

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of Storm Protection Plan,  
pursuant to Rule 25-6.030, F.A.C., Tampa  
Electric Company.

DOCKET NO. 20220048-EI

In re: Review of Storm Protection Plan,  
pursuant to Rule 25-6.030, F.A.C., Florida  
Public Utilities Company.

DOCKET NO. 20220049-EI

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

DOCKET NO. 20220050-EI

In re: Review of Storm Protection Plan,  
pursuant to Rule 25-6.030, F.A.C., Florida  
Power & Light Company.

DOCKET NO. 20220051-EI  
ORDER NO. PSC-2022-0291-PHO-EI  
ISSUED: August 1, 2022

**PREHEARING ORDER**

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code (F.A.C.), a Prehearing Conference was held on July 21, 2022, in Tallahassee, Florida, before Commissioner Mike La Rosa, as Prehearing Officer.

APPEARANCES:

J. JEFFREY WAHLEN and MALCOLM N. MEANS, ESQUIRES, Post Office  
Box 391, Tallahassee, Florida 32302  
On behalf of Tampa Electric Company (TECO).

BETH KEATING, ESQUIRE, 215 South Monroe Street, Suite 601, Tallahassee,  
Florida 32301  
On behalf of Florida Public Utilities Company (FPUC).

MATTHEW R. BERNIER and STEPHANIE A. CUELLO, ESQUIRES, 106 E.  
College Avenue, Suite 800, Tallahassee, Florida 32301  
On behalf of Duke Energy Florida, LLC (DEF).

CHRISTOPHER T. WRIGHT, ESQUIRE, 700 Universe Boulevard, Juno Beach,  
Florida 33408-0420  
On behalf of Florida Power & Light Company (FPL).

RICHARD GENTRY, CHARLES J. REHWINKEL, STEPHANIE A. MORSE, PATTY CHRISTENSEN, and MARY WESSLING, ESQUIRES, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400  
On behalf of Office of Public Counsel (OPC).

JON C. MOYLE, JR. and KAREN PUTNAL, ESQUIRES, 118 North Gadsden Street, Tallahassee, Florida 32312  
On behalf of Florida Industrial Power Users Group (FIPUG).

JAMES W. BREW and LAURA WYNN BAKER, ESQUIRES, Stone Mattheis Xenopoulos & Brew, PC, 1025 Thomas Jefferson Street, NW, Eighth Floor, West Tower, Washington, District of Columbia 20007  
On behalf of White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs (PCS).

PETER J. MATTHEIS, MICHAEL K. LAVANGA, and JOSEPH R. BRISCAR, ESQUIRES, 1025 Thomas Jefferson Street, NW, Suite 800 West, Washington, DC 20007  
On behalf of Nucor Steel (NUCOR).

GEORGE CAVROS, ESQUIRE, 120 E. Oakland Park Boulevard, Suite 105, Fort Lauderdale, FL 33334  
On behalf of Southern Alliance for Clean Energy (SACE).

STEPHANIE U. EATON, ESQUIRE, 110 Oakwood Drive, Suite 500, Winston-Salem, North Carolina 27103 and DERRICK PRICE WILLIAMSON and STEVEN W. LEE, ESQUIRES, 1100 Bent Creek Boulevard, Suite 101, Mechanicsburg, Pennsylvania 17050  
On behalf of Walmart Inc. (Walmart).

WALT TRIERWEILER and JACOB IMIG, ESQUIRES, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850  
On behalf of the Florida Public Service Commission (Staff).

MARY ANNE HELTON, ESQUIRE, Deputy General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850  
Advisor to the Florida Public Service Commission.

KEITH C. HETRICK, ESQUIRE, General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850  
Florida Public Service Commission General Counsel.

## **I. CASE BACKGROUND**

Section 366.96(3), Florida Statutes (F.S.), requires each public utility to file a transmission and distribution storm protection plan (SPP) that covers the immediate 10-year planning period, and explains the systematic approach the utility will follow to achieve the objectives of reducing restoration costs and outage times associated with extreme weather events and enhancing reliability. Pursuant to Section 366.96(4)-(6), F.S., at least every three years the Florida Public Service Commission (Commission) is required to determine whether it is in the public interest to approve, approve with modification, or deny each utility's transmission and distribution storm protection plan filed in accordance with Commission Rule 25-6.030, F.A.C.

Docket Nos. 20220048-EI, 20220049-EI, 20220050-EI, and 20220051-EI were opened to address the storm protection plans for Tampa Electric Company (TECO), Florida Public Utilities Company (FPUC), Duke Energy Florida, LLC (DEF), and Florida Power & Light Company (FPL), respectively. These utilities are subject to the requirements of Section 366.96, F.S., and the dockets have been consolidated for the purpose of the hearing. The dockets will be governed by the procedures set forth in Order No. PSC-2022-0119-PCO-EI, issued March 17, 2022, as modified by Order No 2022-0226-PCO-EI, issued on June 24, 2022.

Intervention by the Office of Public Counsel (OPC) was acknowledged in all four dockets. Florida Industrial Power Users Group (FIPUG) and Walmart Inc. (WALMART) were granted intervention in the TECO, DEF, and FPL dockets. Nucor Steel (NUCOR) and White Springs Agricultural Chemicals, d/b/a PCS Phosphate (PCS) were granted intervention in the DEF docket. Southern Alliance for Clean Energy (SACE) was granted intervention in the FPL docket. The consolidated dockets are scheduled for an administrative hearing from August 2 through August 4, 2022.

## **II. CONDUCT OF PROCEEDINGS**

Pursuant to Rule 28-106.211, F.A.C., this Prehearing Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

## **III. JURISDICTION**

This Commission is vested with jurisdiction over the subject matter of this proceeding by the provisions of Section 366.96, F.S. This hearing will be governed by Chapters 120 and 366, F.S., and Chapters 25-6, 25-22, and 28-106, F.A.C., as well as any other applicable provisions of law.

## **IV. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION**

Information for which proprietary confidential business information status is requested pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., shall be treated by the Commission as confidential. The information shall be exempt from Section 119.07(1), F.S., pending a formal ruling on such request by the Commission or pending return of the information to the person

providing the information. If no determination of confidentiality has been made and the information has not been made a part of the evidentiary record in this proceeding, it shall be returned to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of this proceeding, it shall be returned to the person providing the information within the time period set forth in Section 366.093, F.S. The Commission may determine that continued possession of the information is necessary for the Commission to conduct its business.

It is the policy of this Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 366.093, F.S., to protect proprietary confidential business information from disclosure outside the proceeding. Therefore, any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, F.S., at the hearing shall adhere to the following:

- (1) When confidential information is used in the hearing that has not been filed as prefiled testimony or prefiled exhibits, parties must have copies for the Commissioners, necessary staff, and the court reporter, in red envelopes clearly marked with the nature of the contents and with the confidential information highlighted. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.
- (2) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise confidentiality. Therefore, confidential information should be presented by written exhibit when reasonably possible.

At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the court reporter shall be retained in the Office of Commission Clerk's confidential files. If such material is admitted into the evidentiary record at hearing and is not otherwise subject to a request for confidential classification filed with the Commission, the source of the information must file a request for confidential classification of the information within 21 days of the conclusion of the hearing, as set forth in Rule 25-22.006(8)(b), F.A.C., if continued confidentiality of the information is to be maintained.

#### **V. PREFILED TESTIMONY AND EXHIBITS; WITNESSES**

Testimony of all witnesses to be sponsored by the parties (and Staff) has been prefiled and will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to timely and appropriate objections. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Summaries of testimony shall be limited to three minutes for all Parties other than OPC, who shall have 10 minutes.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer. After all parties and Staff have had the opportunity to cross-examine the witness, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

The parties shall avoid duplicative or repetitious cross-examination. Further, friendly cross-examination will not be allowed. Cross-examination shall be limited to witnesses whose testimony is adverse to the party desiring to cross-examine. Any party conducting what appears to be a friendly cross-examination of a witness should be prepared to indicate why that witness's direct testimony is adverse to its interests.

**VI. ORDER OF WITNESSES**

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
<u>Direct</u>		
Michael Jarro	FPL	1(D)-6(D), 9D, 10(D)
Brian Lloyd	DEF	1C, 2C, 3C, 4C, 10C
Amy Howe	DEF	1C, 2C, 3C, 4C, 10C
Christopher Menendez	DEF	1C, 5C, 6C, 10C
David A. Pickles	TECO	1A, 2A, 3A, 4A, 5A, 10A
Jason D. DeStigter	TECO	2A, 3A, 5A
Richard Latta	TECO	5A, 6A
David L. Plusquellic	TECO	1A, 2A, 3A, 4A, 5A, 10A
P. Mark Cutshaw	FPUC	1B – 4B, and 10B-11B
Kevin J. Mara	OPC	All Issues
Lane Kollen	OPC	All Issues

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
<u>Rebuttal</u>		
Michael Jarro	FPL	1D-6D, 9, 10D
Liz Fuentes	FPL	1D, 6D
Brian Lloyd	DEF	1C, 2C, 3C, 4C, 10C
Amy Howe	DEF	1C, 2C, 3C, 4C, 10C
Christopher Menendez	DEF	1C, 5C, 6C, 10C
David A. Pickles	TECO	1A, 2A, 3A, 4A, 5A, 10A
David L. Plusquellic	TECO	1A, 2A, 3A, 4A, 5A, 10A
Richard Latta	TECO	5A, 6A
P. Mark Cutshaw	FPUC	1B – 6B, and 10B-11B
Robert C. Waruszewski	FPUC	6B

## **VII. BASIC POSITIONS**

**TECO:** The Commission should find that it is in the public interest to approve Tampa Electric Company’s 2022-2031 Storm Protection Plan without modification because that Plan meets all of the requirements of, and will further all of the objectives of, Section 366.96 of the Florida Statutes and Rule 25-6.030 of the Florida Administrative Code.

**FPUC:** Consistent with the Commission’s prior orders Order No. PSC-2020-0097-PCO-EI, issued in Docket No. 20200068-EI, and Order PSC-2020-0502-PAA-EI, issued in Docket No. 20200228-EI, and pursuant to Section 366.96, Florida Statutes and Rule 25-6.030, Florida Administrative Code, FPUC submitted its first Storm Protection Plan (“SPP”) for 2022 through 2031 for approval on April 11, 2022. In accordance with Section 366.96(3), Florida Statutes, the programs and projects contemplated thereunder meet the statutory objectives of reducing restoration costs and outage times associated with extreme weather events and enhancing reliability. Overall, the SPP combines the beneficial legacy Storm Hardening programs with new programs developed based upon resiliency risk scores from across FPUC’s electric system to provide an organized, highly navigable “roadmap” for the investments necessary to fully implement the SPP statutory objectives. The SPP put forth by FPUC is consistent with the Legislative directive of Section 366.96,

Florida Statutes, and it includes the details and information required by Rule 25-6.030, Florida Administrative. Implementation of FPUC's plan, as filed, would be in the public interest; therefore, FPUC asks that it be approved.

