



ORIGINAL

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COMMISSION  
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March 8, 2005

VIA HAND DELIVERY

Ms. Blanca S. Bayó, Director  
Division of the Commission Clerk and  
Administrative Services  
Florida Public Service Commission  
Betty Easley Conference Center  
2540 Shumard Oak Boulevard, Room 110  
Tallahassee, FL 32399-0850

Re: Petition for authority to recover prudently incurred storm restoration costs related to 2004 storm season that exceed storm reserve balance, by Florida Power & Light Company - ~~Docket No. 041291-EI~~

Dear Ms. Bayó:

Enclosed for filing in the above-referenced docket are the original and fifteen (15) copies of Rebuttal Testimonies and exhibits of Florida Power & Light Company's Witnesses Geisha J. Williams, Moray P. Dewhurst, K. Michael Davis, and William E. Avera.

Please indicate receipt of this document by stamping the enclosed extra copy of this letter. Please contact me should you or your Staff have any questions regarding this filing.

Sincerely,

*R. Wade Litchfield*  
for R. Wade Litchfield

Williams - 02334-05  
Dewhurst - 02335-05  
Davis - 02336-05  
Avera - 02337-05

- CMP \_\_\_\_\_
- COM 5
- CTR org
- ECR 1
- GCL 1 RWL:ec
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**CERTIFICATE OF SERVICE**

I **HEREBY CERTIFY** that true and correct copies of the foregoing Rebuttal Testimonies in Docket No. 041291-EI, have been furnished by hand delivery(\*) and U.S. Mail this 8<sup>th</sup> day of March, 2005, to the following:

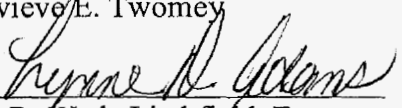
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**ORIGINAL**

**BEFORE THE FLORIDA  
PUBLIC SERVICE COMMISSION**

**DOCKET NO. 041291-EI  
FLORIDA POWER & LIGHT COMPANY**

**IN RE: FLORIDA POWER & LIGHT COMPANY'S  
PETITION FOR AUTHORITY TO RECOVER  
PRUDENTLY INCURRED STORM RESTORATION COSTS  
RELATED TO THE 2004 STORM SEASON  
THAT EXCEED THE STORM RESERVE BALANCE**

**March 8, 2005**

**REBUTTAL TESTIMONY & EXHIBITS OF:**

**GEISHA J. WILLIAMS**

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                               **FLORIDA POWER & LIGHT COMPANY**

3                               **REBUTTAL TESTIMONY OF GEISHA J. WILLIAMS**

4                                       **DOCKET NO. 041291-EI**

5                                       **MARCH 8, 2005**

6

7   **Q.    Please state your name and business address.**

8    A.    My name is Geisha J. Williams. My business address is Florida Power & Light  
9            Company, 9250 W. Flagler Street, Miami, Florida, 33174.

10 **Q.    By whom are you employed and what is your position?**

11 A.    I am employed by Florida Power & Light Company (FPL or the Company) as  
12            Vice President, Distribution.

13 **Q.    Please describe your duties and responsibilities in that position.**

14 A.    I am responsible for the planning, engineering, construction, operations,  
15            maintenance, and restoration of FPL's Distribution infrastructure. During storm  
16            restorations, I assume the additional role of FPL's Emergency Operations Officer.  
17            In this capacity, I am responsible for the overall coordination of all restoration  
18            activities to ensure the successful implementation of FPL's restoration strategy, to  
19            restore service to our customers as quickly as possible.

20 **Q.    Please describe your educational background and professional experience.**

21 A.    I have a Bachelor of Science degree in industrial engineering from the University  
22            of Miami and a Masters of Business Administration from Nova Southeastern  
23            University. I joined FPL in 1983 and have served in a variety of positions in

1 distribution operations, customer service, and marketing. I have been manager of  
2 commercial/industrial marketing, regional manager of customer service, and  
3 manager of external affairs. I also am a member of the Dean's Advisory Council  
4 for the College of Engineering at Florida International University, a member of  
5 the Association of Edison Illuminating Companies' Power Delivery Committee, a  
6 member of Leadership Florida Class XXIII, a former commissioner of the 11th  
7 Circuit Judicial Nominating Commission, and a former director of the Florida  
8 Chamber of Commerce Management Corporation.

9 **Q. Are you sponsoring an exhibit in this case?**

10 A. Yes. I am sponsoring an exhibit consisting of two documents, GJW-1 and  
11 GJW-2, which are attached to my rebuttal testimony.

12 **Q. What is the purpose of your testimony?**

13 A. The purpose of my testimony is to rebut assertions made by the Office of Public  
14 Counsel's (OPC) witness, Mr. Michael J. Majoros, Jr., that expenses for projects  
15 identified by FPL in response to OPC's request for production of documents  
16 (POD) No. 19 are being inappropriately charged to the Storm Damage Reserve. I  
17 will also refute his speculation that facility replacements may not be a result of  
18 hurricane damage, but instead "...are because the facilities are old and worn  
19 out..."

20 **Q. Please describe the projects included in OPC POD No. 19.**

21 A. This POD requested a listing of all projects included in the storm recovery  
22 expenses that exceed \$100,000 and were not complete as of December 31, 2004.  
23 An updated version of that list is attached to my testimony as Document No.

