



Kevin I.C. Donaldson
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April 6, 2018

VIA HAND DELIVERY

Ms. Carlotta S. Stauffer
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

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COMMISSION
CLERK

Re: Docket No. 20160251-EI

Dear Ms. Stauffer:

REDACTED

I enclose for filing in the above docket Florida Power & Light Company's ("FPL") Request for Confidential Classification. The request includes Exhibits A, B (two copies), C and D.

Exhibit A consists of the confidential documents, and all the information that FPL asserts is entitled to confidential treatment has been highlighted. Exhibit B is an edited version of Exhibit A, in which the information FPL asserts is confidential has been redacted. Exhibit C is a justification table in support of FPL's Request for Confidential Classification. Exhibit D contains the declarations in support of FPL's Request for Confidential Classification.

Please contact me if you or your Staff has any questions regarding this filing.

Sincerely,

Kevin I.C. Donaldson
Kevin I.C. Donaldson

Enclosure

cc: Counsel for Parties of Record (w/ copy of FPL's Request for Confidential Classification)

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Florida Power & Light Company for Limited Proceeding for Recovery of Incremental Storm Restoration Costs Related to Hurricane Matthew	Docket No. 20160251-EI Filed: April 6, 2018
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**FLORIDA POWER & LIGHT COMPANY'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

Pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, Florida Power & Light Company ("FPL") requests confidential classification of certain information provided in the Office of Public Counsel's ("OPC") testimony and exhibits of Helmuth W. Schultz, III. In support of this request, FPL states as follows:

1. On April 5, 2018, OPC filed a confidential version of the testimony and exhibits of Helmuth W. Schultz, III. OPC also provided to FPL Mr. Schultz's testimony and exhibits containing certain confidential information designated by FPL in previously filed Request for Confidential Classification. FPL has reviewed and designated certain confidential information contained in the testimony and exhibits of Mr. Schultz. Accordingly, FPL files this Request for Confidential Classification.

2. The following exhibits are included with and made a part of this request:

a. Exhibit A consists of a copy the confidential documents, on which all information that is entitled to confidential treatment under Florida law has been highlighted.

b. Exhibit B consists of a copy of the confidential documents, on which all the information that is entitled to confidential treatment under Florida law has been redacted.

c. Exhibit C is a table containing an identification of the information highlighted in Exhibit A by page and line and a brief description of the confidential information.

Exhibit C also references the specific statutory bases for the claim of confidentiality and identifies the declarant who supports the requested classification.

d. Exhibit D contains the declaration of Dave Bromley in support of this Request.

3. FPL submits that the highlighted information in Exhibit A is proprietary confidential business information within the meaning of Section 366.093(3), Florida Statutes. This information is intended to be and is treated by FPL as private, and its confidentiality has been maintained. Pursuant to Section 366.093, such information is entitled to confidential treatment and is exempt from the disclosure provisions of the public records law. Thus, once the Commission determines that the information in question is proprietary confidential business information, the Commission is not required to engage in any further analysis or review such as weighing the harm of disclosure against the public interest in access to the information.

4. As described more fully in the declaration included as Exhibit D, certain documents contain information concerning bids or other contractual data, the disclosure of which would impair the efforts of FPL to contract for goods or services on favorable terms. This information is protected by Section 366.093(3)(d), Fla. Stat.

5. Also, certain information in these documents concern FPL's competitive interests, the disclosure of which would impair the competitive business of FPL and its vendors. This information is protected by Section 366.093(3)(e), Fla. Stat.

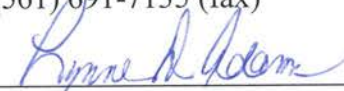
6. Upon a finding by the Commission that the information highlighted in Exhibit A, and referenced in Exhibit C, is proprietary confidential business information, the information should not be declassified for a period of at least eighteen (18) months and should be returned to

FPL as soon as the information is no longer necessary for the Commission to conduct its business. *See* § 366.093(4), Fla. Stat.

WHEREFORE, for the above and foregoing reasons, as more fully set forth in the supporting materials and affidavits included herewith, Florida Power & Light Company respectfully requests that its Request for Confidential Classification be granted.

Respectfully submitted this 6th day of April, 2018.

