3 percent cost decrease ($500) in the asbestos fees project is related to the Scholz Plant. The Scholz Plant is not planning to submit an annual blanket asbestos renovation notice and associated fee to the Florida Department of Environmental Protection (FDEP) in 2022 as originally projected. Instead, asbestos removal is addressed as part of notice for the Scholz demolition project that was submitted to FDEP in the first quarter of 2022.

Florida Power & Light Company
Docket No. 20220007-EI
Staff's Fourth Set of Interrogatories
Interrogatory No. 35

QUESTION:
For the following question, please refer to FPL witness Deaton's direct testimony filed August 5, 2022, Exhibit RBD-3, page 9 of 96.

FPL's Project 8 – Oil Spill Clean-up/Response Equipment. Please explain the 15.09 percent decrease in capital investment for this project.

RESPONSE:
The $28,910 decrease is due to internal accounting adjustments associated with the Fort Myers Power Plant oil spill boom needing to be reclassified from Oil Spill Response Equipment (Project 8) to SPCC (Project 23).

Florida Power & Light Company
Docket No. 20220007-EI
Staff's Fourth Set of Interrogatories
Interrogatory No. 36

QUESTION:
For the following question, please refer to FPL witness Deaton's direct testimony filed August 5, 2022, Exhibit RBD-3, page 9 of 96.

FPL's Project 10 – Relocate Storm Water Runoff Project. Please explain the 10.7 percent decrease in capital investment for this project.

RESPONSE:
The $628 decrease in Project 10 recoverable capital costs is due to implementation of the new depreciation rates approved in Order No. PSC-2021-0446-S-EI, Docket No. 20210015-EI. The annual depreciation rate decreased from 2.25% to 1.70%.

Florida Power & Light Company
Docket No. 20220007-EI
Staff's Fourth Set of Interrogatories
Interrogatory No. 37

QUESTION:
For the following question, please refer to FPL witness Deaton's direct testimony filed August 5, 2022, Exhibit RBD-3, page 9 of 96.

FPL's Project 410 – GCEC Diesel Fuel Oil Remediation Project. Please explain the 18.54 percent increase in capital investment for this project.

RESPONSE:
The $195 increase is primarily due to the monthly depreciation expense increasing in January 2022 due to implementation of the new depreciation rates approved in Order No. PSC-2021-0446-S-EI, Docket No. 20210015-EI. The annual depreciation rate increased from 4.00% to 4.97%.

Florida Power & Light Company
Docket No. 20220007-EI
Staff's Fourth Set of Interrogatories
Interrogatory No. 38

QUESTION:
For the following question, please refer to FPL witness Deaton's direct testimony filed August 5, 2022, Exhibit RBD-3, page 9 of 96.

FPL's Project 413 – Sodium Injection System Project. Please explain the 58.51 percent increase in capital investment for this project.

RESPONSE:
The $6,440 increase is primarily due to recovery of amortization on the unrecovered net investment balance of coal capability components that began in January of 2022, as approved in Order No. PSC-2021-0446-S-EI, Docket No. 20210015-EI. Like changes to depreciation rates, changes to amortization schedules pending approval in Docket No. 20210015-EI were not included in the 2022 projected cost.

Florida Power & Light Company
Docket No. 20220007-EI
Staff's Fourth Set of Interrogatories
Interrogatory No. 39

QUESTION:
For the following question, please refer to FPL witness Deaton's direct testimony filed August 5, 2022, Exhibit RBD-3, page 9 of 96.

FPL's Project 415 – Smith Waste Water Treatment Facility Project. Please explain the 14.81 percent decrease in capital investment for this project.

RESPONSE:
The $13,271 decrease is primarily due to the monthly depreciation expense decreasing in January 2022 due to implementation of the new depreciation rates approved in Order No. PSC-2021-0446-S-EI, Docket No. 20210015-EI. The annual depreciation rate decreased from 4.70% to 2.57%.

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Florida Power & Light Company
Docket No. 20220007-EI
Staff's Fourth Set of Interrogatories
Interrogatory No. 40

QUESTION:
For the following question, please refer to FPL witness Deaton's direct testimony filed August 5, 2022, Exhibit RBD-3, page 62 of 95.

FPL's Project 41 – Manatee Temporary Heating System Project (Intermediate). Please explain why the depreciation expense (line 8a) increased by $1,217,439 in May 2022.