**DEF:** As required by Section 366.96, Florida Statutes (the "SPP Statute"), Rule 25-6.030, F.A.C. (the "SPP Rule"), and the OEP, on April 11, 2022, DEF filed its proposed Storm Protection Plan ("SPP" or the "Plan"). DEF's transmission and distribution SPP covers the immediate 10-year planning period (2023-2032) and explains the systematic approach DEF will follow to protect and strengthen its transmission and distribution infrastructure to achieve the objectives of reducing restoration costs and outage times associated with extreme weather events and enhancing overall reliability, as demonstrated by the pre-filed testimonies and exhibits of DEF's witnesses Mr. Brian Lloyd and Ms. Amy Howe, and converted into the 3-year projected rates and revenue requirements as required by the SPP Rule and included in the testimony and exhibit of Mr. Christopher Menendez. DEF's SPP, which includes all elements required by the SPP Rule, is in the public interest and should be approved by this Commission.

**FPL:** Pursuant to Section 366.96, F.S., and Rule 25-6.030, F.A.C., FPL has proposed its 2023-2032 Storm Protection Plan ("2023 SPP") to reasonably achieve the legislative objectives of promoting the overhead hardening of electrical distribution and transmission facilities, the undergrounding of certain electrical distribution lines, and vegetation management to reduce restoration costs and outage times associated with extreme weather events. FPL's 2023 SPP is largely a continuation of the following programs included in the current 2020-2029 Storm Protection Plan (hereinafter, the "2020 SPP") that were agreed to by OPC in a Joint Motion for Approval of a Stipulation and Settlement Agreement ("2020 SPP Settlement") approved by Commission Order No. PSC-2020-0293-AS-EI:

- Distribution Inspection Program
- Transmission Inspection Program
- Distribution Feeder Hardening Program
- Distribution Lateral Hardening Program
- Transmission Hardening Program
- Distribution Vegetation Management Program
- Transmission Vegetation Management Program
- Substation Storm Surge/Flood Mitigation Program

The majority of the existing SPP programs have been in place since 2007 and have already demonstrated that they have provided and will continue to provide increased T&D infrastructure resiliency, reduced restoration times, and reduced restoration costs when FPL is impacted by extreme weather events as explained in Sections II and IV and Appendix A to FPL Revised Exhibit MJ-1. For certain existing SPP programs, FPL proposed limited modifications to further improve these programs and implement best practices as described in the direct testimony

of FPL witness Jarro and FPL Revised Exhibit MJ-1. Notably, OPC, the only other party to file testimony in this case, has not opposed or challenged any of the specific modifications to FPL's existing SPP programs.

As part of the 2023 SPP, FPL also proposed to implement a new Transmission Access Enhancement Program. The new Transmission Access Enhancement Program will help ensure that FPL and its contractors have reasonable access to FPL's transmission facilities for repair and restoration activities following an extreme weather event by targeting and addressing areas that become inaccessible due to flooding or saturated soils.

FPL's 2023 SPP includes estimated costs and a description of the benefits of the SPP programs and criteria to select and prioritize the SPP projects, as well as additional details for the first three years of the SPP. FPL's 2023 SPP also provides the estimated revenue requirements for each SPP program, and the estimated rate impact for the first three years of the SPP. FPL's 2023 SPP provides the information required by and is fully consistent with Rule 25-6.030, F.A.C. The Commission can use and compare all of the information it specifically required FPL to provide in the 2023 SPP to determine if, pursuant to Section 366.96(4)-(5), F.S., the programs and projects included in the 2023 SPP are in the public interest and should be approved.

As explained in the rebuttal testimony of FPL witness Jarro, OPC essentially agrees with eight (8) out of the nine (9) SPP programs included in the Revised 2023 SPP.<sup>1</sup> OPC witness Mara proposes adjustments to two of the existing SPP programs: the existing Substation Storm Surge/Flood Mitigation Program and the existing Distribution Lateral Hardening Program. OPC witness Mara also opposes the proposed new Transmission Access Enhancement Program.

FPL designed its SPP programs and prepared the 2023 SPP based on the requirements and standards prescribed in the Section 366.96, F.S., and Rule 25-6.030, F.A.C., that were in effect at the time FPL filed the 2023 SPP on April 11, 2022, and which remain in effect today. Rule 25-6.030(3)(d)(4), F.A.C., requires the SPP to include a "comparison" of the estimated costs and identified benefits for each SPP program, which FPL provided in the following portions of its SPP: Section II; the "Comparison of Costs and Benefits" included in each SPP program description in Section IV; and Appendix A of Revised Exhibit MJ-1.

OPC contends that the benefits of the SPP programs must be quantified and monetized in order to meet the requirements of the SPP Rule. There is nothing in either Section 366.96, F.S., or Rule 25-6.030, F.A.C., that prescribes that the benefits of SPP programs must be quantified or monetized as suggested by the OPC

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<sup>1</sup> In its originally filed 2023 SPP, FPL proposed a total of eleven (11) programs that included the Transmission and Distribution Winterization Programs. The Transmission and Distribution Winterization Programs were withdrawn on July 11, 2022, and have been removed from the Revised 2023 SPP filed on July 13, 2022.



witnesses. Rather, subparts (3)(b) and (3)(d)(1) of Rule 25-6.030, F.A.C., expressly provide that the SPP must include a “description” of the benefits of the SPP programs. Further, OPC focuses only on program costs and savings in restoration costs (*i.e.*, a strictly quantitative analysis), and completely ignores the qualitative component required by both Section 366.96, F.S., and Rule 25-6.030, F.A.C. -- reduction in outage times associated with extreme weather conditions. Further, OPC’s request that outages times should be monetized disregards the simple fact that the value individual customers or communities place on reduced outage times cannot be accurately or uniformly quantified, and any such analyses are necessarily dependent on several highly variable factors and could include a very wide range of subjective economic factors. As required by Rule 25-6.030, F.A.C., FPL has provided a “description” of the benefits for all the programs in FPL’s 2023 SPP in Sections II and IV and Appendix A to Revised Exhibit MJ-1 -- in some cases these benefits are qualitative and in others they are quantitative.

In further support of its contention that the SPP benefits should be quantified, OPC proposes that FPL use its Storm Damage Model to quantify the benefits of the programs included in FPL’s 2023 SPP. The problem with this approach is that FPL’s Storm Damage Model does not readily lend itself to model future SPP programs as proposed by OPC. Beyond year one of the SPP (2023), the project level detail has not been determined; meaning FPL does not at this time know which specific projects will be completed each year or where they will be located for the entire 2023-2032 SPP period. Further, FPL’s Storm Damage Model is only used for major storms with a forecast track provided by the National Hurricane Center and, therefore, it would not account for any other types of extreme weather conditions, as well as any associated reductions in restoration costs and outage times. For these reasons, FPL’s Storm Damage Model is not appropriate to model future savings from future SPP projects during unknown future extreme weather events.

With respect to the Storm Surge/Flood Mitigation Program included in FPL’s 2023 SPP, OPC recommends that substations with alternate feeds or no history of flooding should be excluded from the program. OPC’s recommendation, however, completely overlooks that the Storm Surge/Flood Mitigation Program included in FPL’s 2023 SPP is the same program that was included in FPL’s current 2020 SPP previously approved by Commission Order No. PSC-2020-0293-AS-EI. FPL has not added new or additional substations to the Storm Surge/Flood Mitigation Program previously approved as part of the 2020 SPP, and OPC has not offered any reason why it is now no longer in the public interest to complete these same substations as part of the 2023 SPP. Further, all four substations included in FPL’s 2023 SPP do, in fact, have a history of storm surge or flooding, and OPC’s recommendation to exclude substations with alternate feeds fails to account for the fact that an adjacently tied substation cannot necessarily pick up and support the entire electric load from a de-energized substation. For these reasons, OPC’s

recommended adjustments to the Storm Surge/Flood Mitigation Program should be rejected.

Notably, OPC does not propose that the Distribution Lateral Hardening Program be rejected, nor does OPC oppose FPL's new overhead hardening protocols or the addition of the Management Region selection approach in 2025. Rather, OPC proposes an adjustment to the Distribution Lateral Hardening Program in order for the capital cost per customer to remain similar to the combined 2020 SPPs approved for FPL and the former Gulf Power Company ("Gulf Power"). Specifically, OPC proposes to cap the annual budget to \$606 million beginning in 2025, which results in a total ten-year budget reduction of approximately \$3.4 billion. OPC's qualitative adjustment overlooks that the Distribution Lateral Hardening Program was initially deployed as a pilot program through 2022 and, as part of the 2023 SPP, FPL is seeking to ramp up and deploy the Distribution Lateral Hardening Program as a full-scale permanent SPP program throughout its consolidated FPL service area. The ramp up in the number of laterals to be completed each year under the Distribution Lateral Hardening Program is due primarily to the inclusion of the former Gulf Power service area, the significant number of laterals that remain to be hardened, the strong local support and interest in the program, and the addition of the Management Region selection approach in 2025, which selection approach was not specifically opposed or challenged by OPC. OPC's proposed adjustment will reduce the number of laterals to be completed each year and delay when customers will receive the direct benefits of the Distribution Lateral Hardening Program, which is inconsistent with the intent and purpose of Section 366.96, F.S., as well as OPC's own testimony. For these reasons, OPC's proposed adjustment to the Distribution Lateral Hardening Program should be rejected.

With respect to OPC's objection to FPL's proposed new Transmission Access Enhancement Program, FPL is not proposing to simply maintain existing roads, rights of way, bridges, and culverts for purposes of accessing transmission facilities for day-to-day maintenance and vegetation management activities as suggested by OPC. Rather, the purpose of the Transmission Access Enhancement Program is to ensure that FPL has proper access to repair its transmission facilities following an extreme weather event by targeting and addressing areas that become inaccessible due to flooding or saturated soils. Notably, a transmission-related outage can result in an outage affecting tens of thousands of customers and may cause a cascading event that could result in loss of service for hundreds of thousands of customers. The Transmission Access Enhancement Program will allow FPL and its contractors to quickly address such transmission outages following an extreme weather event, which would result in a reduction of outage times for tens of thousands to hundreds of thousands of customers following an extreme weather event. FPL's proposed Transmission Access Enhancement Program is consistent with Rule 25-6.030(2)(b), F.A.C., and was modeled after a similar program agreed to by OPC in a settlement agreement approved by Commission Order No. PSC-2020-0293-AS-EI. Accordingly, FPL's proposed Transmission Access Enhancement Program should be approved as filed.