John T. Butler
Assistant General Counsel-Regulatory
john.butler@fpl.com
Kenneth Rubin
Senior Counsel
Ken.Rubin@fpl.com
Kevin I.C. Donaldson
Senior Attorney
kevin.donaldson@fpl.com
Attorneys for Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408
(561) 304-5170
(561) 691-7135 (fax)

By: 
for _____
Kevin I.C. Donaldson
Florida Bar No. 0833401

CERTIFICATE OF SERVICE

Docket No. 20160251-EI

I **HEREBY CERTIFY** that a true and correct copy of FPL's Request for Confidential Classification* has been furnished by electronic mail this 6th day of April, 2018, to the following parties:

Suzanne Brownless
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-1400
sbrownle@psc.state.fl.us
**Office of the General Counsel
Florida Public Service Commission**

Jon C. Moyle, Jr.
Karen A. Putnal
Moyle Law Firm, PA
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Tallahassee, FL 32301
jmoyle@moylelaw.com
kputnal@moylelaw.com
**Attorneys for Florida Industrial
Power Users Group**

J. R. Kelly, Public Counsel
Patricia A. Christensen, Lead Counsel
Charles J. Rehwinkel
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400
Kelly.jr@leg.state.fl.us
Christensen.Patty@leg.state.fl.us
Rehwinkel.Charles@leg.state.fl.us
**Attorneys for the Citizens
of the State of Florida**

By:

for



Kevin I.C. Donaldson

* The exhibits to this Request are not included with the service copies, but copies of Exhibits B, C and D are available upon request.

EXHIBIT B

1 Exhibit No. HWS-2, Schedule C, Page 3 of 3, I have estimated the average hourly
 2 contractor rate is approximately [REDACTED]^A an hour. If just [REDACTED]^B contractor employees were
 3 doing the capital work, the hourly rate would be [REDACTED]^B and that does not
 4 include contractor vehicle costs, which are substantial. Assuming, as FPL stated in its
 5 response to Citizens' Interrogatory No. 83, that contractor time is 83% to 97% of the
 6 capital time, the average hourly rate, excluding vehicle costs and miscellaneous costs,
 7 would be approximately [REDACTED]^A [REDACTED]^B. That is almost three times [REDACTED]^C
 8 [REDACTED]^A the hourly rate proposed by FPL. Once you factor in vehicle costs and
 9 miscellaneous costs, it would substantially exceed three times the Company's proposed
 10 hourly rate.

11
 12 **Q. ARE YOU RECOMMENDING AN ADJUSTMENT TO WHAT THE**
 13 **COMPANY REFLECTED AS CAPITALIZED?**

14 **A.** Yes, I am. The capitalized amount for distribution costs for contractor labor should be
 15 increased from \$6.072 million (\$6.071 million jurisdictional) to \$25.456 million
 16 (\$25.451 million jurisdictional), and the total capitalization should be increased from
 17 \$6.815 million (\$6.800 million jurisdictional) to [REDACTED]^A million ([REDACTED]^B million
 18 jurisdictional), or a reduction to total restoration costs of \$21.756 million (\$ 21.710
 19 million jurisdictional). This reduces the Company's request for distribution function
 20 recovery for contractors from \$153.895 million to \$134.511 million, which is a
 21 reduction of \$19.384 million (\$19.381 million jurisdictional).

1 **Q. HOW DID YOU DETERMINE YOUR ADJUSTMENT?**

2 A. On Exhibit No. HWS-2, Schedule C, Page 2 of 3, I first determined the actual hours
3 utilized by FPL to calculate its adjustment on capitalization by dividing the
4 capitalization cost by \$140.45, which is the FPL CMH rate. Next, I multiplied the
5 contractor average hourly rate of [REDACTED]^A by [REDACTED]^B which is a conservative contractor
6 personnel level. This resulted in an hourly rate of [REDACTED]^A for a contractor crew. I
7 multiplied that by the hours capitalized by FPL, which resulted in a cost of [REDACTED]^A
8 million as shown on Exhibit No. HWS-2, Schedule C, Page 2 of 3, line 11. I deducted
9 capitalization of \$6.816 million that was proposed by FPL which results in my
10 adjustment of \$21.756 million.

11

12 **V. LINE CLEARING COSTS**

13 **Q. WHAT IS THE AMOUNT OF COSTS BEING REQUESTED FOR LINE**
14 **CLEARING?**

15 A. The Company has requested \$27.861 million for line clearing costs as part of its
16 Hurricane Matthew request. Based on the guidelines set forth in Rule 25-6.0143,
17 F.A.C., FPL has excluded \$187,000 as being non-incremental, leaving \$27.673
18 million in its request for recovery.

