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July 15, 2019

**VIA: ELECTRONIC FILING**

Mr. Adam J. Teitzman  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Proposed adoption of Rule 25-6.030, F.A.C., Storm Protection Plan and Rule 25-6.031, F.A.C., Storm Protection Plan Cost Recovery Clause, and proposed amendment or repeal of Rule 25-6.0143, F.A.C., Use of Accumulated Provision Accounts 228.1, 228.2, and 228.4, Rule 25-6.034, F.A.C., Standard of Construction, Rule 25-6.0341, F.A.C., Location of the Utility's Electric Distribution Facilities, Rule 25-6.0342, F.A.C., Electric Infrastructure Storm Hardening, Rule 25-6.0343, F.A.C., Municipal Electric Utility and Rural Electric Cooperative Reporting Requirements, Rule 25-6.0345, F.A.C., Safety Standards for Construction of New Transmission and Distribution Facilities, Rule 25-6.044, F.A.C., Continuity of Service, Rule 25-6.0455, F.A.C., Annual Distribution Service Reliability Report, Rule 25-6.061, F.A.C., Relocation of Poles, Rule 25-6.064, F.A.C., Contribution-in-Aid-of-Construction for Installation of New or Upgraded Facilities, Rule 25-6.077, F.A.C., Installation of Underground Distribution Systems within New Subdivisions, Rule 25-6.078, F.A.C., Schedule of Charges, Installation of Underground Distribution Systems within New Subdivisions, Rule 25-6.081, F.A.C., Construction Practices, and Rule 25-6.115, F.A.C., Facility Charges for Conversion of Existing Overhead Investor-owned Distribution Facilities; FPSC Docket No. 20190131-EI

Dear Mr. Teitzman:

Attached for filing in the above docket are Tampa Electric Company's Post-Workshop Comments.

Thank you for your assistance in connection with this matter.

Sincerely,



Malcolm N. Means

MNM/pp  
Attachment

cc: Service List (w/attachment)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed Adoption of Rule 25-6.030, F.A.C., )  
Storm Protection Plan and Rule 25-6.041, F.A.C., )  
Storm Protection Plan Cost Recovery Clause )  
\_\_\_\_\_ )

DOCKET NO. 20190131-EU

FILED: July 15, 2019

**TAMPA ELECTRIC COMPANY'S  
POST-WORKSHOP COMMENTS**

Tampa Electric Company (“Tampa Electric” or “the company”), submits the following Post- Workshop Comments addressing questions raised by the Florida Public Service Commission (“Commission”) Staff at the June 25, 2019, rule development workshop as well as additional issues. Section I of these Post-Workshop Comments addresses the eight questions set forth in paragraphs 6.a through 6.h on pages 4-5 of the Notice of Rule Development Workshop issued June 11, 2019. Section II contains the company’s additional comments.

**I. Topics Identified by Staff**

**6.a What process should be utilized by the Commission to consider petitions to approve utility Storm Protection Plans? What should be the timing of Storm Protection Plan filings and related Commission actions?**

1. SB 796<sup>1</sup> does not require the Commission to utilize a specific method to approve storm protection plans. Instead, it simply states: “No later than 180 days after a utility files a [complete storm protection plan], the commission shall determine whether it is in the public interest to approve, approve with modification, or deny the plan.” § 366.96(5), Fla. Stat.

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<sup>1</sup> The bill was signed by Governor DeSantis on June 27, 2019. See <https://www.flgov.com/2019/06/27/governor-ron-desantis-signs-four-bills-and-vetoes-two-bills/> (last visited July 15, 2019). Since SB 796 will be codified as Section 366.96, Florida Statutes, these comments refer to specific portions of the bill with citations to that Section for convenience and clarity.

Therefore, Tampa Electric believes the Commission could utilize either the proposed agency action process or a full hearing process for reviewing storm protection plans. However, Tampa Electric believes that setting storm protection plan filings for hearing at the outset would result in a more efficient process and would avoid the prospect of delays in plan approvals in the event that the Commission were to enter a PAA order at or near the end of the 180-day period and a substantially affected party were to file a petition seeking a hearing on that PAA decision. Since, based on comments from consumer parties at the workshop, it appears likely that such a protest would be filed, Tampa Electric believes that a full hearing process should be utilized, at least for the Commission's first review of storm protection plans.

