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January 31, 2019

VIA HAND DELIVERY

Mr. Adam Teitzman
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 20180049-EI

REDACTED

COMMISSION
CLERK

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Dear Mr. Teitzman:

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 a listing of the confidential documents, and all the information that FPL asserts is entitled to confidential treatment has been highlighted. Exhibit B is a listing of all the confidential information contained in Exhibit A. 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,

Kenneth M. Rubin

COM	_____
AFD	<u> 1 </u>
APA	_____
ECO	_____
ENG	_____
GCL	_____
IDM	_____
CLK	_____

Enclosure

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

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Evaluation of storm restoration costs
for Florida Power & Light Company related
to Hurricane Irma.

Docket No: 20180049-EI

Date: January 31, 2019

**FLORIDA POWER & LIGHT COMPANY'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

Pursuant to Section 366.093, Florida Statutes ("Fla. Stat."), and Rule 25-22.006, Florida Administrative Code ("F.A.C."), Florida Power & Light Company ("FPL") requests confidential classification of specifically identified portions of the direct testimony of OPC witness Helmuth W. Schultz III ("Schultz"), together with specifically identified portions of Exhibit HWS-2 and all of Exhibit HWS-3, both of which are appended to and made part of the direct testimony of OPC witness Schultz dated January 11, 2019. In support of this request, FPL states as follows:

1. Prior to filing the direct testimony of Schultz on January 11, 2019, OPC advised that certain confidential information would be included within the Schultz testimony and exhibits. As a result, prior to the time that OPC filed the Schultz testimony and exhibits, FPL filed and served its Notice of Intent to Request Confidential Classification (the "Notice"), indicating FPL's intent to seek confidential treatment of those portions of the Schultz testimony and exhibits deemed confidential by FPL. The Notice was filed January 11, 2019, and is identified as Commission Document No. 00170-2019. In the Notice, FPL stated that it would file its Request for Confidential Classification ("RFCC") specifying those portions of the direct testimony and exhibits which FPL asserts is entitled to confidential treatment within 21 days, as provided by Rule 25-22.006, F.A.C.

2. Based upon FPL's review of the Schultz testimony and exhibits, FPL requests confidential treatment of portions of the Schultz testimony, portions of Exhibit HWS-2, and all of Exhibit HWS-3. The bases for this request, which is being made within 21 days of FPL's filing of its Notice, are more fully described below and in the attachments to this RFCC.

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

a. Exhibit A consists the confidential documents. FPL submits that the specified information contained in the direct testimony and Exhibit HWS-2, and all of Exhibit HWS-3, are entitled to confidential treatment. Because the exhibits to the deposition (Exhibit HWS-3) are voluminous and can be identified by reference to the exhibit numbers and corresponding Bates numbers, the deposition exhibits, consisting of approximately 1000 pages, have not been appended to this RFCC.¹ However, the deposition transcript and exhibit numbers and corresponding Bates numbers have been highlighted to indicate that the deposition transcript and the documents represented by the exhibit numbers and corresponding Bates numbers are confidential documents. FPL has previously filed RFCCs for the documents that make up Exhibit HWS-3, and while Commission Staff has recommended that the requests be approved, the Commission has not yet entered orders on those requests.²

b. Exhibit B consists of the confidential documents, on which all the information that is entitled to confidential treatment under Florida law has been redacted. With reference to Exhibit HWS-3, the cover page of the deposition transcript and exhibit numbers and corresponding Bates numbers themselves are not confidential, while the deposition transcript and

¹ FPL asserts that Exhibit 2 (Bates 020775-020808); Exhibit 3 (Bates 019314 – 019383); Exhibit 4 (Bates 015571 – 015633); Exhibit 5 (Bates 015160 – 015177); Exhibit 6 (Bates 015294 – 015309); Exhibit 7 (Bates 015310 – 015352); Exhibit 8 (Bates 015552 – 015570); Exhibit 9 (Bates 015671 – 015737); Exhibit 10 (Bates 016674 – 016681); Exhibit 12 (Bates 016849 – 016900); Exhibit 13 (Bates 016908 – 016914); Exhibit 14 (Bates 016901 – 016907); Exhibit 15 (Bates 017314 – 017358); Exhibit 16 (Bates 017715 – 017722); Exhibit 17 (Bates 021833 – 021852); Exhibit 18 (Bates 021957 – 021967); Exhibit 19 (Bates 022527 – 022548); Exhibit 20 (Bates 023177 – 023298); Exhibit 21 (Bates 023594 – 023611); Exhibit 22 (Bates 023893 – 023926); Exhibit 23 (Bates 020775 – 020808); Exhibit 24 (Bates 019003 – 019029); Exhibit 25 (Bates 020809 – 020861); Exhibit 26 (Bates 020898 – 020915); Exhibit 27 (Bates 020959 – 020976); Exhibit 28 (Bates 048505 – 048515); Exhibit 29 (Bates 024647 – 024682); Exhibit 30 (Bates 036731 – 036772); Exhibit 31 (Bates 019800 – 019828); Exhibit 32 (Bates 020076 – 020110); and Exhibit 33 (Map – “Estimated Driving Time to FPL”) to the FPL panel deposition taken November 15, 2018 and December 13, 2018 constitute confidential information entitled to confidential treatment.

² FPL filed its RFCC related to part 1 of the transcript of the FPL panel deposition on December 19, 2018; an Amended RFCC related to part 1 of the transcript of the FPL panel deposition, plus exhibits, was filed on January 11, 2019; and an RFCC related to part 2 of the FPL panel deposition, plus exhibits, was also filed on January 11, 2019. On January 18, 2019, Commission Staff issued two memoranda recommending approval of the RFCCs (Commission Document Numbers 00276-2019 and 00277-2019).

the documents identified by the exhibit numbers and corresponding Bates numbers are confidential documents that are the subject of this Request for Confidential Classification.

c. Exhibit C is a table containing an identification of the information highlighted in Exhibit A and a brief description of the confidential information. Exhibit C also references the specific statutory bases for the claim of confidentiality and identifies the declarants who support the requested classification.

d. Exhibit D contains the declarations of Thomas Gwaltney, Ray Lozano and Kristin Manz in support of this Request.

4. FPL submits that the information contained within the specified portions of the Schultz testimony and Exhibit HWS-2, and all of Exhibit HWS-3, highlighted in Exhibit A, is proprietary confidential business information within the meaning of Section 366.093(3), Fla. Stat. 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.

5. As described more fully in the declarations included as Exhibit D, certain documents contain information concerning trade secrets. This information is protected by Section 366.093(3)(a), Fla. Stat.

6. Also, certain information in these documents concerns bids or other contractual data, the disclosure of which would impair the efforts of FPL or its affiliates to contract for goods and services on favorable terms. This information is protected by Section 366.093(3)(d), Fla. Stat.

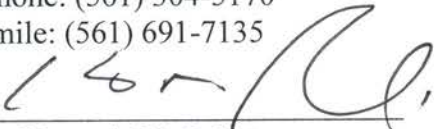
7. Lastly, certain information concerns FPL's competitive interests, the disclosure of which would impair the competitive business of FPL and its vendors. This information is protected by Section 366.093(3)(e), Fla. Stat.

8. Upon a finding by the Commission that the information contained within the specified portions of the Schultz testimony and Exhibit HWS-2, and all of Exhibit HWS-3, 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 31st day of January 2019.

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By: 
Kenneth M. Rubin
Florida Bar No. 0349038

CERTIFICATE OF SERVICE


I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by electronic service on this 31st day of January 2019 to the following:

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By: 
Kenneth M. Rubin

* 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 A

CONFIDENTIAL

FILED UNDER SEPARATE COVER

EXHIBIT B

REDACTED COPIES

1 that would be a monumental task based on what I reviewed, and the level of review
2 that apparently changed from invoice to invoice. Furthermore, there was the question
3 as to whether the deponents were familiar with the form identified as the "Daily
4 Contractor Mobilization Log Storm Travel." All three deponents indicated they were
5 not familiar with this document. In fact, one deponent testified that he had not even
6 seen the form.² That is somewhat concerning since this document existed as support
7 for a very large number of the invoices provided, and the fact individuals that
8 supposedly had the responsibility for approving costs lacked familiarity with the forms
9 FPL apparently provided to its vendors to support their invoices further casts doubt on
10 the credibility and integrity of FPL's review processes. In my opinion, this document
11 should have been included with every invoice, as it appears to have been required by
12 FPL contract provisions and this would be especially true when there were charges for
13 mobilization/demobilization. FPL's contract Exhibit A1³ specifically states that

14 [REDACTED]
15 [REDACTED]
16 [REDACTED]⁴

17
18 **Q. WHY DO YOU STATE THAT THE DAILY CONTRACTOR MOBILIZATION**
19 **LOG DOCUMENT SHOULD HAVE BEEN INCLUDED WITH EVERY**

² Exhibit HWS-3, p. 61, line 16 through p. 63, line 10.

³ Response to Citizens' production of Documents No. 19.

⁴ Response to Citizens' production of Documents No. 19, Bates No. 073674, titled "Florida Power & Light Company Statement of Work Distribution Storm and Emergency Restoration Exhibit A1" at p. 14.

1 INVOICE AND APPEARED TO BE REQUIRED PURSUANT TO FPL'S
2 CONTRACT PROVISIONS?

3 A. In the contractual documents provided by FPL, the provisions referenced in each
4 contract specify that [REDACTED]

5 [REDACTED] ⁵ Moreover, as was pointed
6 out in the deposition, the document itself states [REDACTED]

7 [REDACTED]
8 [REDACTED] When asked what these statements mean,
9 FPL's corporate representatives responded [REDACTED]

10 [REDACTED] and [REDACTED] The questions were not who
11 reviewed the individual document, but what do the words "should" and "must" mean
12 in the context of this document. The only explanation offered by the FPL
13 representatives from that interchange was [REDACTED]

14 [REDACTED] ⁶ In the accounting profession,
15 the word "should" means you will do it. The discussion regarding this document
16 continued, and when FPL's corporate representatives were asked if the Daily
17 Contractor Mobilization Log was required for the invoice to be paid, one of the
18 representatives stated [REDACTED] ⁷ In my opinion,

19 FPL's contract attachment entitled Exhibit A1, which is referenced in and made a part
20 of all the vendors' contracts, states the contrary - i.e., [REDACTED]

21 [REDACTED]

⁵ *Id.*

⁶ Exhibit HWS-3, p. 63, line 11 through page 64 line 11.

⁷ Exhibit HWS-3, p. 65, lines 17-21.

1 The OPC requested more time because of the volume of documents and the issues
2 identified thus far. FPL opposed OPC's request for additional time, and suggested
3 sampling certain invoices and documents was sufficient. The Commission adopted
4 FPL's argument, and said a "risk-based sampling of relevant invoices and vendor
5 documents" is more reasonable than the analysis undertaken by OPC.
6

7 **Q. GIVEN THE ISSUES AND WEAKNESSES IN FPL'S VENDOR WORK-**
8 **MONITORING AND INVOICE PROCESSING CONTROLS, WHAT IS YOUR**
9 **POSITION REGARDING THE BASIS FOR MAKING ADJUSTMENTS?**

10 A. As I have stated, there are serious issues with the documents I have analyzed so far,
11 and if FPL and the Commission together believe that customers are protected by an
12 arbitrary sampling process, then they have to accept what was determined from
13 sampling. For example, the mobilization of contractors, based on sampling, was not
14 monitored efficiently, contrary to FPL's claims. Based on the excess travel hours
15 allowed by FPL, at least 33% of the mobilization and demobilization time should be
16 considered excessive. The same applies to standby time. Based on what I have
17 discerned from the evidence provided by FPL, the requirement to have non-embedded⁸
18 contractors sitting in hotels some 2 days prior to the storm and the day of the storm is
19 not justified, and all standby time for non-embedded contractors could be considered
20 excessive. There is insufficient time provided by the docket schedule to try and

21 ⁸ In deposition testimony, one of FPL's corporate representatives testified that [REDACTED]
22 [REDACTED]
23 [REDACTED]
24 [REDACTED]
25 [REDACTED]

See, HWS-3, p. 97, lines 17-24.

- FPL appears to lack adequate controls or implementation of controls to insure the integrity of the vendor billings sufficient to demonstrate reasonableness and prudence of the costs for customer re-imburement.

Q. WHY DO YOU ASSERT THERE ARE VENDORS WITH EXCESSIVE HOURLY RATES?

A. In reviewing storm costs in other jurisdictions and in Florida, I have observed a range in rates. This range is fairly wide; however, with Hurricane Irma, I noted excessive hourly rates for some vendors. The range of hourly rates for most vendors is around [REDACTED] to [REDACTED] FPL has 15 vendors with rates in excess of [REDACTED] an hour. What makes this a concern is that in some cases an individually high rate may be justified for someone classified as a general foreman, yet with FPL there is no distinction between job classifications – every vendor employee, regardless of qualification, experience or job title, is billed at the same set rate. It is not reasonable to expect that an apprentice or lower level lineman would be billed at a rate in excess of [REDACTED], but because FPL uses a “blended” rate this is exactly what occurred. In fact, [REDACTED] per hour is more in line with the very high end of what the General Foreman rate would be, not what you would pay for an apprentice lineman. For example, in Docket No. 20180061-EI, FPUC used a contractor who charged the following rates: (1) General Foreman was billed at \$122.74 for straight time and \$143.19 for overtime; (2) an Apprentice was billed at \$93.62 for straight time and \$109.23 for overtime; (3) and at the low end, a Ground Man was billed at \$65.04 for straight time and \$75.87 for overtime. That averages out to an average labor rate of \$93.80 for straight time and \$109.43 at overtime. The equipment was billed separately, so assuming a pickup, a digger and a

1 bucket truck are added at \$17.95 per hour, \$48.76 per hour and \$46.05 per hour,
2 respectively, the overall equipment average per hour would be \$37.59. By adding the
3 overall labor averages of \$93.80 and \$109.43 to the overall equipment average of
4 \$37.59 results in a comparable straight time cost of \$131.39 and an overtime cost of
5 \$147.02. That is clearly indicative that a [REDACTED] per hour rate is very high, and the
6 combined rates that are even higher are clearly excessive. When coupled with FPL's
7 inadequate enforcement of contract requirements designed to prohibit slow
8 mobilization and demobilization, the overbilling impact of these excessive rates is
9 amplified.

10
11 **Q. HAVE YOU PERFORMED AN ANALYSIS COMPARING THE VARIOUS**
12 **VENDOR RATES?**

13 A. Yes, I have. Exhibit No. HWS-2, Schedule C, Page 4 of 6, summarizes the fifteen
14 contractors with rates considered to be excessive and compared them to another twenty-
15 four contractors whose billing exceeded \$5 million. The average hourly rate for the
16 high cost contractors exceeds the other contractors' rate by [REDACTED] per hour. The high
17 rate contractors billed [REDACTED] hours; multiplied by the excessive incremental rate of
18 [REDACTED] per hour, equates to an excess billing of \$60,055,233. As shown on Schedule C,
19 Page 4 of 6, the hourly rate for the contractors with excessively high rates ranges from
20 [REDACTED] per hour to [REDACTED] per hour. The other major contractors, excluding
21 patrollers, charged hourly rates ranging from [REDACTED] to [REDACTED]

1 A. In response to OPC's Production of Documents Request No. 19, FPL provided
2 numerous contracts with its various contractors. The contracts are very similar, as they
3 are in a standard format with slight modifications. Included in the contracts is a
4 reference to Exhibit A1 which is the "Statement of Work Distribution Storm and
5 Emergency Restoration" ("Statement"). This Statement contains a number of
6 requirements and guidance as to what is expected, and the circumstances under which
7 certain costs are eligible for reimbursement or rejection.

8

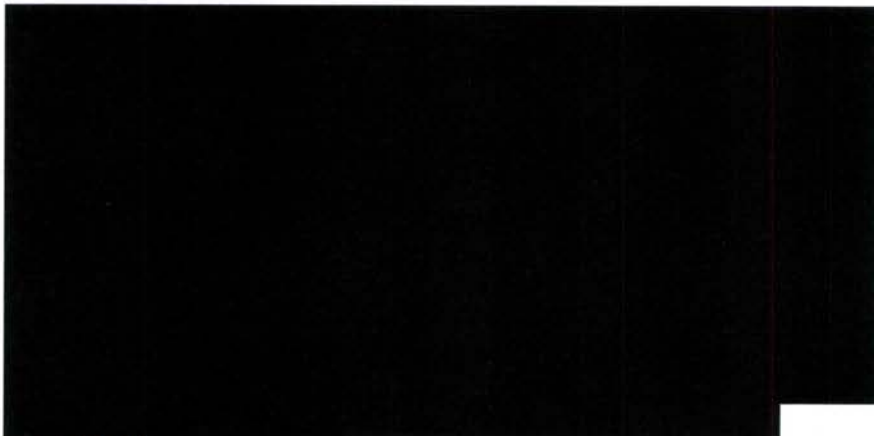
9 **Q. WHAT DOES THE STATEMENT SPECIFICALLY STATE ABOUT DRIVE**
10 **TIME?**

11 A. The Statement includes the following regarding mobilization/demobilization pricing:

12

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25 (Emphasis Added)
26

27 FPL's Statement also contains the following provision regarding how this
28 requirement will be monitored:

29
30
31
32



1
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7



END CONFIDENTIAL


8 This wording is critical as it appears FPL has ignored its own guidelines.

9 Additionally, in response to Citizens' Interrogatory No. 58, FPL stated:

10 Mutual assistance procedures/guidelines and other non-mutual
11 assistance restoration contracts/agreements do not specifically provide
12 for minimum, maximum or expected travel time/ hours per day.
13 However, with the knowledge of the contractor resources starting
14 location, estimated travel distance/time and other information (e.g.,
15 expected departure times, potential weather or traffic delays, expected
16 hours of travel per day and actual in-progress travel status
17 updates/revised estimated arrival times), FPL is able to determine when
18 resources should arrive as well as the reasonableness of actual arrival
19 times. Generally, compensation for travel time is limited to actual travel
20 time. (Emphasis Added)

21
22 The reference to FPL having knowledge of contractor resources to scrutinize its
23 vendors' travel raises a significant concern since the Company states in its response to
24 Citizens' Interrogatory No. 127 that the cities of origin and destination were not
25 documented. Thus, how can ratepayers be assured of FPL's reliability to effectively
26 manage and monitor the travel times of its vendors?

27
28 **Q. WHAT DID FPL IGNORE FROM THE STATEMENT?**

29 A. The actual drive time requirement was not enforced by FPL, as many contractors billed
30 for hours that greatly exceeded their actual drive time, and in many cases the
31 contractors billed 16 hours or more a day for travel, despite the fact that there was the
32 contractual provisions 
33 particularly in instances when a contractor did not actually drive for 16 hours.

1 Q. DID YOU ASK FPL WHY THEY PAID FOR TRAVEL TIME THAT
2 EXCEEDED ACTUAL DRIVE TIME?

3 A. FPL was asked this question during the depositions on November 15 and December
4 13. The response was that [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]¹³

10

11 Q. [REDACTED]

12 [REDACTED]

13 A. [REDACTED]

14 [REDACTED] This is unreasonable, particularly when some

15 contractors traveled significantly longer distances per hour – this was especially so

16 when the contractors were traveling back home. Common sense and common

17 knowledge alone suggest that averaging 34.4 miles per hour is not realistic. For

18 example, assume that a crew travels at 60 miles per hour and requires an hour for meals

19 and fueling. In a 16 hour day, two stops would allow for 14 hours of actual drive time,

20 meaning they could travel 840 miles. This is approximately 50% more distance per day

21 than FPL's allowance, and a more reasonable distance per day for traveling. Applying

¹³ Exhibit HWS-3 at pages 70-71.

1 840 miles for a 16 hour travel day as a guideline would reduce the travel time paid to
2 FPL's vendors by approximately 33%.

3

4 **Q. IS IT POSSIBLE THAT TRAFFIC SITUATIONS COULD OCCUR THAT**
5 **WOULD LIMIT THE TRAVEL TO 550 MILES PER 16 HOURS?**

6 A. Yes, it is possible; however, in the extensive amount of detail I reviewed, the
7 documentation did not show this to be a major issue during the
8 mobilization/demobilization process. In addition, there was little, if any,
9 documentation to support any assertion that contractors had traffic problems navigating
10 travel to FPL's service territory. In fact, most delays referenced by vendors on their
11 daily time sheets were due to FPL. Based upon my review of the daily time sheets that
12 I was able to review, the contractors generally included comments when they
13 encountered extraordinary circumstances or events that would affect their travel
14 schedules. Such comments were generally uncommon in the documentation that I was
15 able to review.

16

17 **Q. IS THE USE OF AN HOUR FOR MEALS AND FUELING REASONABLE IN**
18 **YOUR ESTIMATION OF MILES TO BE TRAVELED?**

19 A. I believe it is. However, FPL's deponents were asked about meals, and the response
20 was that [REDACTED]

21 [REDACTED]¹⁴.

¹⁴ Exhibit HWS-3 at pages 71-72.

1 Q. PLEASE IDENTIFY SOME OF THE DUPLICATE PAYMENTS YOU FOUND
2 AND EXPLAIN THE EVIDENCE YOU RELIED ON TO DETERMINE THE
3 COST WAS DUPLICATED?

4 A. The duplication of invoices is based on FPL's response to Citizen's Interrogatory No.
5 20, which is a listing of all contractor costs for Hurricane Irma. The duplication was
6 identified as part of the detailed analysis of the supporting documentation supplied in
7 response to Citizen's Production of Documents No. 6. My analysis included a review
8 of the invoices, the time summaries, time sheets, the mobilization logs and receipts
9 (albeit not all invoices, time sheets, mobilization logs and receipts, as time has not yet
10 permitted that extensive of a review even through based on my initial analysis such a
11 in depth review is warranted). As shown on Exhibit HWS-2, Schedule C, Page 3 of 6,
12 there were approximately 7,700 lines of invoices reported by FPL, and over 56,000
13 pages of supporting documents produced by FPL to be analyzed.

14
15 Here are several examples that I discovered so far with respect to duplicate invoices:
16 Contractor J submitted an invoice for \$253,985 for [REDACTED] for September 7 through
17 September 10.¹⁵ The invoice listing also included two other invoices totaling
18 \$253,985¹⁶ with the same personnel, the same hours, the same dates and the same
19 mobilization and standby dollar amounts. The only difference between the three
20 invoices was that the same \$253,985 was billed through two invoices, one for
21 September 7 through September 8 and the other for September 9 through September

¹⁵ FPL's response to Citizens' Production of Documents No. 6, Documents; Document 5202632083; Bates FPL 048160.

¹⁶ FPL's response to Citizens' Production of Documents No. 6, Documents; Document 5202633179; Bates FPL 050545 and Document 5202632192; Bates FPL 050557.

1 10, while in the other instance the entire amount was billed in one invoice. This type
2 of double billing is especially insidious and difficult to ferret out, and illustrates why
3 more than just a sampling or cursory review advocated by FPL and apparently favored
4 by the Commission is wholly inadequate.

5
6 Contractor P included an invoice for \$1,230,638¹⁷ regarding [REDACTED] of work from
7 September 18 through September 24. The invoice list included a second invoice for
8 \$1,223,187¹⁸ with the same personnel and the same hours. The difference was that one
9 bill did not include expenses while the second bill included \$7,451 of expenses. After
10 OPC confronted FPL with this evidence at the November 15 deposition, FPL conducted
11 research on the apparent double billing. Subsequently, during the deposition on
12 December 13, 2018, FPL acknowledged this was a case of double billing. FPL's
13 response to Citizens' Production of Documents No. 35 confirmed that Contractor P was
14 paid twice for the same work and duplicate billing, and that FPL's O&M expense was
15 credited in December 2018. Therefore, an adjustment is definitely required for this
16 duplicate payment.

17
18 In another instance of double billing, the summary of costs for Contractor OO included
19 two invoices for \$446,859; each invoice was for [REDACTED] for September 11 through

¹⁷ FPL's response to Citizens' Production of Documents No. 6, Documents; Document 5202656856; Bates FPL 020775.

¹⁸ FPL's response to Citizens' Production of Documents No. 6, Documents; Document 5202661125; Bates FPL 023893.

1 September 17.¹⁹ Similarly, the listing for Contractor OO included two invoices for
2 \$303,367 each for [REDACTED] for September 18 through September 22²⁰. The detail
3 showed the invoices listed the same personnel, the same dates supposedly worked and
4 the same hours. No differences were noted in the respective invoices, thus FPL should
5 have identified both of these as duplicates during its review and processing of invoices.

6
7 Yet another duplicate bill amount was submitted by Contractor Y, where one invoice
8 charged \$655,557²¹ and the second invoice charged \$671,670²². Both invoices were
9 supported by the same personnel and the same time period September 18 through
10 September 24. Ironically, both had the same invoice number - 156225. The reason
11 there was a difference in the amounts billed was because FPL had adjusted the hours
12 on the Storm Crew Weekly Time Report for the dates September 19 and September 24
13 for some of the employees.

14
15 **Q. BASED ON THE EXPLANATION CONTAINED IN THE DECEMBER 15**
16 **DEPOSITION TRANSCRIPT AT PAGES 238-244, 501-502 AND 505-506, AND**
17 **DEPOSITION EXHIBITS 22 AND 23, IS THERE AN ACCOUNTING**
18 **DESCRIPTION FOR CHARACTERIZING THE DUPLICATE \$1.2 MILLION**
19 **THAT FPL PAID?**

¹⁹ FPL's response to Citizens' Production of Documents No. 6, Documents; Document 5202667866; Bates FPL 025622 and Document 5202626883; Bates FPL 048053.

²⁰ FPL's response to Citizens' Production of Documents No. 6, Documents; Document 5202667862; Bates FPL 025567 and Document 5202663914; Bates FPL 024992.

²¹ FPL's response to Citizens' Production of Documents No. 6, Documents; Document 5202737250; Bates FPL 038120.

²² FPL's response to Citizens' Production of Documents No. 6, Documents; Document 5202648719; Bates FPL 018284.

1 Q. ARE THERE MORE DUPLICATE INVOICES INCLUDED IN THE LISTING
2 OF COSTS PROVIDED BY FPL IN RESPONSE TO CITIZENS
3 INTERROGATORY NO. 20?

4 A. Yes. Contractor PP also submitted duplicate invoices. There are two invoices with
5 the same total hours and the same personnel for the same time period September 11
6 through September 17, 2017. One invoice charged \$316,924.80²³ and indicates it is a
7 revision of the other invoice which charged \$293,524.80.²⁴ The difference is that the
8 revised billing shifted hours from straight time to overtime. During the deposition of
9 December 13, 2018, [REDACTED]

10 [REDACTED]²⁵ In performing a follow-up search for Contractor
11 PP's entries on the cost listing provided by FPL in response to Interrogatory No. 20, I
12 could not locate a credit for either amount. If FPL made a reversal, it was not reflected
13 as part of the costs reported by the Company.

14
15 In another duplication, Contractor RR submitted two invoices with the same personnel
16 for the same time period September 18 through September 24, 2017. One invoice
17 charged \$217,124.92²⁶ and the other invoice charged \$227,519.00.²⁷ The difference is
18 that the second billing added [REDACTED] hours to six individuals on September 18 who were

²³ FPL's response to Citizens' Production of Documents No. 6, Documents; Document 5202656335; Bates FPL 020076.