19

20 **Q. ARE YOU MAKING ANY RECOMMENDATION WITH RESPECT TO LINE**
21 **CLEARING COSTS?**

22 A. Consistent with the determination of contractor costs, I am recommending the
23 Commission require FPL to identify the amount of hours and costs that are associated
24 with mobilization/demobilization and with standby time. This is important information

Florida Power & Light
 Storm Restoration Costs Related to Hurricane Matthew
 Contractors

Docket No. 20160251-EI
 Exhibit No. HWS-2
 Schedule C
 Page 2 of 3

CONFIDENTIAL

Line No.	Description	Amounts	Amounts	Source
1	Regular Payroll & Related Costs Capitalized		6,816,000	Co. Exhibit KO-2
2	Hourly Labor Rate (LVM)		140.45	Citizens' ROG No. 84
3	Capitalized Hours		48,530	Line 1 / Line 2
4	Average Contractor Rate	[REDACTED]		Schedule C, Page 3
5	Contractor Employees	[REDACTED]		
6	Calculated Labor & Payroll Overhead Rate	[REDACTED]	[REDACTED]	Line 4 x Line 5
7	Estimated Labor & Overhead Cost		[REDACTED]	Line 3 x Line 8
8	Vehicle Expense	0		
9	Meals, Per Diem	0		
10	Estimated Vehicle/ Miscellaneous Cost		0	
11	OPC Estimated Loaded Overtime Cost (LVM)		[REDACTED]	
12	Co. Estimated Capitalization Rate (LVM)		6,816,000	
13	Adjustment for Contractor Capitalization		(21,756,361)	

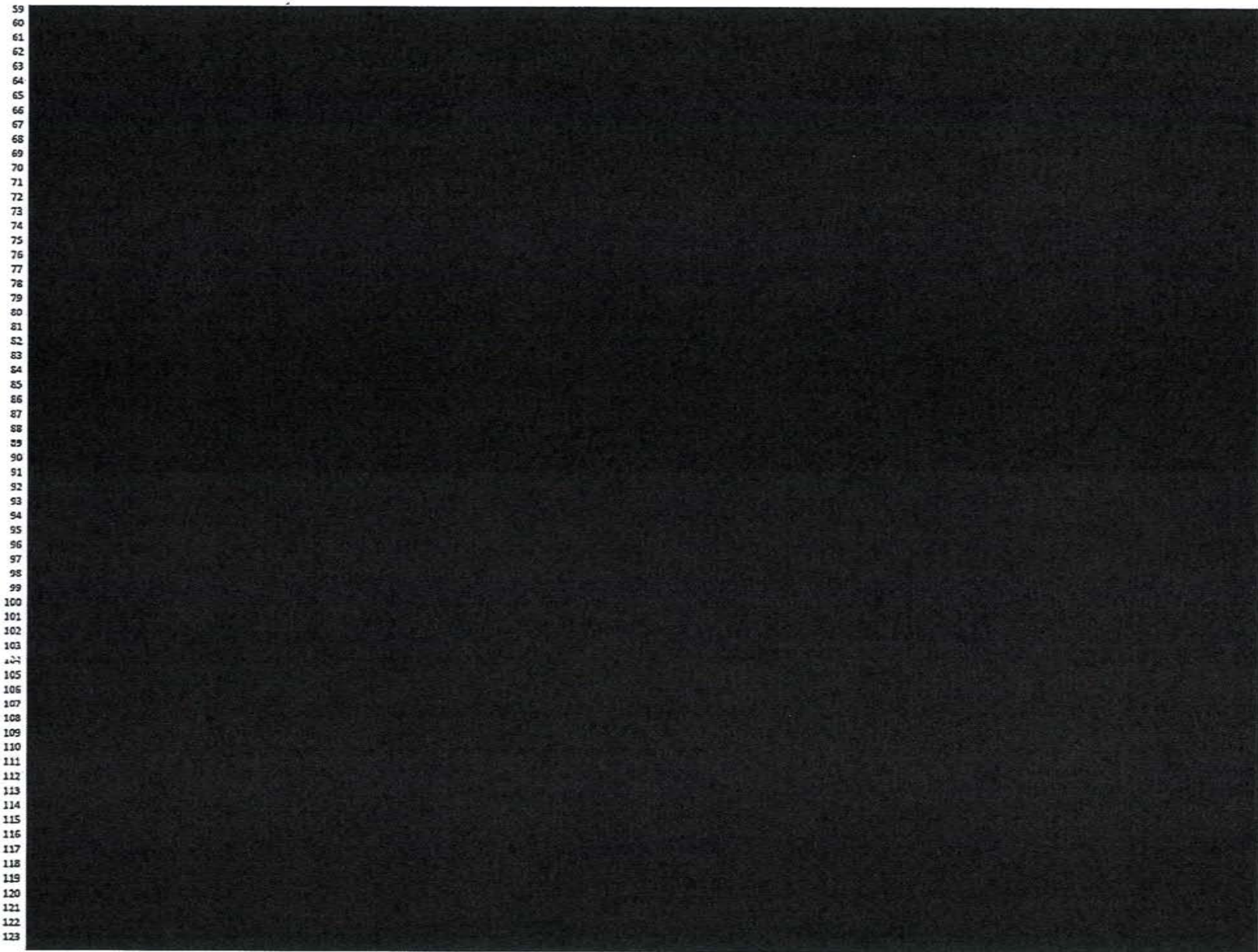
Florida Power & Light
Storm Restoration Costs Related to Hurricane Matthew
Contractor Billing Summary