2. Once Rule 25-6.030 and the storm protection plan requirements therein become final, Tampa Electric expects to be able to prepare a plan for submission to the Commission within four to five months. The company, therefore, expects to submit its initial plan no later than March 1, 2020. The company thinks it would be most efficient for all utilities to file their Plans at the same time, especially since the timing of Commission approval is constrained by the 180-day limit in Section 366.96(5), Florida Statutes.

**6.b How, if at all, are the ten storm preparedness initiatives established by Order No. PSC-06-0351-PAA-EI, issued April 25, 2006, in Docket No. 060198-EI, impacted by SB 796?**

3. SB 796 embodies a more comprehensive approach to utility storm preparedness than the ten initiatives, and as such the Commission should consider revisiting whether the initiatives remain necessary following adoption of the storm protection plan rules. The Commission's ten storm preparedness initiatives were only intended to be a "starting point" for utility storm preparation activities. *See* Order No. PSC-06-0351-PAA-EI, at 2. In contrast, SB

796 requires utilities to develop a “transmission and distribution storm protection plan” that adopts a “systematic approach” to storm preparation. *See* § 366.96(3), Fla. Stat. Draft Rule 25-6.030 implements this requirement through the comprehensive list of contents for each storm protection plan. In adopting this systematic approach, utilities will likely list all or most of the initiative-mandated activities as storm protection projects or programs in their storm protection plans. While Tampa Electric does not have any specific recommended changes to the ten initiatives at this time, the company believes the Commission should undertake a review of the ten initiatives once the language of Rule 25-6.030 is finalized with the objective being to either eliminate the ten initiatives or to eliminate duplicative and obsolete provisions.

**6.c How, if at all, are the pole inspection and reporting requirements established by Order No. PSC-06-0144-PAA-EI, issued February 27, 2006, in Docket No. 060078-EI, impacted by SB 796?**

4. The company believes that, like many of the activities mandated by the ten initiatives, pole inspections may be listed as storm protection projects or as a storm protection program in utility storm protection plans. Therefore, the company believes the Commission should consider streamlining or eliminating the separate inspection and reporting requirements once the language of Rule 25-6.030 is finalized. Any activities of this nature incorporated into a storm protection program should be removed from any prior storm hardening program of which they may have been a part.

**6.d How, if at all, will the existing PSC rules included in this notice of rulemaking workshop be impacted by SB 796 and the new rules on Storm Protection Plans and the Storm Protection Plan Cost Recovery Clause?**

5. Under Rule 25-6.0342, each electric utility must submit a “detailed storm hardening plan” at least every three years. Many of the required elements of the storm hardening plan set out in Rule 25-6.0342 are duplicative of the requirements for the storm protection plan set out in draft Rule 25-6.030. While Tampa Electric does not have any specific recommended changes to Rule 25-6.0342 at this time, the company believes the Commission should consider eliminating Rule 25-6.0342 once the language of draft Rule 25-6.030 is finalized.

**6.e What should be the timing of utility Storm Protection Plan Cost Recovery Clause filings and related Commission actions, including the annual hearing?**

6. Having heard preferences expressed for conducting these matters separate from the other cost recovery proceedings relating to fuel, conservation, and environmental costs, Tampa Electric is prepared to abide by whatever schedule the Commission determines appropriate for the filing and hearing of petitions for approval of storm protection plan cost recovery. To the extent these matters are scheduled earlier in the year than petitions for approval of the other cost recovery clauses typically scheduled for hearing during the month of November each year, the company would urge the inclusion of one timing accommodation for the benefit of all affected persons. That accommodation is to have the storm protection plan cost recovery *amounts* approved at the earlier hearing, but to have the resulting cost recovery *factors* approved in the November hearing, so that the same load forecasts and billing determinants may be utilized in calculating all cost recovery factors for the coming year, including the storm

protection plan cost recovery factors. This accommodation will be significantly more efficient and less confusing for all affected persons.