1 GJW-1. The list includes a description of each project, a justification for charging  
2 the cost to the Storm Damage Reserve, and any cost estimate updates, if  
3 applicable.

4 **Q. Please summarize Mr. Majoros' assertions that are the subject of your**  
5 **rebuttal testimony.**

6 A. On pages 16 through 17 of his testimony, Mr. Majoros contends that some costs  
7 are inappropriate to be charged to the Storm Damage Reserve because they relate  
8 to future Company operations and not to actual storm restoration efforts. He  
9 therefore argues that they should not be charged to the Storm Damage Reserve.  
10 He singles out two specific projects that he labels as "clearly inappropriate." For  
11 the other projects, he insinuates that the costs may be inappropriate because they  
12 occur after the time when all customers' service has been restored. In this  
13 instance, his rationale is that since customers' service is already restored they  
14 have no way of knowing whether these charges truly arise from hurricane  
15 restoration efforts or equipment which has exceeded its useful life or, by  
16 extension, was inadequately maintained.

17 | **Q. Are Mr. Majoros' assertions reasonable and correct?**

1 status. Further, he does not appear to understand the specific nature of the  
2 individual projects nor FPL's operational practices.

3 **Q. Please describe the first phase of the storm restoration process and assess**  
4 **FPL's performance.**

5 A. The first phase is the restoration of service to customers. Customers expect that  
6 FPL will make every effort to get the power back on as quickly as possible. As  
7 Mr. Dewhurst notes in his testimony, all levels of government in Florida also  
8 expected no less and communicated this to FPL on a daily basis. Therefore,  
9 FPL's primary mission is to safely restore the greatest number of customers in the  
10 least amount of time so that the communities we serve are able to return to  
11 normalcy as rapidly as possible. To accomplish this, we initially only do the work  
12 required to restore electric service for our customers. Our focus and purpose is  
13 devoted solely and exclusively to rapid restoration of service even where  
14 accomplishment of that goal requires necessary increases in costs that would not  
15 be needed under normal operations. One such example of a cost which is not  
16 necessary during normal operations would be the preparation of airports used for  
17 parking hundreds of trucks and distributing materials. Of course, under no  
18 circumstances do we compromise safety for the sake of speed. This approach,  
19 successfully implemented during the 2004 restorations, is consistent with industry  
20 practice and the expectations of State and local governmental officials.

21  
22 During last year's unprecedented hurricane season, even with three storms  
23 making landfall in our territory back-to-back-to-back within six weeks, we

1 restored over 75% of the affected customers by the third day after each storm.  
2 This was accomplished even during Hurricane Frances when 2.8 million customer  
3 outages occurred – the most ever experienced by a single U.S. utility. Our ability  
4 to scale up operations, effectively manage the extraordinary number of workers  
5 we were able to procure for the restoration efforts, and manage more than twice as  
6 many staging sites than ever before proved critical to restoring service quickly.

7 **Q. On pages 3 and 15 of his testimony, Mr. Majoros acknowledges that FPL**  
8 **spent “enormous sums of money to repair its system and restore service” and**  
9 **that “three major hurricanes in a single year is at best unusual for FPL and**  
10 **its ratepayers.” Has an independent third party evaluated FPL’s**  
11 **performance and the benefits realized by its customers as a result of these**  
12 **expenditures?**

13 A. Yes. It has always been FPL’s practice following every hurricane season to  
14 assess our restoration performance and search for any potential enhancement  
15 opportunities. As a result of the unprecedented nature of this past year’s storm  
16 season, Davies Consulting, Inc. (DCI) performed an independent assessment of  
17 our restoration processes, implementation and infrastructure performance. DCI  
18 has conducted similar analyses for utilities that have experienced major hurricanes  
19 and/or ice storms, including Duke Power, Potomac Electric Power Company and  
20 American Electric Power. In my experience, the facts and data utilized by DCI in  
21 developing the assessment attached to my testimony as Document No. GJW-2 are  
22 the type that are typically relied upon, and properly so, in evaluating post-  
23 hurricane service restoration performance. I have reviewed their assessment of



1 FPL's performance and the assumptions underlying its findings and agree with the  
2 conclusions and recommendations. DCI concluded that FPL met or exceeded  
3 standard industry practices in virtually every facet of the restoration, particularly  
4 in the areas of infrastructure performance, crew and logistics mobilization,  
5 restoration planning and implementation, and FPL's ability to restore a large  
6 percentage of customers within the first few days. In DCI's opinion, no other  
7 U.S. utility could have addressed the restoration effort in a six-week period as  
8 successfully as FPL did. The receipt earlier this year of the Edison Electric  
9 Institute (EEI) award for emergency response (our third in the past four years)  
10 provided further validation of FPL's recognized industry-leading expertise.