²⁴ FPL's response to Citizens' Production of Documents No. 6, Documents; Document 5202655953; Bates FPL 019800.

²⁵ Deposition of FPL December 13, 2018 at pages 500-501.

²⁶ FPL's response to Citizens' Production of Documents No. 6, Documents; Document 5202692840; Bates FPL 033312.

²⁷ FPL's response to Citizens' Production of Documents No. 6, Documents; Document 5202747215; Bates FPL 039237.

1 shown on the previous invoice to have no time and deducted [REDACTED] hours from two
2 individuals time on September 18, reducing their overtime from [REDACTED] hours to [REDACTED] hours.

3
4 Contractor FF also had a duplicate billing. This duplicate was for a five man crew that
5 was included on two invoices for the same dates and hours. The invoice in Document
6 5202737137 (FPL 037968) reflected [REDACTED] hours for the five man crew on the weekly
7 crew report (FPL 037974) for the period September 18 through September 24. The
8 invoice in Document 5202736987 (FPL 037906) reflected the same [REDACTED] hours for the
9 five man crew on the weekly crew report (FPL 037907) for the period September 18
10 through September 24. This resulted in a duplicate billing of \$73,920 based on [REDACTED]
11 hours at an average rate of [REDACTED] an hour.

12
13 Contractor SS submitted two invoices for the same crew for the same week. The first
14 invoice was for six days, September 12, 2017 through September 17, 2017.²⁸ The
15 second invoice was for two days September 11, 2017 through September 12, 2017.²⁹
16 This resulted in September 12 being paid for twice. The duplicate billing is \$54,400
17 based on [REDACTED] hours at a rate of [REDACTED] an hour and [REDACTED] hours at a rate of [REDACTED] an hour.

18

19 **Q. DID YOU IDENTIFY ANY OTHER BILLING ISSUES?**

20 A. Yes. The other billing issue is with invoices reflecting the hours as reported on the
21 Storm Crew Weekly Time Report (“WEEKLY”), yet the supporting detail from the

²⁸ FPL’s response to Citizens’ Production of Documents No. 6, Documents; Document 5202622041; Bates FPL 058897.

²⁹ FPL’s response to Citizens’ Production of Documents No. 6, Documents; Document 5202632030; Bates FPL 059599.

1 Storm Crew Daily Time Report ("DAILY") for the WEEKLY invoices either did not
2 show a crew member had performed work or the Storm Crew Daily Time Report
3 indicated that the crew member had a classification that was not billable according to
4 the vendor's contract.

5
6 **Q. WOULD YOU PROVIDE SOME EXAMPLES OF BILLING ISSUES?**

7 A. Yes. In my review, I identified at least three occasions on which Contractor P was paid
8 for individuals listed on the WEEKLY that were not listed on the DAILYs for the week.
9 The first invoice was included on Document No. 5202656376. On this particular
10 billing, two individuals were on the WEEKLY that were not listed on the DAILY.
11 Here, an adjustment of \$37,947 is required for payment of [REDACTED] hours at an average rate
12 of [REDACTED] an hour. This adjustment is reflected on Line 388 of Exhibit HWS-2, Schedule
13 C, Page 3 of 6. The second overpayment for Contractor P was on Document No.
14 5202656872. Here, four crew personnel were listed on the WEEKLY that were not
15 listed on the DAILY for September 12. That resulted in an overpayment of \$11,465,
16 based on [REDACTED] hours of unsupported time at an average rate of [REDACTED] an hour. This
17 adjustment is reflected on Line 389 of Exhibit HWS-2, Schedule C, Page 3 of 6. The
18 third overpayment for Contractor P was on Document No. 5202656856. Here, the same
19 two crew personnel, in the first invoice discussed, were again listed on the WEEKLY
20 but were not listed on the DAILYs for the week. That resulted in an overpayment of
21 \$40,104 based on [REDACTED] hours of unsupported time at an average rate of [REDACTED] an hour.
22 This adjustment is reflected on Line 390 of Exhibit HWS-2, Schedule C, Page 3 of 6.

1 **Q. IS ONE DOCUMENT CONSIDERED MORE RELIABLE THAN THE OTHER**
2 **WHEN DESCREPANCIES OCCUR?**

3 A. That is an interesting question. In my opinion, they both are important. The WEEKLY
4 is the source for the hours on the invoice itself. The DAILY is purportedly the source
5 for the WEEKLY. However, FPL representatives stated in the November 15, 2017
6 deposition that the WEEKLY is optional and the DAILY is not optional,³⁰ thus that is
7 why I find the question interesting.

8

9 **Q. ARE THERE MORE INVOICES THAT INCLUDED TIME FOR CREWS**
10 **THAT WERE NOT SUPPORTED BY THE STORM CREW DAILY TIME**
11 **REPORT?**

12 A. Yes. There are at least three more invoices that I was able to identify where the
13 WEEKLY was not supported by the DAILY. The three are as follows:
14 Contractor E's invoice in Document 5202661266 (FPL Bates No. 024567) included
15 three crew members on the weekly summary time reports (FPL Bates Nos. 024568 and
16 024569) that could not be found on the daily time report (FPL Bates Nos. 024570
17 through 024585). This overstatement requires an adjustment of \$86,112 based on [REDACTED]
18 hours at a rate of [REDACTED] an hour. In addition, Contractor E had another invoice in
19 Document 5202661262 (FPL Bates No. 024529) that included two crew members on
20 the weekly summary time reports (FPL Bates Nos. 024530 and 024531) that were not
21 located on the daily time reports (FPL Bates Nos. 024532 through 024543). This

³⁰ Exhibit HWS-3 at page 41, lines 19-21.

1 overstatement requires an adjustment of \$64,584 based on [REDACTED] hours at a rate of [REDACTED]
2 an hour.

3
4 Document 5202651611 (FPL 019003) was an invoice for Contractor FF that included
5 hours on the WEEKLY based on the incorrect DAILY. The DAILY showed the crew
6 worked from 6 AM to 10 PM which is 16 hours. The Daily showed 18 hours for each
7 crew member. This error occurred on 5 days and resulted in an overpayment of \$18,724
8 based on [REDACTED] hours of incorrectly reported time at an average rate of [REDACTED] an hour.

9
10 **Q. PLEASE DESCRIBE THE ISSUE WITH BILLING FOR CREW POSITIONS**
11 **THAT ARE NOT BILLABLE UNDER THE CONTRACT?**

12 A. FPL has specific contracts with most of the outside contractors they do business with.
13 The specific contracts all reference Exhibit A1. CONFIDENTIAL Exhibit A1
14 specifically states that, [REDACTED]
15 [REDACTED] During my
16 analysis, when the daily time reports were reviewed it was noted on some that some
17 contractors did bill for those crew classifications. Contractor E billed for each of the
18 three classifications on Document 5202661272. That billing inappropriately included
19 \$84,318 for [REDACTED] hours at an average rate of [REDACTED] an hour.

20
21 **Q. IS IT POSSIBLE THAT THE CONTRACTOR WAS ALLOWED TO BILL FOR**
22 **THOSE CLASSIFICATIONS BASED ON THE SPECIFIC CONTRACT FOR**
23 **THAT VENDOR?**

1 contractor crews too early for travel, and then have those crews sitting around in Florida
2 waiting (and billing customers) for excessive periods of time for the storm to make
3 impact. This is a concern because it can result in excessive wait and standby times.
4 Another concern is that, if the contractors are instructed to mobilize from their home
5 bases to Florida too soon, they may be inclined to take their time or drag out the drive
6 time to Florida for more hours and days because they get paid a higher rate for
7 mobilization than for actual restoration work; this is clearly a money maker for them.
8 What makes this even more of a concern is that FPL's Exhibit A-1, which is referenced
9 in most contracts, contains guidelines that could potentially minimize the excessive
10 mobilization time issue, but more often than not, FPL did not enforce the requirements
11 mandated in the contracts.

12

13 **Q. COULD YOU PROVIDE SOME EXAMPLES WHERE FPL DID NOT**
14 **FOLLOW THE REQUIREMENTS OF EXHIBIT A1?**

15 **CONFIDENTIAL**

16 **A.** Yes. In reviewing Exhibit A1, it states the following under the heading "The Work
17 (Scope):"

18

19

20

21

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27

My review of documents produced by FPL revealed instances where vendors charged
for equipment, fuel purchased, and repairs to equipment during

1 mobilization/demobilization and repairs to equipment. These costs are obviously
2 excluded under the work scope in Exhibit A1.

3

4 Also in Exhibit A1, the "General Resource Requirements" subsection under the
5 "Resource Requirements" states the following:

6

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20 (Emphasis added).

21

22

This is reiterated in the "Rate Structure" section where it states:

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1 As part of my review, I looked at numerous daily time sheets to confirm the hours
2 summarized on the weekly time summaries that served as the source for the hours on
3 the FPL invoice template. These daily time sheets identified the crew member's
4 classification, and there were several billings for employees listed as administrative,
5 safety personnel and mechanics. FPL paid for these personnel even though Exhibit A1
6 states that they [REDACTED] As was discussed earlier under the
7 capitalization section, the contractor crews included four, five or six personnel. The
8 review of daily time sheets confirmed that this was routine, and the predominant size
9 was five.

10 Under the subsection "Specific Resource Requirements" in Exhibit A1, it states the
11 following:

12 [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]
16 [REDACTED]

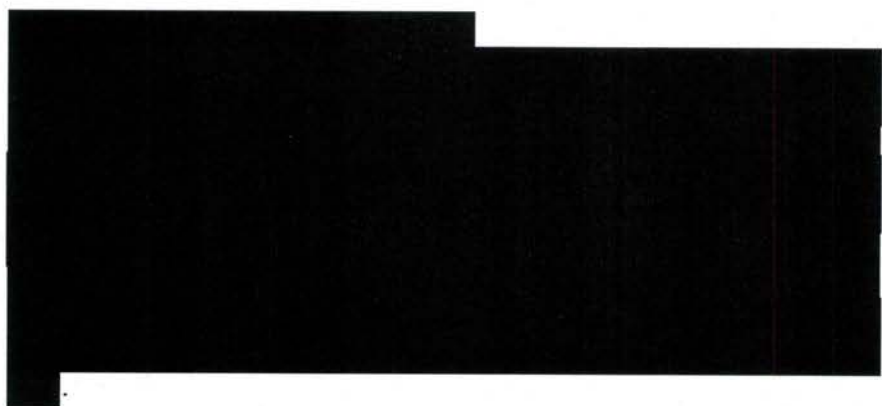
17 (Emphasis added).

18 [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]
24 [REDACTED]
25 [REDACTED]

26 This language indicates the use of five man crews, which as I explained earlier is
27 ignored by FPL when calculating the capitalization of certain restoration work. I would
28 also note that there were crews with more than one apprentice.

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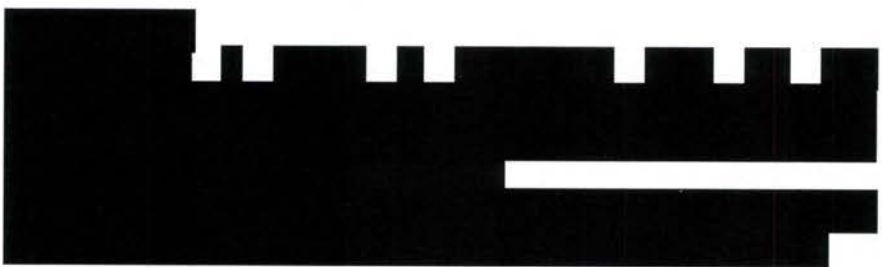
Under the caption "Vehicles and Equipment Maintenance," Exhibit A1 states:



(Emphasis Added)

As stated earlier, there was some maintenance of equipment which was billed to FPL and included in the requested restoration costs, in obvious violation of this provision.

Under the "Working/Standby Price Structure," Exhibit A1 states the following regarding standby hours:



A number of crews billed for 16 hours during standby time, despite the 10 hour maximum of standby time allowed under Exhibit A1, and these costs were included in the requested restoration costs.

Under the "Overtime Hours" subsection, Exhibit A1 states in bold print [redacted] [redacted] However, contractor QQ billed for double time, which was paid by FPL and submitted as storm restoration costs. Although the

1 Company explained that this was due to union contract requirements, with all the
2 advance preparation and negotiated contracts, FPL should have been aware of this issue
3 and negotiated a better deal for its customers.

4
5 Under the "Lodging" section, Exhibit A1 states [REDACTED]
6 [REDACTED] Notwithstanding this
7 language, certain time sheets include notes that contractors slept in their trucks and
8 billed for their sleep time resulting in hours billed as if the workers had worked more
9 than 24 hours straight.

10
11 The section identified as "Gasoline/Diesel Fuel" states in bold that [REDACTED]
12 [REDACTED] This is particularly intriguing since part of the
13 argument for allowing 16 hours for mobilization/demobilization for 550 miles of travel
14 is that the crews stop for meals and fuel. Adding to that concern is that under the
15 "Meals" section, it clearly states [REDACTED]
16 [REDACTED] Thus, FPL failed to comply with its own statement of
17 requirements in allowing these to be included in its requested restoration costs.

18
19 **Q. DO YOU HAVE ANY CONCERNS WITH HOW THE CONTRACTOR COSTS**
20 **WERE TRACKED AND/OR REVIEWED?**

21 A. Yes, I do. I am concerned about the lack of documentation regarding the mobilization,
22 demobilization and standby time for the contractors. FPL was requested to provide a
23 summary listing, by contractor and line clearing crews, of the costs for mobilization
24 and demobilization. FPL's response to Citizens' Interrogatory No. 3 only provided an

1 log is used in the invoice review and approval process, which FPL
2 organization or entity created the form for the Daily Contractor
3 Mobilization Log Storm Travel, at what stage in the storm response
4 process the log is generated and sent to a vendor, and to which FPL
5 organization the vendor submits the completed form (FPL department,
6 employee title and name).
7

8 RESPONSE:
9

10 This form is included in the packet of templates provided by FPL in
11 order to assist the vendor with preparing their invoices for payment. The
12 blank template (see sample as Attachment No. 1 to this response) is sent
13 to the vendor at the time of resource commitment along with all of the
14 other invoicing templates. At the time of submitting an invoice for
15 payment, a vendor would include this form in their invoice support and
16 send it to the Accounts Payable department. The use of any of the FPL
17 templates is recommended but not required to process and approve a
18 vendor invoice for payment. If and when a vendor provides the travel
19 log, it is used as part of the overall invoice review process to confirm
20 appropriate billing. The main focus for the invoice review is on the daily
21 timesheet and this log is provided as supplemental information. Vendor
22 invoices are processed and approved as long as FPL Accounts Payable
23 has the information needed to perform their review and the information
24 has been approved by Power Delivery.
25

26 This response included an attachment with instructions that read: "Enter all
27 Mob/Demob information on the Travel log tab. Include the city, state and time for any
28 stops made during travel. (Employee names must be listed on the travel log)."
29 However, this response is inconsistent with the requirements included in Exhibit A1
30 that is referenced in the specific contractor contracts. Under the "Invoicing" section of
31 Exhibit A1, it states:



1 A. Yes, there is. My concern is that the average hourly rate utilized by FPL for
2 capitalization does not represent the cost for contractor personnel performing capital
3 work during normal restoration. As discussed earlier, the rate used for FPL's personnel
4 to perform storm restoration work is not representative of the conditions and
5 requirements after a storm has occurred. Similarly, since contractor rates and hours are
6 greater than the rates and hours for FPL's personnel, the average hourly rate FPL
7 utilized for contractors does not represent the total cost of outside contractors who
8 perform capital restoration work. Based upon my analysis, the cost for capitalization
9 work performed by contractors is significantly understated. Use of an understated FPL
10 rate for contractors, which even understates the capitalized work that FPL itself
11 performed, presents an even larger problem because when costs are capitalized, the
12 actual costs recorded are understated even more.

13
14 **Q. DID YOU PERFORM ANY ANALYSIS TO EVALUATE THE COMPANY'S**
15 **CONTRACTOR COSTS IN THIS CASE?**

16 A. I analyzed the respective hourly rates for FPL's employees versus the average hourly
17 contractor rate and compared that to the actual hourly billing rates by contractors for
18 storm restoration work. The Company's response to Citizens' Interrogatory No. 76
19 indicates the average blended hourly capitalization rate for FPL employees is \$140.46
20 and for contractors it is [REDACTED]. This rate includes labor, vehicle costs and
21 miscellaneous costs. Ignoring the vehicle costs and miscellaneous costs, the \$140.46
22 hourly rate applies for approximately three FPL employees performing the capital
23 work. The average regular FPL payroll rate in Docket No. 20160251-EI was \$38 an
24 hour. I am confident that rate has not declined and multiplying that rate times 3

1 employees and an approximate overhead rate of 14% equates to an average cost of
2 \$129.26 per hour ($\$38 \times 3 \times 1.14$). This is at the regular pay rate. As discussed earlier,
3 during restoration this would be even higher because it would be an overtime rate. The
4 capitalization rate of \$140.45 barely covers regular labor costs using regular rates let
5 alone the purported vehicle costs and miscellaneous costs. The fact that contractor
6 crews perform this work and their crews typically range from [REDACTED] personnel means
7 the hourly rate of \$140.46, or even the [REDACTED], is not representative of what the cost
8 per hour would be when the number of personnel involved is factored in. As shown on
9 Exhibit No. HWS-2, Schedule C, Page 3 of 6, I have estimated the average hourly
10 contractor rate at approximately [REDACTED] an hour. If just [REDACTED] contractor employees were
11 doing the capital work, the hourly rate would be [REDACTED]. This [REDACTED] an hour
12 rate is over five times $[REDACTED]/\$140 = [REDACTED]$ the hourly rate utilized by FPL for
13 capitalization.

14
15 **Q. ARE YOU RECOMMENDING AN ADJUSTMENT TO WHAT THE**
16 **COMPANY REFLECTED AS CAPITALIZED?**

17 A. Yes, I am. The capitalized amount for distribution costs for contractor labor should be
18 increased from \$72.404 million to \$351.158 million, an increase in capital costs of
19 \$278.754 million. A corresponding reduction to total restoration costs of \$278.754
20 million is then required. This adjustment does not deprive FPL from recovering the
21 costs, it simply spreads the recovery over an appropriate time frame as required under
22 GAAP.

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

2 A. On Exhibit No. HWS-2, Schedule C, Page 2 of 6, I first determined the actual hours
3 utilized by FPL to calculate its adjustment on capitalization by dividing the
4 capitalization cost by [REDACTED] which is the FPL CMH rate for contractors. I note that
5 this is what FPL identified as the contractor rate; however, I have not seen that they
6 used this rate since the only calculation provided used the \$140.46 hourly rate provided
7 in the response to Citizens' Interrogatory No. 76. Next, I multiplied the average hourly
8 rate of [REDACTED] by [REDACTED] which is a conservative contractor personnel level. This resulted
9 in an hourly rate of [REDACTED] for a contractor crew. I multiplied that by the hours capitalized
10 by FPL, which resulted in a cost of \$351.158 million as shown on Exhibit No. HWS-
11 2, Schedule C, Page 2 of 6, line 11. I deducted the capitalization of \$72.404 million
12 that was proposed by FPL which results in my adjustment of \$278.754 million.

13
14 **Q. PLEASE EXPLAIN YOUR CONCERN WITH THE COST CLASSIFIED AS**
15 **"NOT ASSIGNED".**

16 A. As part of the Company's costs for its contractors, FPL includes \$177.364 million of
17 costs labeled as "Not Assigned." OPC asked FPL via an interrogatory to explain why
18 some vendor descriptions were listed as "Not Assigned" and why there is no vendor
19 number included for all vendors. The Company responded as follows:

20 Items listed as vendor descriptions "Not Assigned" and vendor numbers
21 of # indicate a non-purchase order invoice or accrual related to vendors
22 whose contracts had not been pre-negotiated but whose services were
23 needed and therefore were retained shortly before or during the
24 restoration effort. Note, the purpose of the schedule included in FPL's
25 response to OPC's First Set of Interrogatories No. 20 was to
26 provide a summary of contractor costs by function, and its contents
27 should be reviewed independently of FPL's response to OPC's First
28 Request for Production of Documents No. 6. The purpose of the

1 point was paid per diem, a question also rises as to whether the contractor was paid the
2 per diem rate even if the contractor was fed as part of the logistic process. Meal costs
3 could potentially be duplicated because of this.
4

5 Another issue is that there were no invoices provided for many vendors, only emails of
6 meal counts or a sheet showing meal counts. Thus, those counts had to be used to
7 calculate a cost based on the purchase orders attached in order to verify whether the
8 amount paid was reasonable. **CONFIDENTIAL** For example, with [REDACTED]
9 meal counts were used to estimate the costs and that resulted in a total cost of \$216,025.
10 FPL reported \$211,229 of costs reported in response to Citizens' Interrogatory No. 27
11 and the listing of costs provided in response to Production of Documents No. 9 was
12 \$211,353. All three amounts exceed the amount identified in the purchase order that
13 was provided. **END CONFIDENTIAL** It is not clear that FPL followed the
14 contract/purchase order with this vendor. Another issue with this vendor was the fact
15 that FPL only provided two actual invoices which totaled \$2,400. The reported costs
16 over \$75,000 for this vendor was \$211,353 so there is no real verification of the
17 reported cost. This documentation is questionable as actual invoices should be
18 provided.
19

20 Another notable concern was with a vendor who was paid for meals that were not
21 delivered. The documentation in one case indicated that, since there was a minimum
22 meal requirement and FPL made arrangements for another vendor to provide the meals,
23 the minimum should be paid. In another instance, the higher of meals requested or
24 meals served was paid.

1 Absent actual invoices, this is an area where misappropriation could occur. This should
2 be a major concern for the Commission when over \$250 million of costs have very
3 sketchy and/or limited supporting detail. As such, FPL has failed to meet its burden to
4 demonstrate these costs were reasonable.

5
6 **Q. WOULD IT BE CORRECT TO INFER THAT BECAUSE THE MINIMUM**
7 **WAS PAID DUE TO ANOTHER VENDOR SUPPLYING MEALS THAT**
8 **THERE WAS A DUPLICATION OF COST?**

9 A. That is a reasonable inference. In addition, it was noted that the vendor
10 [REDACTED] have been overpaid. The listing of
11 invoices provided by FPL shows two invoices for [REDACTED]
12 [REDACTED] one for \$319,568 and another for \$632,049, totaling \$951,167. For
13 the first invoice of \$319,568, the documentation showed only an indication of an
14 invoice of \$17,691 and the detail provided meal counts for September 8 through
15 September 14. The documentation provided for the \$632,049 included the same sheets
16 provided with the \$319,568. That detail also included an Excel sheet for the entire
17 period and the total costs listed were either \$579,500 based on requested meals or
18 \$743,421 based on actual meals. As I indicated, the total of invoices over \$75,000
19 listed for the [REDACTED] is
20 \$951,167, thus it would appear this vendor was overpaid by at least \$207,746.

21
22 **Q. ARE YOU PROPOSING AN ADJUSTMENT TO THE COMPANY'S**
23 **LOGISTICS EXPENSE?**

CONFIDENTIAL

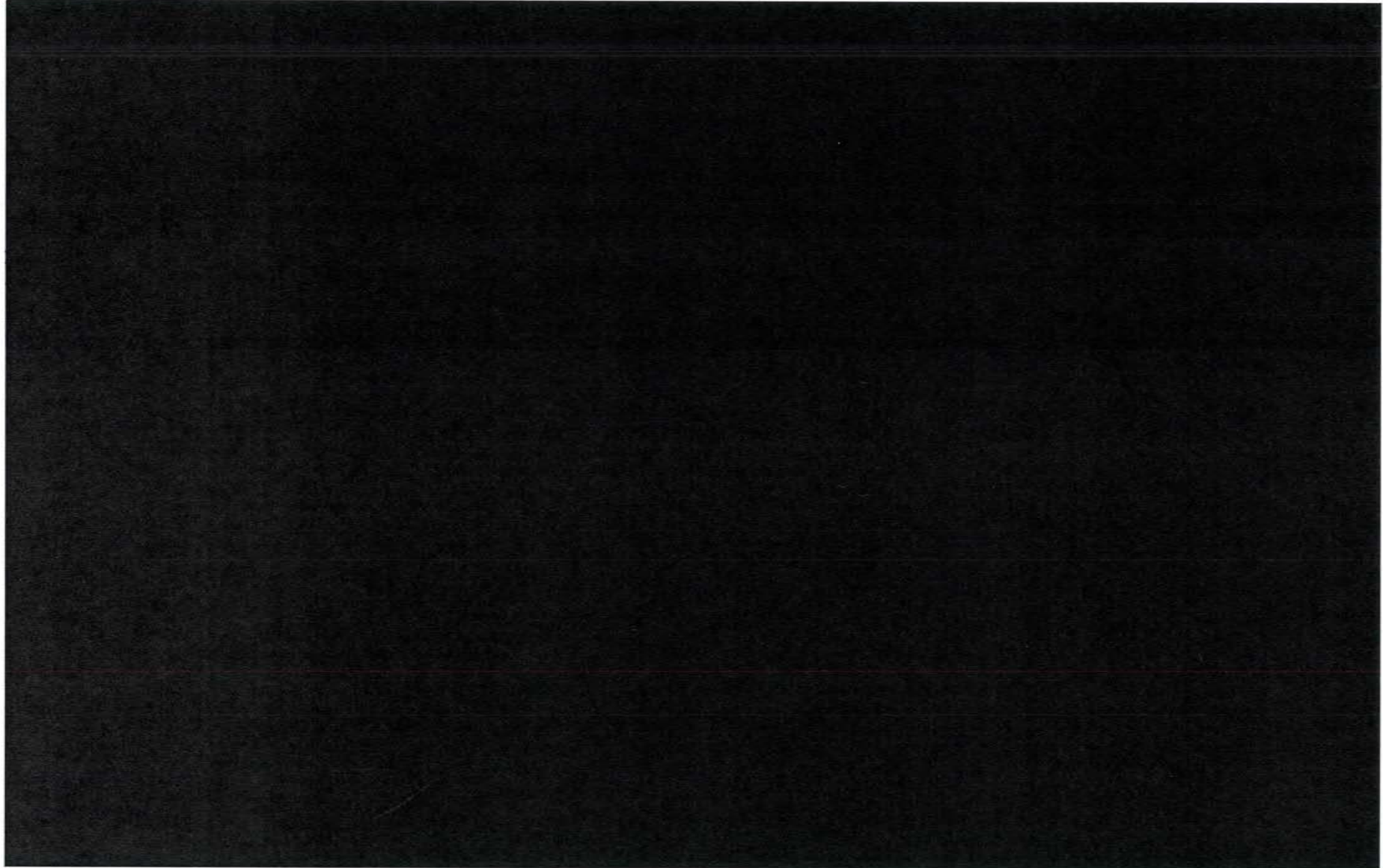
Line No.	Description	Amounts	Amounts	Source
1	Regular Payroll & Related Costs Capitalized		72,404,000	Co. Exhibit KF-2
2	Hourly Labor Rate (LVM)		[REDACTED]	OPC IR No. 76
3	Capitalized Hours		474,221	Line 1 / Line 2
4	Average Contractor Rate	[REDACTED]		Schedule C, Page 3
5	Contractor Employees	[REDACTED]		
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)		72,404,000	
13	Adjustment for Contractor Capitalization		<u>(28,754,105)</u>	