**6.f How, if at all, does SB 796 impact the method of recovery of vegetation management expenses?**

7. SB 796 does not *require* recovery of vegetation management expenses through the storm protection plan cost recovery clause. Additionally, SB 796 states that storm protection plan costs may not include costs recovered through a utility's base rates. Tampa Electric interprets the law as simply allowing for recovery of storm protection plan costs, including vegetation management costs, through the clause to the extent they are not being recovered through base rates, but that storm protection plan costs may be recovered in either base rates or the Clause as long as no portion of the costs is being recovered in both. *See* § 366.96(8), Fla. Stat. ("storm protection plan costs may not include costs recovered through the public utility's base rates..."). Moreover, Tampa Electric believes that vegetation management expenses not recovered in base rates are eligible for recovery through the storm protection plan cost recovery clause until each utility's next rate case. At that time, the utility should be able to propose collection of vegetation management expenses entirely through base rates or the clause.

**6.g What process should be utilized by the Commission to ensure that Storm Protection Plan costs do not include costs recovered through a utility's base rates?**

8. There are a variety of methodologies that the Commission could use to determine whether or to what extent storm protection plan costs are being recovered in base rates; however, the best approach may differ depending on when and how a utility's base rates were last established. For example, the methodology used for a company with rates set via negotiated settlement might differ from the methodology used for a company with rates set as a result of a

traditional rate case decision. In negotiated-settlement cases, the Commission may have to resort to applying an average of actual historical spending to determine what level of costs is already recovered through base rates. In instances where rates were recently established by Commission order following a hearing, it may be appropriate to rely on cost data included in the record of the proceeding. Tampa Electric does not believe it would be advisable, at least not at this time, for the Commission to attempt to codify any particular methodology in the storm protection rules. Rather, Tampa Electric suggests allowing companies to demonstrate in their filings how their storm protection plan related costs are truly incremental and for Staff and the consumer parties to utilize discovery to investigate those filings.

**6.h For billing purposes, how will the factors established in the Storm Protection Plan Cost Recovery Clause be treated?**

9. Section 366.8255 of the Florida Statutes states: “If approved, the commission shall allow recovery of the utility’s prudently incurred environmental compliance costs...through an environmental compliance cost-recovery factor that is separate and apart from the utility’s base rates.” § 366.8255(2), Fla. Stat. The statute does not mandate how the charges calculated in this manner are presented on customer bills. As a result, Tampa Electric, and possibly other utilities, incorporate the environmental cost-recovery amount into the energy charge listed on customer bills. Similarly, SB 796 requires the Commission to “allow the utility to recover [storm protection plan] costs through a charge separate and apart from its base rates.” *See* §366.96(7), Fla. Stat. Since the Florida Legislature used the same language in both statutes, they should be interpreted in the same manner.<sup>2</sup> Tampa Electric recommends that the storm

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<sup>2</sup> “We may assume that in both chapters [the Legislature] intended certain exact words or exact phrases to mean the same thing.” *Goldstein v. Acme Concrete Corp.*, 103 So. 2d 202, 204 (Fla. 1958). “Where the same words or phrases are used in two statutes, we may assume that the legislature intended them to mean the same thing.” *State v.*

protection plan cost recovery clause charge be calculated separately but incorporated into the energy charge line item that includes the other clauses on customer bills. To do otherwise would create customer confusion.

## II. Additional Comments

### Definitions

10. The current draft of Rule 25-6.030 would require storm protection plans to be based on and built around “storm protection projects,” which are defined in terms of “specified portions” of “existing facilities.” *See* Draft R. 25-6.030(3)(a). The restriction of storm hardening activities to specified portions of existing facilities would appear to preclude the inclusion of more broadly-defined activities, which could be designated as “storm protection programs,” that are broader in scope and in time. Storm protection plans could identify specific projects such as undergrounding a specific circuit within a specific timeframe. Plans could also identify programs – such as undergrounding a certain number of miles of line – that would be completed over the course of the ten-year planning horizon. Allowing utilities to structure storm protection plans using either storm protection projects or storm protection programs (or both) would give utilities the flexibility to prioritize or de-prioritize specific projects in later years of the plan depending on changing needs and continuous feedback from the projects implemented in the early years and would reduce the need for utilities to seek plan modifications when

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Dubiel, 958 So. 2d 486, 488 (Fla. 4th DCA 2007). “Where the legislature uses exact words in different statutory provisions, the court may assume they were intended to mean the same thing.” St. George Island, Ltd. v. Rudd, 547 So. 2d 958, 961 (Fla. 1st DCA 1989), approved sub nom. Brown v. St. George Island, Ltd., 561 So. 2d 253 (Fla. 1990); *see also* United States v. Davis, 18-431, 2019 WL 2570623, at \*8 (U.S. June 24, 2019) (“Usually when statutory language ‘is obviously transplanted from ... other legislation,’ we have reason to think ‘it brings the old soil with it.’”); Smith v. City of Jackson, Miss., 544 U.S. 228, 233 (2005) (“we begin with the premise that when Congress uses the same language in two statutes having similar purposes, particularly when one is enacted shortly after the other, it is appropriate to presume that Congress intended that text to have the same meaning in both statutes.”).