11 **Q. Can you explain the second phase of the storm restoration process and what**  
12 **implications this has for the appropriateness of expenses being charged to the**  
13 **Storm Damage Reserve?**

14 A. Yes. The purpose of the second phase of the restoration process is to return FPL's  
15 facilities to their pre-storm condition. These permanent repairs go beyond the  
16 minimum work initially needed just to restore customers' services. However, this  
17 follow-up work is critical to ensuring full operational restoration of the network  
18 including such matters as the network's stability and reliability. This phase also  
19 includes remaining repairs to power plants, to communications infrastructure and  
20 to other facilities. To determine what work is needed, we first conduct  
21 inspections and then initiate the indicated repairs. As previously mentioned, to  
22 minimize customers' inconvenience from restoration delays, these repairs are only  
23 undertaken after all customers have been restored. In the industry, it is not

1 unusual for follow-up work to take many months to complete; in fact, more than a  
2 year was required for this type of work after Hurricane Andrew.

3

4 One example of this follow-up type of repair would be installing new lightning  
5 arrestors to replace those damaged by the storm. These devices are not vital to  
6 getting customers' power back on initially. However, because they protect our  
7 equipment from lightning damage, they are necessary to reestablish the system's  
8 day-to-day reliability so these customers will remain in service. Such permanent  
9 repairs could be done during the first phase of restoration. However, because this  
10 approach would greatly slow down the speed of restoring customers' services, we  
11 do not believe it to be in our customers' interests nor consistent with the public  
12 policy of Florida. What is clear is that any costs incurred during this phase of the  
13 restoration process, including an inspection or a repair, are a direct result of the  
14 hurricanes and appropriately charged to the Storm Damage Reserve because they  
15 would not be otherwise performed as part of normal business operations.

16 **Q. On pages 16 and 17 of his testimony, Mr. Majoros cites two programs as**  
17 **examples of "clearly inappropriate" expenses to be charged to the Storm**  
18 **Damage Reserve. Are his allegations correct?**

19 **A.** No. Mr. Majoros' assertions are without merit. He appears to be unaware of the  
20 exact nature of these projects. Each is directly related to storm follow-up work,  
21 not to present or future normal operations. The first project I will discuss is  
22 identified on Document No. GJW-1, page 1 as "3<sup>rd</sup> Party Assessment of  
23 Dangerous/Hazardous Vegetation Conditions." On page 17, line 2 of his

1 testimony, Mr. Majoros inaccurately characterizes this project as an  
2 "...assessment to determine the relative state of vegetative conditions post storm."  
3 He is wrong. The project's purpose is not to conduct a broad, general survey of  
4 post-storm vegetation conditions, rather it is a targeted assessment of those  
5 specific areas where vegetation removal was required as a result of the storm to  
6 identify any remaining hazardous conditions to be addressed. In many instances  
7 during the first phase restoration work, only the minimum vegetation removal is  
8 performed to enable the immediate, necessary repairs to be made to restore  
9 service. A follow-up assessment is required to determine what additional storm-  
10 related removal may be necessary to facilitate the permanent repairs. The  
11 expenses for this project are part of the storm restoration effort and are  
12 appropriately charged to the Storm Damage Reserve.

13  
14 The other project Mr. Majoros specifically mentions is identified in Document  
15 No. GJW-1 as "Hurricane Salt Spray and Storm Surge Water Intrusion Damage."  
16 The purpose of this project is to evaluate the impact of any water and salt  
17 contamination to underground facilities stemming from the hurricanes. Mr.  
18 Majoros questions whether this is in fact hurricane-related. Again, he seems to be  
19 under the impression that this is a generic study FPL would conduct during the  
20 normal course of business operations. In fact, as with the previous example, this  
21 particular project was necessitated solely by the impact of the hurricanes on  
22 particular coastal communities. It is specifically targeted to the areas affected by  
23 the storms' high winds and waves – not just any coastal location served by FPL.  
24 This practice is a result of experience from Hurricane Andrew when entire

1 subdivisions were impacted by storm surge requiring hundreds of transformers to  
2 be washed and thousands of feet of cable to be injected to preserve their  
3 remaining life. It is therefore prudent to investigate facilities in areas affected by  
4 storm surge and salt spray and treat as warranted. As an aside, I can report that so  
5 far the damage found has been much less than anticipated. As such, we have  
6 updated the estimate to be approximately \$128,000. Contrary to Mr. Majoros'  
7 speculation, this project is storm-related because there is no reason for FPL to  
8 conduct this type of assessment absent a hurricane; therefore, it is appropriately  
9 charged to the Storm Damage Reserve.

10 **Q. Do you agree with Mr. Majoros' contention that other projects from OPC**  
11 **POD No. 19 may not be appropriate for charging to the Storm Damage**  
12 **Reserve?**

13 A. No. Mr. Majoros again fails to offer any actual support for his conjecture. He  
14 instead merely insinuates that these expenses may be improperly treated. First he  
15 contends that some expenses may be inappropriate because they occurred after the  
16 time when all customers have been restored. As I have previously explained, this  
17 rationale fails to recognize that there will always be necessary follow-up work.  
18 Mr. Majoros' second contention is that customers are unable to know whether  
19 these charges are related to hurricane recovery. In Document No. GJW-1 I have  
20 provided descriptions for each project and identified their linkage to the storm  
21 restoration effort. As can be seen, Mr. Majoros' assertions regarding all of these  
22 projects are not supported by any evidence. Based on this information, the  
23 expenses for each are appropriately charged to the Storm Damage Reserve.