For all the reasons discussed above, and as explained in more detail in the direct and rebuttal testimonies of FPL, FPL's proposed 2023 SPP is in the public interest and should be approved. FPL's proposed 2023 SPP complies with the requirements and objectives of Section 366.96, F.S., complies with Rule 25-6.030, F.A.C., and provides a systematic approach to achieve the legislative objectives of reducing restoration costs and outage times associated with extreme weather events.

**OPC:** **TECO:** The Office of Public Counsel's (OPC) basic position in this case is that the Commission's determinations regarding the Storm Protection Plans (SPP) that have been filed must be consistent with the public policy contained in Section 366.96, Florida Statutes and Rule 25-6.030, Florida Administrative Code (F.A.C.) In this docket, the OPC has focused on whether the programs and projects proposed by Tampa Electric Company (TECO) satisfy the statutory and rule requirements for permissible programs and projects as well as whether the appropriate cost/benefit analyses have been performed and whether that analysis supports the cost of the programs and projects contained in the SPP filed by TECO. Unfortunately, there are instances within TECO's 2022-2031 SPP where some programs and projects do not meet the legal requirements of permissible SPP programs and projects, and there are also some instances where the analysis of the cost and benefits do not justify the programs and projects. The Commission should deny the programs and projects that OPC identifies as impermissible and/or fiscally unjustifiable. The burden of proof remains on the company to justify compliance with the statute and rules, as well as to demonstrate the reasonableness and prudence of the programs and projects and their related costs. By challenging these programs, projects, and costs, the OPC and its experts have not assumed the burden of proof in this case.

**FPUC:** FPUC's Storm Protection Plan programs and projects are not prudent and reasonable and the costs are not reasonable as presented. The burden of proof remains on the company to justify compliance with the statute and rules, as well as to demonstrate the reasonableness and prudence of the programs and projects and their related costs. By challenging these programs, projects, and costs, the OPC and its experts have not assumed the burden of proof in this case.

FPUC is proposing to spend a total capital costs of \$243.1 million plus an incremental \$20 million in O&M costs for the SPP plan. FPUC has provided no dollar benefits. SPP programs and projects should be authorized only if the benefits exceed the costs; in other words, the benefit-to-cost ratio should be at least 100%. FPUC should be required to amend their filing and provide the necessary data for each program as required by Rule 25-6.030, F.A.C. with an opportunity for intervenors to provide review and testimony.

However, if an amended filing is not required, given FPUC's lack of decision criteria or dollar cost benefits, the Commission should look at the ratio of capital

spending per customers. To reduce the excessive increase in rates for all FPUC customers, FPUC's 10-year SPP capital budget should be reduced by \$159.8 million as set forth in OPC Witness Mara's testimony. The 10-year capital budget should be reduced by the following: \$12.1 million for Distribution-OH Lateral Hardening; \$31.1 million for Distribution – OH Lateral Underground; all \$30.0 million for future T&D Enhancements; and all \$86.1 million for Transmission/Substation Resiliency.

**DEF:** The Office of Public Counsel's (OPC) basic position in this case is that the Commission's determinations regarding the Storm Protection Plans (SPP) that have been filed must be consistent with the public policy contained in Section 366.96, Florida Statutes and Rule 25-6.030, Florida Administrative Code (F.A.C.). The burden of proof remains on the company to justify compliance with the statute and rules, as well as to demonstrate the reasonableness and prudence of the programs and projects and their related costs. By challenging these programs, projects, and costs, the OPC and its experts have not assumed the burden of proof in this case. The OPC has focused on whether the programs and projects proposed by Duke Energy Florida (DEF) satisfy the statutory and rule requirements for permissible programs and projects as well as whether the appropriate cost/benefit analyses have been performed and whether that analysis supports the cost of the programs and projects contained in the SPPs filed by the IOUs. Unfortunately, there are instances within DEF's 2023-2032 SPP where some programs and projects do not meet the legal requirements of permissible SPP programs and projects and there are also some instances where the analysis of the cost and benefits do not justify the programs and projects. The Commission should deny the programs and projects that OPC identifies as impermissible and/or fiscally unjustifiable. For the years 2023 and 2024 the recommendations for exclusion from SPP and SPPCRC are subject to a provision in the 2021 Settlement agreement approved in Order No. PSC-2021-0202A-AS-EI, as discussed in certain circumstances below. To the extent that the portions of Witnesses Mara and Kollen's testimony containing their expert opinion is superseded by a stipulation approved by the Commission in Order No. 2021-0202A-AS-EI (herein "Paragraph 4 Stipulation"), that testimony should not form the basis for an adjustment. The OPC is not seeking an adjustment to the DEF SPP for those programs nor will it seek an adjustment in Docket No. 20220010-EI for the years 2023 and 2024 for the recovery of the revenue requirement associated with the six programs covered by the stipulation, absent evidence of imprudence or unreasonableness as permitted by the August 3, 2020 Updated Stipulation and Settlement Agreement entered into in Docket 2000069-EI and approved in Order No. PSC-0293-AS-EI. Specifically, the portions of Mr. Mara's and Mr. Kollen's testimony recommending rejection of programs or subprograms for the years 2023 and 2024, under the heading of "Does not comply with 25-6.030" as shown in the table on page 13 Mr. Mara's Amended testimony, should not be considered in this Docket by the Commission for the years 2023 and 2024 for disallowance where they conflict with the provisions of that order.

**FPL:** The Office of Public Counsel’s (OPC) basic position in this case is that the Commission’s determinations regarding the Storm Protection Plans (SPP) that have been filed must be consistent with the public policy contained in Section 366.96, Florida Statutes and Rule 25-6.030, Florida Administrative Code (F.A.C.) The OPC has focused on whether the programs and projects proposed by Florida Power & Light Company (FPL) satisfy the statutory and rule requirements for permissible programs and projects as well as whether the appropriate cost/benefit analyses have been performed and whether that analysis supports the cost of the programs and projects contained in the SPPs filed by the IOUs. Unfortunately, there are instances within FPL’s 2023-2032 SPP where some programs and projects do not meet the legal requirements of permissible SPP programs and projects and there are also some instances where the analysis of the cost and benefits do not justify the programs and projects. The Commission should deny the programs and projects that OPC identifies as impermissible and/or fiscally unjustifiable. The burden of proof remains on the Company to justify compliance with the statute and rules, as well as to demonstrate the reasonableness and prudence of the programs and projects and their related costs. By challenging these programs, projects, and costs, the OPC and its experts have not assumed the burden of proof in this case.

**FIPUG:** **TECO, DEF, & FPL:** Only reasonable, cost-effective, and prudent costs should be set forth in the company’s transmission and distribution storm protection plan. The company must demonstrate and carry its burden of proof that each component of its plan is in the public interest. The company must prove that each component of its plan is expected to reduce restoration costs and outage times. The company must prove that each component of its plan will enhance electric system reliability. The company must meet its burden to satisfactorily establish the estimated annual rate impact of the plan for the first 3 years addressed in the plan.

**PCS:** **DEF:** The Legislature enacted the Storm Protection Plan Recovery statute, 366.96, F.S., to foster those utility actions needed to “strengthen electric utility infrastructure to withstand extreme weather” as well as to “mitigate restoration costs and outage times to utility customers when developing transmission and distribution storm protection plans.” Good utility practices have always provided for the routine replacement of aging, damaged and obsolete equipment in order to ensure safe and adequate service to consumers, and the utility Storm Protection Plans submitted for Commission approval in this docket aim to enhance the resilience of utility assets for the purposes noted above. Also, utility budgets for storm hardening purposes are not unbounded. The nation is currently facing record levels of inflation not seen in a generation, dramatic increases in energy prices are a core driver of that inflation, and the collective impact on Florida ratepayers’ electric bills will be significant. In these times, any Storm Protection Plan approved by the Commission must prioritize spending to emphasize the most needed and cost beneficial projects. The scope and expected expense of Commission-approved Storm Protection Plans will have a material rate impact on Florida’s citizens for years to come through the Storm Protection Plan Cost Recovery Clause, and actions

to implement a utility's transmission and distribution storm protection plan do not constitute evidence of imprudence under the statute (§ 366.96(3), F.S.). Thus, the Storm Protection Plan proceeding is the primary forum for the Commission to consider the prudent scope and cost of a utility's proposed programs. The SPP filed by Duke Energy Florida does not exhibit the focus and restraint that is required. The Commission should either reject DEF's proposed Storm Protection Plan or modify it as recommended by the Office of Public Counsel to include only those cost beneficial projects and programs which are precisely targeted to reduce restoration costs and outage times.

**NUCOR:** **DEF:** Duke Energy Florida, LLC ("DEF") bears the burden of proof to justify the proposed programs for which it seeks approval in its Storm Protection Plan and any other relief DEF requests in this proceeding. As such, DEF must show that its proposed Storm Protection Plan only includes proposed programs that are necessary to increase electric system reliability and resilience against extreme weather, as required by the Storm Protection Plan Recovery statute, 366.96, F.S. The Commission should carefully review DEF's proposed Storm Protection Plan to ensure that it complies with the statute and only includes programs that "effectively reduce restoration costs and outage times to customers and improve overall service reliability for customers." § 366.96 (1)(d), F.S.

**SACE:** **FPL:** SACE's position is that Florida Power and Light Company ("FPL") bears the burden of proof to justify the approval of all proposed projects and programs in its proposed Storm Protection Plan. Please note that SACE's responses below are limited to Docket No. 20220051.

**WALMART: TECO, DEF, & FPL:** The Commission should carefully consider whether the Storm Protection Plans ("SPPs") proposed by Tampa Electric Company ("TECO"), Duke Energy Florida, LLC ("DEF"), and Florida Power & Light Company ("FPL") (collectively, "Companies") are in the public interest. The Florida Legislature determined that there are four (4) factors the Commission must consider when determining whether to approve, approve with modifications, or deny SPPs. These factors include the extent to which the SPP will reduce restoration costs and power outage times, how practical a certain location selected for transmission and distribution ("T&D") infrastructure is relative to the utility's service territory, the cost/benefit to customers, and the impact on customers' bills. F.S. § 366.96(4)(a)-(d).