RESPONSE:
The increase in the depreciation expense of $1,217,439 in FPL's Project 41 - Manatee Temporary Heating System Project (Intermediate) is due to additional depreciation expense recorded in May 2022 in order to fully recover the costs of the Manatee Temporary Heating System (MTHS) at the Fort Lauderdale plant (PFL) by June 2022 as approved in Order No. PSC-2018-0014-FOF-EI, in Docket No. 20180007-EI.

In Docket No. 20170007-EI, FPL Witness Michael W. Sole provided details on the planned use of the MTHS at PFL during the modernization of the Dania Beach Energy Center (DBEC), which was originally planned from November 2018 to June 2022 and for it to be dismantled once the DBEC unit goes into service. In the order referenced above, the Commission approved FPL's request to depreciate the MTHS over a 44-month period from November 2018 to June 2022. However, the PFL MTHS was not placed into service until December 2019, and therefore, depreciation did not begin until then. This delay required FPL to record additional depreciation expense in May 2022 in order to fully recover the cost of the MTHS when the DBEC went into service.

Florida Power & Light Company
Docket No. 20220007-EI
Staff's Fourth Set of Interrogatories
Interrogatory No. 41

QUESTION:
For the following question, please refer to FPL witness MacGregor's direct testimony filed July 29, 2022.

Please refer to page 3, lines 20 through 23, and page 4, lines 1 through 7 and Exhibit KM-1. Modification of Project 14 - the NPEDS Permit Renewal Requirements Project.

a. What projects does FPL intend to implement to prevent or minimize the generation and release of pollutants from the Turkey Point facilities and Cooling Canal Systems per the DEP permit, if any?

b. Has FPL identified the areas for improvement?

i. If so, please identify the areas for improvement?

RESPONSE:
FPL interprets subpart (a) of the question to be asking: What projects does FPL intend to implement to prevent or minimize the generation and release of pollutants from the Turkey Point facilities *to stormwater or industrial wastewater* per the DEP permit, if any?

a) The FDEP permit authorizes stormwater and industrial wastewater associated with power generation and ancillary activities to be released to the CCS. The Best Management Practices Plan (BMP Plan) required by the permit is designed to prevent or minimize the generation and potential for the release of pollutants from facility operations to stormwater or industrial wastewater, which is ultimately released to the CCS. FPL will understand which practices or projects need to be implemented to prevent or minimize such potential release of pollutants through the development of the BMP Plan. As part of the BMP Plan development, FPL must conduct a Waste Minimization Assessment (WMA) to identify opportunities for waste reduction, process controls, and in-process recycling. FPL anticipates that it will commence BMP Plan development by the fourth quarter of 2022.

b) No. The FDEP-required BMP Plan development, anticipated to begin by Q4 2022, will help FPL identify needed practices or projects.

i) N/A

Florida Power & Light Company
Docket No. 20220007-EI
Staff's Fourth Set of Interrogatories
Interrogatory No. 42

QUESTION:
For the following question, please refer to FPL witness Bores' direct testimony filed July 29, 2022.

Please refer to Exhibit SRB-1. What would the CPVRR analysis be if the Martin Solar Plant was retired in 2024 instead of 2023?

RESPONSE:
Retiring the Martin Solar Plant in 2024 instead of 2023 would reduce the CPVRR benefit by approximately $16.0 million, from $157.8 million to $141.9 million. The reduction in CPVRR benefit is driven by two factors: 1) the incremental O&M costs and capital expenditures that would be incurred in 2023, and 2) delaying the retirement to 2024 results in an additional year of discounting in the CPVRR calculation.

Attachment I to this Interrogatory, tab SRB-1 (2024), contains the CPVRR results assuming a retirement on 1/1/2024. Whether the retirement occurs in 2023 or 2024, a significant portion of the revenue requirements include the cost of dismantlement in the year of retirement. Those dismantlement costs have no bill impact, however, because recovery of those amounts is funded from the existing dismantlement reserve.