1 **Q. Are there any current updates to the original estimates provided in FPL's**  
2 **response to OPC's POD No. 19 not previously described in your testimony?**

3 A. Yes. As is the case with any estimate, refinement occurs continuously as more  
4 information becomes available and work progresses. A number of the projects  
5 have had changes, all of which are detailed in Document No. GJW-1. Overall, the  
6 updated aggregate estimate has decreased by about \$400,000 (or 1%) from the  
7 original amount of about \$42.6 million to \$42.2 million. These updates are driven  
8 by new information that has changed either the scope of the work (as with the  
9 storm surge example described earlier) or due to actual cost data replacing  
10 estimates. It is reasonable to expect further changes in individual project  
11 estimates, both up and down, over the coming months.

12 **Q. Has there been any impact on operations as a result of resources being**  
13 **diverted to the restoration efforts?**

14 A. Yes. Certain work needed to be postponed while the crews performed storm-  
15 related repairs. One such example would be relocation of facilities due to a  
16 customer-required road widening. This type of work would, of course, be  
17 deferred until after the first restoration phase was complete. But typically, a road  
18 project's overall deadline does not change. Catching up on this type of work  
19 obviously impacts normal ongoing operations until the backlog is completed,  
20 either through additional overtime hours or engaging additional contractors. The  
21 incremental costs associated with catch up work are charged to normal operating  
22 accounts, not the Storm Damage Reserve.

1 **Q. Is Mr. Majoros' contention that facilities are "old and worn out", and by**  
2 **inference, inadequately maintained, reasonable and correct?**

3 A. No. Mr. Majoros offers no factual support for these inferences. He speculates  
4 that replacements may not be a result of hurricane damage, but instead "...are  
5 because the facilities are old and worn out..." FPL has no incentive to defer  
6 system maintenance, and such an action would incur additional business risks.  
7 Inadequate maintenance would cause day-to-day reliability to degrade, a situation  
8 that would be unacceptable to our customers, the Florida Public Service  
9 Commission, as well as the Company. Over the past several years, FPL has  
10 invested about \$150 million annually for reliability enhancement projects. In fact,  
11 our day-to-day reliability performance, which can be viewed as a reasonable  
12 gauge of system integrity, is excellent. In 2003 and 2004, FPL's results for  
13 average annual outage time, as measured by the System Average Interruption  
14 Duration Index (SAIDI), were the best in Florida. Also, based on the EEI's 2003  
15 Reliability Report, our performance ranks nationally among the industry leaders  
16 and is 50% better than the industry average. A utility, such as FPL, located in a  
17 region with one of the highest lightning exposures in the world and a year-round  
18 growing season could not achieve such reliability performance if maintenance  
19 was being deferred.

20  
21 A further validation of whether maintenance practices have been adequate is how  
22 well the infrastructure withstood the impact of the hurricanes. Based on the  
23 modest amount of facilities requiring replacement, infrastructure performance was

1           excellent. Even after being impacted by three storms, ranging in strength from  
2           Category 2 to 4, only 1% of FPL's one million plus poles required replacement.  
3           Even in the worst hit areas, 96% of the poles did not fail. Additionally, only 1.5%  
4           of transformers required replacement which was mostly due to physical damage  
5           (e.g., debris impact or falling poles), not electrical failure. Few of the poles failed  
6           due to wind stress alone and the amount of wire replaced was minimal (less than  
7           1%) with most repairs accomplished by splicing.

8   **Q.   Please summarize your testimony.**

9   A.   All of Mr. Majoros' assertions that the expenses for the projects included in  
10       OPC's POD No. 19 are inappropriate to be charged to the Storm Damage  
11       Reserve are unsupported by the evidence. Each of his contentions is a product of  
12       incomplete information, speculation, faulty reasoning, or lack of understanding  
13       of the restoration processes and the projects themselves. In no case does he offer  
14       any facts to support his claims. As a result, his allegations are neither  
15       reasonable, nor correct, nor valid.

16  
17       FPL has only included projects that represent actual repair or follow-up work to  
18       repair damage resulting directly from the 2004 hurricanes. As such, all expenses  
19       are clearly appropriate to be charged to the Storm Damage Reserve.

20  
21       Finally, FPL's infrastructure has been demonstrated to be very resilient on both a  
22       day-to-day basis and under the impact and duress of the three hurricanes  
23       experienced last year. This excellent performance supports the clear conclusion

1           that FPL has been implementing effective and adequate maintenance practices all  
2           along and that we are not embedding normal operational expenses in the  
3           restoration costs charged to the Storm Damage Reserve.