Walmart believes it would be in the public interest for the Commission to direct that the Companies continue to collaborate with Walmart and other interested stakeholders during the interim period before their next required updated SPPs to develop ways in which customer-sited generation may be utilized as part of the SPP in order to strengthen the T&D systems and provide customers with lower restoration costs, shorter outage periods, and more reliable electric service overall.

**STAFF:** Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions.

### **VIII. ISSUES AND POSITIONS**

**ISSUE 1A:** Does TECO's Storm Protection Plan contain all of the elements required by Rule 25-6.030, Florida Administrative Code?

**TECO:** Yes. (Witnesses: Pickles, Plusquellic).

**OPC:** Yes, TECO's SPP does include the requisite comparison of the costs and dollar benefits of the proposed programs and projects; however, OPC does not agree with the analysis, which, among other things, includes subjective estimates of the value to customers of avoided outages. (Witnesses: Kollen, Mara)

**FIPUG:** Adopt position of OPC.

**WALMART:** Adopt position of OPC.

**STAFF:** Staff has no position at this time.

**ISSUE 1B:** Does FPUC's Storm Protection Plan contain all of the elements required by Rule 25-6.030, Florida Administrative Code?

**FPUC:** Yes. (*Witness Cutshaw*).

**OPC:** No. FPUC provided no dollar quantifications of the benefits in the SPP filings and refused to provide any dollar quantification in response to discovery. SPP programs and projects should be authorized only if the benefits exceed the costs; in other words, the benefit-to-cost ratio should be at least 100%. FPUC should be required to amend their filing and provide the necessary data for each program as required by Rule 25-6.030, F.A.C. with an opportunity for intervenors to provide review and testimony. (Witnesses: Kollen, Mara)

**STAFF:** Staff has no position at this time.

**ISSUE 1C:** Does DEF's Storm Protection Plan contain all of the elements required by Rule 25-6.030, Florida Administrative Code?

**DEF:** Yes (Howe, Lloyd, Menendez)

**OPC:** No. While Duke provided cost and benefit information, it was not properly presented for determination of plan approval, modification, or rejection. At best, the cost/benefit comparison information was presented largely for prioritization of projects. Societal benefits in the form of cost avoidance are highly subjective estimates of the value to customers of avoided outages and should not be used. Additionally, DEF improperly seeks to include proposed “capital cost savings” in the cost/benefit analysis. Subject to the agreement to allow costs shown on page 13 of Kevin Mara’s amended Direct Testimony in the table with the notation “Does not comply with 25-6.030,” for the recovery periods 2023 and 2024, DEF has not met its burden to justify programs and projects proposed in its Updated Plan as being cost-effective. (Witnesses: Kollen, Mara)

**FIPUG:** Adopt position of OPC.

**PCS:** Agree with OPC.

**NUCOR:** Agree with OPC.

**WALMART:** Adopt position of OPC.

**STAFF:** Staff has no position at this time.

**ISSUE 1D: Does FPL’s Storm Protection Plan contain all of the elements required by Rule 25-6.030, Florida Administrative Code?**

**FPL:** Yes. FPL’s 2023 SPP includes all of the information required by Rule 25-6.030(3), F.A.C. (*FPL witness Jarro*)

**OPC:** No. The Company failed to provide the requisite dollar benefits necessary for the Commission to determine whether the continuation and expansion of existing programs and the implementation of new programs are prudent and reasonable. (Witnesses: Kollen, Mara)

**FIPUG:** Adopt position of OPC.

**SACE:** No, this information was not fully provided.

**WALMART:** Adopt position of OPC.

**STAFF:** Staff has no position at this time.



**ISSUE 2A:** To what extent is TECO's Storm Protection Plan expected to reduce restoration costs and outage times associated with extreme weather events and enhance reliability?

**TECO:** Tampa Electric's Storm Protection Plan will significantly reduce restoration costs and outage times associated with extreme weather events and will enhance reliability. The five programs analyzed by 1898 & Co. are expected to reduce restoration costs by \$380-\$531 million and reduce CMI by 29 percent over the next 50 years depending on future storm frequency and intensity. The company's Vegetation Management Program is expected to improve SAIFI by 15.3 percent, SAIDI by 9.6 percent, and reduce restoration costs by 22.2 percent. (Witnesses: Plusquellic, De Stigter)

**OPC:** Some of TECO's proposed programs and projects will have a better impact on reducing outages times and lowering restoration costs than others. Additionally, several programs and projects are not extreme weather storm hardening programs but rather routine maintenance responsibilities of any electric utility and should not be included in TECO's SPP. (Witnesses: Kollen, Mara)

**FIPUG:** Adopt position of OPC.

**WALMART:** Adopt position of OPC.

**STAFF:** Staff has no position at this time.

**ISSUE 2B:** To what extent is FPUC's Storm Protection Plan expected to reduce restoration costs and outage times associated with extreme weather events and enhance reliability?

**FPUC:** FPUC's SPP is expected to reduce restoration costs and reduce outage times as outlined in Exhibit PMC-1 and as further discussed in the rebuttal testimony of FPUC Witness Mark Cutshaw. Implementation of FPUC's SPP will result in a reduction to future restoration costs from severe storms because the projects and programs in the SPP will enhance system reliability and ultimately result in less damage in a storm event. The Company believes there is no reasonable way to quantify the savings amount, since the restoration costs related to a severe storm are related to the timing and damage of the storm in the future. (*Witness Cutshaw*).

**OPC:** FPUC did not include any estimate of cost reduction of their programs other than vague language about reducing costs without any monetized value of these reduction. Nor did FPUC include any estimate of the reduction in outage times other than FPUC's belief that outage times will be reduced. SPP programs and projects should be authorized only if the benefits exceed the costs; in other words, the benefit-to-cost ratio should be at least 100%. FPUC should be required to amend

their filing and provide the necessary data for each program as required by Rule 25-6.030, F.A.C. with an opportunity for intervenors to provide review and testimony. (Witnesses: Kollen, Mara)

**STAFF:** Staff has no position at this time.

**ISSUE 2C: To what extent is DEF's Storm Protection Plan expected to reduce restoration costs and outage times associated with extreme weather events and enhance reliability?**

**DEF:** The SPP's expected reduction in restoration costs and outage times associated with extreme weather events is provided in Exhibit No. \_\_ (BML-1), broken down by SPP Program. (Howe, Lloyd)

**OPC:** Some of DEF's proposed programs and projects will have a better impact on reducing outages times and lowering restoration costs than others. Additionally, several programs and projects are not extreme weather storm hardening programs but rather routine maintenance responsibilities of any electric utility and should not be included in the company's SPP. DEF's plans are not shown to be cost effective as the benefits do not exceed the costs. It is unclear how much the actual benefits will be over time. It is clear that these benefits are not shown to exceed the costs. It remains to be seen whether storm restoration costs will be reduced or merely redeployed such that customers continue to bear the costs in pursuit of diminishing returns of ever faster – but cost ineffective – storm restoration time. (Witnesses: Kollen, Mara)

**FIPUG:** Adopt position of OPC.

**PCS:** Agree with OPC.

**NUCOR:** Agree with OPC.

**WALMART:** Adopt position of OPC.

**STAFF:** Staff has no position at this time.

**ISSUE 2D: To what extent is FPL's Storm Protection Plan expected to reduce restoration costs and outage times associated with extreme weather events and enhance reliability?**

**FPL:** FPL has demonstrated in Sections II and IV, and Appendix A of Revised Exhibit MJ-1 that each of its SPP programs have and will continue to provide increased T&D infrastructure resiliency, reduced outage times, and reduced restoration costs

when FPL's system is impacted by extreme weather conditions. Importantly, these benefits include both quantitative and qualitative components consistent with Section 366.96, F.S., and Rule 25-6.030, F.A.C. FPL's 2023 SPP is largely a continuation of the programs included in the current 2020 SPP that were agreed to by OPC in the 2020 SPP Settlement approved by Commission Order No. PSC-2020-0293-AS-EI. The majority of FPL's existing SPP programs have been in place since 2007 and have already demonstrated that they have provided and will continue to provide increased T&D infrastructure resiliency, reduced restoration times, and reduced restoration costs when FPL is impacted by extreme weather events. As part of the 2023 SPP, FPL also proposes to implement a new Transmission Access Enhancement Program. The new Transmission Access Enhancement Program will help ensure that FPL and its contractors have reasonable access to FPL's transmission facilities for repair and restoration activities following an extreme weather event. The existing and new SPP programs included in FPL's 2023 SPP are appropriate and necessary to meet the requirements of Section 366.96, F.S., and Rule 25-6.030, F.A.C. FPL submits that the existing and new SPP programs will collectively provide increased resiliency and faster restoration to the electric infrastructure that FPL's 5.7 million customers and Florida's economy rely on for their electricity needs. The 2023 SPP will continue and expand the benefits of storm hardening to all customers throughout FPL's system. (*FPL witness Jarro*)

**OPC:** Some of FPL's proposed programs and projects will have a greater impact on reducing outages times and lowering restoration costs than others. Additionally, several programs and projects are not unique to extreme weather storm hardening programs and/or incremental to base rate recoverable costs in the normal cost of business, and thus, should not be included in FPL's SPP. (Witnesses: Kollen, Mara)

**FIPUG:** Adopt position of OPC.

**SACE:** This information was not fully provided.

**WALMART:** Adopt position of OPC.

**STAFF:** Staff has no position at this time.

**ISSUE 3A: To what extent does TECO's Storm Protection Plan prioritize areas of lower reliability performance?**

**TECO:** The company's methodology for prioritizing Storm Protection Projects incorporates reliability performance. Projects were prioritized based on their benefit to cost ratio, meaning those projects that will deliver the highest customer benefit at the lowest relative cost are prioritized higher. Furthermore, historical

outage data and trim data were incorporated into the Vegetation Management Program design.  
(Witnesses: Plusquellic, De Stigter)

**OPC:** TECO has several proposed projects that prioritize areas of lower reliability performance; however, many of those programs and projects either do not qualify as permissible SPP programs or projects and/or are not economically justifiable.  
(Witnesses: Kollen, Mara)

**FIPUG:** Adopt position of OPC.

**WALMART:** Adopt position of OPC.

**STAFF:** Staff has no position at this time.

**ISSUE 3B:** **To what extent does FPUC’s Storm Protection Plan prioritize areas of lower reliability performance?**

**FPUC:** FPUC historical data was analyzed using a Risk Resiliency Model, which assessed:

1. The probability or likelihood that an extreme weather condition event will cause damage to existing utility infrastructure.
2. The utility's ability to appropriately respond to and recover from infrastructure damage caused by an extreme weather condition; and
3. The societal impact of the extreme weather condition caused electrical outage to the community being affected.