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

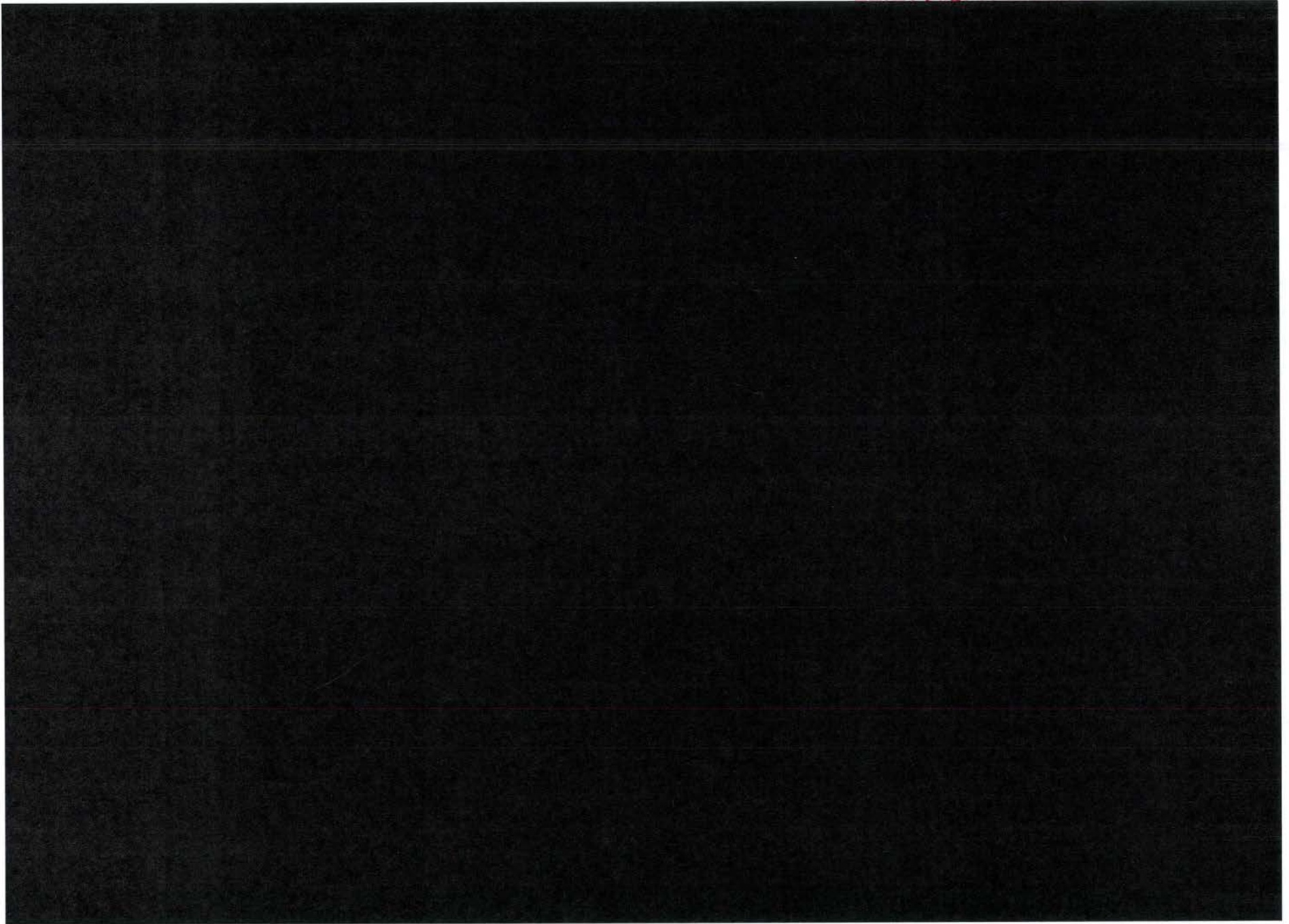
Docket No. 20160255-EI
Schedule C
Exhibit No. HWS-2
Page 3 of 6