Docket No. 20150251-EI
Exhibit No. HWS-2
Schedule C
Page 3 of 3

CONFIDENTIAL

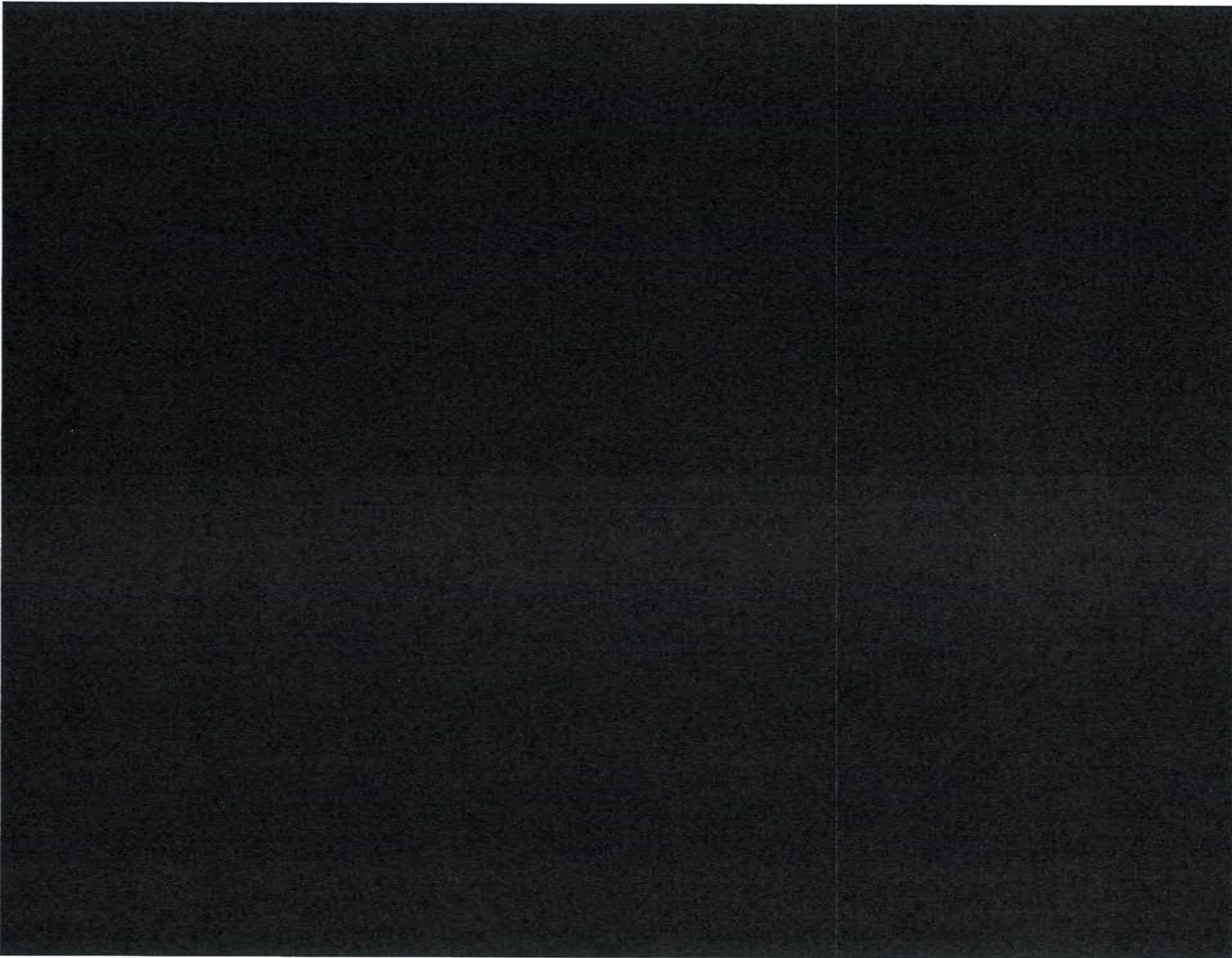
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