Critical load was categorized, number of customers served by circuits was assessed, and an Interruption Cost Estimate (ICE) calculator was utilized to estimate the cost impact of outages. In addition, particularly given FPUC’s two distinct service areas, location and historical weather patterns were also evaluated. (*Witness Cutshaw*).

**OPC:** FPUC did not include prioritization of areas of lower reliability performance.  
(Witnesses: Kollen, Mara)

**STAFF:** Staff has no position at this time.

**ISSUE 3C:** **To what extent does DEF’s Storm Protection Plan prioritize areas of lower reliability performance?**

**DEF:** The prioritization methodology for each SPP Program includes the “Probability of Damage” from extreme weather events for each major asset component. Historical

reliability performance of these assets is correlated with simulated future weather exposure conditions. This technique prioritizes areas of lower reliability performance. This is more fully described in Exhibit No. \_\_ (BML-1). (Howe, Lloyd)

**OPC:** DEF has several proposed projects that prioritize areas of lower reliability performance; however, many of those programs and projects either do not qualify as permissible SPP programs or projects and/or are not economically justifiable. (Witnesses: Kollen, Mara)

**FIPUG:** Adopt position of OPC.

**PCS:** Agree with OPC.

**NUCOR:** Agree with OPC.

**WALMART:** Adopt position of OPC.

**STAFF:** Staff has no position at this time.

**ISSUE 3D: To what extent does FPL's Storm Protection Plan prioritize areas of lower reliability performance?**

**FPL:** FPL's 2023 SPP prioritizes areas of lower reliability performance. A description of the criteria used to select and prioritize storm protection projects is included in the description of each SPP program provided in Section IV of Revised Exhibit MJ-1. FPL has selected, prioritized, and deployed all of its historical storm hardening programs in a deliberate and effective manner over the past sixteen years and FPL is employing this same approach for its 2023 SPP programs. (*FPL witness Jarro*)

**OPC:** FPL has several proposed projects that prioritize areas of lower reliability performance; however, many of those programs and projects either do not qualify as permissible SPP programs or projects and/or are not economically justifiable. (Witnesses: Kollen, Mara)

**FIPUG:** Adopt position of OPC.

**SACE:** No position.

**WALMART:** Adopt position of OPC.

**STAFF:** Staff has no position at this time.

**ISSUE 4A:** To what extent is TECO’s Storm Protection Plan regarding transmission and distribution infrastructure feasible, reasonable, or practical in certain areas of the Company’s service territory, including, but not limited to, flood zones and rural areas?

**TECO:** There are no areas of the company’s service area where it would be impractical, unfeasible, or imprudent to harden. All components of the transmission and distribution system can be hardened to achieve resiliency benefits.  
(Witnesses: Pickles, Plusquellic)

**OPC:** TECO’s plans for distribution lateral undergrounding and distribution feeder hardening are feasible and practical. However, the scope of the project is not reasonable and is considered too aggressive. OPC recommends the projects be scaled back to budget levels of the 2020 SPP.  
With regarding distribution substation and transmission substation protection plans OPC believes only those stations that have a history of flooding should be protected and should exclude those substations that have alternate feeds.

All of the other TECO programs do not meet the requirements of the SPP statute and therefore are not reasonable. (Witnesses: Kollen, Mara)

**FIPUG:** Adopt position of OPC.

**WALMART:** Adopt position of OPC.

**STAFF:** Staff has no position at this time.

**ISSUE 4B:** To what extent is FPUC’s Storm Protection Plan regarding transmission and distribution infrastructure feasible, reasonable, or practical in certain areas of the Company’s service territory, including, but not limited to, flood zones and rural areas?

**FPUC:** The Company’s SPP as it relates to transmission and distribution infrastructure is feasible, reasonable, and practical for all areas and facilities that the Company’s SPP addresses. The Reliability Model used to develop the SPP considers, among other things, geographic location and population; thus, flood zones and rural areas have been considered. The proposed SPP builds on what has already been accomplished through the Storm Hardening Plan and enhances those efforts through additional programs that will further enhance the reliability and resiliency of FPUC’s electric system in a cost-effective manner. (*Witness Cutshaw*).

**OPC:** FPUC is proposing a new 138 KV transmission line that is not necessary or prudent. The proposed 138 KV transmission line is located in a very poor right-of-way and is \$86 million, or approximately 35% of the capital costs of the 10-year SPP.

Further, the 138 KV line is not a prudent option when the existing transmission system is already hardened for extreme weather. Further, the capacity increase that would be created by the proposed 138 KV line to the existing CHP plant needs to be evaluated on a power supply cost prospective, not storm hardening since there is no guarantee that plant would be operational for the hours after a storm.

Further, the transmission enhancement program that proposes to include some type of automation or smart grid technology including Supervisory Control and Data Acquisition (SCADA) system, does not include any specific costs and details. As currently described by the Company, the transmission enhance program would not reduce the number of outages or reduce restoration costs. Thus, without any detail about the type of system or actual monetized benefits of the system, this program does not meet the requirements of Rule 25-6.030, F.A.C. (Witnesses: Kollen, Mara)

**STAFF:** Staff has no position at this time.

**ISSUE 4C:** **To what extent is DEF's Storm Protection Plan regarding transmission and distribution infrastructure feasible, reasonable, or practical in certain areas of the Company's service territory, including, but not limited to, flood zones and rural areas?**

**DEF:** DEF's SPP is feasible, reasonable, and practical throughout the Company's service territory. The model used to produce DEF's SPP, detailed in Exhibit No. \_\_\_ (BML-1) and Exhibit No. \_\_\_ (BML-2), considered the geographic location and characteristics of each asset as part of the analysis of the feasibility and reasonableness of implementing the various SPP Programs at each given location. (Howe, Lloyd)

**OPC:** Many of DEF's proposed SPP programs and projects involving transmission and distribution infrastructure in flood zones are neither feasible, reasonable, or practical, but more importantly for this docket, they do not otherwise qualify as SPP programs or projects. A large number of programs and projects that DEF has proposed as SPP programs and projects in flood zones would, absent the Paragraph 4 Stipulation, be more appropriately addressed in a base rate case since they do not harden the system from extreme storm events. Additionally, many programs and projects do not reduce BOTH restoration costs and outage times. (Witnesses: Kollen, Mara)

**FIPUG:** Adopt position of OPC.

**PCS:** Agree with OPC.

**NUCOR:** Agree with OPC.

**WALMART:** Adopt position of OPC.

**STAFF:** Staff has no position at this time.

**ISSUE 4D:** **To what extent is FPL’s Storm Protection Plan regarding transmission and distribution infrastructure feasible, reasonable, or practical in certain areas of the Company’s service territory, including, but not limited to, flood zones and rural areas?**

**FPL:** As explained in Section II of Revised Exhibit MJ-1, FPL has not identified any areas of its service territory where its SPP programs would not be feasible, reasonable, or practical. While all of FPL’s SPP programs are system-wide initiatives, annual activities are prioritized based on certain factors such as last inspection date, last trim date, reliability performance, and efficient resource utilization. At this time, there is no area specifically targeted or prioritized for enhanced performance based on its geographical location. However, starting in 2025, FPL proposes to add a new Management Region selection approach to its Distribution Lateral Hardening Program to target and prioritize areas of highest risk of hurricane impacts, highest concentration of customers, and areas that would require significant transit for out of state crews during an extreme weather restoration event. The criteria and factors used to select and prioritize projects within each SPP program are provided in Section IV of Revised Exhibit MJ-1. (*FPL witness Jarro*)

**OPC:** Many of FPL’s proposed SPP programs and projects involving transmission and distribution infrastructure in flood zones and rural areas are neither feasible, reasonable, or practical, but more importantly for this docket, they do not qualify as SPP programs or projects. A large number of programs and projects that FPL has proposed as SPP programs and projects in flood zones are more appropriately addressed in a base rate case since they do not harden the system from extreme storm events. Additionally, many programs and projects do not reduce BOTH restoration costs and outage times. (Witnesses: Kollen, Mara)

**FIPUG:** Adopt position of OPC.

**SACE:** No position.

**WALMART:** Adopt position of OPC.

**STAFF:** Staff has no position at this time.



**ISSUE 5A: What are the estimated costs and benefits to TECO and its customers of making the improvements proposed in the Storm Protection Plan?**

**TECO:** Tampa Electric estimates that the total costs for its Storm Protection Plan for the 2022-2031 period are \$2,076 million, resulting in a total revenue requirement of \$1,371 million for all Storm Protection Programs or Activities, regardless of where they are recovered. The five programs analyzed by 1898 & Co. are expected to reduce restoration costs by \$380-\$531 million and reduce CMI by 29 percent over the next fifty years depending on future storm frequency and intensity. The company's Vegetation Management Program is expected to improve SAIFI by 15.3 percent, SAIDI by 9.6 percent, and reduce restoration costs by 22.2 percent. (Witness: Pickles, Plusquellic, Latta, De Stigter)

**OPC:** While TECO has presented a cost/benefit analysis, none of the incremental costs of the expanded or new SPP programs have benefits that exceed the costs when the cost/benefit analyses are corrected. If the programs and projects are not economically justified, then the programs and projects cannot be prudent and the costs would be imprudent and unreasonable. (Witnesses: Kollen, Mara)

**FIPUG:** Adopt position of OPC.

**WALMART:** Adopt position of OPC.

**STAFF:** Staff has no position at this time.

**ISSUE 5B: What are the estimated costs and benefits to FPUC and its customers of making the improvements proposed in the Storm Protection Plan?**

**FPUC:** FPUC's estimates that implementation of its SPP for the 2022-2031 period will cost \$147,181,829, as set forth in Exhibit No. PMC-1. Of that amount, \$20,021,100 represents O&M expense, and \$127,160,729 of that amount consisting of Capital Expenditures and the Return Requirement. All proposed programs and subsequent projects provide an economic benefit in more than one way inclusive of reduced restoration costs from facilities which will not require repair following extreme weather events and economic benefits to customers whose power availability will either be uninterrupted or be restored more expeditiously because of these initiatives. The calculated or perceived financial benefit to specific customers because of the availability of power varies by individual customer, business/industry, individual circumstances, or personal choice/perception. (*Witness Cutshaw*).