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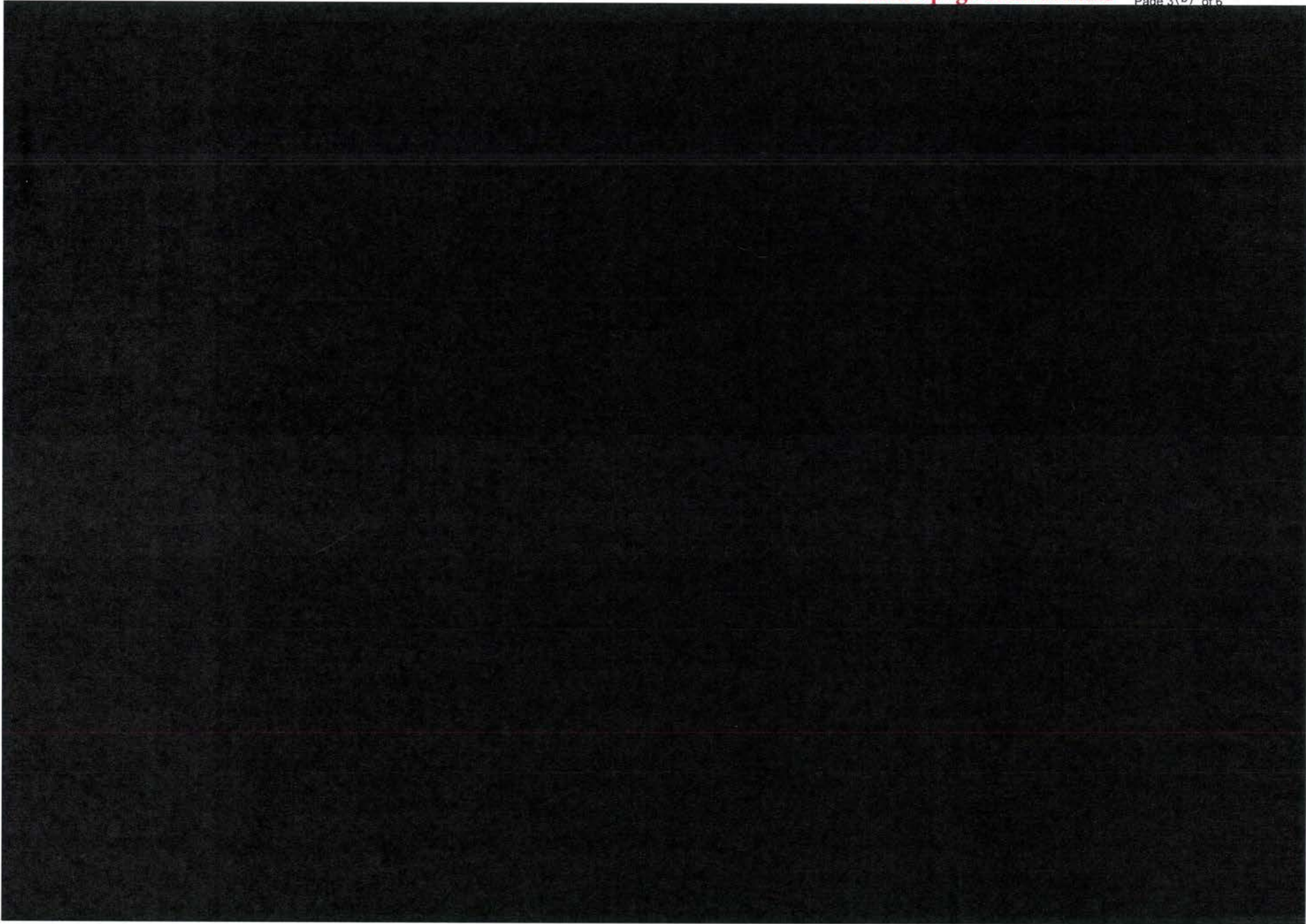
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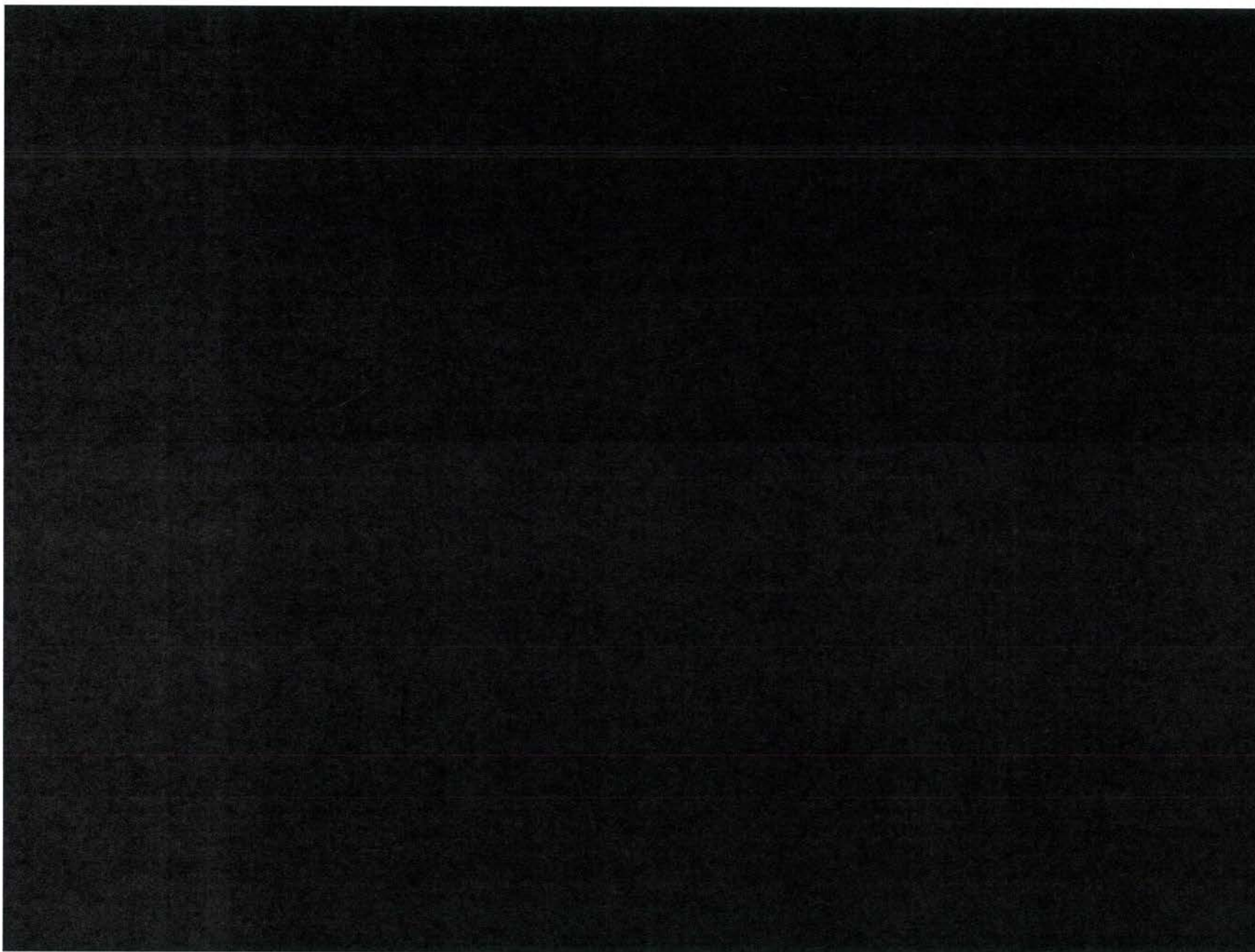
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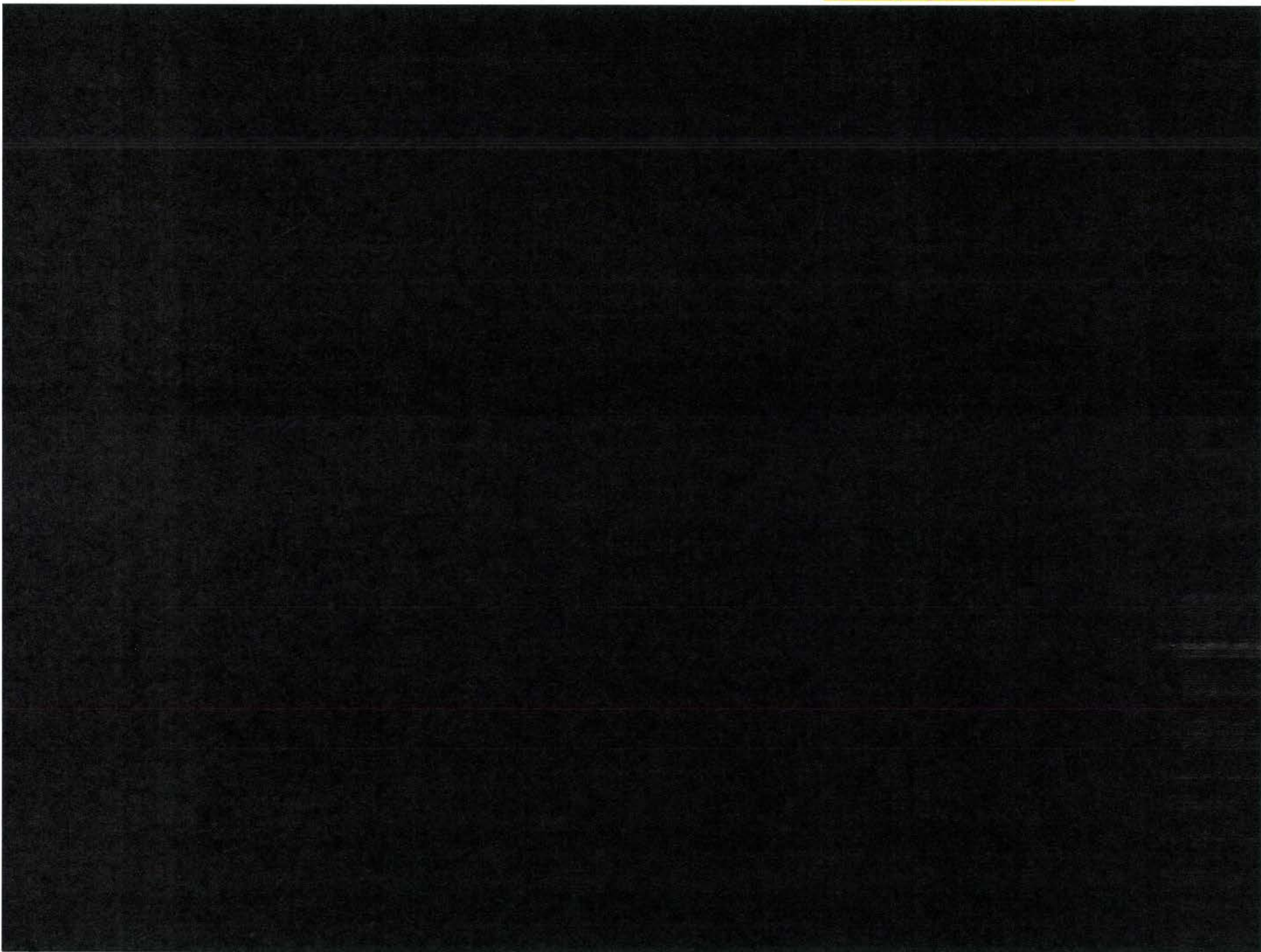
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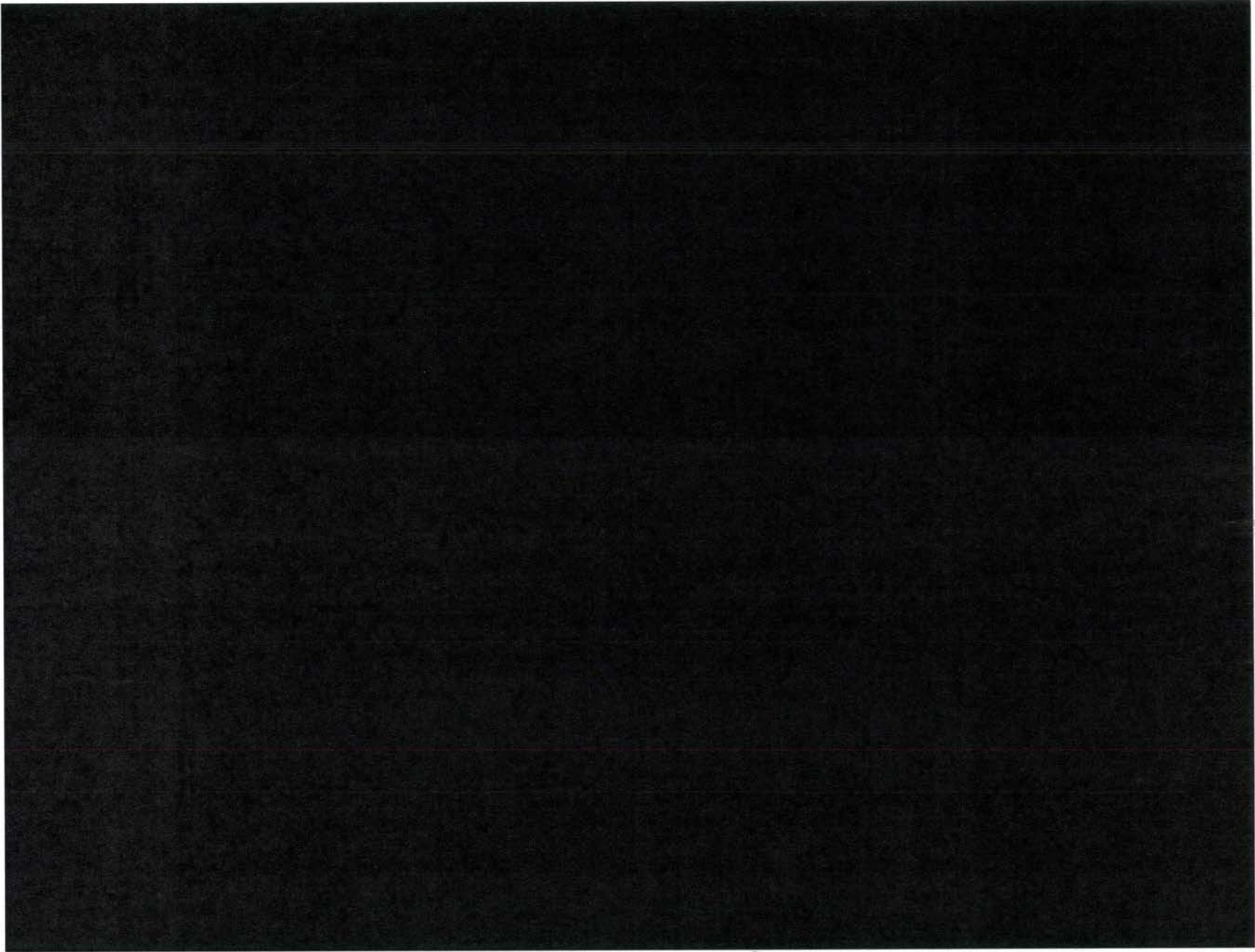
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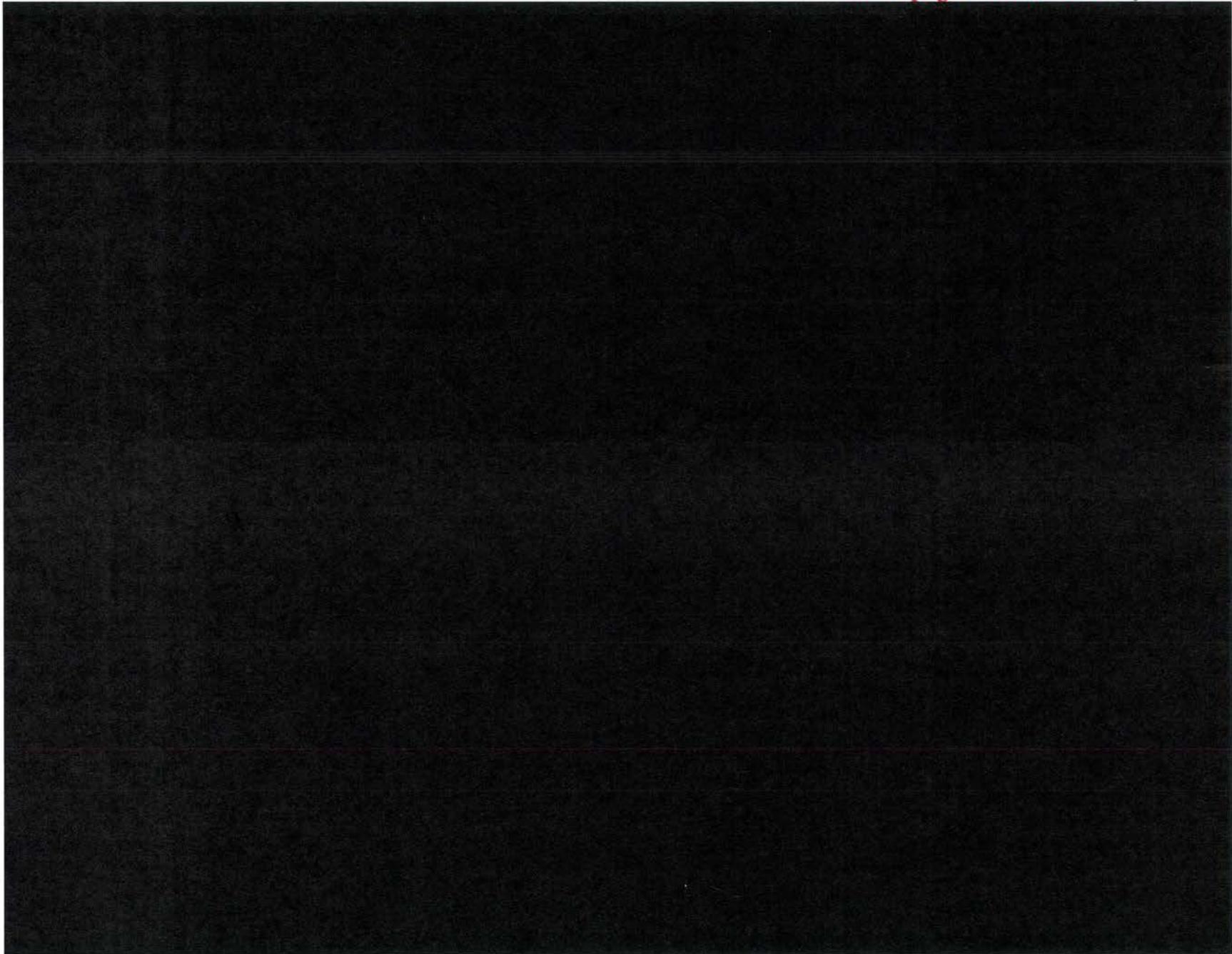
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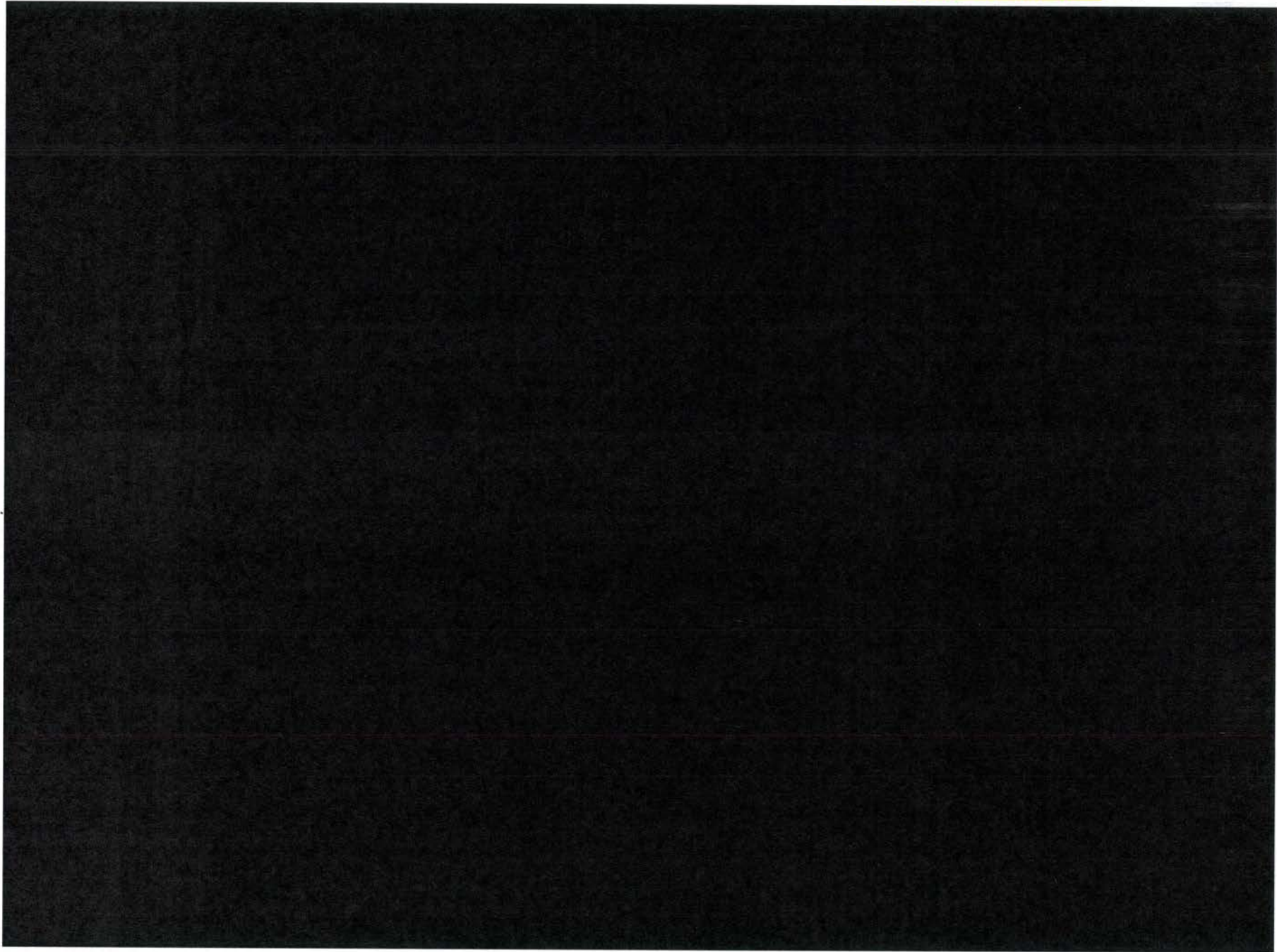
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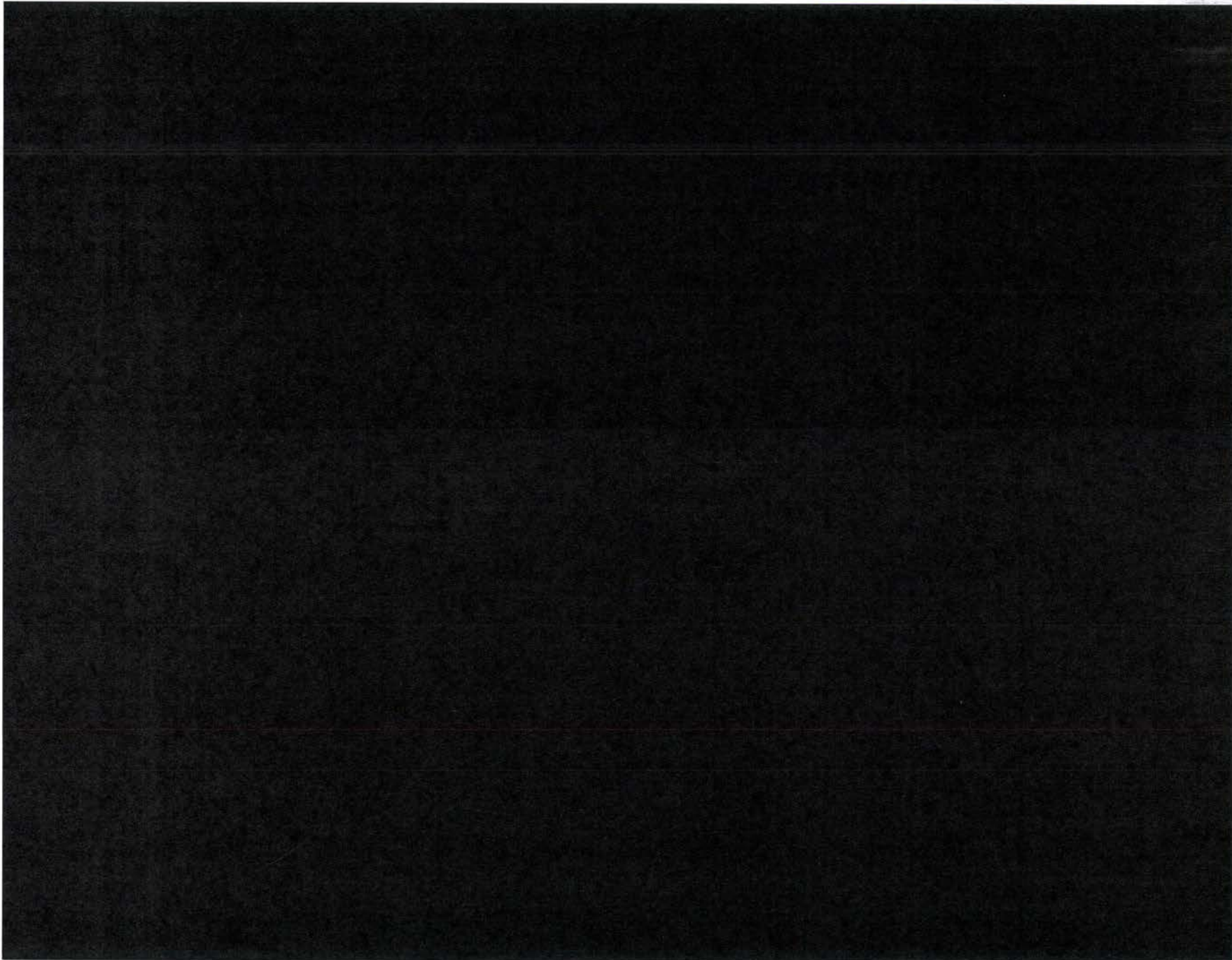
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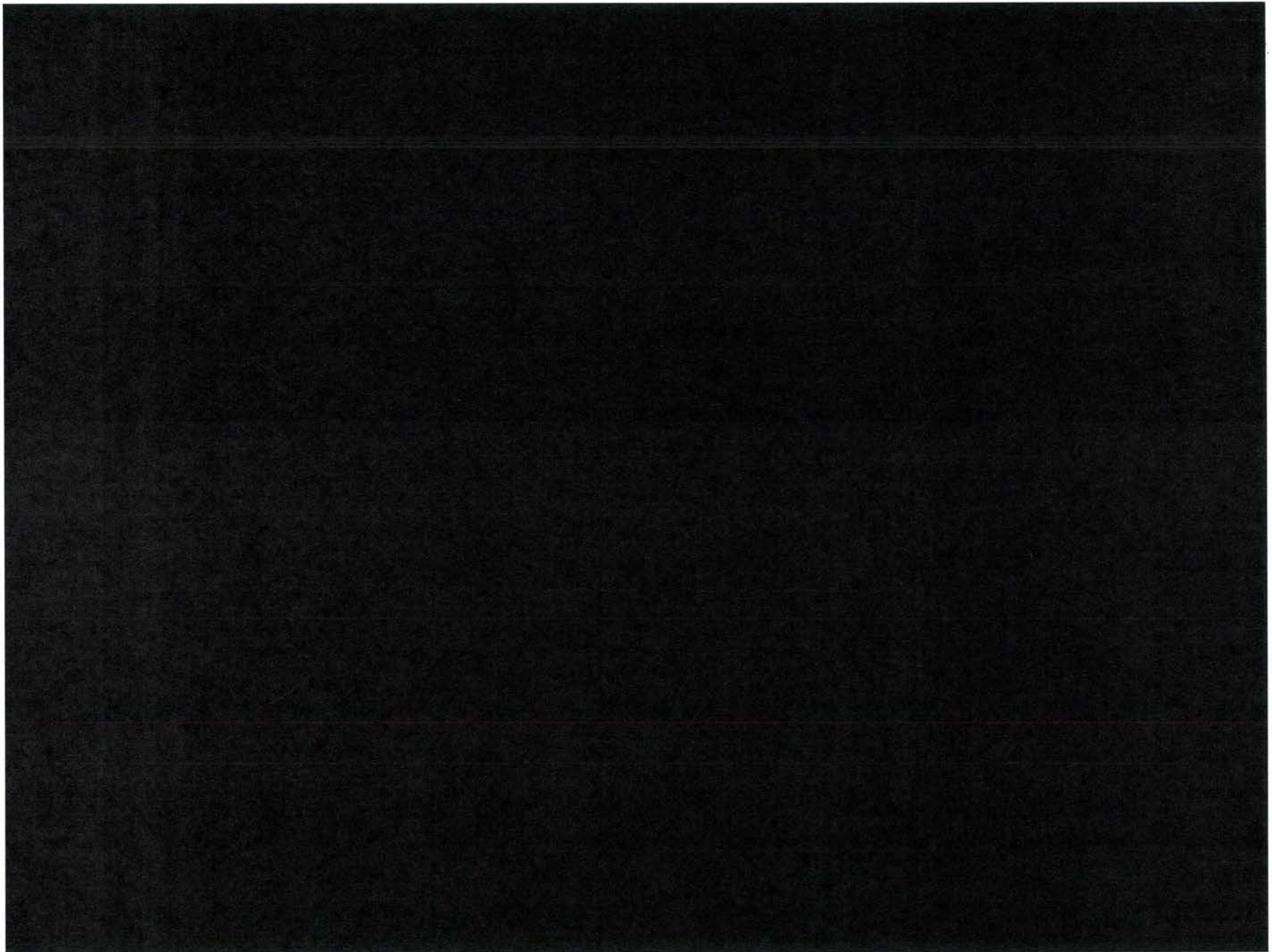
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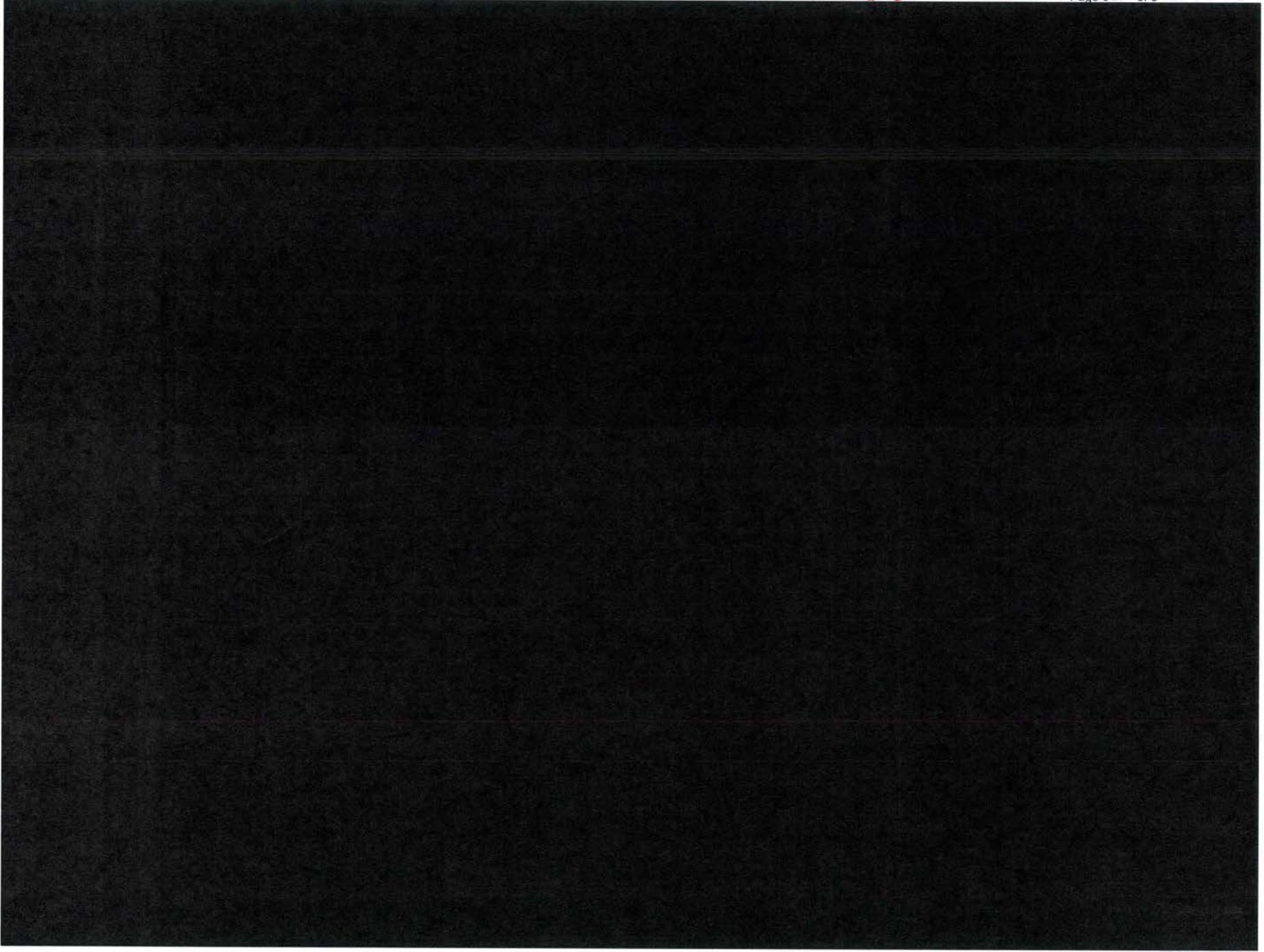
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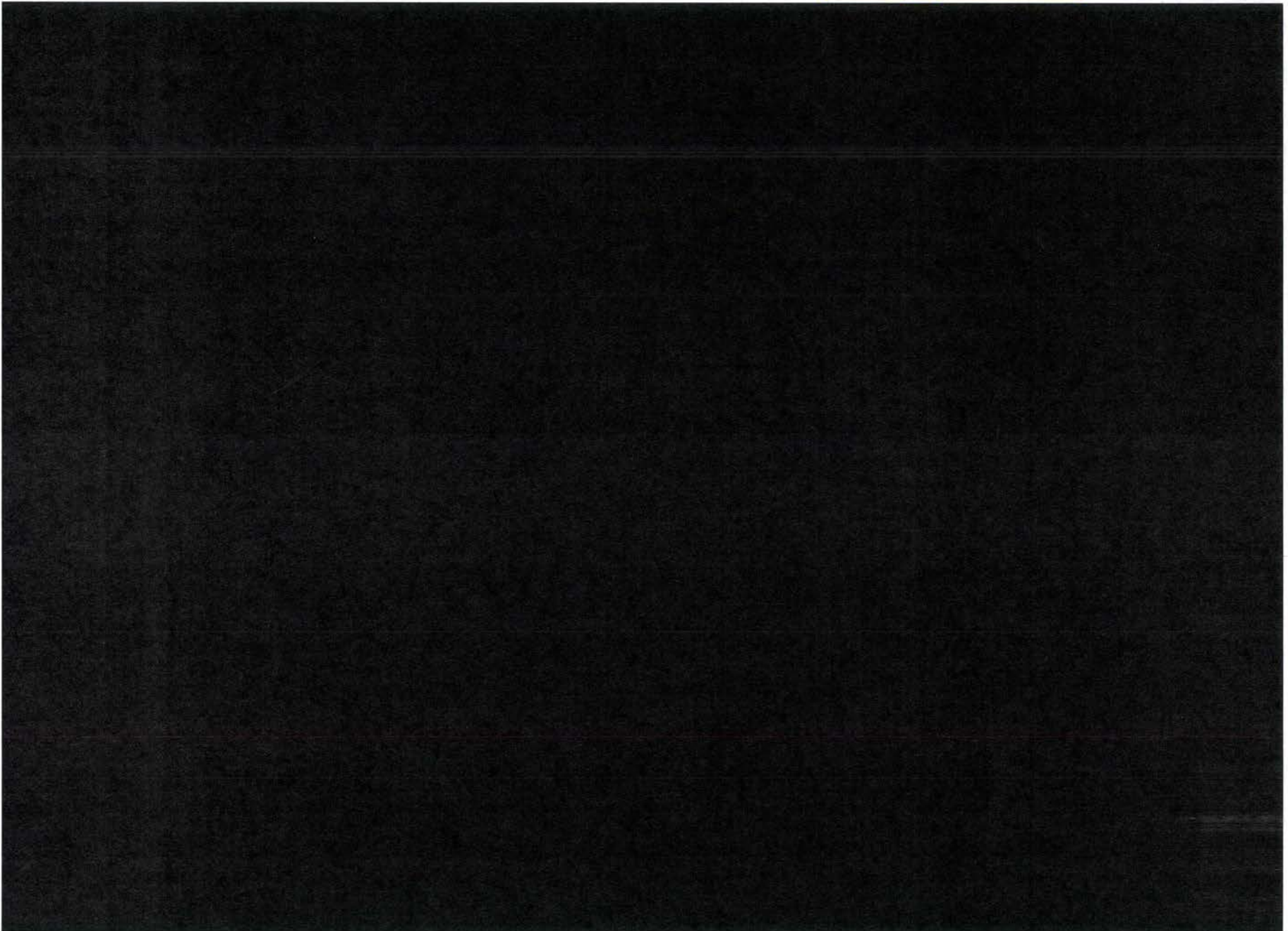
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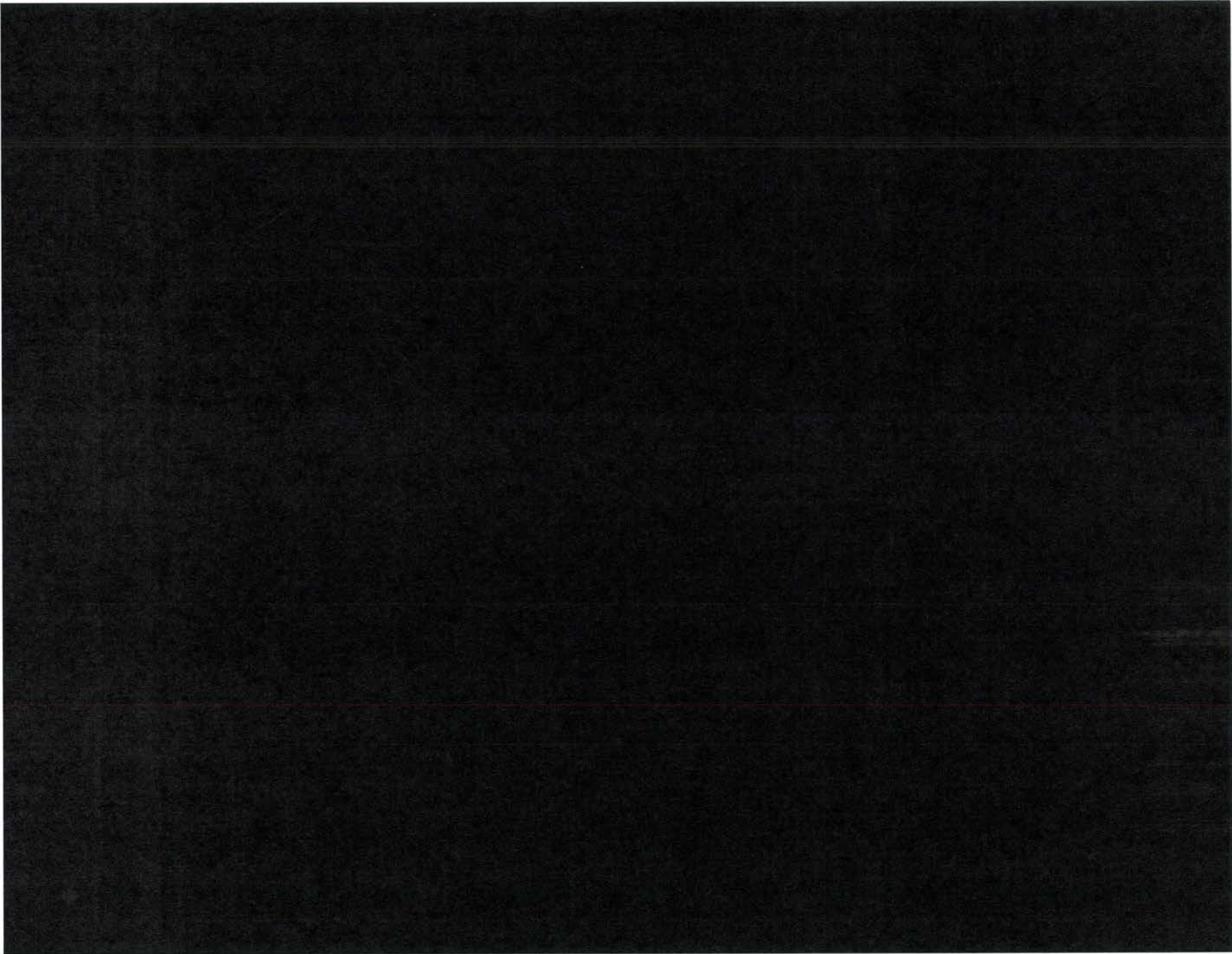
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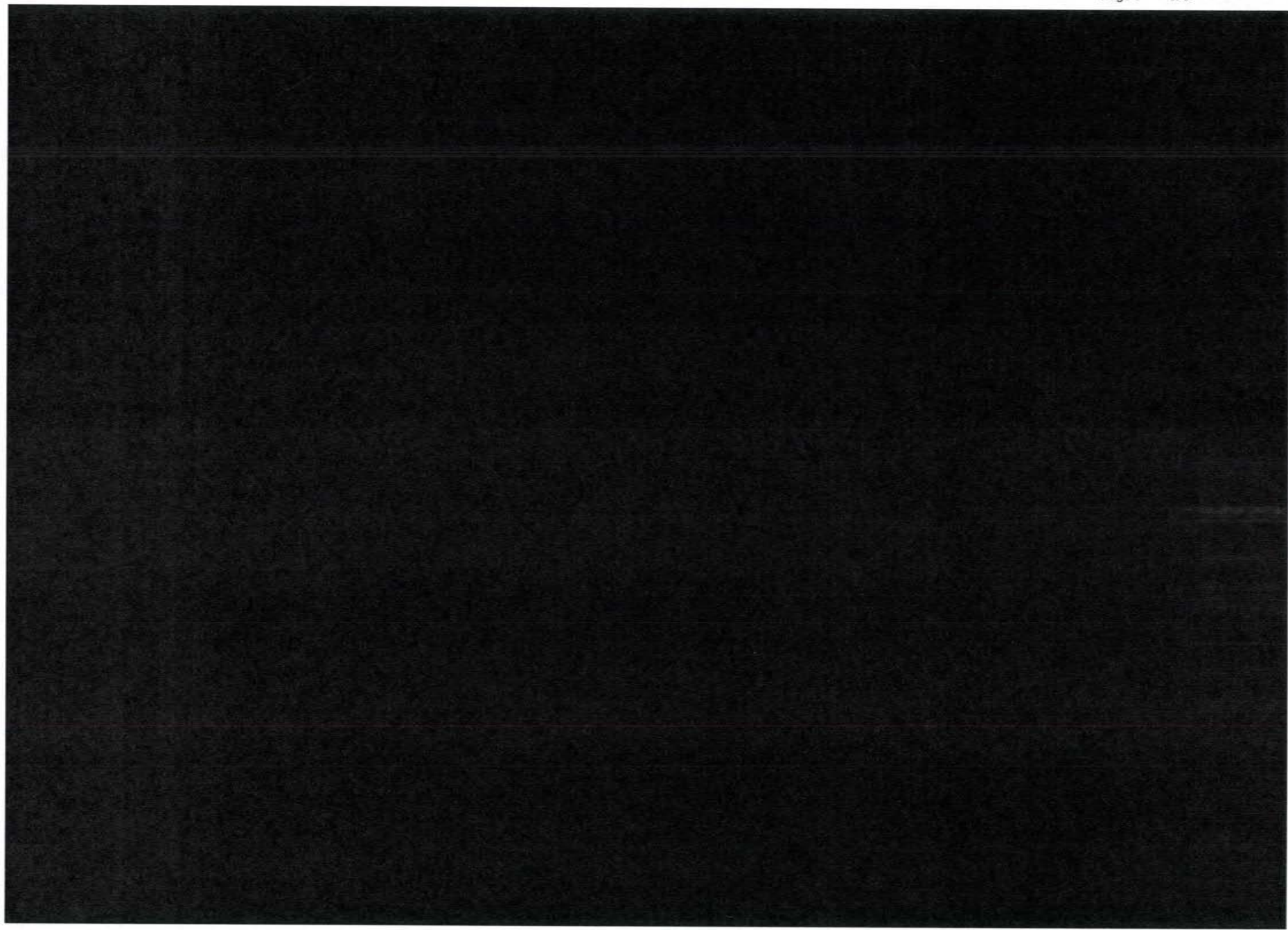
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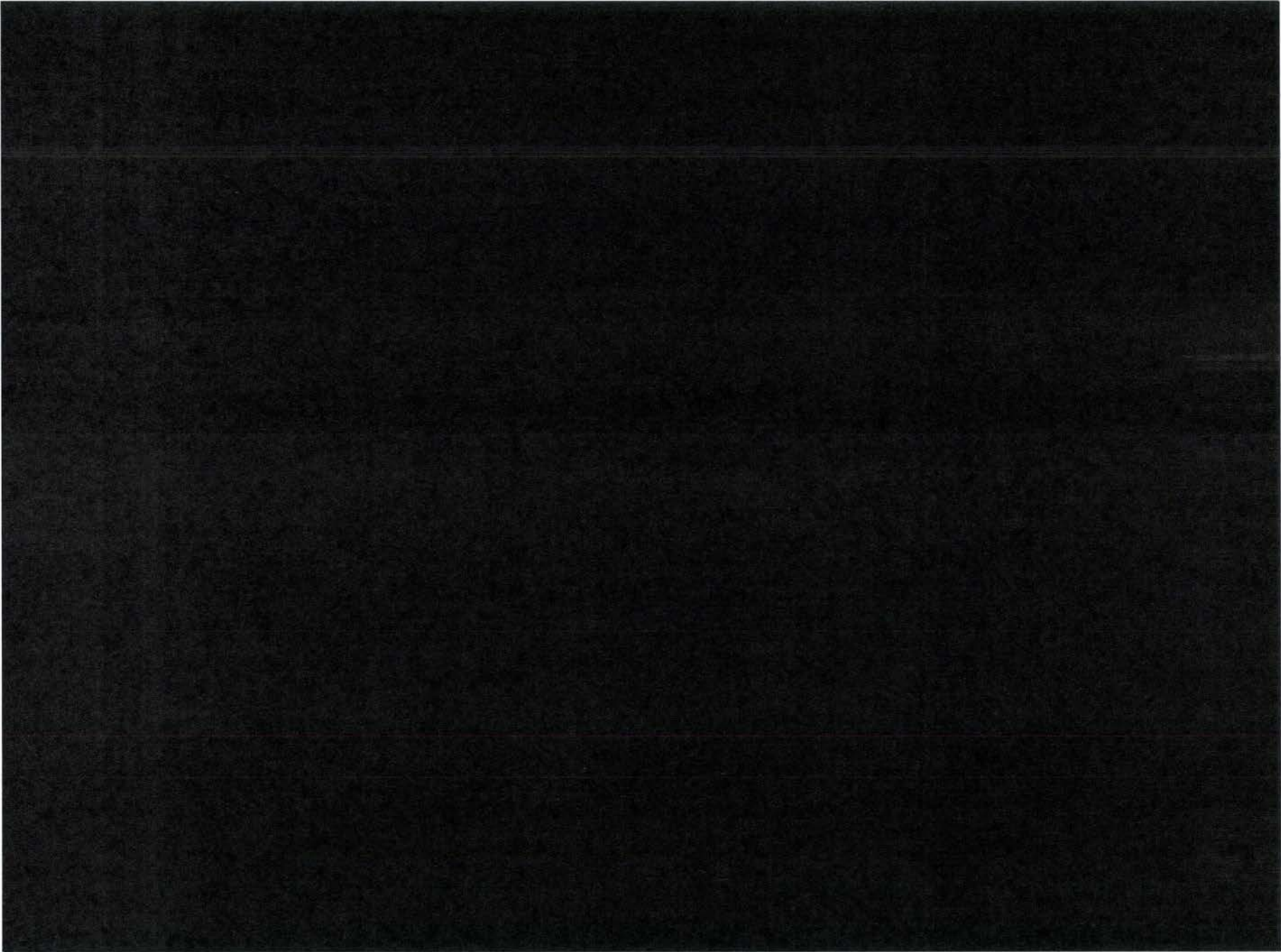