Florida Power & Light Company
Docket No. 20220007-EI
Staff's Fourth Set of Interrogatories
Interrogatory No. 42
Attachment 1 of 1
Tab 1 of 2

FLORIDA POWER & LIGHT COMPANY

SRB-1 – CPVRR Benefit of Martin Thermal Solar Retirement

DOCKET NO. 20220007-EI

Martin Thermal Solar, Retired on 1/1/2023
CPVRR Analysis ($MM)

Status Quo		**CPVRR**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035-2051**
Existing Thermal Solar Plant		$280.3	$35.6	$34.5	$33.3	$32.2	$31.1	$30.0	$28.8	$27.7	$26.6	$25.5	$24.4	$23.2	$193.3
Future Spend O&M, CapEx		131.4	5.3	6.1	6.7	7.5	8.2	8.9	9.7	10.4	11.1	11.8	12.5	13.1	308.6
Dismantlement		2.1	0.5	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.2	(4.0)
Revenue Requirements (fav) unfav	**A**	**$413.8**	**$41.5**	**$41.1**	**$40.5**	**$40.1**	**$39.7**	**$39.3**	**$38.8**	**$38.4**	**$37.9**	**$37.5**	**$37.0**	**$36.5**	**$497.9**
Retire w/ 20 Yr Recovery		**CPVRR**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035-2051**
Retire Existing Thermal Solar Plant		$238.0	$35.9	$30.7	$29.6	$28.5	$27.4	$26.2	$25.1	$24.0	$22.9	$21.8	$20.6	$19.5	$116.7
Future Spend O&M, CapEx		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dismantlement		8.3	9.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
System Impacts		9.7	0.9	0.6	0.7	0.5	0.6	1.0	0.4	1.1	0.6	0.5	1.1	0.6	19.0
Revenue Requirements (fav) unfav	**B**	**$256.0**	**$46.1**	**$31.4**	**$30.3**	**$29.0**	**$28.0**	**$27.2**	**$25.6**	**$25.1**	**$23.5**	**$22.3**	**$21.7**	**$20.1**	**$135.7**
Incremental RevReq (fav) unfav of Retiring	**B - A**	**($157.8)**	**$4.6**	**($9.7)**	**($10.2)**	**($11.1)**	**($11.7)**	**($12.0)**	**($13.3)**	**($13.3)**	**($14.5)**	**($15.2)**	**($15.3)**	**($16.4)**	**($362.2)**

Florida Power & Light Company
Docket No. 20220007-EI
Staff's Fourth Set of Interrogatories
Interrogatory No. 42
Attachment 1 of 1
Tab 2 of 2

FLORIDA POWER & LIGHT COMPANY

SRB-1 – CPVRR Benefit of Martin Thermal Solar Retirement
Staff's 4th Set of Interrogatories, No. 42
DOCKET NO. 20220007-EI

Martin Thermal Solar, Retired on 1/1/2024
CPVRR Analysis ($MM)

Status Quo		**CPVRR**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035-2051**
Existing Thermal Solar Plant		$280.3	$35.6	$34.5	$33.3	$32.2	$31.1	$30.0	$28.8	$27.7	$26.6	$25.5	$24.4	$23.2	$193.3
Future Spend O&M, CapEx		131.4	5.3	6.1	6.7	7.5	8.2	8.9	9.7	10.4	11.1	11.8	12.5	13.1	308.6
Dismantlement		2.1	0.5	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.2	(4.0)
Revenue Requirements (fav) unfav	**A**	**$413.8**	**$41.5**	**$41.1**	**$40.5**	**$40.1**	**$39.7**	**$39.3**	**$38.8**	**$38.4**	**$37.9**	**$37.5**	**$37.0**	**$36.5**	**$497.9**
Retire w/ 20 Yr Recovery		**CPVRR**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035-2051**
Retire Existing Thermal Solar Plant		$244.0	$35.6	$34.4	$29.4	$28.4	$27.3	$26.2	$25.1	$24.1	$23.0	$21.9	$20.8	$19.8	$130.4
Future Spend O&M, CapEx		11.1	5.3	0.9	0.9	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.6	0.6	4.4
Dismantlement		7.9	0.5	9.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
System Impacts		8.9	0.0	0.6	0.7	0.5	0.6	1.0	0.4	1.1	0.6	0.5	1.1	0.6	19.0
Revenue Requirements (fav) unfav	**B**	**$272.0**	**$41.5**	**$45.0**	**$31.0**	**$29.7**	**$28.7**	**$28.0**	**$26.3**	**$25.9**	**$24.3**	**$23.1**	**$22.5**	**$21.0**	**$153.8**
Incremental RevReq (fav) unfav of Retiring	**B - A**	**($141.9)**	**$0.0**	**$3.9**	**($9.5)**	**($10.4)**	**($11.0)**	**($11.3)**	**($12.5)**	**($12.5)**	**($13.7)**	**($14.4)**	**($14.5)**	**($15.6)**	**($344.1)**