4   **Q.    Does this conclude your rebuttal testimony?**

5   **A.    Yes.**



**Projects > \$100,000 Not Completed as of 12/31/04**

POD Item	Project Description	Cost Estimate
<b>Distribution System Facilities</b>		
1	<u>3<sup>rd</sup> Party Assessment of Dangerous / Hazardous Vegetation Conditions.</u> Identify & clear dangerous conditions in hurricane-affected areas that require further trimming & clearance work. Trimming during the restoration effort was focused on clearing just what was required to restore service in the least amount of time.	\$341,000
6	<u>Hurricane Salt Spray &amp; Storm Surge Water Intrusion Damage.</u> Perform repairs & wash approximately 1,600 pieces of pad mount equipment (i.e. transformers, switch cabinets) in coastal areas that were exposed to storm surge & hurricane force spray salt water. Original estimate assumed that potentially 10% of units had salt water intrusion into cables & required cable injection to eradicate. However, inspection revealed little intrusion into the cables.	Original \$1,035,520 Updated \$128,000
14, 15	<u>Distribution Overhead Feeder &amp; Lateral Infrastructure.</u> Visually inspect & repair selected overhead feeder & lateral line sections for specific items not in compliance with FPL's construction standards in the storm-affected areas.	Feeder: Original \$6,442,600 Updated \$5,615,000 Lateral - \$11,040,400
27, 32	<u>Distribution Field Recloser Switches, Voltage Regulators &amp; Capacitors.</u> Re-install / replace damaged equipment affected by the 2004 hurricanes.	\$460,000 \$423,000
33	<u>Streetlight System.</u> Make repairs to return to pre-storm condition. Repairs are typically addressed during the follow-up phase, but performed as soon as possible to ensure public safety.	\$5,211,760
37	<u>Overhead Feeder Data Integrity Update.</u> Perform field audit of overhead feeder facilities & update FPL record data bases with changes in placement, status, & current type or configuration.	\$1,498,656
<b>Staging Site Work Bases</b>		
13, 34, 36	<u>Non-FPL Property.</u> Return airport staging sites to "as found condition." Repairs include; curbing, clearance lights, fencing, asphalt, power sweep of runways & taxiways, removal of crushed stone from grass runways, & re-sod. Scope of work refined based on completed evaluations as work has progressed.	Original \$610,000 Updated \$395,682
<b>Transmission Lines, Structures &amp; Equipment</b>		
3	<u>Cocoa Area Culverts.</u> Repair / replace 13 culverts damage by collapse and/or wash-out from hurricanes.	\$100,000
5	<u>Deland - Putnam 115kV Line.</u> Replace 4 structures damaged during the hurricanes.	\$136,580
10, 11	<u>Martin - Bryant 69 kV Line.</u> Replace damaged insulators. This line has not yet been	\$581,903 \$ 2,573,882
28	<u>Micco - West &amp; Delmar - Yamato Lines.</u> Replace damaged insulators at 50 locations on Micco-West & 17 locations on Delmar - Yamato. Estimate updated based on actual cost for Micco-West.	Original \$294,707 Updated \$296,385

**Projects > \$100,000 Not Completed as of 12/31/04**

POD Item	Project Description	Cost Estimate
35	<u>South Bay - Bryant 69 kV Line.</u> Remove / retire approximately 1.5 miles of transmission line. Temporary measures following the hurricanes were utilized to restore service. The cost to restore to pre-storm conditions is less economical than to remove & retire following completion of items #10 & 11.	\$400,000
38	<u>Whidden - Morris 69 kV Line.</u> Replace 9 structures in order to repair hurricane damage & return facilities to pre-storm conditions.	\$122,712
<b>Radio Towers, &amp; Antennas</b>		
12	<u>Emergency Operations Facility Tower, Shelter &amp; Radio Equipment.</u> Replace the 180' radio tower at Midway Service Center that fell to the ground during Hurricane Frances & severely damaged the radio equipment shelter causing water damage to radio equipment inside.	Original \$250,000 Updated \$269,000
29, 30	<u>Antenna Systems / Radio Towers.</u> Inspect integrity & repair tower structure, guy wires, antenna systems, FAA-required lighting systems, DC battery plants, & air conditioning for multiple installations.	Original \$238,780 Updated \$1,235,440
<b>Power Generation</b>		
17	<u>Cape Canaveral Plant.</u> Repair south intake water shoreline erosion damaged by hurricane winds & waves.	\$150,000
18, 21, 25	<u>Manatee, Martin, &amp; Port Everglades Plants Insulation &amp; Metal Lagging.</u> Remove, replace & repair hurricane damage on Manatee Units #1 & #2, Martin Units #1 & #2, & all four units at Port Everglades. The estimate for Martin plant has been updated to reflect revised damage assessments & scope of work. The updated cost for Port Everglades reflects a refined scope of work.	Manatee - \$606,881 Martin: Original \$5,418,567 Updated \$5,281,162 Port Everglades: Original \$1,341,507 Updated \$1,405,017
19	<u>Martin Plant Cooling Water Intake Booms.</u> Replace the damage from failure caused when large masses of uprooted vegetation were blown against them. The booms are designed to divert semi-submerged/floating vegetation from the cooling water intake.	\$102,194
20	<u>Martin Plant Building &amp; Grounds.</u> Re-roof 2 buildings & repair roofing, gutters & down-spouts on several other buildings, plus removal of debris. The original estimate was limited to building repair, the updated amount also includes landscaping & roof repairs.	Original \$201,097 Updated \$453,761
22	<u>Martin Plant Lighting.</u> Repair / replace electrical, street, parking lot, boiler, intake lighting & lightning protection. The estimate was updated to include additional damage identified during repairs.	Original \$263,757 Updated \$272,796
23	<u>Martin Plant Cooling Pond, Dikes &amp; Discharge.</u> Repairs required include excavation of damaged areas & backfill with soil plus cover with rock rip rap. The estimate was updated for additional work on the splitter dike.	Original \$209,000 Updated \$368,100