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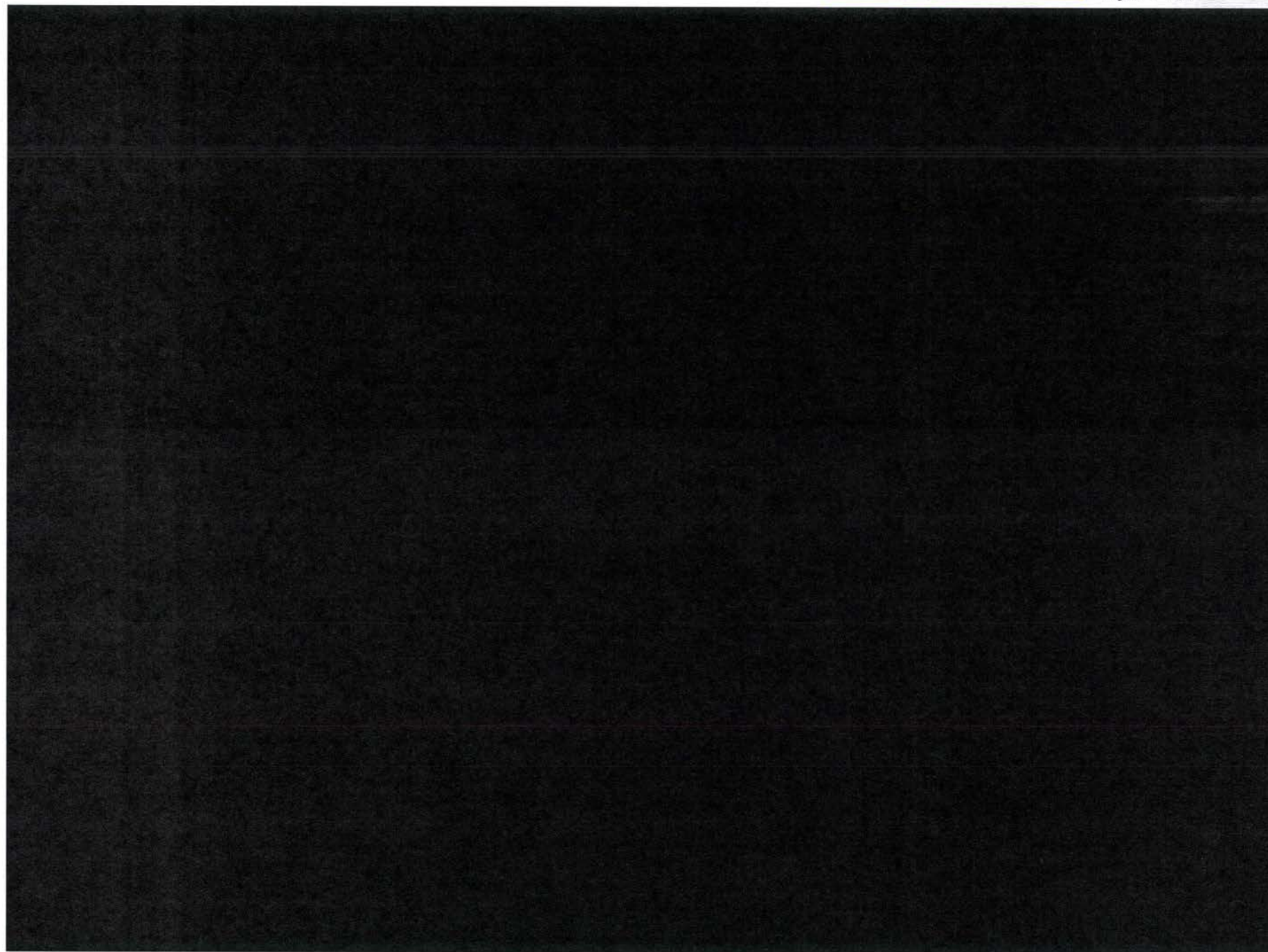
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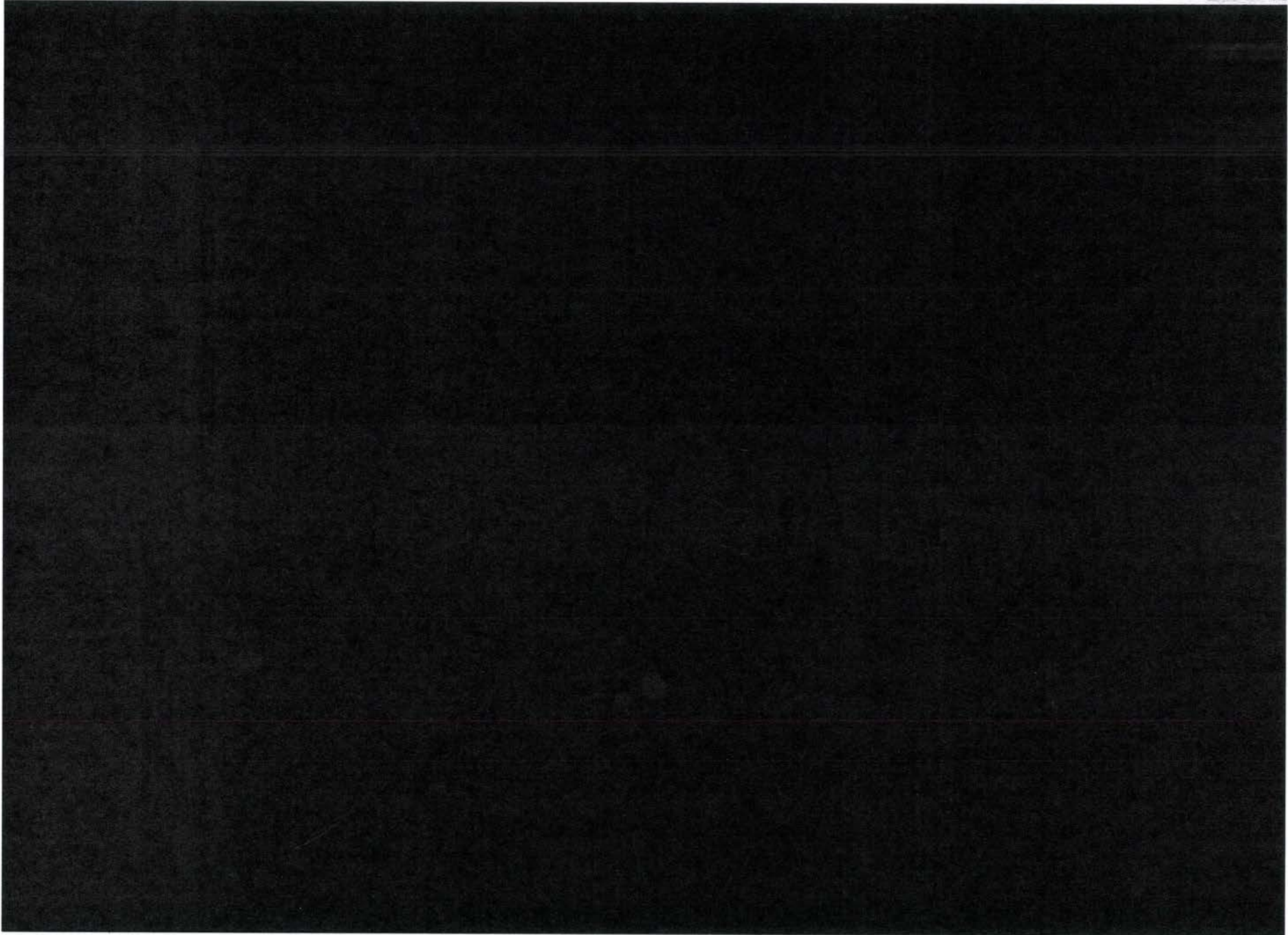
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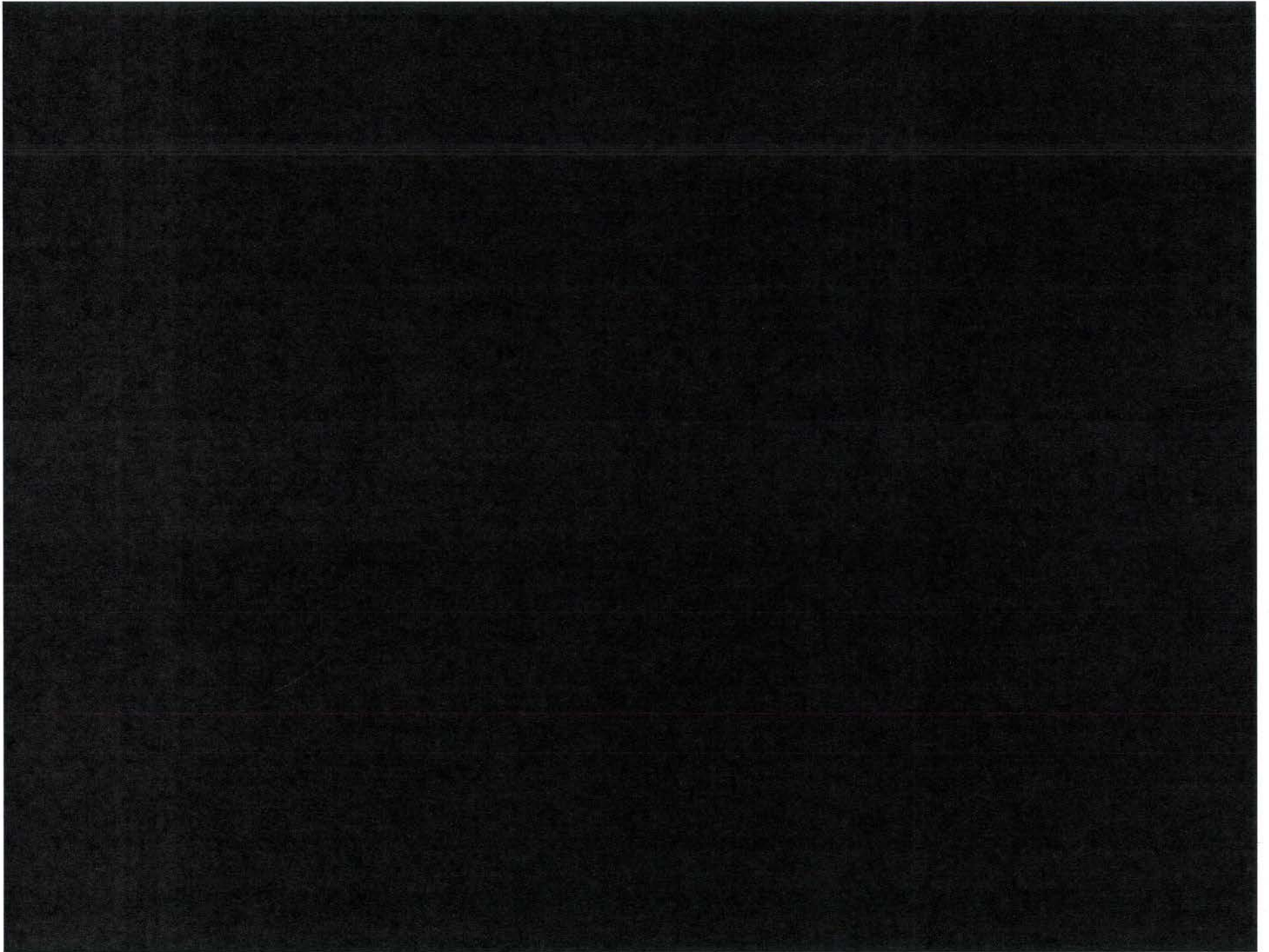
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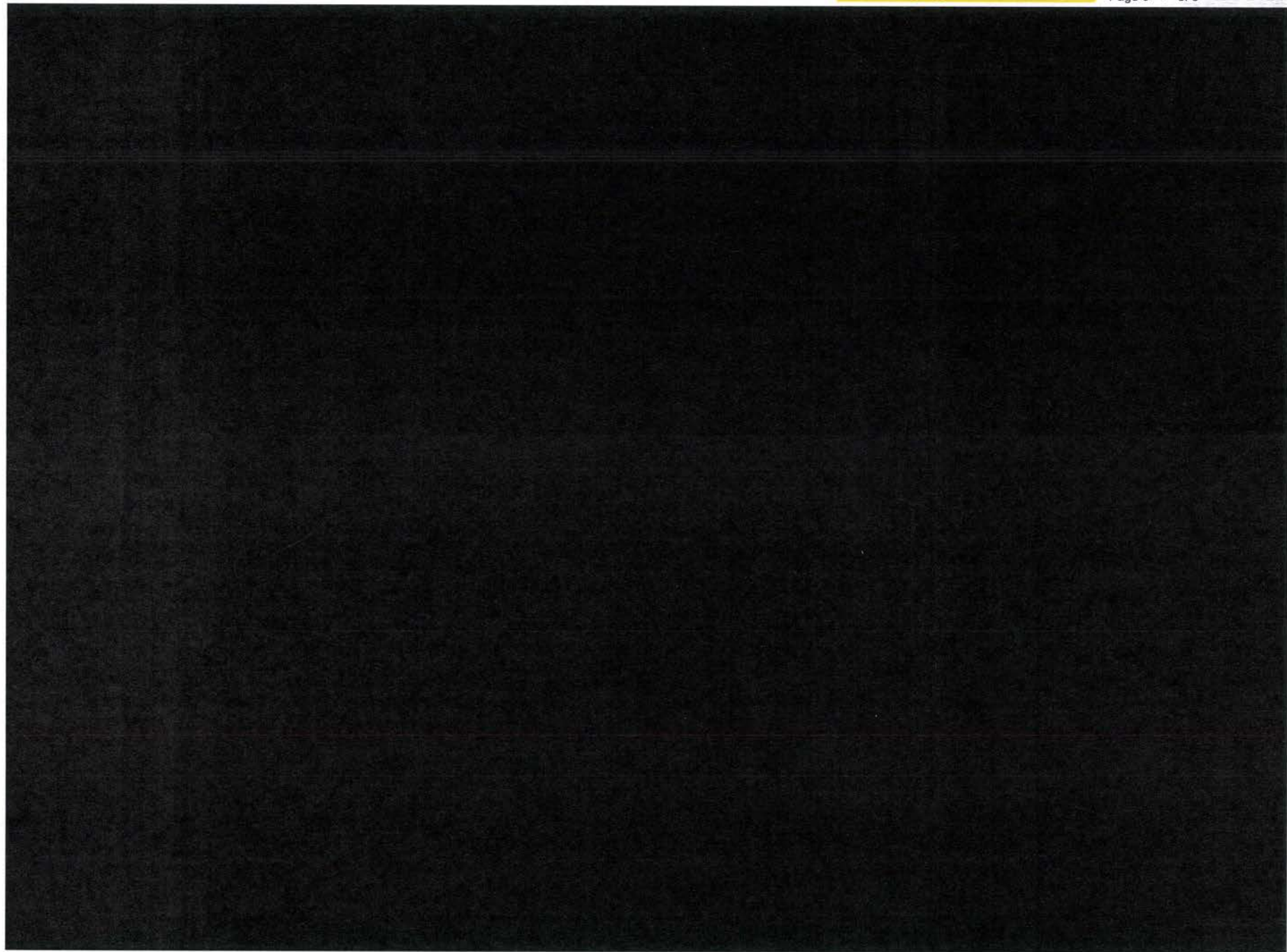
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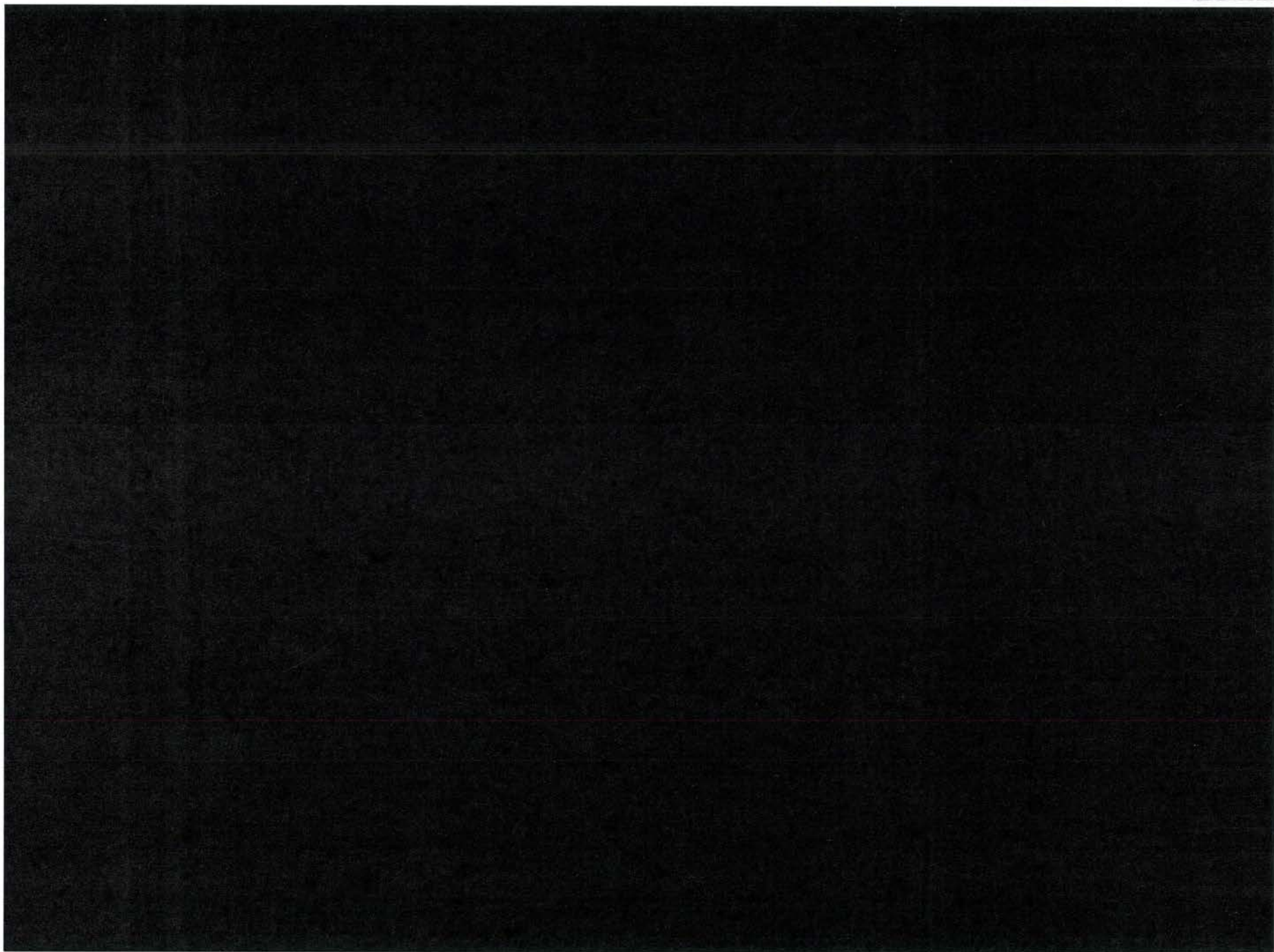
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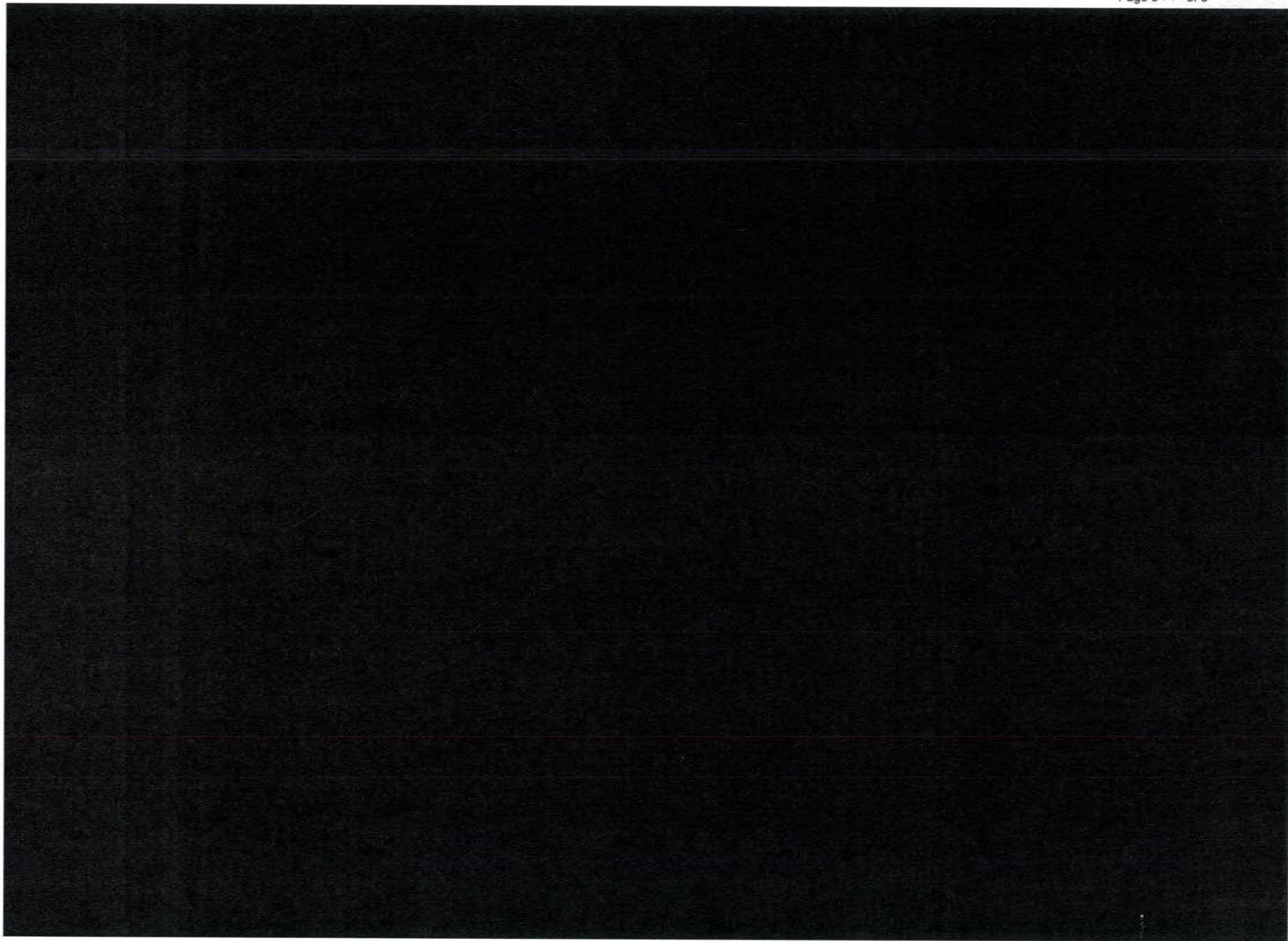
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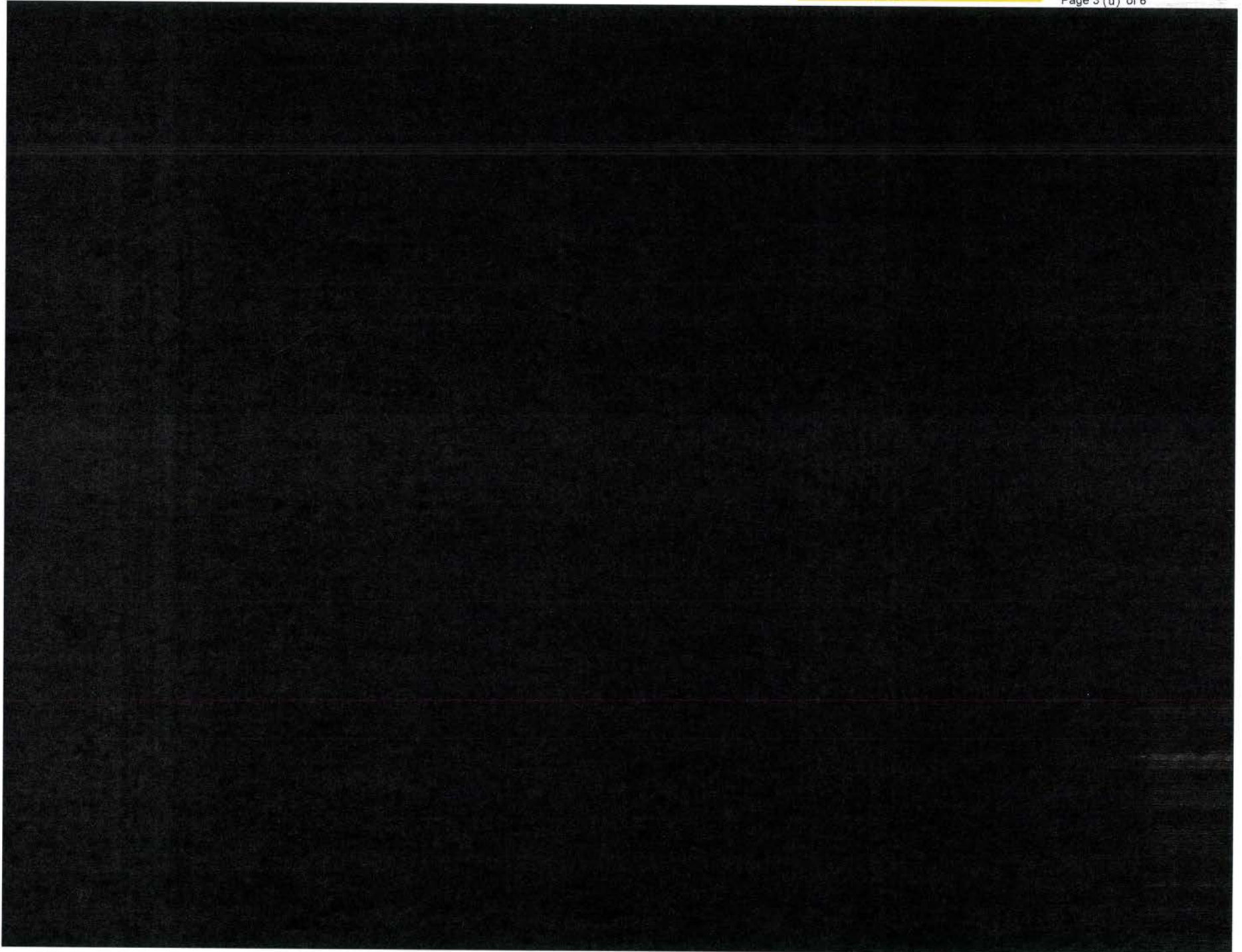
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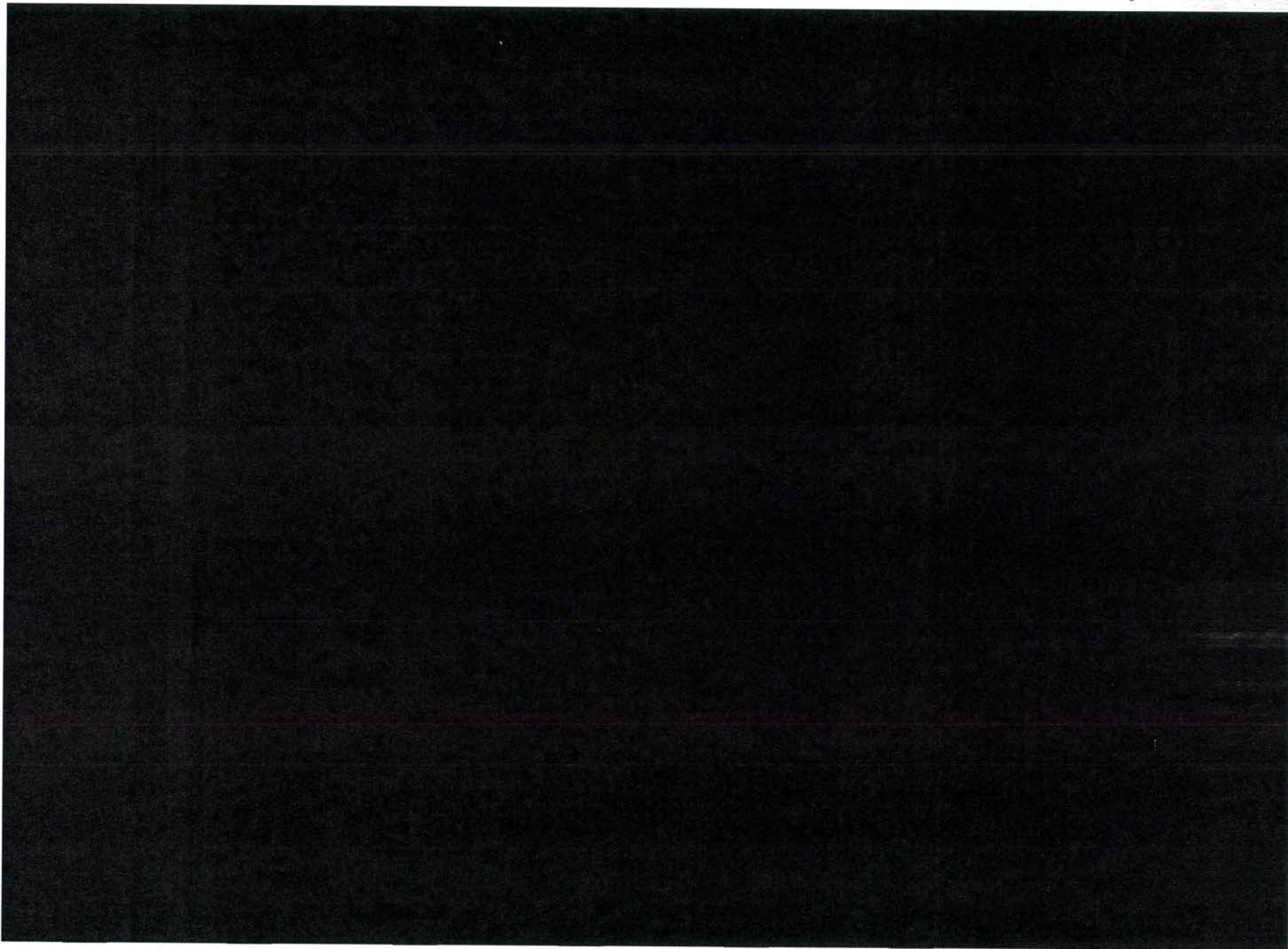
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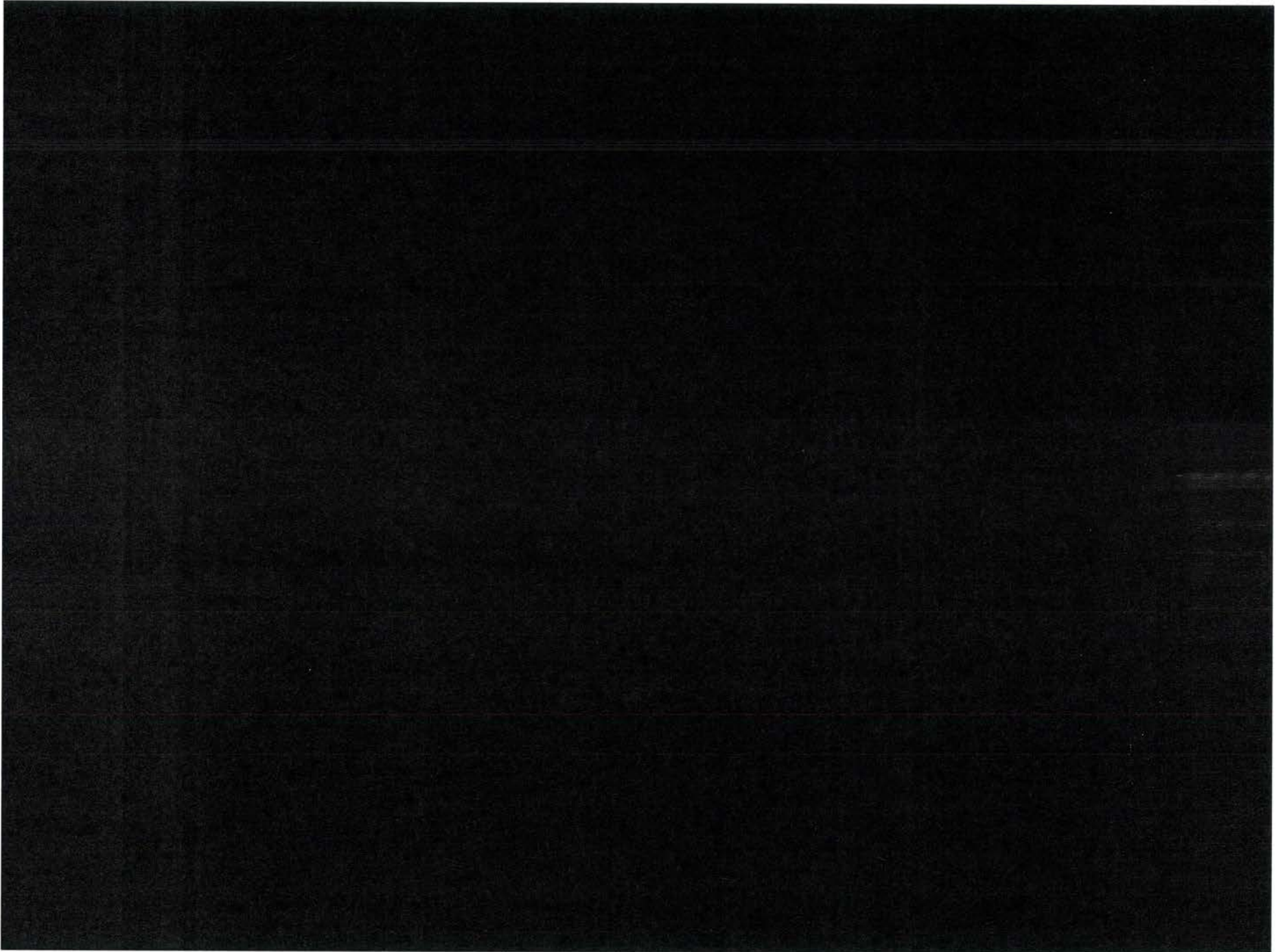
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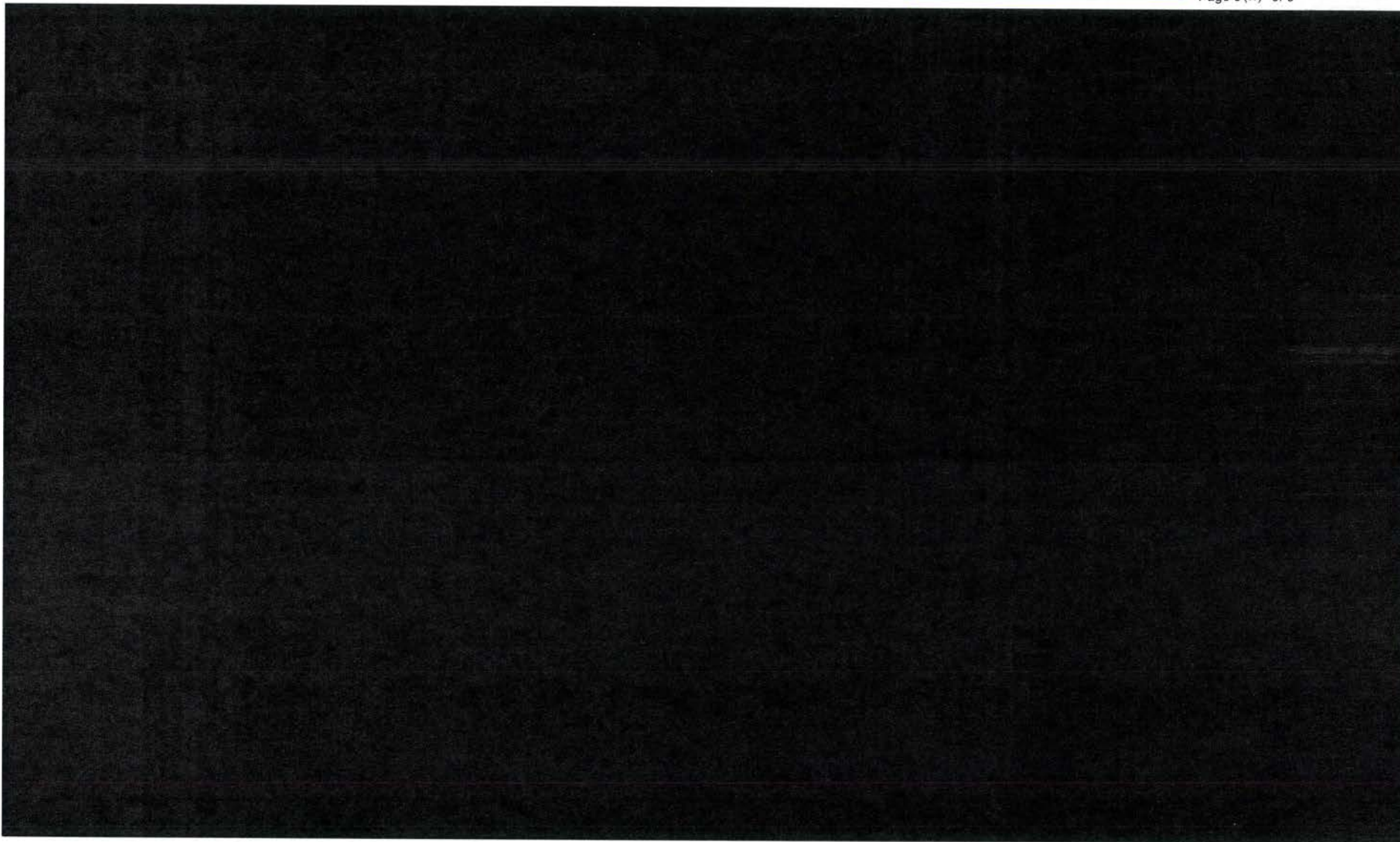
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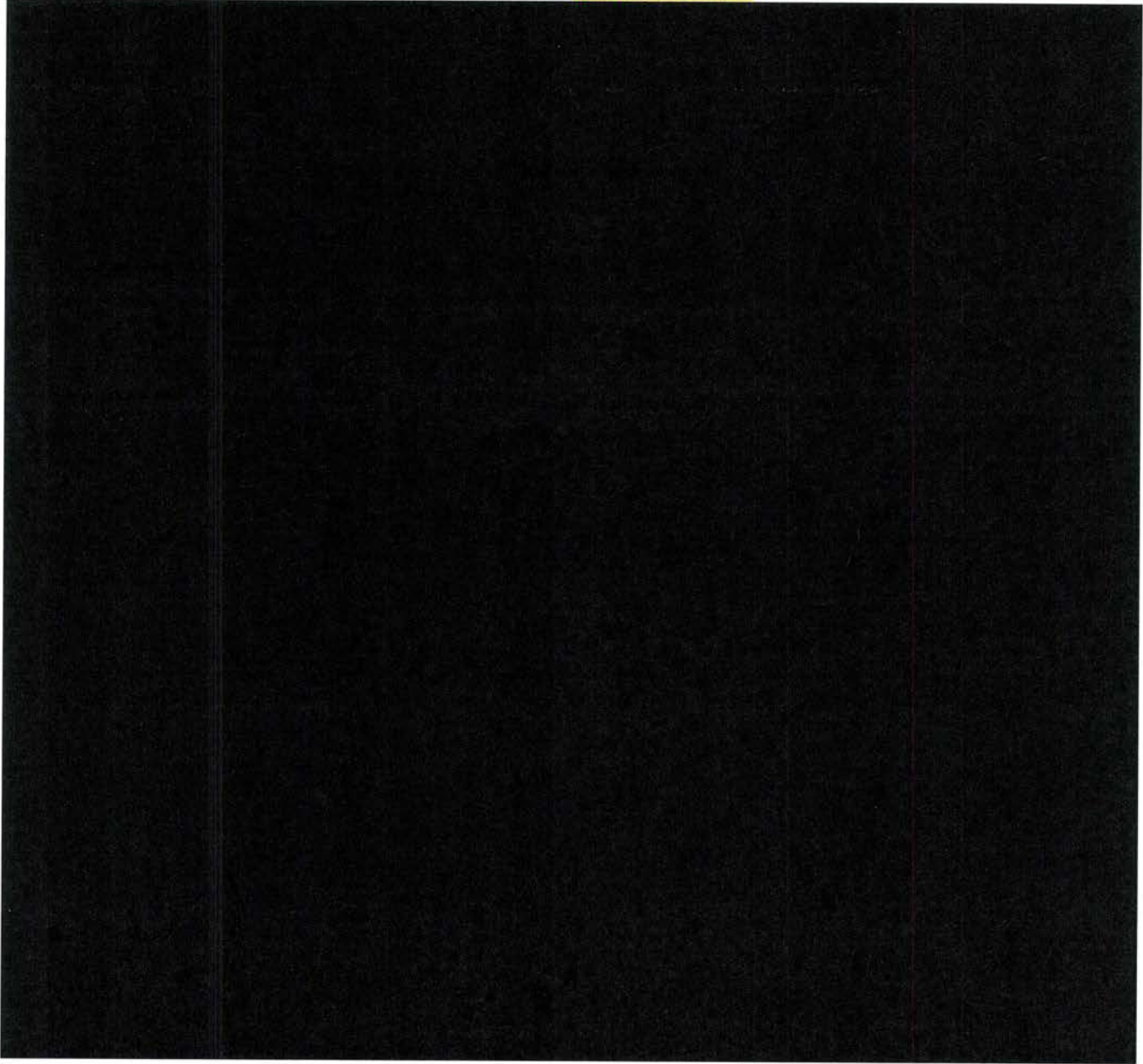
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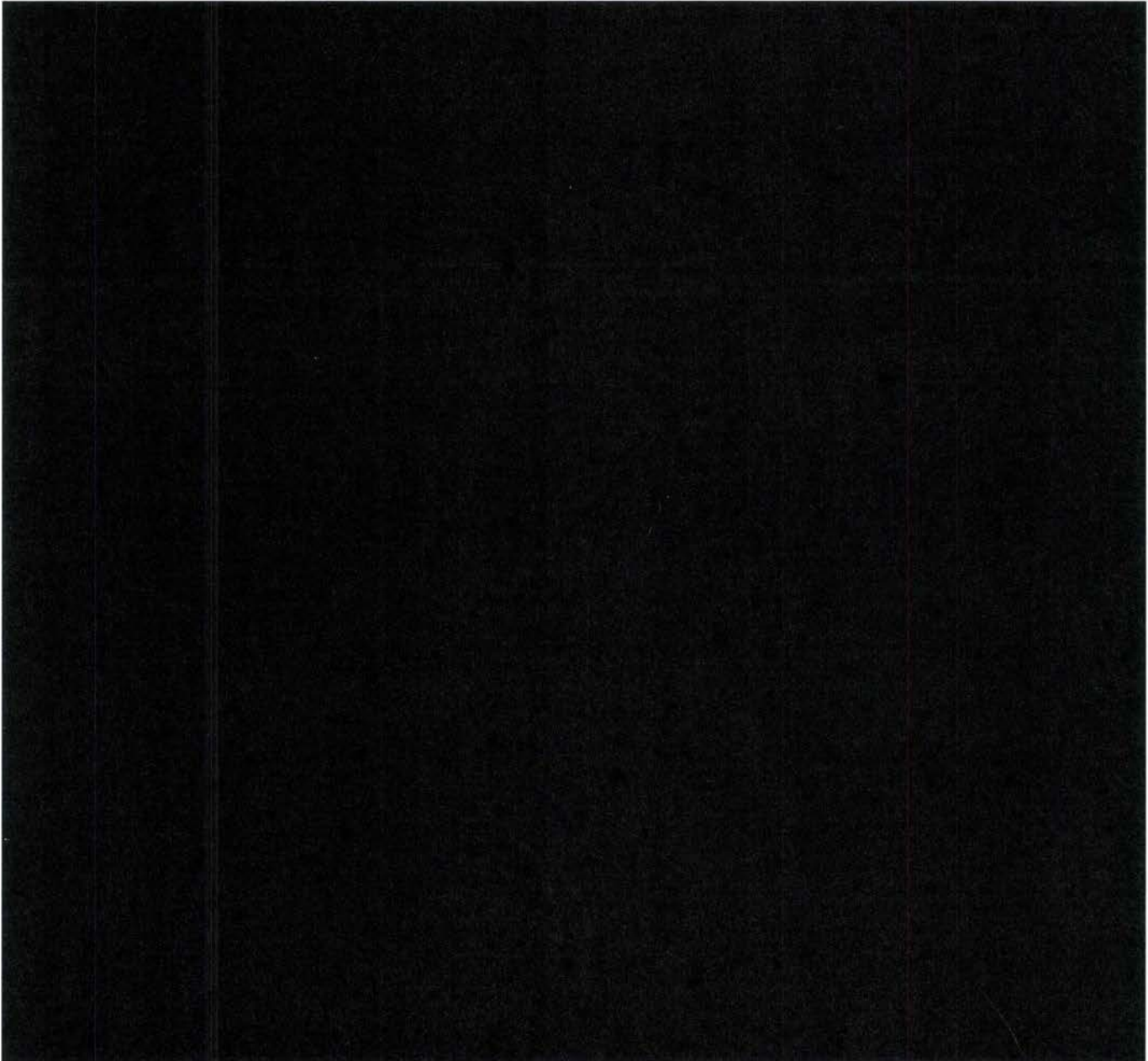