**OPC:** FPUC is proposing to spend a total capital costs of \$243.1 million plus an incremental \$20 million in O&M costs for the SPP plan. FPUC has provided no dollar benefits. FPUC has provided no dollar benefits and the costs per customer

(\$7,369) is extremely high compared to other Florida utilities. SPP programs and projects should be authorized only if the benefits exceed the costs; in other words, the benefit-to-cost ratio should be at least 100%. FPUC should be required to amend their filing and provide the necessary data for each program as required by Rule 25-6.030, F.A.C. with an opportunity for intervenors to provide review and testimony. (Witnesses: Kollen, Mara)

However, if an amended filing is not required, given FPUC's lack of decision criteria or dollar cost benefits, the Commission should look at the ratio of capital spending per customers. To reduce the excessive increase in rates for all FPUC customers, FPUC's 10-year SPP capital budget should be reduced by \$159.8 million as set forth in OPC Witness Mara's testimony. (Witnesses: Kollen, Mara)

**STAFF:** Staff has no position at this time.

**ISSUE 5C: What are the estimated costs and benefits to DEF and its customers of making the improvements proposed in the Storm Protection Plan?**

**DEF:** The estimated costs and benefits are discussed in detail in Exhibit No. \_\_ (BML-1), broken out by each Program. (Howe, Lloyd, Menendez)

**OPC:** The costs are as set out in the company's Updated SPP. The OPC offers no opinion on the accuracy of the cost estimates, but notes that they exceed the objective, quantifiable benefits. There are no reliable, objective benefits demonstrated by DEF that are fully and accurately quantified in terms of dollars. While DEF has presented a cost/benefit analysis, none of the incremental costs of the expanded or new SPP programs have benefits that exceed the costs when the cost/benefit analyses are corrected. If the programs and projects are not economically justified, then the programs and projects cannot be prudent and the costs would be imprudent and unreasonable. Such projects and programs should not be allowed in the SPP, subject to the Paragraph 4 Stipulation, where applicable. (Witnesses: Kollen, Mara)

**FIPUG:** Adopt position of OPC.

**PCS:** Agree with OPC.

**NUCOR:** Agree with OPC.

**WALMART:** Adopt position of OPC.

**STAFF:** Staff has no position at this time.

**ISSUE 5D: What are the estimated costs and benefits to FPL and its customers of making the improvements proposed in the Storm Protection Plan?**

**FPL:** The estimated costs for each SPP program, including the estimated annual capital costs and operating expenses, are provided in Section IV and Appendix C of Revised Exhibit MJ-1. Each of the SPP programs included in FPL's 2023 SPP have and will continue to provide increased T&D infrastructure resiliency, reduced outage times, and reduced restoration costs when FPL's system is impacted by extreme weather events. The estimate of cumulative reductions in restoration costs and outage times associated with the 2023 SPP will be directly affected by how frequently FPL's service areas is impacted by extreme weather events. Of course, no one can predict with certainty how frequently FPL's service territory will be impacted by strong hurricanes or extreme cold temperatures. However, consistent with historical results, FPL expects that the programs included in the 2023 SPP will result in a reduction of restoration costs and outage times associated with extreme weather events. Consistent with subparts (3)(a), (3)(b), and (3)(d)(1) of Rule 25.6.030, F.A.C., a description the benefits of FPL's 2023 SPP is provided in Section II of the SPP, and the benefits of each program are provided in Section IV of Revised Exhibit MJ-1. (*FPL witness Jarro*)

**OPC:** The Company failed to quantify the dollar benefits of any of its programs and failed to use comparisons of benefits to costs to identify beneficial programs and projects, select and rank those projects, or determine the magnitude of those projects. (Witnesses: Kollen, Mara)

**FIPUG:** Adopt position of OPC.

**SACE:** This information was not fully provided.

**WALMART:** Adopt position of OPC.

**STAFF:** Staff has no position at this time.

**ISSUE 6A: What is the estimated annual rate impact resulting from implementation of TECO's Storm Protection Plan during the first 3 years addressed in the plan?**

**TECO:** The following table shows the full rate impact, regardless of where they are recovered, of the SPP on typical bills:

<b>Tampa Electric's Storm Protection Plan "Total Cost" Customer Bill Impacts (in percent)</b>				
<b>Customer Class</b>				
	Residential 1000 kWh	Residential 1250 kWh	Commercial 1 MW 60 percent Load Factor	Industrial 10 MW 60 percent Load Factor
2022	2.70%	2.70%	1.17%	1.08%
2023	4.13%	4.13%	1.28%	1.19%
2024	5.31%	5.31%	1.37%	1.29%

(Witness: Latta)

**OPC:** Since TECO improperly included certain programs and projects in its proposed SPP, TECO's customer rate impacts are not properly calculated. (Witnesses: Kollen, Mara)

**FIPUG:** Adopt position of OPC.

**WALMART:** No position, as Walmart has not conducted this analysis.

**STAFF:** Staff has no position at this time.

**ISSUE 6B:** **What is the estimated annual rate impact resulting from implementation of FPUC's Storm Protection Plan during the first 3 years addressed in the plan?**

**FPUC:** The estimated annual rate impact associated with implementation of FPUC's SPP is set forth in Section 5.0 of Exhibit No. PMC-1, at page 39, which provides the estimated impact in 2023, 2024, and 2025 for residential, commercial, and industrial customers. (*Witnesses Cutshaw and Waruszewski*).

**OPC:** FPUC is proposing to spend a total capital costs of \$30.7 million. However, FPUC has provided no dollar benefits and the costs per customer (\$7,369) is extremely high compared to other Florida utilities. (Witnesses: Kollen, Mara)

**STAFF:** Staff has no position at this time.

**ISSUE 6C:** **What is the estimated annual rate impact resulting from implementation of DEF's Storm Protection Plan during the first 3 years addressed in the plan?**

**DEF:** The estimated annual rate impacts for the first 3 years of DEF's SPP are provided in Exhibit No. \_\_ (BML-1), page 56 of 56. (Menendez)

**OPC:** The rate impacts are estimated in the proposed Updated Plan. To the extent that they included inappropriate costs or exclude cost savings they are overstated. (Witnesses: Kollen, Mara)

**FIPUG:** Adopt position of OPC.

**PCS:** Agree with OPC.

**NUCOR:** Agree with OPC.

**WALMART:** No position, as Walmart has not conducted this analysis.

**STAFF:** Staff has no position at this time.

**ISSUE 6D: What is the estimated annual rate impact resulting from implementation of FPL’s Storm Protection Plan during the first 3 years addressed in the plan?**

**FPL:** As provided in Section VII of Revised Exhibit MJ-1, the estimated rate impacts for FPL’s typical residential, commercial, and industrial customers for the first three years of the Revised 2023 SPP (2023-2025) are as follows:

Customer Class	2023	2024	2025
Residential (RS-1) (\$/kWh)	\$0.00431	\$0.00604	\$0.00771
Commercial (GSD-1) (\$/kW)	\$0.73	\$1.03	\$1.33
Industrial (GSLDT-3) (\$/kW)	\$0.10	\$0.14	\$0.17

These rate impacts are for all programs included in the Revised 2023 SPP and are based on the total estimated costs as of the time of this filing, which could vary by as much as 10% to 15%, and does not distinguish which costs would be recovered in the SPPCRC and base rates. The amount of FPL’s proposed SPP costs to be included in its SPPCRC rates, including projected costs, actual/estimated costs, actuals costs, and true-up of actual costs, will all be addressed in subsequent filings in SPPCRC dockets pursuant to Rule 25-6.031, F.A.C. (*FPL witness Jarro*)

**OPC:** Since FPL improperly included certain programs and projects in its proposed SPP, FPL’s customer rate impacts are not properly calculated. (Witnesses: Kollen, Mara)

**FIPUG:** Adopt position of OPC.

**SACE:** No position.

**WALMART:** No position, as Walmart has not conducted this analysis.

**STAFF:** Staff has no position at this time.

**ISSUE 7:** Withdrawn.

**ISSUE 8:** Withdrawn.

**ISSUE 9:** **Should the Commission approve, approve with modification, or deny FPL's new Transmission Access Enhancement Program?**

**FPL:** The Commission should approve FPL's new Transmission Access Enhancement Program without modification. A transmission-related outage can result in an outage affecting tens of thousands to hundreds of thousands of customers. In parts of FPL's service area, transmission facilities are located in areas that are not readily accessible for repair/restoration following an extreme weather event, such as low-lying areas, areas prone to severe flooding, or areas with saturated soils. When these facilities are impacted during a storm, they frequently can only be accessed for restoration using specialized equipment, which often has limited availability during storm events and is typically a higher cost than traditional equipment. FPL's proposed Transmission Access Enhancement Program will focus on developing access roads, bridges, and culverts at targeted transmission facilities to ensure they are accessible after an extreme weather event. The Transmission Access Enhancement Program will reduce the need and associated costs for specialized equipment and allow FPL and its contractors to quickly address such outages following an extreme weather event, which would result in a reduction of outage times for tens of thousands to hundreds of thousands of customers following an extreme weather event. OPC's objection to the Transmission Access Enhancement Program is based on the incorrect contention that the purpose of the program is to maintain access and rights-of-way for day-to-day maintenance activities, which it is not. FPL's proposed Transmission Access Enhancement Program is consistent with Rule 25-6.030(2)(b), F.A.C., and was modeled after a similar program agreed to by OPC in a settlement approved by Commission Order No. PSC-2020-0293-AS-EI. Accordingly, FPL's proposed Transmission Access Enhancement Program should be approved as filed. (*FPL witness Jarro*)

**OPC:** The Commission should not approve FPL's Transmission Access Enhancement Program without the modifications recommended by OPC. (Witnesses: Kollen, Mara)

**FIPUG:** Adopt position of OPC.

**SACE:** No position.

**WALMART:** No position, as Walmart has not conducted this analysis.

**STAFF:** Staff has no position at this time.

**ISSUE 10A: Is it in the public interest to approve, approve with modification, or deny TECO’s Storm Protection Plan?**

**TECO:** Yes, it is in the public interest to approve Tampa Electric’s 2022-2031 Storm Protection Plan without modification because that Plan meets all of the requirements of, and will further all of the objectives of, Section 366.96 of the Florida Statutes and Rule 25-6.030 of the Florida Administrative Code. (Witnesses: Pickles, Plusquellic)

**OPC:** The Commission should approve TECO’s SPP with the modifications recommended by OPC. The Commission should make the adjustments as reflected in this table from page 13 of the Direct Testimony of Kevin J. Mara:

Capital	Total 2022-2031 SPP \$Millions	Reductions Proposed by Mara	Net 2022-2031 SPP \$Millions	Reason for Reduction
<b>Distribution Lateral Undergrounding</b>	\$1,070	\$(570)	\$500	Limit impact to customers
<b>Transmission Asset Upgrades</b>	\$139	\$-	\$139	
<b>Distribution - Substation Extreme Weather</b>	\$15	\$(15)	\$-	Does not comply with 25-6.030
<b>Transmission - Substation Extreme Weather</b>	\$14	\$(14)	\$-	Does not comply with 25-6.030
<b>Distribution Overhead Feeder Hardening</b>	\$317	\$(217)	\$100	Limit impact to customers
<b>Transmission Access Enhancements</b>	\$31	\$(31)	\$-	Does not comply with 25-6.030
<b>Distribution Pole Replacements</b>	\$112	\$-	\$112	
<b>Total Capital</b>	\$1,699	\$(847)	\$851	

Also, in determining elements of cost to be included in the SPP for recovery in the SPPCRC, the Commission should further exclude CWIP from both the return on rate base and depreciation expense, and instead allow a deferred return on CWIP until it is converted to plant in service or prudently abandoned. Alternatively, a return on CWIP can be deferred either as an allowance for funds used during

construction (AFUDC) or as a miscellaneous deferred debit. (Witnesses: Kollen, Mara)

**FIPUG:** Adopt position of OPC.

**WALMART:** Walmart believes the public interest would benefit if the Commission directs each utility to continue to collaborate with interested stakeholders during the interim period before their next required updated SPPs to develop ways in which customer-sited generation may be utilized as part of the SPP in order to strengthen the T&D systems and provide customers with lower restoration costs, shorter outage periods, and more reliable electric service overall.

**STAFF:** Staff has no position at this time.

**ISSUE 10B: Is it in the public interest to approve, approve with modification, or deny FPUC's Storm Protection Plan?**

**FPUC:** Yes, the Commission should determine that FPUC's SPP meets the statutory objectives, complies with requirements of Rule 25-6.030, F.A.C., and as such, should be approved as being in the public interest. (*Witness Cutshaw*)

**OPC:** FPUC's Storm Protection Plan programs and projects are not prudent and reasonable and the costs are not reasonable as presented. FPUC is proposing to spend a total capital costs of \$243.1 million plus an incremental \$20 million in O&M costs for the SPP plan. FPUC has provided no dollar benefits. SPP programs and projects should be authorized only if the benefits exceed the costs; in other words, the benefit-to-cost ratio should be at least 100%. FPUC should be required to amend their filing and provide the necessary data for each program as required by Rule 25-6.030, F.A.C. with an opportunity for intervenors to provide review and testimony.

However, if an amended filing is not required, given FPUC's lack of decision criteria or dollar cost benefits, the Commission should look at the ratio of capital spending per customers. To reduce the excessive increase in rates for all FPUC customers, FPUC's 10-year SPP capital budget should be modified and reduced by \$159.8 million as set forth in OPC Witness Mara's testimony. The 10-year capital budget should be modified and reduced by the following from the Table on page 14 of the Direct Testimony of Kevin J. Mara: \$12.6 million for Distribution-OH Lateral Hardening; \$31.1 million for Distribution – OH Lateral Underground; all \$30.0 million for future T&D Enhancements; and all \$86.1 million for Transmission/Substation Resiliency.



Capital	Total 2022-2031 SPP \$Millions	Reductions Proposed by Mara	Net 2022-2031 SPP \$Millions	Reason for Reduction
Distribution - OH Feeder Hardening	\$ 17.1	\$ -	\$ 17.1	
Distribution - OH Lateral Hardening	\$ 24.7	\$ (12.6)	\$ 12.1	Limit impact to customers
Distribution - OH Lateral Underground	\$ 63.3	\$ (31.1)	\$ 32.2	Limit impact to customers
Distribution - Pole Insp. & Replace	\$ 12.6	\$ -	\$ 12.6	
T&D - Vegetation Management	\$ -	\$ -	\$ -	
Future T&D Enhancements	\$ 30.0	\$ (30.0)	\$ -	Does not comply with Rule 25-6.030
Transmission / Substation Resiliency	\$ 86.1	\$ (86.1)	\$ -	Not prudent
Transmission - Inspection and Hardening	\$ 7.1	\$ -	\$ 7.1	
SPP Program Management	\$ 2.2	\$ -	\$ 2.2	

Also, in determining elements of cost to be included in the SPP for recovery in the SPPCRC, the Commission should further exclude CWIP from both the return on rate base and depreciation expense, and instead allow a deferred return on CWIP until it is converted to plant in service or prudently abandoned. Alternatively, a return on CWIP can be deferred either as an allowance for funds used during construction (AFUDC) or as a miscellaneous deferred debit. (Witnesses: Kollen, Mara)

**STAFF:** Staff has no position at this time.

**ISSUE 10C: Is it in the public interest to approve, approve with modification, or deny DEF’s Storm Protection Plan?**

**DEF:** Yes, DEF’s Storm Protection Plan is in the public interest and should be approved without modification. (Howe, Lloyd, Menendez)

**OPC:** Except for the programs/projects that are subject to the Paragraph 4 Stipulation, the plan should not be approved without modification as shown below. Subject to this, caveat for the years 2023 and 2024, the Commission should make the adjustments as reflected in this table from page 13 of the Amended Direct Testimony of Kevin J. Mara:

Capital	Total 2023-2032 SPP \$Millions	Reductions Proposed by Mara	Net 2023-2032 SPP \$Millions	Reason for Reduction
Distribution - Feeder Hardening	\$ 2,027	\$ (500)	\$ 1,527	Limit impact to customers
Distribution - Lateral Hardening	\$ 2,931	\$ (700)	\$ 2,231	Limit impact to customers
Distribution - Self-Optimizing Grid (SOG)	\$ 340	\$ (340)	\$ -	Does not comply with 25-6.030
Distribution - UG Flood Mitigation	\$ 15	\$ (15)	\$ -	Does not comply with 25-6.030
Distribution - Vegetation Management	\$ 23	\$ -	\$ 23	
Transmission - Structure Hardening	\$ 1,603	\$ (200)	\$ 1,403	Does not comply with 25-6.030
Transmission - Substation Flood Mitigation	\$ 38	\$ (38)	\$ -	Does not comply with 25-6.030
Transmission - Loop Radially Fed Substation	\$ 82	\$ (82)	\$ 0	Does not comply with 25-6.030
Transmission - Substation Hardening	\$ 133	\$ (133)	\$ -	Does not comply with 25-6.030
Transmission - Vegetation Management	\$ 126	\$ -	\$ 126	
<b>Total Capital</b>	<b>\$ 7,318</b>	<b>\$ (2,008)</b>	<b>\$ 5,310</b>	

Also, in determining elements of cost to be included in the SPP for recovery in the SPPCRC, the Commission should further exclude CWIP from both the return on rate base and depreciation expense, and instead allow a deferred return on CWIP until it is converted to plant in service or prudently abandoned. Alternatively, a return on CWIP can be deferred either as an allowance for funds used during construction (AFUDC) or as a miscellaneous deferred debit. (Witnesses: Kollen, Mara)

**FIPUG:** Adopt position of OPC.

**PCS:** No. The Commission should deny or modify DEF’s Storm Protection Plan as recommended by OPC to the extent that it includes programs and projects which are not cost beneficial.

**NUCOR:** Agree with OPC.

**WALMART:** Walmart believes the public interest would benefit if the Commission directs each utility to continue to collaborate with interested stakeholders during the interim period before their next required updated SPPs to develop ways in which customer-sited generation may be utilized as part of the SPP in order to strengthen the T&D systems and provide customers with lower restoration costs, shorter outage periods, and more reliable electric service overall.

**STAFF:** Staff has no position at this time.

**ISSUE 10D: Is it in the public interest to approve, approve with modification, or deny FPL’s Storm Protection Plan?**

**FPL:** Yes. FPL’s Revised 2023 SPP meets the objectives of Section 366.96, F.S., satisfies the requirements of Rule 25-6.030, F.A.C., is in the public interest, and should be approved without modification. Safe and reliable electric service is essential to the life, health, and safety of the public and has become a critical component of modern life. While no electrical system can be made completely resistant to the impacts of

hurricanes and other extreme weather conditions, the programs included in the Revised 2023 SPP will collectively provide increased resiliency and faster restoration to the electric infrastructure that FPL’s 5.7 million customers and Florida’s economy rely on for their electricity needs. FPL’s Revised 2023 SPP provides a systematic approach to achieve the legislative objectives of reducing restoration costs and outage times associated with extreme weather events and enhancing reliability. FPL’s Revised 2023 SPP appropriately and effectively maintains and builds on FPL’s commitment to provide safe and reliable electric service to customers, consistent with the needs and expectations of FPL’s customers, and should be approved. (*FPL witness Jarro*)

**OPC:** The Commission should make the adjustments reflected in the table below from page 13 of the Direct Testimony of Kevin J. Mara:

<b>Capital</b>	<b>Total 2023- 2032 SPP \$Millio ns</b>	<b>Reduc tions Propos ed by Mara</b>	<b>Net 2023- 2032 SPP \$Milli ons</b>	<b>Reason for Reduction</b>
<b>Distribution Inspection Program</b>	\$629	\$-	\$629	
<b>Transmission Inspection Program</b>	\$657	\$-	\$657	
<b>Distribution Feeder Hardening Program</b>	\$2,437	\$-	\$2,437	
<b>Distribution Lateral Hardening Program</b>	\$9,389	\$(3,389)	\$6,000	Limit impact to customers
<b>Transmission Hardening Program</b>	\$499	\$-	\$499	
<b>Distribution Vegetation Management Program</b>	\$28	\$-	\$28	
<b>Transmission Vegetation Management Program</b>	\$-	\$-	\$-	
<b>Substation Storm Surge/Flood Mitigation Program</b>	\$16	\$(16)	\$-	Does not comply with 25-6.030
<b>Distribution Winterization Program</b>	\$93	\$(93)	\$-	Does not comply with 25-6.030
<b>Transmission Winterization Program</b>	\$45	\$(45)	\$-	Does not comply with 25-6.030
<b>Transmission Access Enhancement Program</b>	\$116	\$(116)	\$-	Does not comply with 25-6.030
<b>Total Capital</b>	\$13,907.9	\$(3,658.4)	\$10,249.5	

Also, in determining elements of cost to be included in the SPP for recovery in the SPPCRC, the Commission should further exclude CWIP from both the return on rate base and depreciation expense, and instead allow a deferred return on CWIP until it is converted to plant in service or prudently abandoned. Alternatively, a

return on CWIP can be deferred either as an allowance for funds used during construction (AFUDC) or as a miscellaneous deferred debit. (Witnesses: Kollen, Mara)

**FIPUG:** Adopt position of OPC.

**SACE:** The Company should fully provide the required information to make such a determination.

**WALMART:** Walmart believes the public interest would benefit if the Commission directs each utility to continue to collaborate with interested stakeholders during the interim period before their next required updated SPPs to develop ways in which customer-sited generation may be utilized as part of the SPP in order to strengthen the T&D systems and provide customers with lower restoration costs, shorter outage periods, and more reliable electric service overall.