**Projects > \$100,000 Not Completed as of 12/31/04**

POD Item	Project Description	Cost Estimate
24	<u>Martin Plant Unit 1 Gas Duct</u> . Remove & replace damaged roof & trusses plus replace the gas duct insulation & lagging. Updated estimate reflects scope refinement & contractor bids.	Original \$220,335 Updated \$216,953
26	<u>Riviera Plant 'C' Fuel Oil Storage Tank</u> . Repair holes in the top 3 feet of sides &	\$746,000
<b>Corporate Facilities</b>		
2	<u>Boca Grande Oil Terminal – Pier</u> . Repair / replace concrete planks damaged by storm surge.	\$100,000
4	<u>Customer Service East Interior Restoration</u> . Mold remediation & waterproofing exterior of building plus water damage restoration	\$108,900
7	<u>Juno Beach Building D Roof</u> . Replace damaged roofing & soffit. The project cost was updated for additional in-progress roofing & to replace the soffit on south side.	Original \$330,000 Updated \$540,000
8	<u>Juno Beach Interior Restoration for Buildings C, D &amp; E</u> . Restore offices including drywall replacement damage from water intrusion & mold remediation due to building D roof damage. Also, water intrusion along the exterior of buildings C & E necessitated drywall replacement. This restoration is required to ensure that the offices are safe for occupancy.	\$260,000
9	<u>Juno Beach Landscaping</u> . Cleanup & restoration of site including nature preserve areas to pre-storm condition. Plant availability has delayed project completion.	\$272,500
16	<u>Physical Distribution Center - Interior of Buildings B1 &amp; B2</u> . Restoration includes interior drywall & insulation replacement, damaged exterior window seals & stucco repairs.	\$100,000
31	<u>Research &amp; Evaluation Lab (Physical Distribution Center)</u> . Repairs include partial roof replacement, west bay wall structure & replacement of the warehouse rolling door. The updated cost reflects a refined scope of work.	Original \$385,000 Updated \$420,000
		<b>\$42,233,664</b>

Exhibit No. \_\_\_\_\_

GJW-2

Docket No. 041291-EI

FPL Witness: Geisha J. Williams

Page 1 of 16

March 8, 2005



FPL Hurricane Assessment  
Operating Committee

January 25, 2005

**davies**  
**consulting**  
**inc.**

## Purpose of Assessment

DCI was engaged to independently review FPL's preparedness for, and response to, hurricanes Charley, Frances, and Jeanne

## DCI's Approach

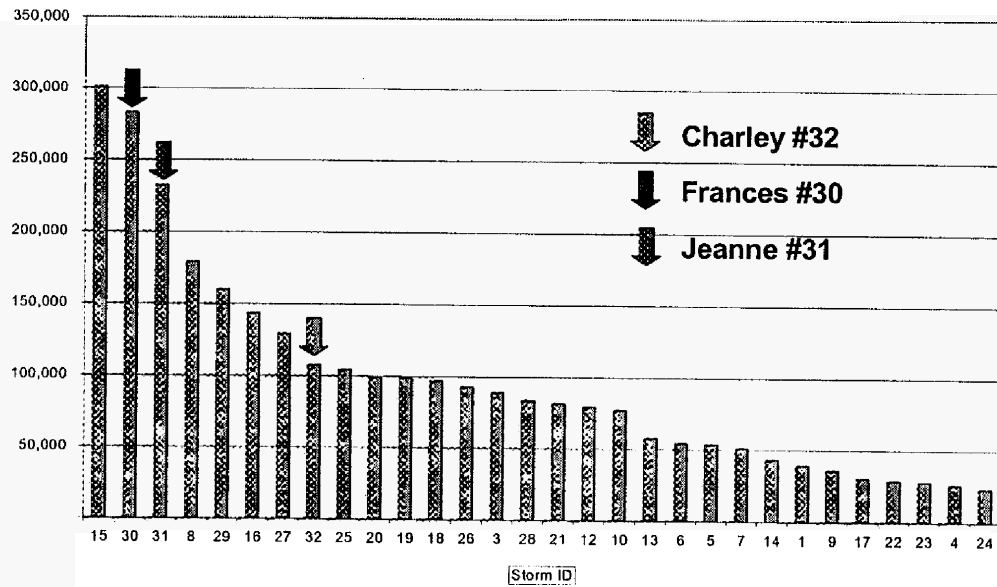
- DCI worked in collaboration with FPL's Hurricane Assessment Team
- DCI independently reviewed and analyzed 14 focus areas that have been grouped into three main area as follows:
  - Maintaining the Infrastructure
  - Managing the Restoration
  - Communicating with Stakeholders

## Basis of DCI's Conclusions

- DCI's conclusions are based on:
  - Reviews of FPL's plans
  - Interviews of FPL Executive and Senior management involved with the hurricanes and staff engaged directly in the restoration effort
  - Analysis of FPL provided data
  - Interviews with mutual aid and contractor employees who were engaged in the restoration effort
  - Comparison to proprietary DCI databases
  - DCI's experience with the preparedness for, and management of, similar major events