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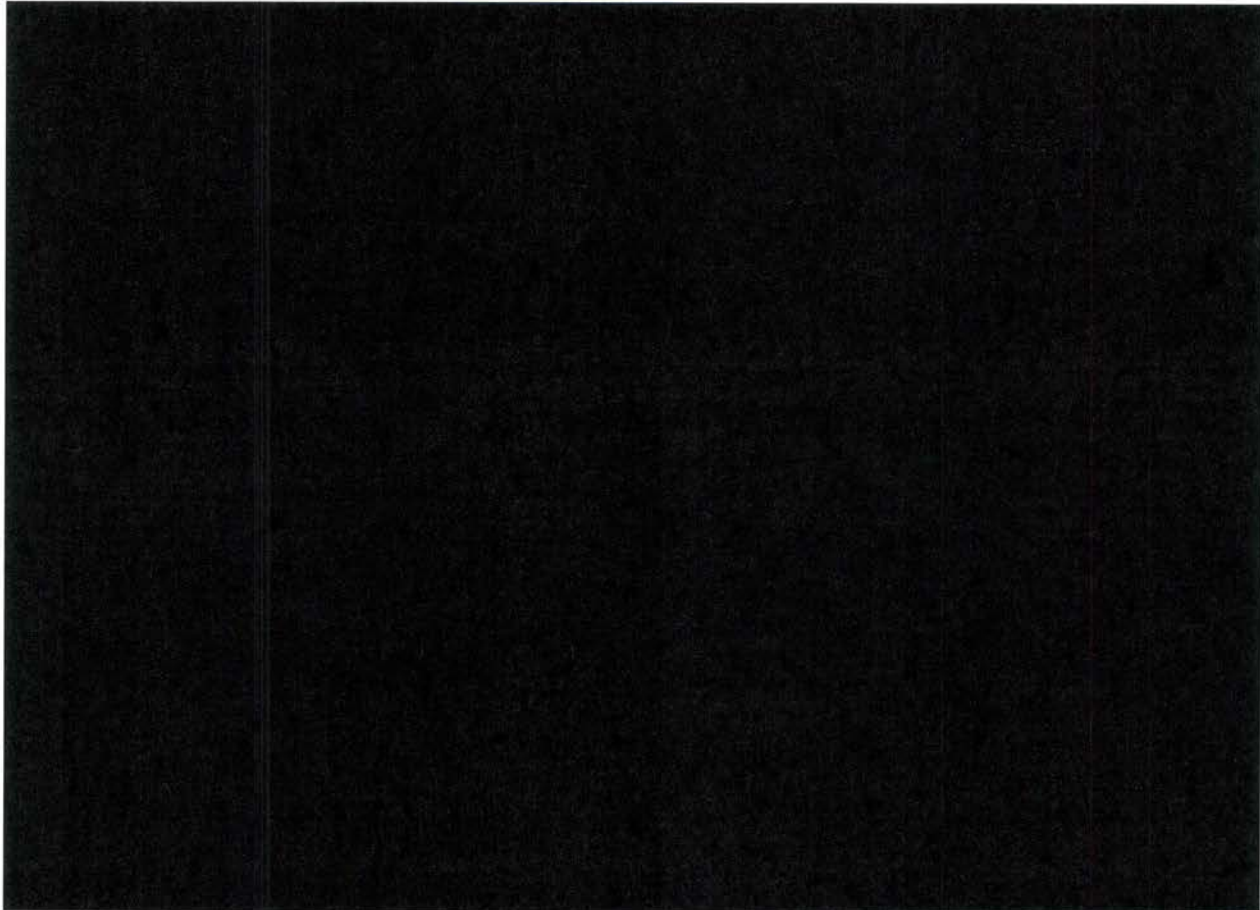
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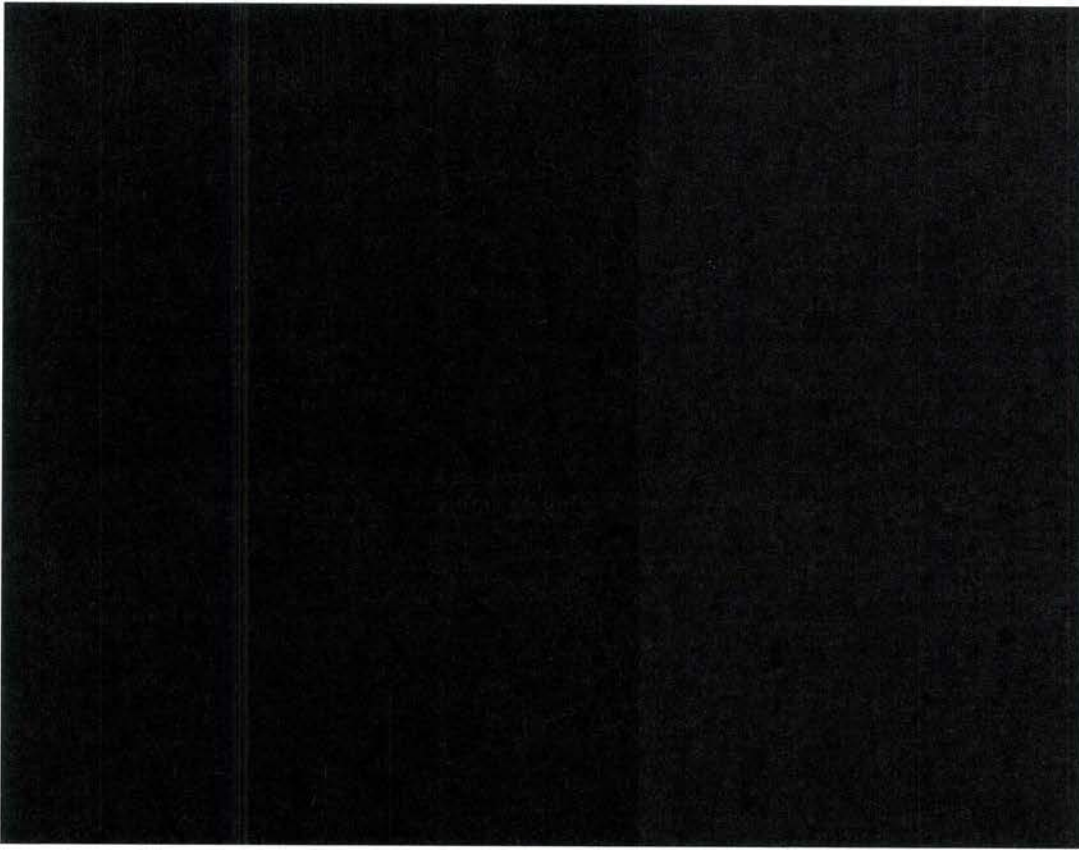
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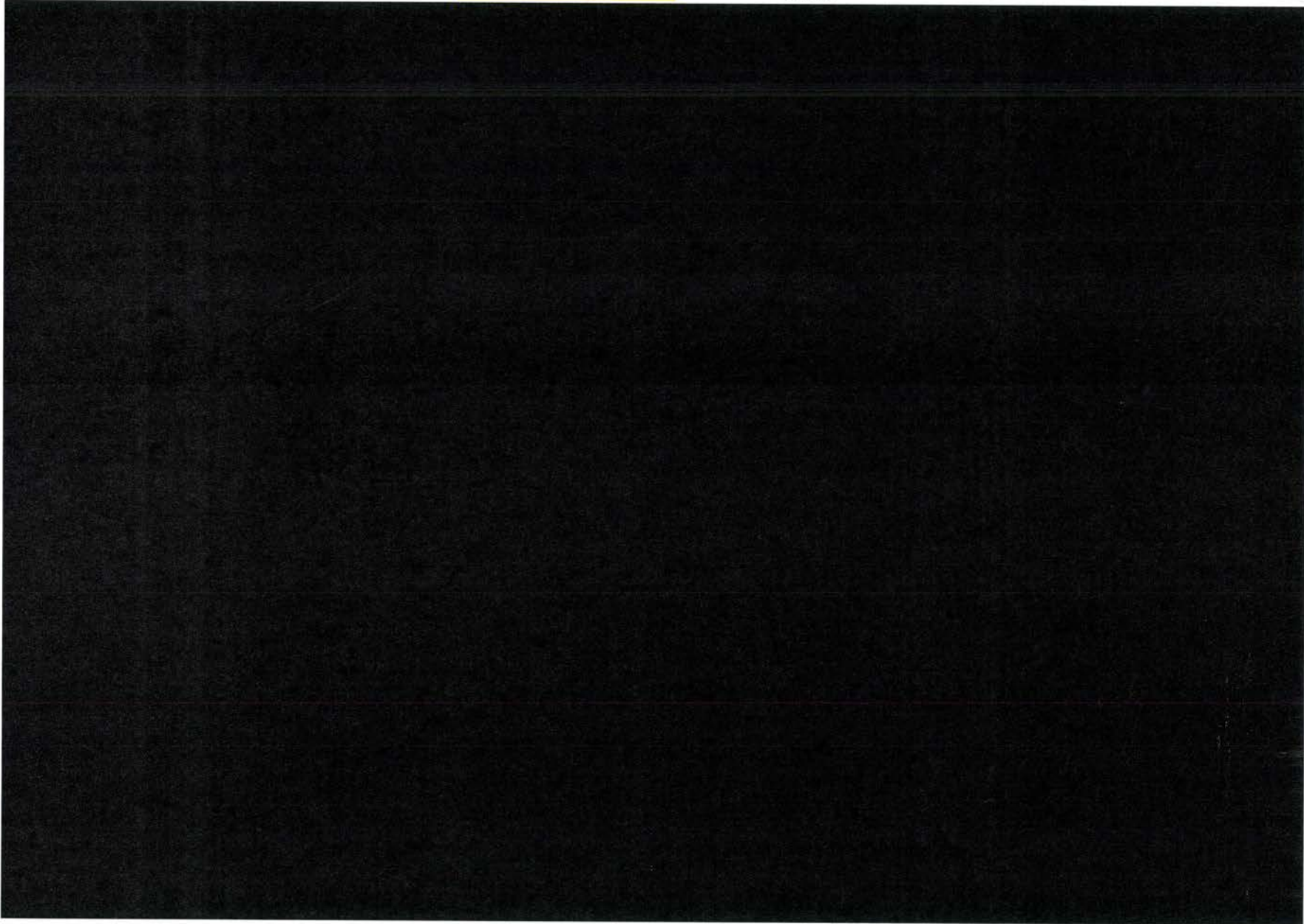
Docket No. 20180049-EI
Exhibit No. HWS-2
Schedule C