Line No.	Invoice Reference	Vendor	Hours	Average Rate	Labor/Fringe	Corp. A&G	Materials	Expenses	Trans.	Misc.	Total	Duplicates	Description	MOB/DEMOR	Standby	
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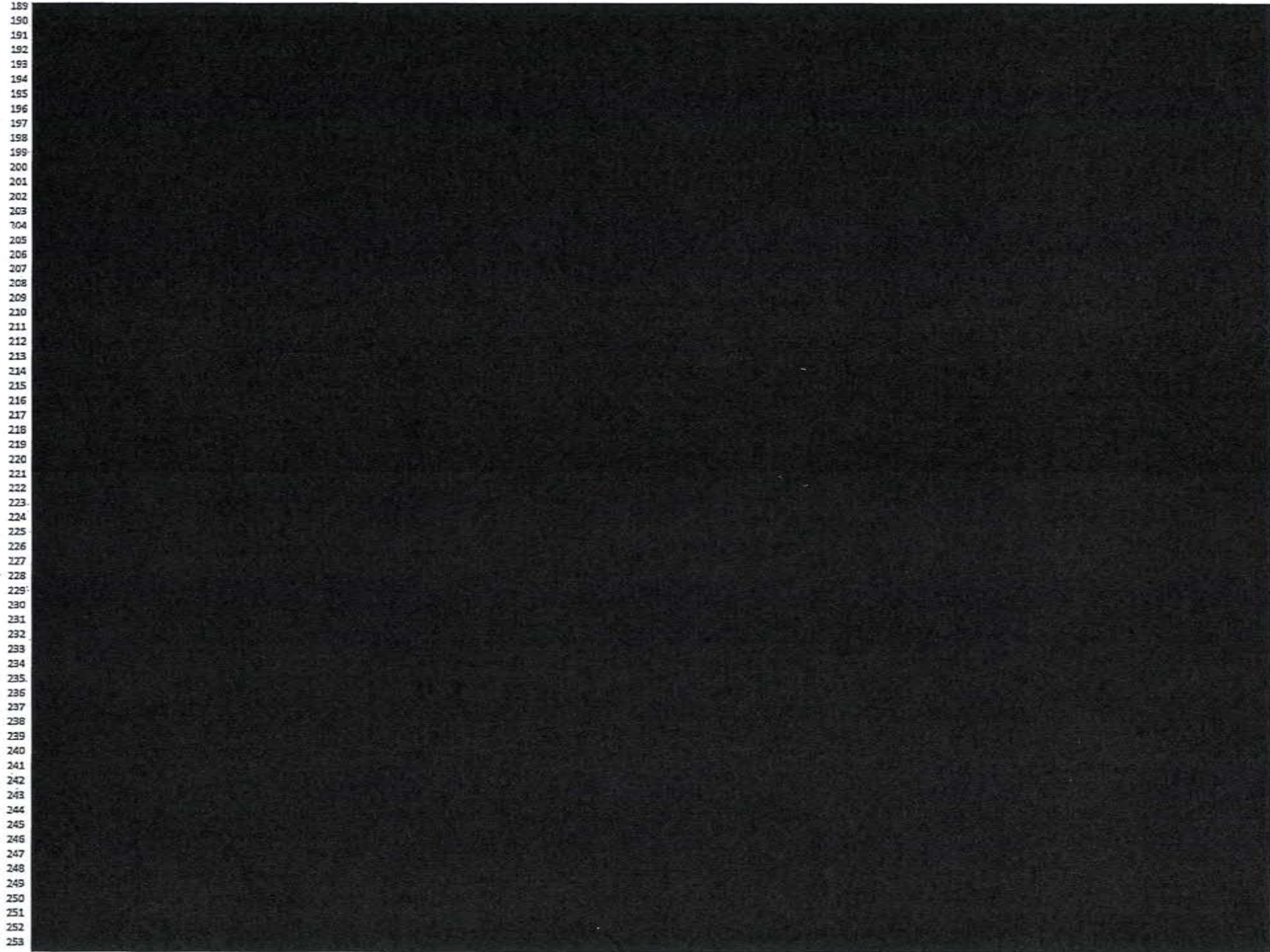
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