**STAFF:** Staff has no position at this time.

**ISSUE 11A: Should this docket be closed?**

**TECO:** Yes.

**OPC:** Not at this time.

**FIPUG:** Yes.

**WALMART:** Yes.

**STAFF:** Staff has no position at this time.

**ISSUE 11B: Should this docket be closed?**

**FPUC:** Yes.

**OPC:** Not at this time.

**STAFF:** Staff has no position at this time.

**ISSUE 11C: Should this docket be closed?**

**DEF:** Yes.

**OPC:** Not at this time.

**FIPUG:** Yes.

**PCS:** No position.

**NUCOR:** No position.

**WALMART:** Yes.

**STAFF:** Staff has no position at this time.

**ISSUE 11D: Should this docket be closed?**

**FPL:** Yes. This docket should be closed upon the issuance of an appropriate order approving FPL's Revised 2023 SPP without modification.

**OPC:** Not at this time.

**FIPUG:** Yes.

**SACE:** No position.

**WALMART:** Yes.

**STAFF:** Staff has no position at this time.

**IX. EXHIBIT LIST**

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
<u>Direct</u>			
<b><u>FPL</u></b>			
Michael Jarro	FPL	Revised MJ-1 <sup>2</sup>	Florida Power & Light Company Revised 2023-2032 Storm Protection Plan dated July 13, 2022
<b><u>DEF</u></b>			
Brian Lloyd	DEF	BML-1	DEF SPP Program Descriptions and Summaries
Brian Lloyd	DEF	BML-2	DEF SPP Support
Brian Lloyd	DEF	BML-3	DEF Service Area
Amy Howe	DEF	BML-1	DEF SPP Program Descriptions and Summaries - Transmission Portion
Amy Howe	DEF	BML-2	DEF SPP Support-Transmission Portion
Christopher Menendez	DEF	BML-1	DEF SPP Program Descriptions and Summaries - Estimated Revenue Requirements and Estimated Rate Impact
<b><u>TECO</u></b>			
David A. Pickles	TECO	Revised DAP-1	Tampa Electric's 2022-2031 Storm Protection Plan

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<sup>2</sup> Note: On July 11, 2022, FPL formally withdrew both the Distribution Winterization Program and the Transmission Winterization Program in their entirety. On July 13, 2022, FPL filed a Revised 2023 SPP (Revised Exhibit MJ-1) that reflects the withdrawal of these programs in their entirety. Errata sheet and corrected direct testimony filed on July 26, 2022.

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Richard J. Latta <sup>3</sup>	TECO	RJL-1	Total Revenue Requirements by Program
David L. Plusquellic	TECO	Revised DLP-1	1. Projected Costs Versus Benefits by Program 2. Project Detail – Distribution Lateral Undergrounding Program 3. Accenture Vegetation Management SPP Analytic Support Report Project Detail – Transmission Asset Upgrades Program 5. Substation Hardening Study 6. Project Detail – Substation Extreme Weather Hardening Program 7. Project Detail – Distribution Overhead Feeder Hardening Program 8. Project Detail – Transmission Access Enhancement Program

**FPUC**

P. Mark Cutshaw	FPUC	PMC-1	FPUC Storm Protection Plan 2022-2031
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**OPC: TECO**

Lane Kollen	OPC	LK-1	Resume of Lane Kollen
Lane Kollen	OPC	LK-2	Summary of Each Utility’s Decision Criteria
Kevin J. Mara	OPC	KJM-1	Curriculum Vitae of Kevin J. Mara
Kevin J. Mara	OPC	KJM-2	TECO Response to OPC’s Second Set of Interrogatories, No. 50

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<sup>3</sup> Notice of witness substitution filed on May 11, 2022 substituting testimony of Richard J. Latta for that of A. Sloan Lewis filed on April 11, 2022.

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Kevin J. Mara	OPC	KJM-3	TECO Response to OPC's Second Set of Interrogatories, No. 39
Kevin J. Mara	OPC	KJM-4	FEMA Chronology – National Flood Insurance Program
Kevin J. Mara	OPC	KJM-5	TECO 2020-2029 Storm Protection Plan
Kevin J. Mara	OPC	KJM-6	Report: Resilience for Black Sky Days
Kevin J. Mara	OPC	KJM-7	TECO Substation Changes
<b><u>OPC: FPUC</u></b>			
Lane Kollen	OPC	LK-1	Resume
Lane Kollen	OPC	LK-2	Summary of Each Utility's Decision Criteria
Lane Kollen	OPC	LK-3	OPC's Third Set of Interrogatories No. 13
Lane Kollen	OPC	LK-4	OPC's Third Set of Interrogatories No. 14
Lane Kollen	OPC	LK-5	OPC's Second Set of Interrogatories No. 9
Lane Kollen	OPC	LK-6	OPC's Third Set of Interrogatories No. 19
Lane Kollen	OPC	LK-7	OPC's Third Set of Interrogatories No. 20
Kevin J. Mara	OPC	KJM-1	Curriculum Vitae
Kevin J. Mara	OPC	KJM-2	Florida 2018 Hurricane Preparedness Report
Kevin J. Mara	OPC	KJM-3	138 KV Transmission Line Alt 1A
Kevin J. Mara	OPC	KJM-4	Fernandina Observer Article
Kevin J. Mara	OPC	KJM-5	DOE CHP Dataset



<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
<b><u>OPC: DEF<sup>4</sup></u></b>			
Lane Kollen	OPC	LK-1	Resume of Lane Kollen
Lane Kollen	OPC	LK-2	Summary of Each Utility's Decision Criteria
Kevin J. Mara	OPC	KJM-1	Curriculum Vitae of Kevin J. Mara
Kevin J. Mara	OPC	KJM-2	DEF's Response to OPC POD 1 Q. 1
Kevin J. Mara	OPC	KJM-3	Duke 2020-2029 SPP JWO-2
Kevin J. Mara	OPC	KJM-4	DEF's Response to OPC POD no. 21
Kevin J. Mara	OPC	KJM-5	Duke 2020-2029 SPP JWO-1
Kevin J. Mara	OPC	KJM-6	FEMA Chronology NFIP
Kevin J. Mara	OPC	KJM-7	DEF's Response to OPC Interrogatories 1-8
<b><u>OPC: FPL</u></b>			
Lane Kollen	OPC	LK-1	Resume of Lane Kollen
Lane Kollen	OPC	LK-2	Summary of Each Utility's Decision Criteria
Lane Kollen	OPC	LK-3	FPL's Response to OPC's Third Set of Interrogatories, No. 14
Kevin J. Mara	OPC	KJM-1	Curriculum Vitae of Kevin J. Mara
Kevin J. Mara	OPC	KJM-2	FEMA Chronology – National Flood Insurance Program

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<sup>4</sup> Lane Kollen and Kevin J. Mara submitted Amended Direct Testimony on June 27, 2022, appended to an unopposed motion which was granted in Order No. PSC-2022-0271-PCO-EI.

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Kevin J. Mara	OPC	KJM-3	FPL's Response to OPC's First PODs, No.1
Kevin J. Mara	OPC	KJM-4	Order No. PSC 2020-0293-AS-EI
Kevin J. Mara	OPC	KJM-5	FPL's Response to OPC's Fifth PODs, No. 33
 <u>Rebuttal</u>			
 <b><u>FPL</u></b>			
Michael Jarro	FPL	MJ-2	FPL's Response to OPC Fourth Set of Interrogatories No. 50
 <b><u>DEF</u></b>			
Brian Lloyd	DEF	BML-4	DEF SPP Self-Healing Team Benefits Report
 <b><u>FPUC</u></b>			
Robert C. Waruszewski	FPUC	RCW-1	Estimated Period 2022-2031 – Return on Capital Investments, Depreciation and Taxes

Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

**X. PROPOSED STIPULATIONS**

None at this time.

**XI. PENDING MOTIONS**

There are no pending motions. A separate written order will follow that addresses the following granted motions to strike and FPUC's granted request to remove redundant and immaterial testimony:

**FPL:** FPL's Motion to Strike Certain Portions of the Testimony of the Office of Public Counsel Witness Kollen, filed July 13, 2022.

**DEF:** DEF's Motion to Strike Testimony (Certain Portions of Witness Kollen), filed July 19, 2022.

**TECO:** TECO's Motion to Strike Certain Portions of the Testimony of the Office of Public Counsel Witness Kollen, filed July 20, 2022.

**FPUC:** FPUC filed a letter on July 20, 2022, requesting that the portions of Witness Kollen's testimony be stricken as redundant and immaterial, if FPL's, DEF's, and TECO's Motions to Strike Certain Portions of the Testimony of the Office of Public Counsel Witness Kollen were granted.

## **XII. PENDING CONFIDENTIALITY MATTERS**

There are no pending confidentiality matters.

## **XIII. POST-HEARING PROCEDURES**

If no bench decision is made, each party shall file a post-hearing statement of issues and positions. A summary of each position, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of this Prehearing Order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words; however, the Parties are allowed 75 words for 4 issues of their choice. If a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

Pursuant to Rule 28-106.215, F.A.C., a party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 40 pages and shall be filed at the same time, and no later than September 1, 2022 .

## **XIV. RULINGS**

### Opening Statements and Witness Summaries

Opening statements, if any, shall not exceed 5 minutes per party, except for OPC, who is allotted 7 minutes.

Utility Witness summaries, if any, shall not exceed 3 minutes per witness for Direct and 3 minutes for Rebuttal. OPC's witnesses shall receive 10 minutes each.

It is therefore,

ORDERED by Commissioner Mike La Rosa, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Commissioner Mike La Rosa, as Prehearing Officer, this 1st day of August, 2022.



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Mike La Rosa  
Commissioner and Prehearing Officer  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399  
(850) 413-6770  
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

WLT/JDI

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.