## Comparison of FPL's Response to Others

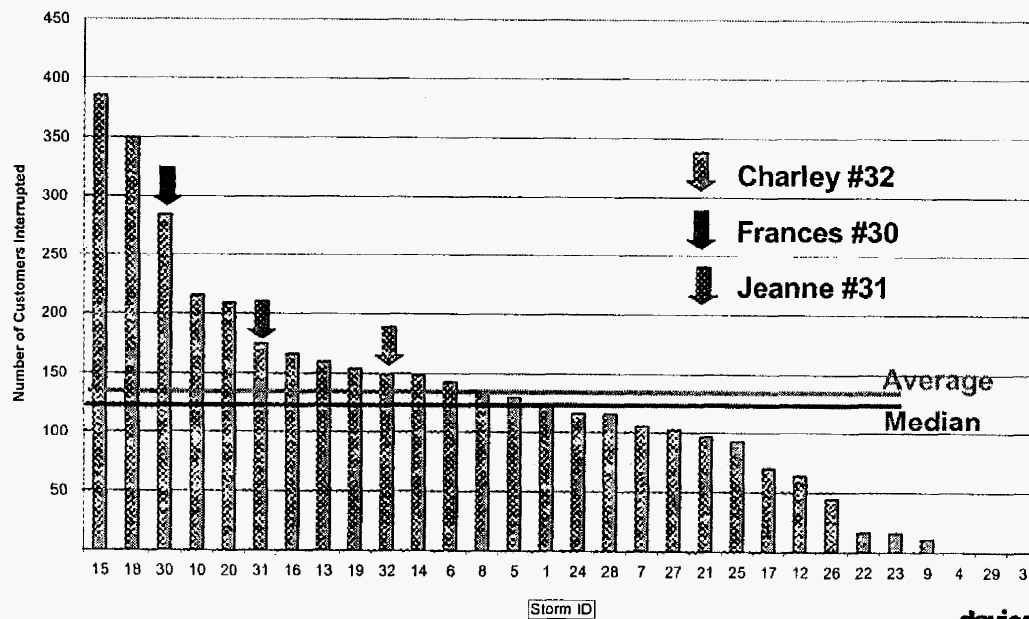
Average Number of Outages Restored per Day





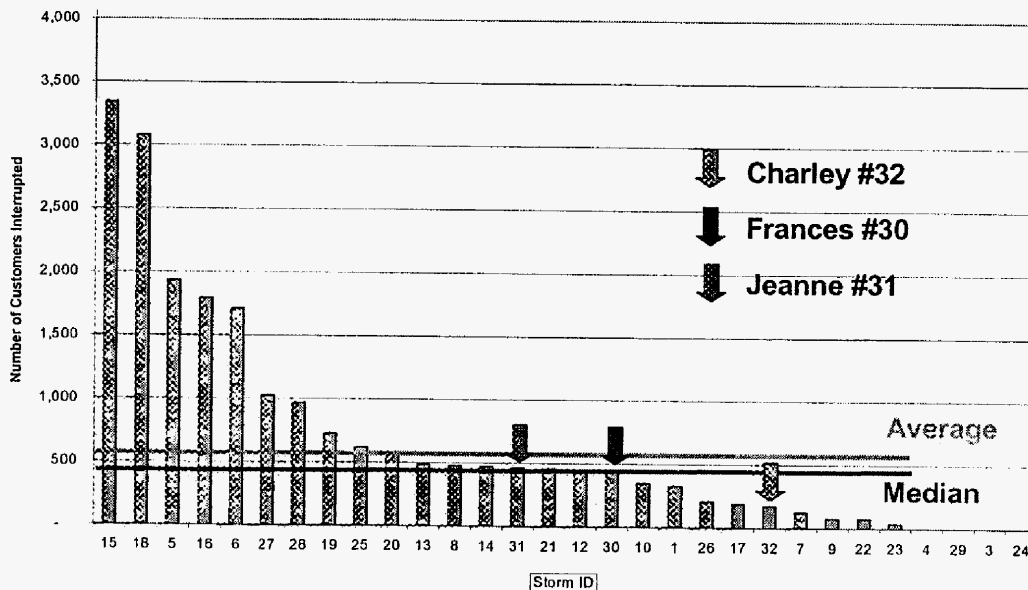
## Comparison of FPL's Response to Others

