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**RICHARD
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*Speaker of the House of
Representatives*

June 12, 2018

**Ms. Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850**

Re: Review of electric utility hurricane preparedness and restoration activities, Docket No. 20170215-EU

Dear Ms. Stauffer:

This letter is being filed in the above referenced matter in response to a request made by Commissioner(s) at the May 2, 2018 electric utility hurricane workshop. The Office of Public Counsel (OPC) was asked to provide suggestions regarding the process to review storm hardening costs associated with implementing a utility's storm hardening plan approved by the Commission pursuant to Rule 25-6.0342, F.A.C. See, Transcript, Vol. 3, pp. 280-283. Specifically, OPC was asked to provide comments relating to the review of: (1) the amount of rates applicable to storm hardening activities; (2) how the money was spent; and (3) if there is a way to review these costs and expenditures on a yearly basis, or some other mechanism. Upon consideration of the questions raised regarding how to improve the storm hardening review process related to tracking costs, OPC offers the following procedural recommendations:

- I. The Commission should require utilities to file an annual report to include the following information:**
 - Consistent with the utility's Commission approved storm hardening plan pursuant to Rule 25-6.0342, F.A.C., each utility should identify the storm hardening costs embedded in base rates by category such as vegetation management, pole inspections, pole replacement/undergrounding, and other annual activities related to the utility's approved plan.**

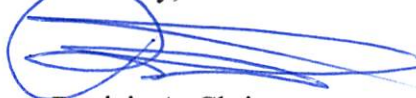
- For each category of costs (such as vegetation management), the utility should indicate what activities are included in base rates and the cost level of each activity (such as tree trimming cycle).
- For each category of costs, the utility should identify the budgeted amount for each category of cost by activity for the past three years and the current year designed to implement the utility's approved storm hardening plan.
- For each category of costs, the utility should identify the actual amount spent on each category of costs by activity for the past three years and the current year to date.
- The utility should explain any variance between the budgeted amounts and actual expenditures for each category by activity that are greater than 10% in a particular year.
- The utility should explain any variance between the level of storm hardening activities in the utility's approved storm hardening plan and the level of those activities for the past three years.

II. As part of its annual review of storm hardening activities, the Commission should review the above report to ensure that the utilities are spending the monies embedded in base rates in accordance with the filed and approved storm hardening plans.

With this additional information, the Commission will have the data necessary to identify any discrepancies between Commission approved storm hardening costs and activities and actual annual implementation of the storm hardening plans during the annual storm hardening review. Moreover, the Commission and other interested persons will have additional and useful "starting point" information to see how storm hardening activities are progressing and how storm hardening funding was spent.

OPC appreciates the opportunity to provide suggestions on how to improve the overall usefulness of the annual storm hardening review.

Sincerely,



Patricia A. Christensen
Associate Public Counsel

PC/pp

cc: All Commissioners
Braulio Baez
Tom Ballinger
All Parties of Record