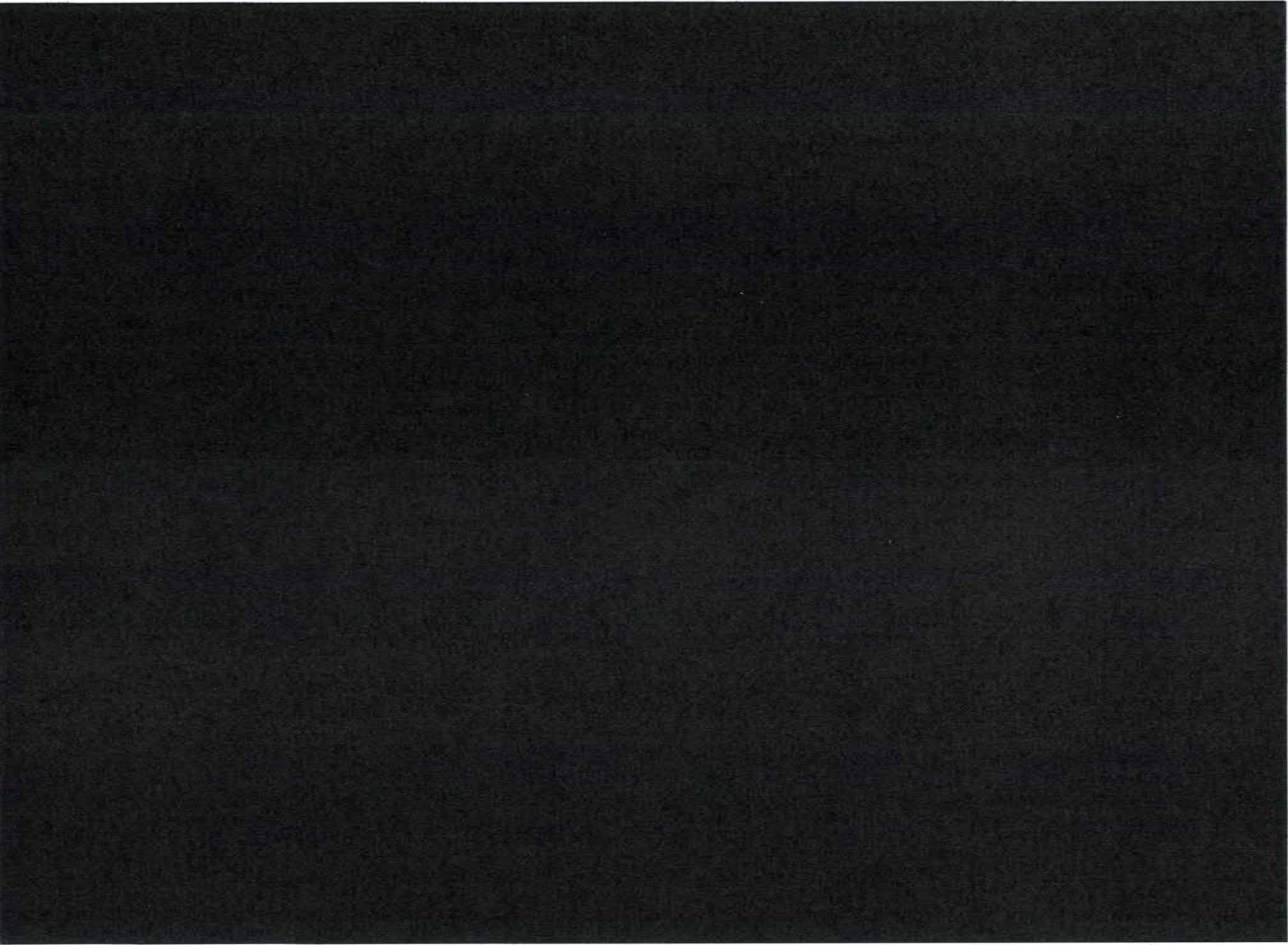
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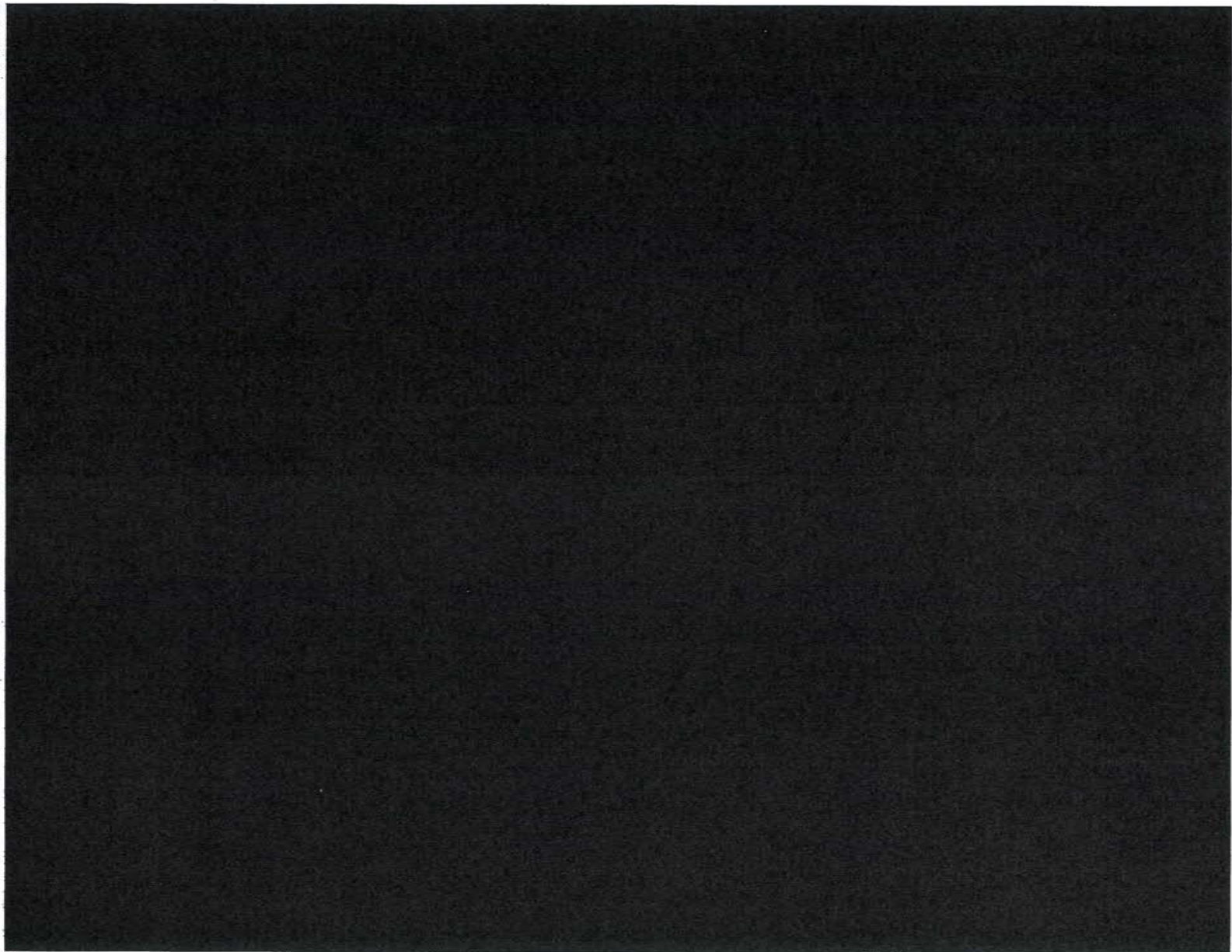