### Customers Out of Service per Line Resource Deployed at Peak



## Comparison of FPL's Response to Others

### Customers Out of Service per Tree Trimming Resource Deployed at Peak



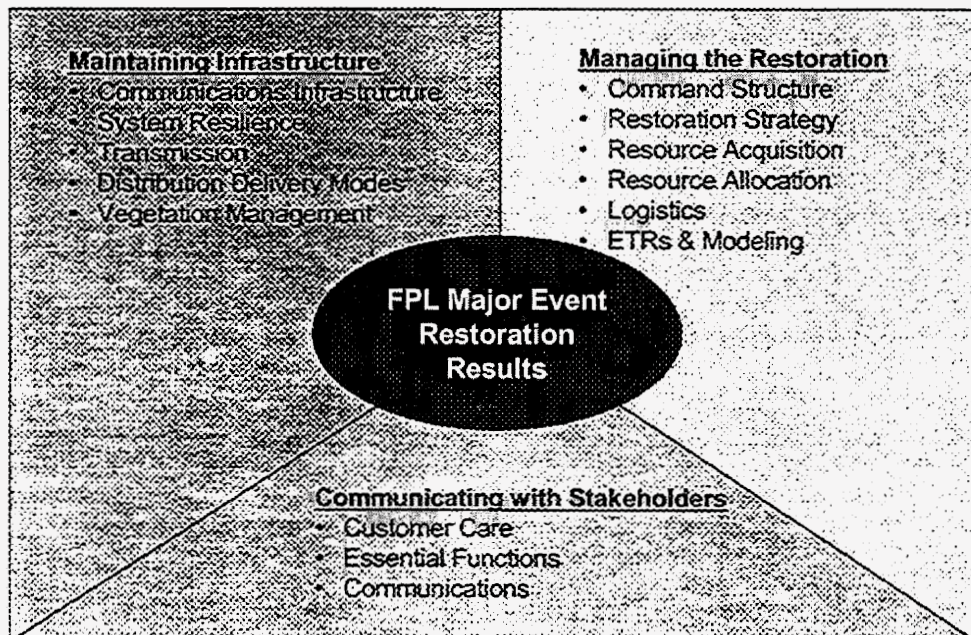
## DCI's Conclusions

- FPL employees did a tremendous job given that within a six-week time frame, FPL's territory was hit by three hurricanes and just missed by a fourth
- DCI believes probably no other USA-based utility DCI is familiar with has the restoration plans and practices in place to successfully address three major disasters in a six-week period

## DCI's Conclusions

- FPL met or exceeded standard utility practices with respect to the preparedness for, and response to, major weather-related events
  - Examples:
    - Met standard utility practice: Mutual aid and contractor resources were acquired using the Southeastern Electrical Exchange
    - Exceed standard utility practice: Ability to establish and have staging sites fully operational within 24 hours
  
- There are opportunities for enhancements

## Focus Areas



## Maintaining the Infrastructure

### Maintaining Infrastructure

- Communications Infrastructure
- System Resilience
- Transmission
- Distribution Delivery Modes
- Vegetation Management

- **IM managed issues & staging sites effectively**

- Disaster recovery a risk

- **FPL's distribution facilities met or exceeded NESC standards**

- Forensic Team needed

- **FPL's transmission system was restored effectively**

Innovative patrol practices/systems

- **In general OH is more cost effective than UG. Further study in process**

- **Feeder trimming met existing standards and produced restoration benefits**

- Evaluate further lateral trimming using "Substation Out" Program -- a good practice

Key: Bold – good practice  
No Bold – opportunity for enhancement

## Managing the Restoration

▪ **Operated well**  
Define leadership roles, revamp communications processes

▪ **Optimal restoration practice: hybrid & initial focus on less damaged areas**  
Patrol processes and public relations in higher damaged areas

▪ **Good practice: Asplundh committed early**  
Meaning of "committed" and have some resources arrive earlier

**Standard utility practice**  
Enhance process for ramping down use of external resources

**Best practice: Materials & staging**  
Proximal housing and optimal staging site size

**Best Practice: HurTrak model**  
▪ Increase timeliness & granularity of ETRs

**Managing the Restoration**

- Command Structure
- Restoration Strategy
- Resource Acquisition
- Resource Allocation
- Logistics
- ETRs & Modeling

Key: **Bold** – good practice  
No Bold – opportunity for enhancement



## Communicating with Stakeholders

- **Customer care has many best practices – e.g. Abandonment rate**
- Enhance training and prep process

- Too many Essential Function customers
- Collaborate with EOCs on priority definition and process, and wire down process

- **Well documented plans & aids**
- Need adaptable strategy, less fragmentation, more proactive relationship management, use of TV/Radio, customer-centric messages, better flow of information & ETRs



Key: **Bold** – good practice  
No **Bold** – opportunity for enhancement



## Implementation Structure

- Recommendations
  - DCI has made a number of recommendations
- Implementation Organization
  - Transition from hurricane assessment team to implementation team by January 31, 2005
  - Sponsorship of implementation shifted to FPL's Vice President Distribution for all initiatives
  - The Vice President Distribution designate a program manager to oversee evaluation and, ultimately, implementation of all hurricane-related initiatives
  - Monthly progress reviews with FPL President
- Date
  - A number of recommendations should be implemented prior to the 2005 storm season

### Priority Actions: Implement by 06/1/2005

1. Have system, county, and locality ETRs available within 24 hours, 48 hours and 72-96 hours respectively of commencing assessment
2. Increase crew productivity by 30 minutes per day
3. Have 200 non-FPL resources available to begin restoration as soon as it is safe to work
4. Have a more effective customer information flow process in place
5. Evaluate lateral trimming using Substation Out Program

### Priority Actions: Implement by 6/1/2005

6. Evaluate the wire-down process
7. Implement the "Essential Functions" plan
8. Expand Accounting's role at GOCC and staging sites
9. Implement quick hit practices (e.g., Breaker operations practices, care center process improvements, QA/QC process for FPL performed work)