Page 6 (a) of 6

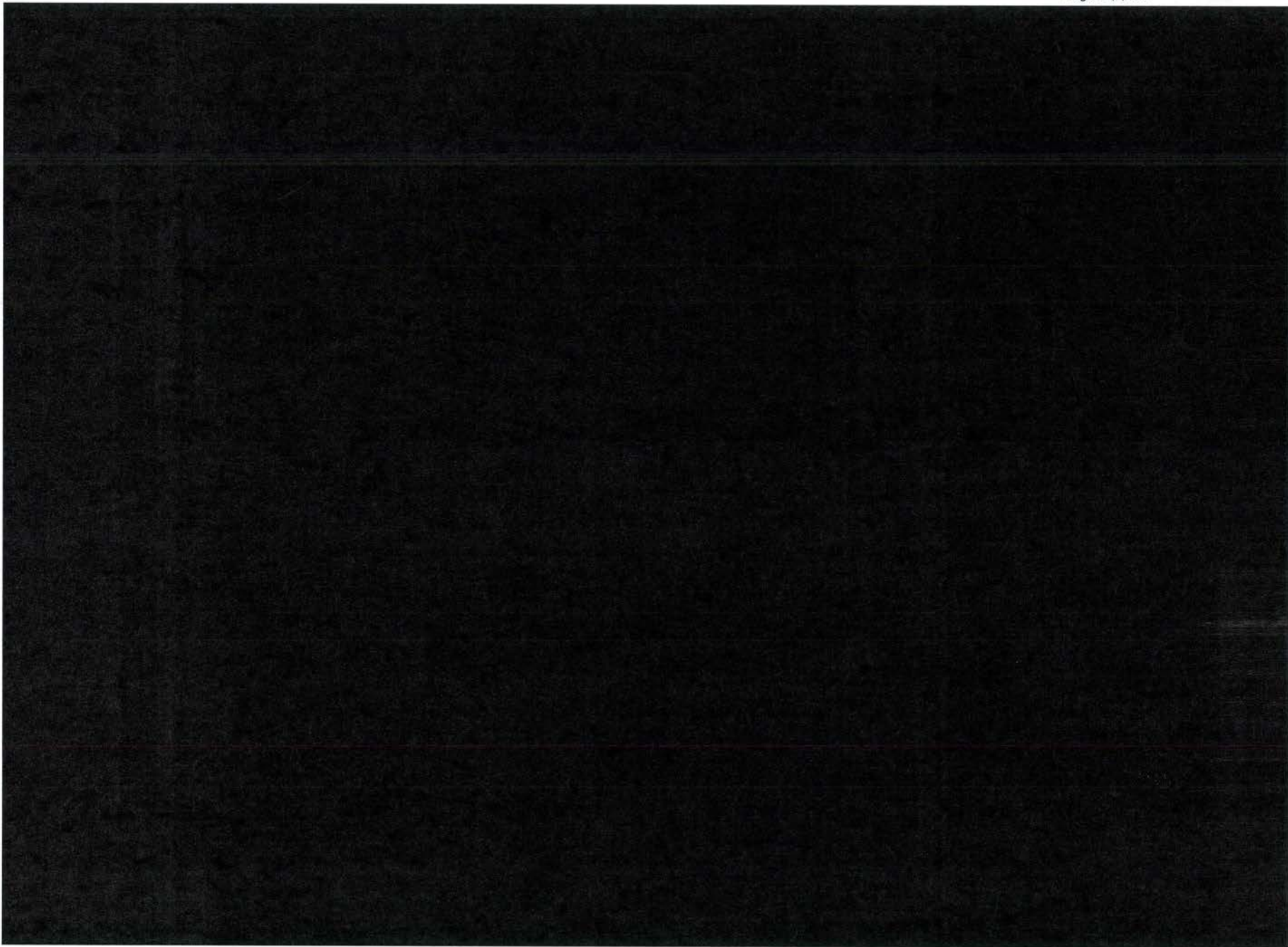


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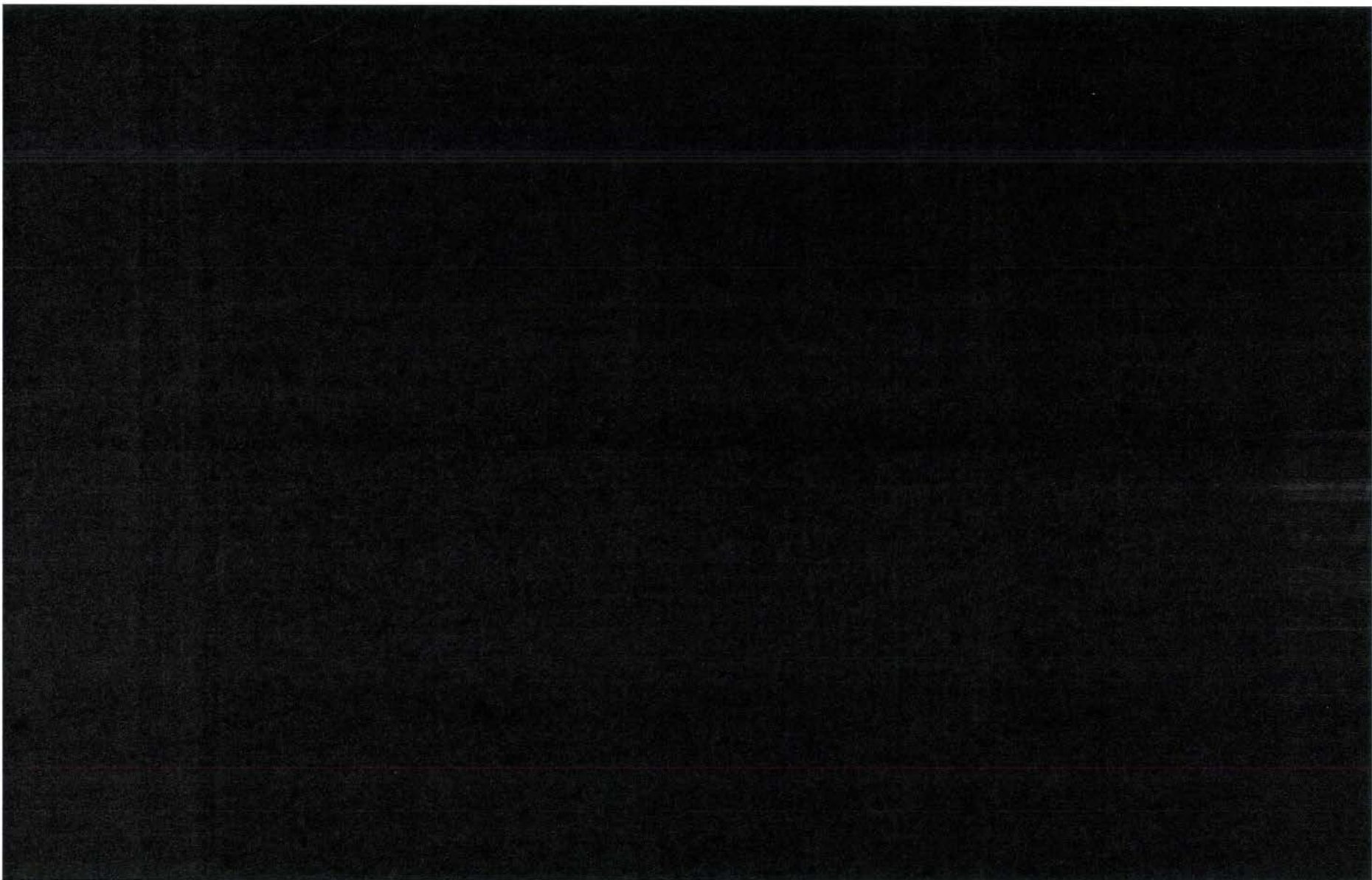
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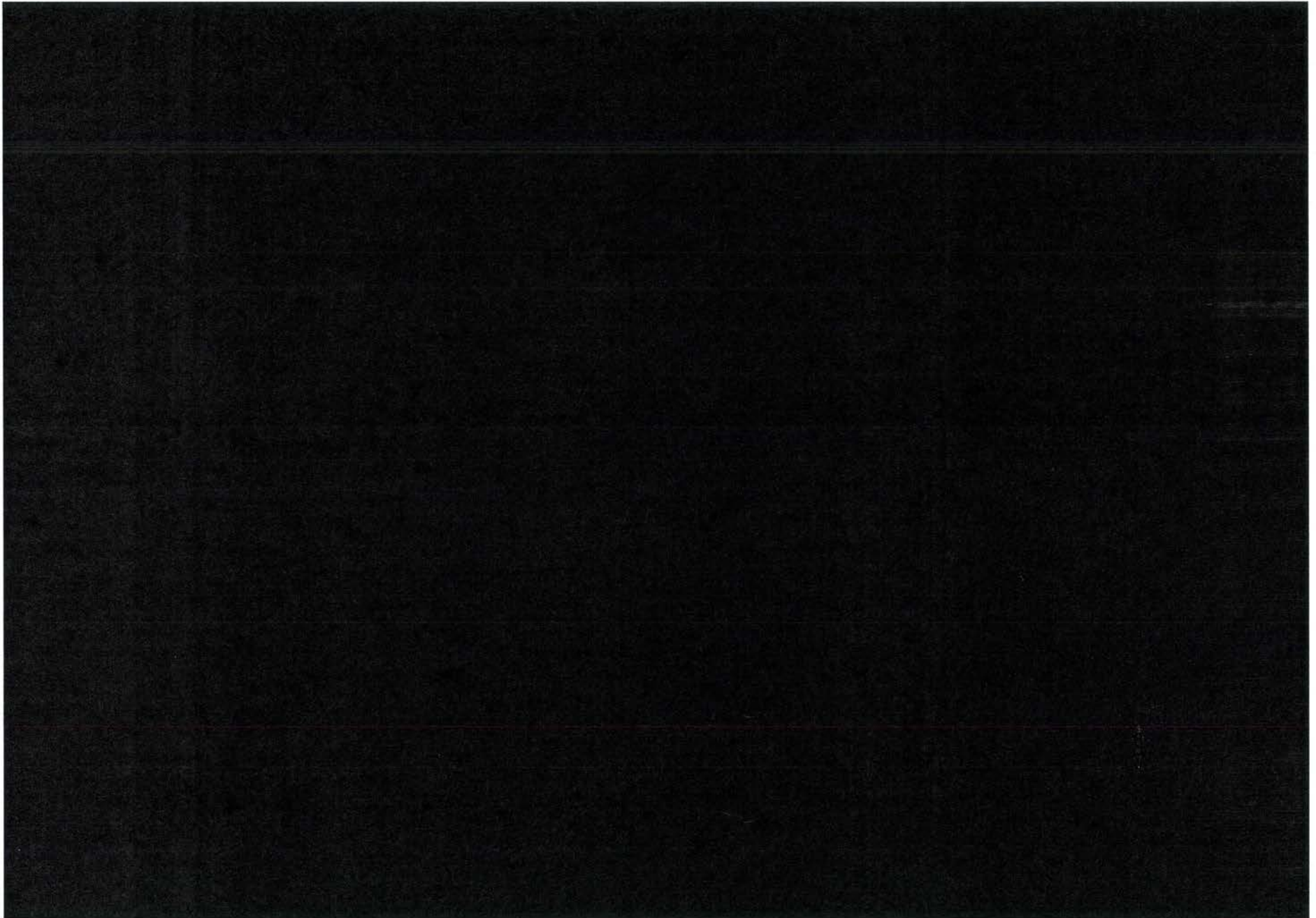
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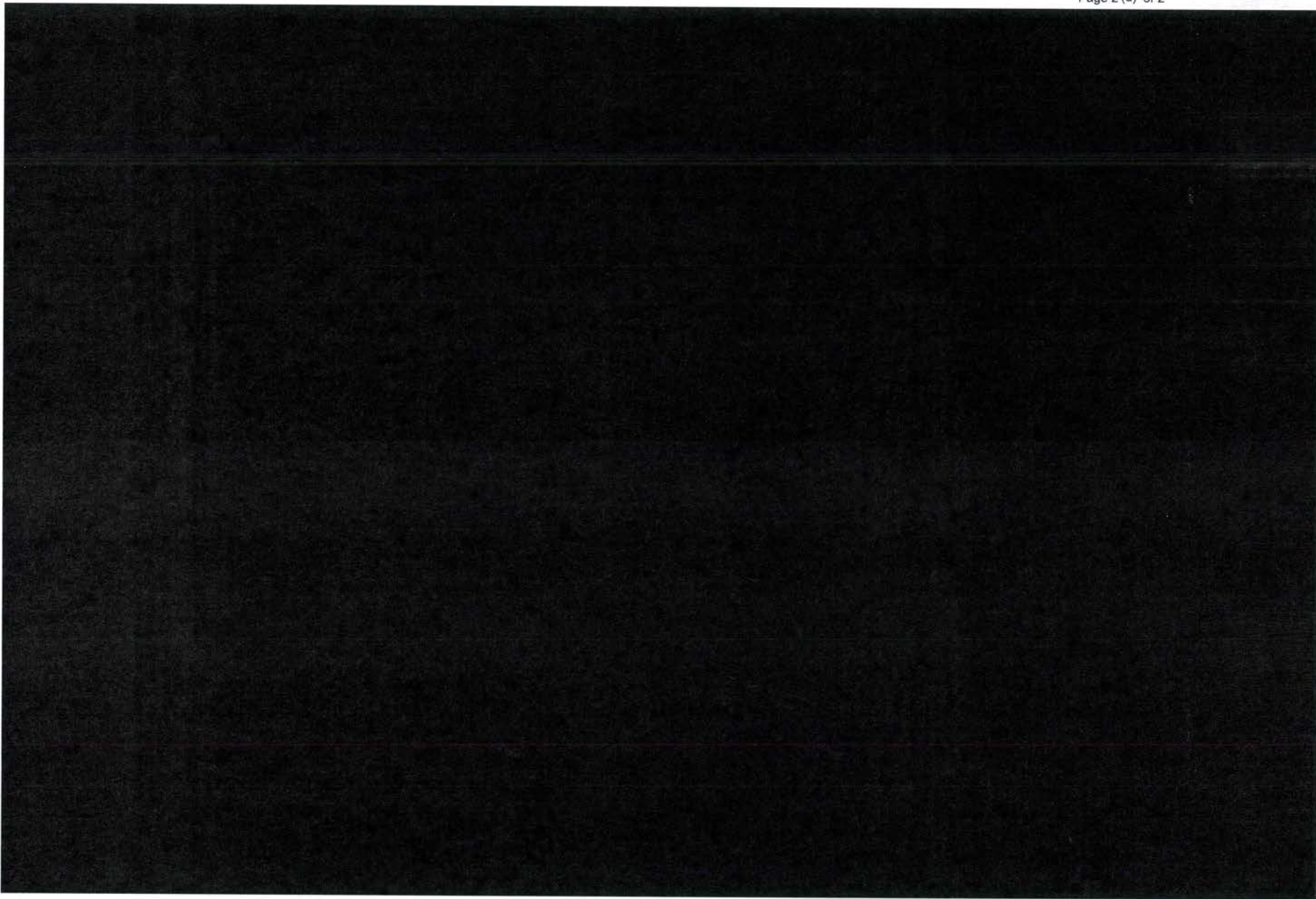
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Docket No. 20180049-EI
Exhibit No. HWS-2
Schedule D