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Duplicated and Differences (17,083,854)
Costs Verified 129,184,087

(a) Services Not Needed p.18,19

X Reference number and amount match listing in Confidential OPC ROG No. 18
▪ Reference number matches, Internal Invoice and amount differs.
Y Reference number different but amount matches listing in Confidential OPC ROG No. 18
Sources: Company response to Confidential OPC POD No. 6 (428 Documents)

Florida Power & Light
Storm Restoration Costs Related to Hurricane Matthew
Line Clearing

Docket No. 20160251-01
Exhibit No. HY2-2
Schedule D
Page 2 of 2

CONFIDENTIAL

Line No.	Invoice Reference	Vendor	Hours	Average Rate	Liberty/Hours	Corp. ASD	Material	Equipment	Fuel	Misc	Total	Description	Earliest and Latest Dates	MOS/REG/ID	Cost
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Duplicated and O Tolerances
Costs Verified (16,466,379)
16,646,378

K Reference number and amount match response to Confidential OPC ROD No. 20
* Reference number matches; amount different from Confidential OPC ROD No. 20
Y Reference number does not match; amount matches to Confidential OPC ROD No. 20
Source: Company response to Confidential CFCFDD No. 7 (79 Documents)

(A) Pre/Tip Standown p. 90-92
(B) Wash p. 155

Florida Power & Light
Storm Restoration Costs Related to Hurricane Matthew
Logistics

Docket No. 20160251-EI
Exhibit No. HWS-2
Schedule G
Page 2 of 2

A	B	C	D	E	CONFIDENTIAL			I	J	K	L	M
Line No.	Invoice Reference	Vendor	Modeling	Labor	Category	Staging	Transit	Other	Total	Dollars		Mob/CoMob
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									<u>67,930,658</u>			<u>1,956,464</u>

X Amount matches response to Confidential OPC ROG No. 24 totals
* Amount different from Confidential OPC ROG No. 24 totals
N Vendor not listed for amount in Confidential OPC ROG No. 24
Sources: Company response to Confidential OPC POD No. 9

EXHIBIT C

EXHIBIT C

COMPANY: Florida Power & Light Company
TITLE: List of Confidential Exhibits
DOCKET TITLE: Petition for Limited Proceeding for Recovery of Incremental Storm Restoration Costs Related to Hurricane Matthew by Florida Power & Light Company
DOCKET NO.: 20160251-EI
DATE: April 6, 2018

Description	No. of Pages	Conf. Y/N	Line / Column	Florida Statute 366.093(3) Subsection	Declarant
Direct Testimony and Exhibits of Helmuth Schultz III	91	N	Pgs. 1-35		Dave Bromley
		Y	Pg. 36, Lns. 2a, 2b, 3a, 3b, 7a, 7b, 7c, 8a, 17a, 17b	(d), (e)	
		Y	Pg. 37, Lns. 5a, 5b, 6a, 7a	(d), (e)	
		N	Pgs. 38-75		
		Y	Pg. 76, Lns 4a, 5a, 6a, 6b, 7a, 11a	(d), (e)	
		Y	Pg.77, Lns. 1-58, Cols: B-Q	(d), (e)	
		Y	Pg. 78, Lns. 59-123, Cols: B-N	(d), (e)	
		Y	Pg. 79, Lns. 124-188, Cols: B-L	(d), (e)	
		Y	Pg. 80, Lns. 189-253, Cols: B-O	(d), (e)	
		Y	Pg. 81, Lns. 254-318, Cols: B-N	(d), (e)	
		Y	Pg. 82, Lns. 319-383, Cols: B-P	(d), (e)	
		Y	Pg. 83, Lns. 384-428, Cols: B-O	(d), (e)	
		N	Pg. 84		
		Y	Pg. 85, Lns. 1-79, Cols: B-R	(d), (e)	
		N	Pg. 86-88		
Y	Pg. 89, Lns. 1-54, Cols: B-M	(d), (e)			
N	Pg. 90-91				

EXHIBIT D

EXHIBIT D

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Limited Proceeding for
Recovery of Incremental Storm Restoration
Costs Related to Hurricane Matthew by Florida
Power & Light Company

Docket No: 20160251-EI


WRITTEN DECLARATION OF DAVID T. BROMLEY

1. My name is David T. Bromley. I am currently employed by Florida Power & Light Company ("FPL") as Manager of Regulatory Services. I have personal knowledge of the matters stated in this written declaration.

2. I have reviewed the documents and information included in Exhibit A to FPL's Request for Confidential Classification filed this date, for which I am listed as the declarant on Exhibit C. The documents that I have reviewed and which are asserted by FPL to be proprietary confidential business information contain or constitute contractual data. This information relates to competitive interests, the disclosure of which would impair the competitive business of FPL, its affiliates or its vendors. Specifically, the documents, testimony, and exhibits contains the names, rates, quantity, and invoices of our third-party contractors, lodging suppliers, and vendors along with specific prepayment provisions that were agreed upon exclusively with these contractors, vendors, and suppliers. Disclosure of this information could impair our contractor, vendor, and suppliers relationships, and negate the significant leverage these entities have during a storm event (in a seller's market) to secure critical construction, restoration, and logistical resources and availability necessary to perform storm restoration. It also impacts the efforts of FPL or its affiliates to contract for goods and services on favorable terms in the future, which in turn increases costs to FPL and its customers. To the best of my knowledge, FPL has maintained the confidentiality of this information.

3. Consistent with the provisions of the Florida Administrative Code, such materials should remain confidential for a period of eighteen (18) months. In addition, they should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business so that FPL can continue to maintain the confidentiality of these documents.

4. Under penalties of perjury, I declare that I have read the foregoing declaration and that the facts stated in it are true to the best of my knowledge and belief.


David T. Bromley

Date: April 6, 2018