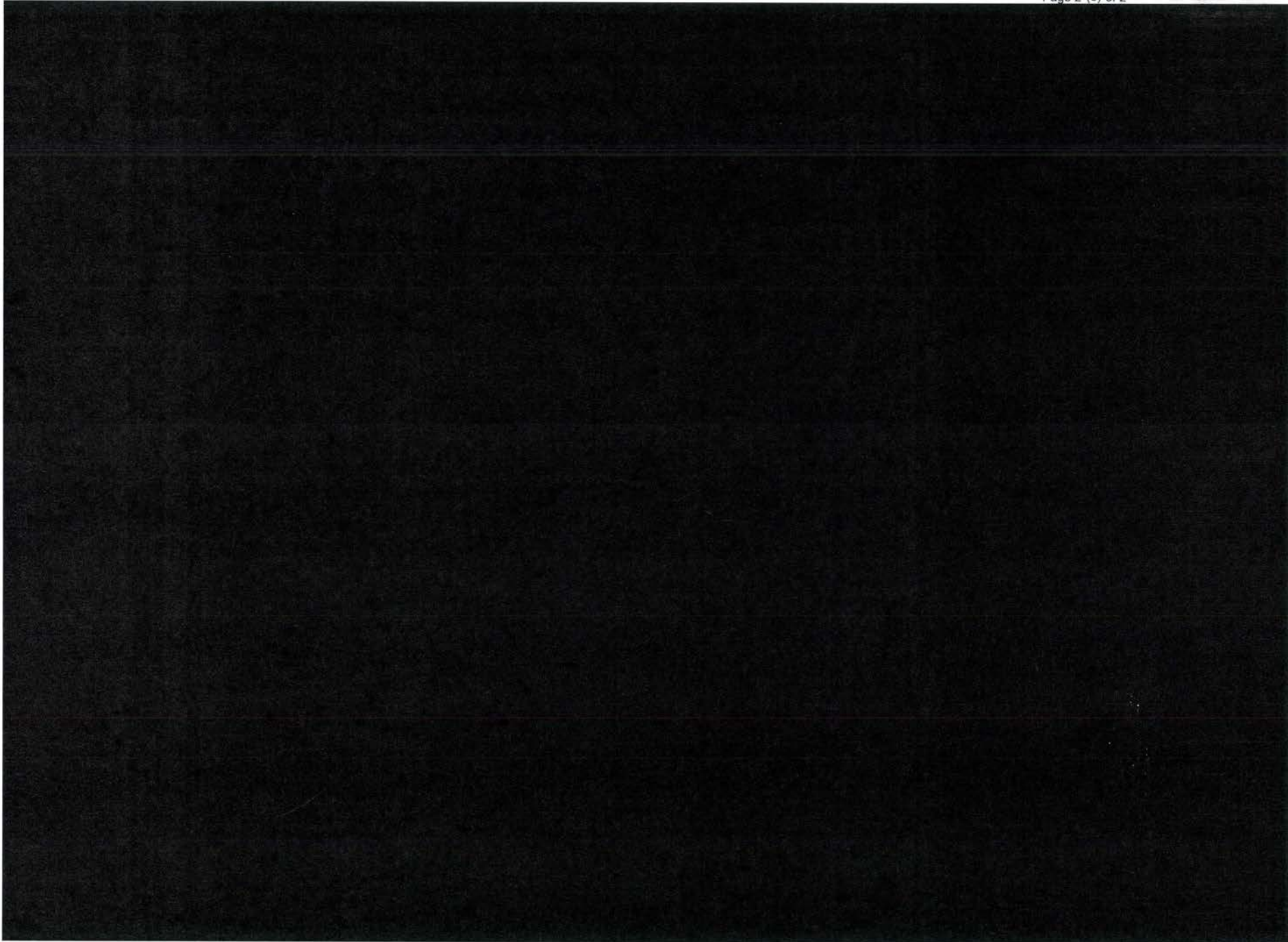
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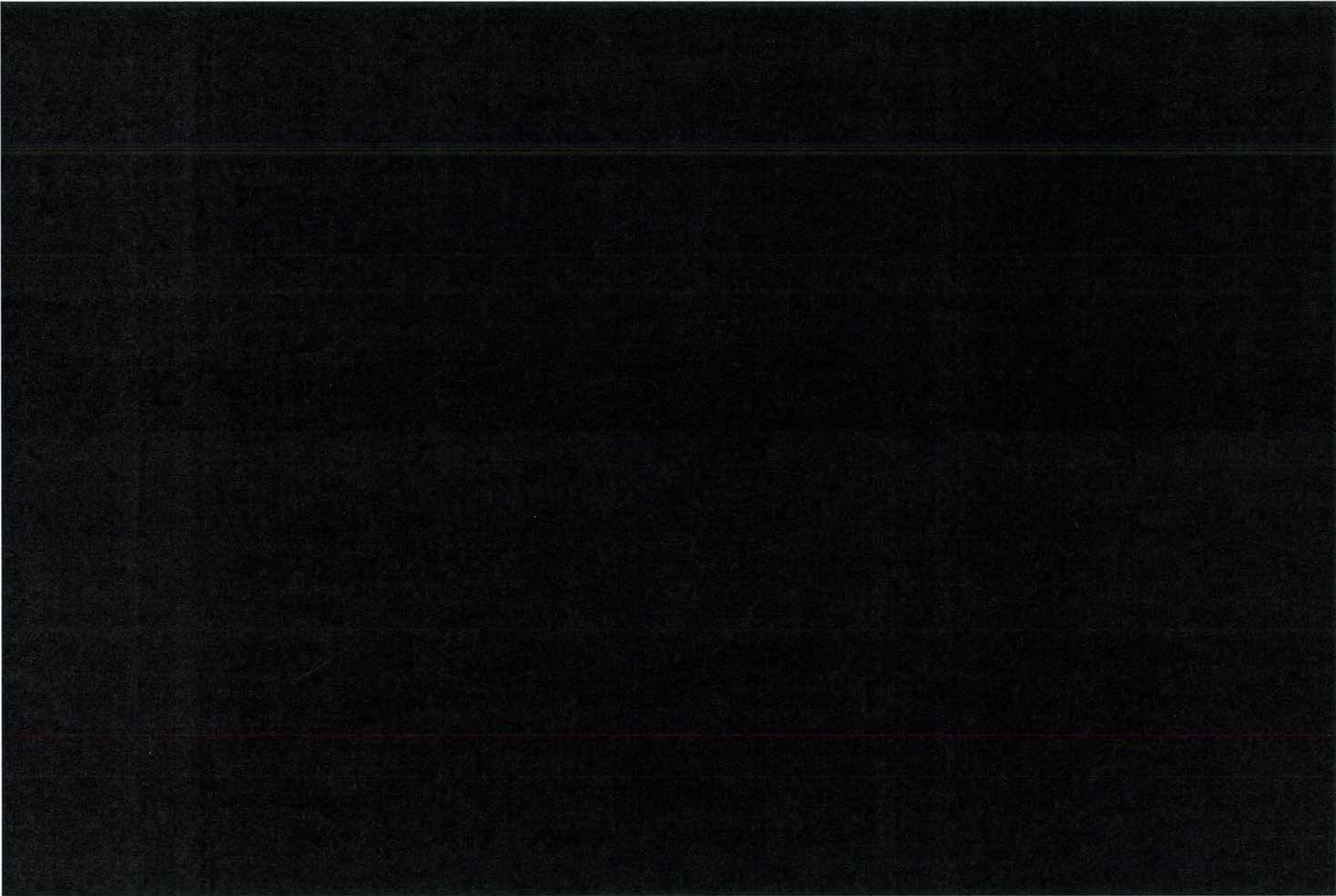
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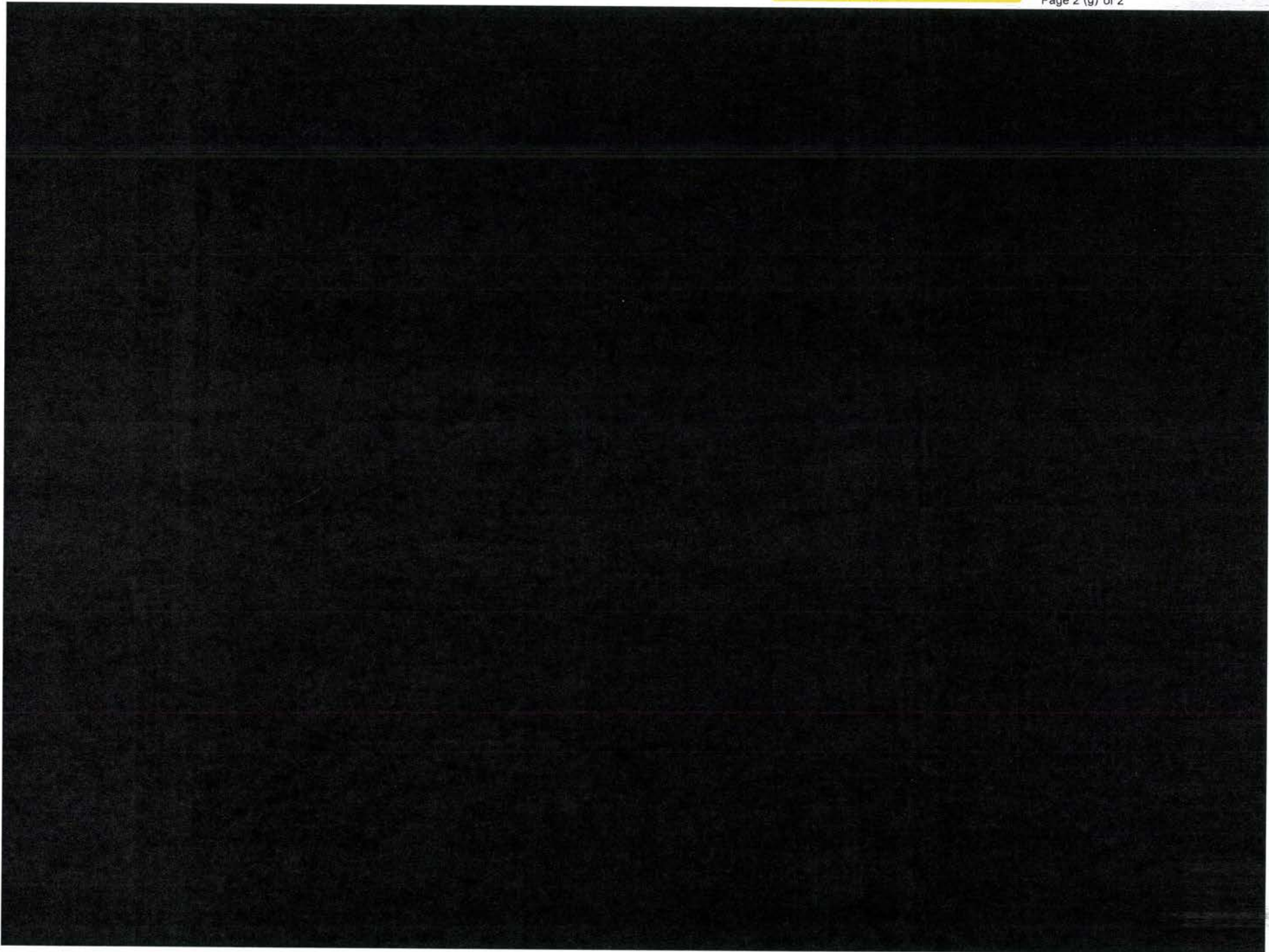
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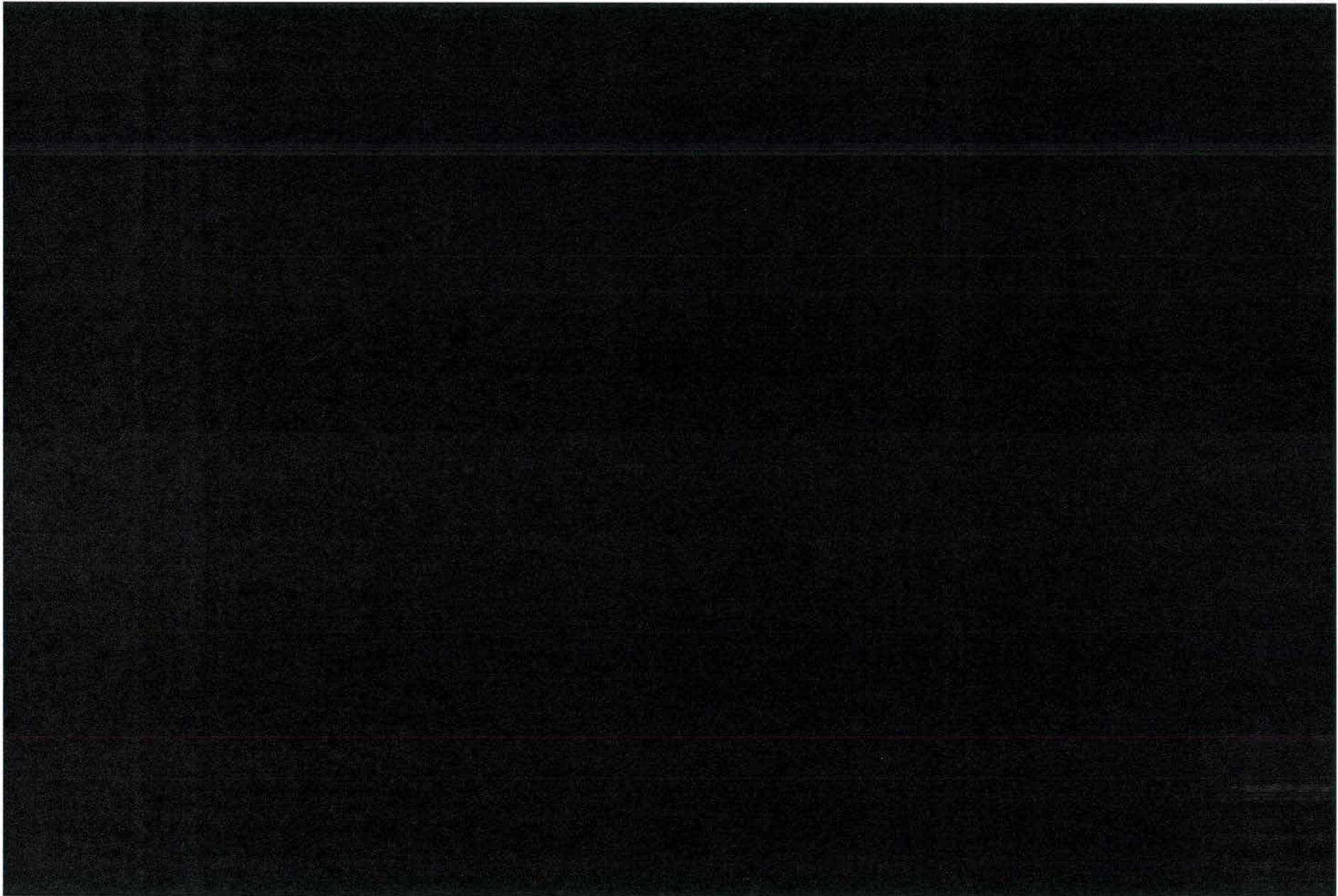
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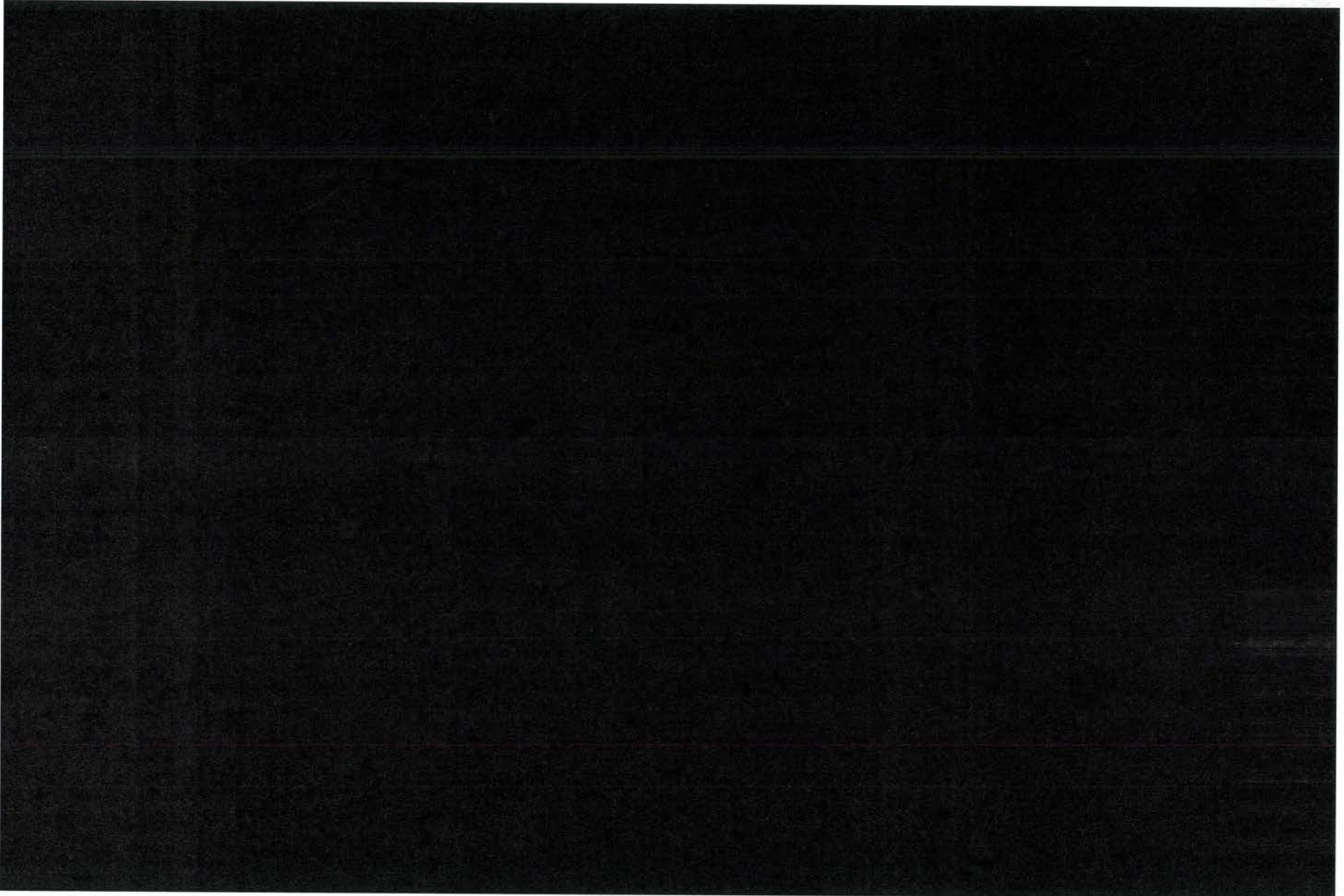
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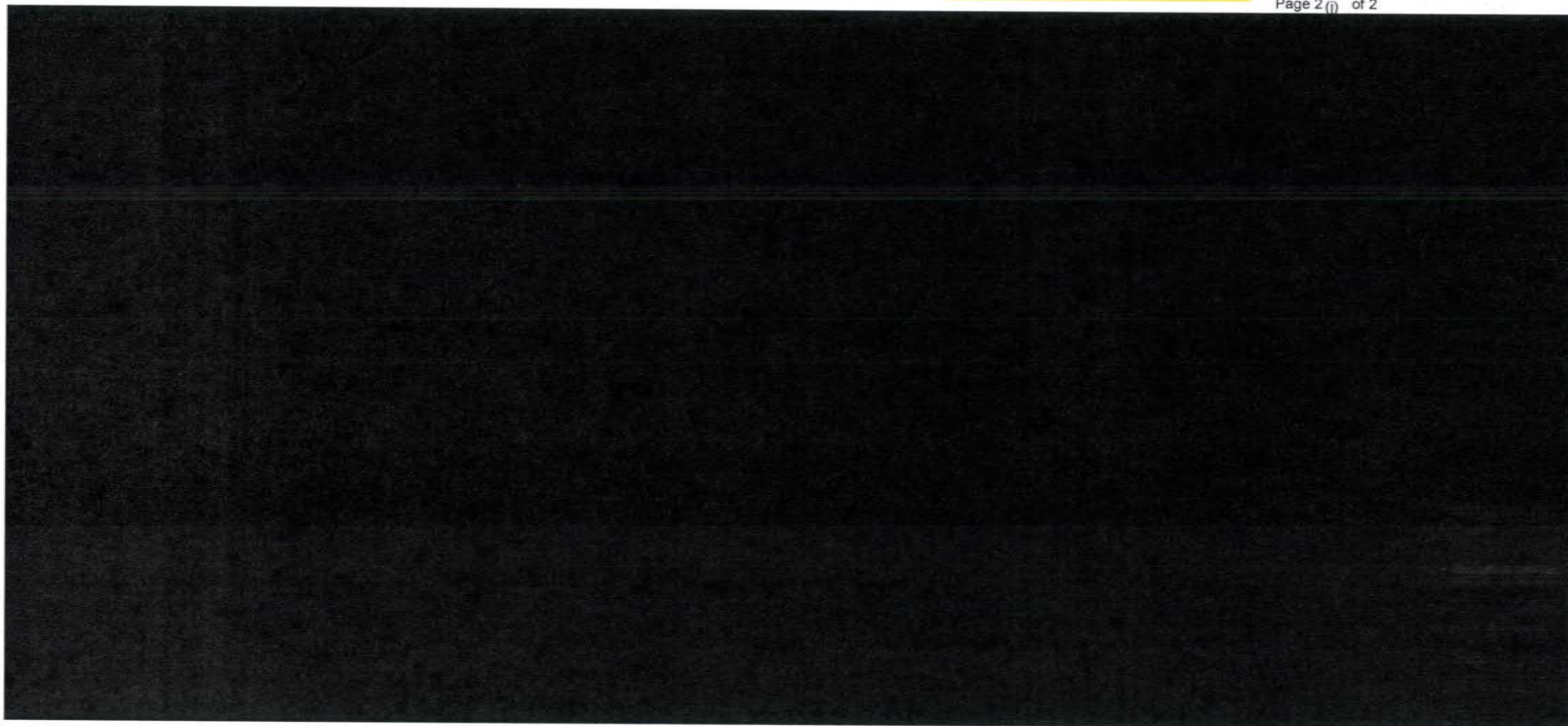
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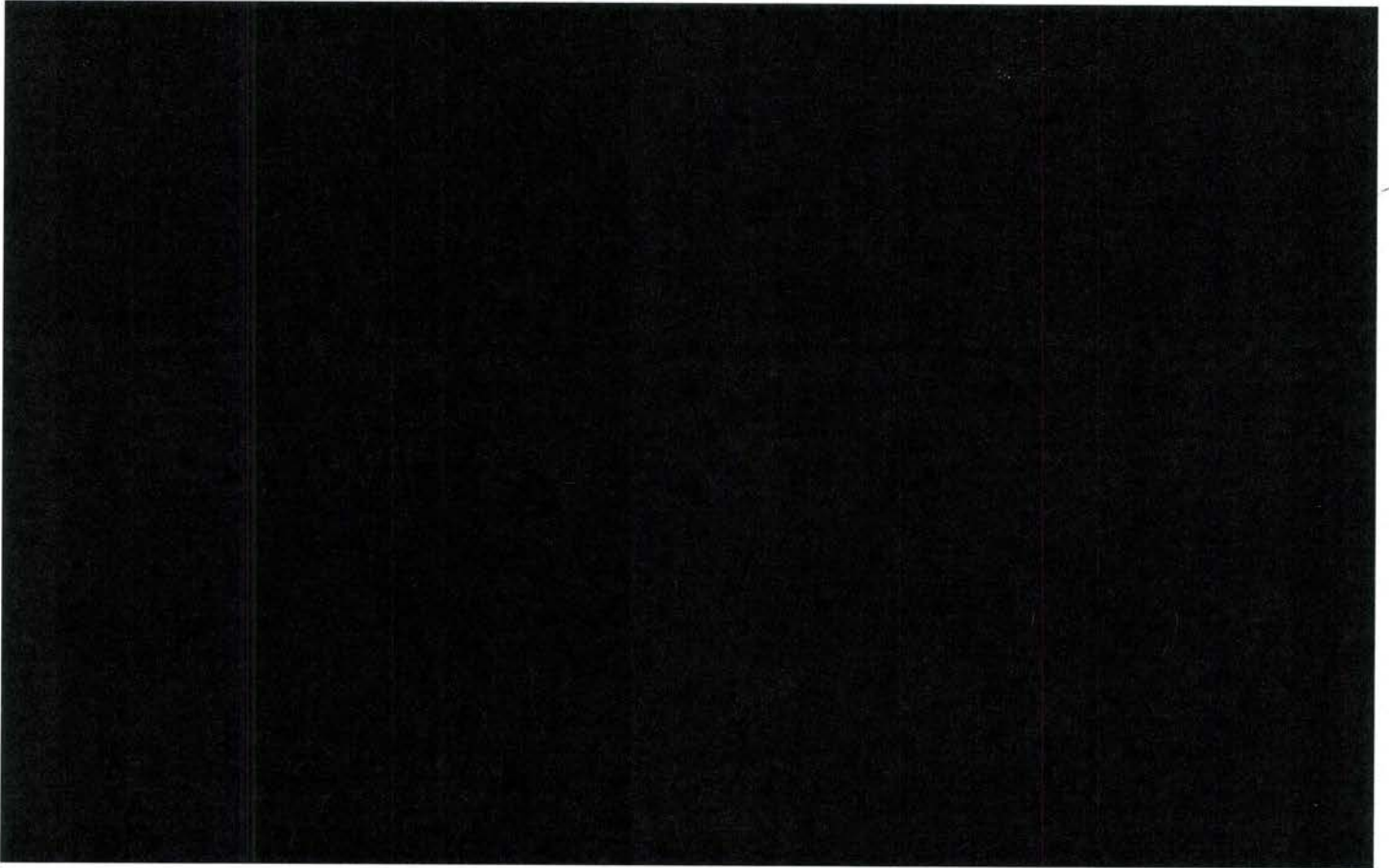


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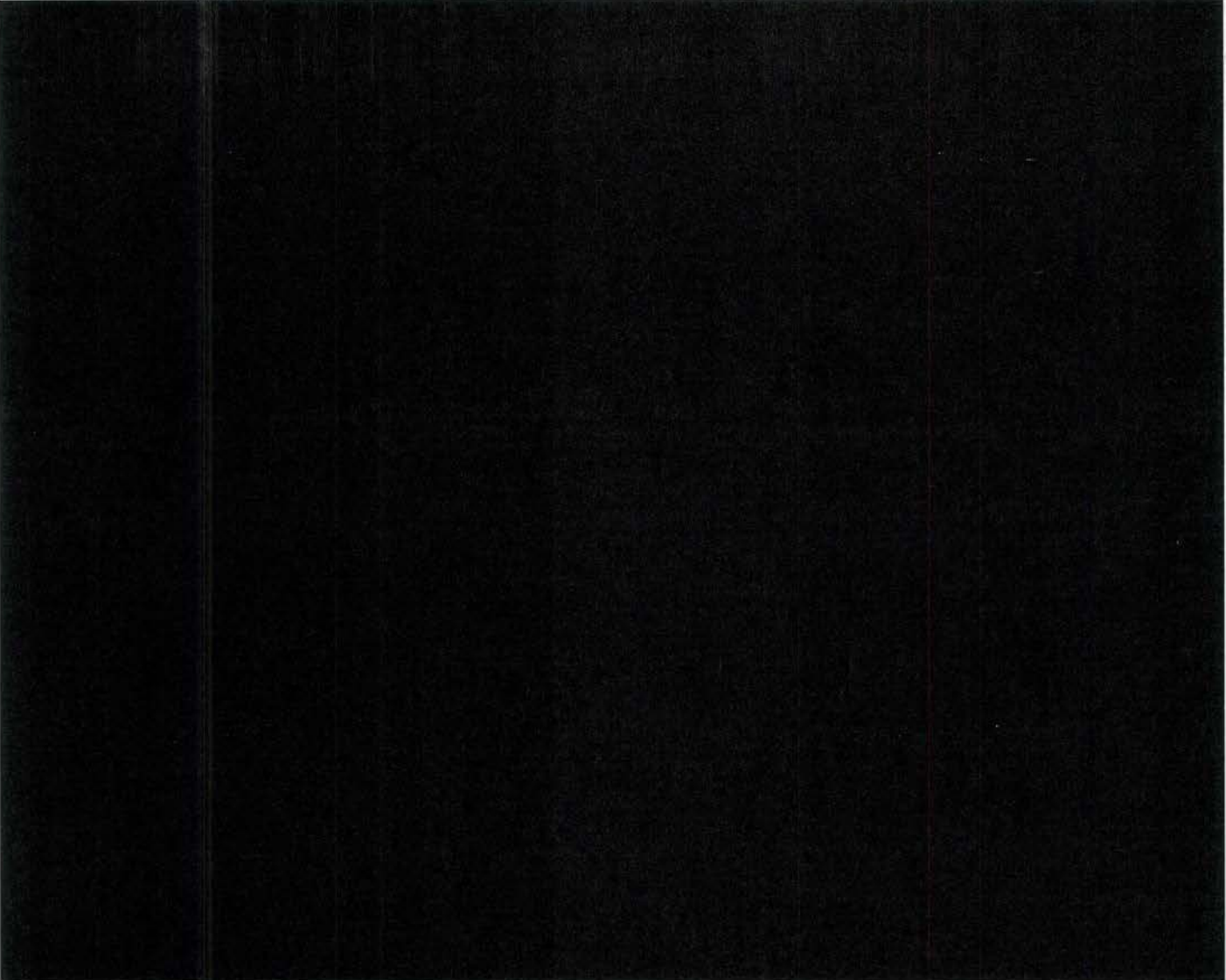


EXHIBIT B

Exhibit HWS - 3 is confidential in its entirety

EXHIBIT C

JUSTIFICATION TABLE

EXHIBIT C

COMPANY: Florida Power & Light Company
TITLE: List of Confidential Exhibits
DOCKET TITLE: Evaluation of storm restoration costs for Florida Power & Light Company related to Hurricane Irma.
DOCKET NO.: 20180049-EI
DATE: January 30, 2019

Description	No. of Pages	Conf. Y/N	Line / Column	Florida Statute 366.093(3) Subsection	Declarant
Direct Testimony and of Helmuth Schultz III	99	N	Pgs. 1-12		Ray Lozano
		Y	Pg. 13, Lns. 14-16	(d), (e)	
		Y	Pg. 14, Lns. 4-10, 13, 14, 18, 20, 21	(d), (e)	
		N	Pgs. 15-21		
		Y	Pg. 22, Lns 21-25	(d), (e)	
		N	Pg. 23-40		
		Y	Pg. 41, Lns. 10, 15, 16	(d), (e)	
		Y	Pg. 42, Lns. 5, 16-18, 20, 21	(d), (e)	
		N	Pg. 43-46		
		Y	Pg. 47, Lns. 13-24, 29-32	(d), (e)	
		Y	Pg. 48, Lns. 1-5, 32	(d), (e)	
		Y	Pg. 49, Lns. 4-9, 11-14	(d), (e)	
		Y	Pg. 50, Lns. 20, 21	(d), (e)	
		Y	Pg. 51, Ln 16	(d), (e)	
		Y	Pg. 52, Lns. 6, 19	(d), (e)	
		Y	Pg. 53, Ln 2	(d), (e)	
		N	Pg. 54		
		Y	Pg. 55, Lns. 9, 10, 18	(d), (e)	
Y	Pg. 56, Lns. 1, 2, 6, 8, 10, 11, 17	(d), (e)			
Y	Pg. 57, Lns. 11, 12, 16, 21	(d), (e)			

Description	No. of Pages	Conf. Y/N	Line / Column	Florida Statute 366.093(3) Subsection	Declarant
		Y	Pg. 58, Lns. 17, 18	(d), (e)	Ray Lozano
		Y	Pg. 59, Lns. 1, 8, 14, 15, 19	(d), (e)	
		N	Pg. 60		
		Y	Pg. 61, Lns. 18-24	(d), (e)	
		Y	Pg. 62, Lns. 6-18, 23-36	(d), (e)	
		Y	Pg. 63, Lns. 6, 12-15, 19-25	(d), (e)	
		Y	Pg. 64, Lns. 2-12, 20-26, 32, 33	(d), (e)	
		Y	Pg. 65, Lns. 5, 6, 11, 12, 15, 16	(d), (e)	
		N	Pg. 66-67		
		Y	Pg. 68, Lns. 32-38	(d), (e)	
		N	Pg. 69-75		
		Y	Pg. 76 Ln. 20	(d), (e)	
		Y	Pg. 77, Lns. 6, 7, 10-12	(d), (e)	
		Y	Pg. 78, Lns. 4, 8, 9	(d), (e)	
		N	Pg. 79 - 90		
		Y	Pg. 91, Ln. 8	(d), (e)	
		Y	Pg. 92, Lns. 10-12, 19	(d), (e)	
Exhibits to the Direct Testimony of Helmuth Schultz III	55	N	Pgs. 93-99		
Exhibit HWS - 2 , Schedule A		N	Pg. 1		
Exhibit HWS - 2 , Schedule B		N	Pg. 1 - 4		
Exhibit HWS - 2, Schedule C		Y	Pg. 2, Lns. 2, 4-7, 11	(d), (e)	
		Y	Pgs. 3 - 6	(d), (e)	

Description	No. of Pages	Conf. Y/N	Line / Column	Florida Statute 366.093(3) Subsection	Declarant
Exhibit HWS - 2 , Schedule D		N	Pg. 1		
		Y	Pg. 2		
Exhibit HWS - 2 , Schedule E		N	Pg. 1		
Exhibit HWS - 2 , Schedule F		N	Pg. 1		
Exhibit HWS - 2 , Schedule G		N	Pg. 1		
Exhibit HWS - 2 , Schedule H		Y	Pg. 2	(d), (e)	Ray Lozano
Exhibit HWS - 2 , Schedule I		N	Pg. 1		
Exhibit HWS - 2 , Schedule I		N	Pg. 1		
Exhibit HWS - 3		Y	ALL	(a), (d), (e)	Thomas Gwaltney Kristin Manz Ray Lozano

EXHIBIT D

DECLARATIONS

EXHIBIT D

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Evaluation of storm restoration costs for Florida Power & Light Company related to Hurricane Irma.

Docket No: 20180049-EI

STATE OF FLORIDA)
COUNTY OF PALM BEACH)

WRITTEN DECLARATION OF KRISTIN MANZ

1. My name is Kristin Manz. I am currently employed by Florida Power & Light Company ("FPL") as IT Technology Director. During the time that Hurricane Irma impacted FPL's service territory, through July of 2018, I was employed by FPL as Director of Finance Operations. 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 a declarant on Exhibit C. The documents in Exhibit HWS-3 appended to the direct testimony of OPC Witness Schultz that I have reviewed and which are asserted by FPL to be proprietary confidential business information contain or constitute contractual data, trade secrets, and information related to competitive interests, the disclosure of which would impair the competitive business of FPL, its affiliates and its contractors, vendors and suppliers. Specifically, the documents and exhibits contains the names, rates, quantity, contractual provisions, invoices of our third-party contractors, vendors and suppliers, payments to our contractors, vendors and suppliers, all of which was agreed upon exclusively with these contractors, vendors, and suppliers. The documents further describe the specific methodologies developed and used by FPL to negotiate contracts, to secure resources, to receive, review and approve or reject requests for payment, and every other aspect of FPL's unique processes developed and used by FPL in responding to storm events, obtaining resources, and administering payment processes related thereto. Disclosure of this information would impair FPL's contractor, vendor, and supplier relationships, and impair or negate the commercial interests of FPL as FPL negotiates contracts and seeks to obtain contractors, vendors and suppliers to provide critical construction, restoration resources necessary to perform storm restoration. Disclosure of this information would also impair or negate the commercial interests of FPL's contractors, vendors and suppliers as they negotiate with others for the services they provide. The disclosure of this information will also impact 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.

[Handwritten signature of Kristin Manz]

Kristin Manz

Date: 1-28-19

EXHIBIT D

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Evaluation of storm restoration costs for Florida Power & Light Company related to Hurricane Irma.

Docket No: 20180049-EI

STATE OF FLORIDA)
COUNTY OF PALM BEACH)

WRITTEN DECLARATION OF THOMAS GWALTNEY

1. My name is Thomas Gwaltney. I am currently employed by Florida Power & Light Company ("FPL") as Power Delivery Sr. Director of Emergency Preparedness. During the time that Hurricane Irma impacted FPL's service territory, through March 2018, I was employed by FPL as Sr. Director Central Maintenance and Construction Power Delivery. 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 Amended Request for Confidential Classification filed this date, for which I am listed as a declarant on Exhibit C. The documents in Exhibit HWS-3 appended to the direct testimony of OPC Witness Schultz that I have reviewed and which are asserted by FPL to be proprietary confidential business information contain or constitute contractual data, trade secrets, and information related to competitive interests, the disclosure of which would impair the competitive business of FPL, its affiliates and its contractors, vendors and suppliers. Specifically, the documents and exhibits contains the names, rates, quantity, contractual provisions, invoices of our third-party contractors, vendors and suppliers, payments to our contractors, vendors and suppliers, all of which was agreed upon exclusively with these contractors, vendors, and suppliers. The documents further describe the specific methodologies developed and used by FPL to negotiate contracts, to secure resources, to receive, review and approve or reject requests for payment, and every other aspect of FPL's unique processes developed and used by FPL in responding to storm events, obtaining resources, and administering payment processes related thereto. Disclosure of this information would impair FPL's contractor, vendor, and supplier relationships, and impair or negate the commercial interests of FPL as FPL negotiates contracts and seeks to obtain contractors, vendors and suppliers to provide critical construction, restoration resources necessary to perform storm restoration. Disclosure of this information would also impair or negate the commercial interests of FPL's contractors, vendors and suppliers as they negotiate with others for the services they provide. The disclosure of this information will also impact 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.

[Handwritten signature of Thomas Gwaltney]

Thomas Gwaltney

Date: 1/28/19

EXHIBIT D

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Evaluation of storm restoration costs for Florida Power & Light Company related to Hurricane Irma.

Docket No: 20180049-EI

STATE OF FLORIDA)
COUNTY OF PALM BEACH)

WRITTEN DECLARATION OF RAY LOZANO

1. My name is Ray Lozano. I am currently employed by Florida Power & Light Company ("FPL") as Integrated Supply Chain Business Unit Strategy Manager, and I was similarly employed in that capacity prior to and during the time that Hurricane Irma impacted FPL's service territory. 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 a declarant on Exhibit C. The documents in the specified portions of the direct testimony of OPC Witness Schultz and Exhibit HWS-2, and all of Exhibit HWS-3, that I have reviewed and which are asserted by FPL to be proprietary confidential business information contain or constitute contractual data, trade secrets, and information related to competitive interests, the disclosure of which would impair the competitive business of FPL, its affiliates and its contractors, vendors and suppliers. Specifically, the documents and exhibits contains the names, rates, quantity, contractual provisions, invoices of our third-party contractors, lodging suppliers, vendors and suppliers, payments to our contractors, vendors and suppliers, all of which was agreed upon exclusively with these contractors, vendors, and suppliers. The documents further describe the specific methodologies developed and used by FPL to negotiate contracts, to secure resources, to receive, review and approve or reject requests for payment, and every other aspect of FPL's unique processes developed and used by FPL in responding to storm events, obtaining resources, and administering payment processes related thereto. Disclosure of this information would impair FPL's contractor, vendor, and supplier relationships, and impair or negate the commercial interests and leverage of FPL prior to and during a storm event (in a seller's market) as FPL negotiates contracts and seeks to obtain contractors, vendors and suppliers to provide critical construction, restoration resources necessary to perform storm restoration. Disclosure of this information would also impair or negate the commercial interests of FPL's contractors, vendors and suppliers as they negotiate with others for the services they provide. The disclosure of this information will also impact 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.

Ray Lozano
Date: 1/28/19