circumstances dictate a different course than that included in the plan. For example, a specific circuit that is considered lower priority for undergrounding at the time the plan is filed may become a higher priority based on reliability issues that arise after the plan is approved. Tampa Electric included edits consistent with this comment in the attached redline version of draft Rule 25-6.030.

11. Draft Rule 25-6.030 defines the term “transmission and distribution facilities.” The current definition appears to describe transmission and distribution plant in terms of account categories from the FERC Uniform System of Accounts; however, the items listed are not inclusive of all categories of transmission and distribution plant that may be subject to a utility’s hardening activities. Tampa Electric suggests amending the definition of “transmission and distribution facilities,” as shown in the attached redline version of the rule, to include references to “substations and other related facilities” as well as “other assets used by a utility in order to deliver electricity from generating sources to the utility’s end use retail customers.”

12. Tampa Electric is concerned that draft Rule 25-6.030 contains an apparent limitation of storm hardening activities to “existing” facilities. The definition of “storm protection project” refers to “existing electric transmission or distribution facilities.” *See* Draft R. 25-6.030(2)(a). The reference to “existing” facilities is also found in subsection (3), which requires proposed plans to contain a description of how “existing transmission and distribution facilities” will be replaced and strengthened. *See* Draft R. 25-6.030(3). Tampa Electric believes the emphasis on existing facilities could be interpreted to preclude utilities from adding new facilities to existing facilities as a means of achieving SB 796’s legislative goal of strengthening electric utility infrastructure to withstand extreme weather conditions. These references to “existing” should be removed so that potentially more cost-effective means of hardening utility

transmission and distribution systems may be employed. As an example, the emphasis on existing facilities may preclude the addition of new poles in an existing line as a way of improving the resiliency of that line. Tampa Electric deleted references to “existing” facilities in the attached redline version of draft Rule 25-6.030.

13. Limiting hardening measures to existing facilities would also preclude the addition of entirely new facilities where such new facilities might be a cost-effective way of reducing outage times. A utility might, for example, propose construction of circuit ties or new lines to add grid redundancy as a way of increasing switching capabilities that would mitigate customer impact and reduce outage times. Similarly, limiting hardening measures to existing facilities might preclude the placement of new distribution infrastructure underground in the first place resulting in increased storm exposure and perhaps, a future costly overhead-to-underground conversion.

#### **Level of Cost Detail in Storm Protection Plans**

14. Tampa Electric recognizes that SB 796 requires the Commission to review estimated project costs and annual rate impacts for the first three years of the planning period. *See* § 366.96(4)(c)-(d). Tampa Electric suggests that the Commission should use the level of cost detail found in utility Demand Side Management (“DSM”) Plans as a benchmark for the level of cost detail necessary in storm protection plans. Like storm protection plans, DSM Plans are based on a ten-year planning horizon. *See* R. 25-17.0021(4), F.A.C. DSM Plans must contain an estimate of the cost-effectiveness of each DSM program over that period. *Id.* When reviewing DSM Plans, the Commission considers whether each program is cost effective based upon this information. *See* Order No. PSC-15-0323-PAA-EG, issued August 11, 2015 in Docket No. 20150081-EG. This similarity in terms of planning horizon makes utility DSM Plans a

useful benchmark for determining the appropriate level of cost detail that should be included in storm protection plans.

### **Cost Recovery for Projected Costs**

15. Tampa Electric supports the cost recovery methodology adopted in draft Rule 25-6.031 – recovery for the net of actual, actual/projected, and projected costs for a rolling three-year period – for the storm protection cost recovery clause. This methodology is consistent with SB 796, as the statute clearly contemplates that utilities are expected to include projected costs in their storm protection plans. *See* § 366.96(10), Fla. Stat. (requiring the Commission to prepare a report including “estimated costs and rate impacts” derived from the Plans). Any methodology that only allows for retroactive recovery of actual costs would frustrate the intent of the statute because utilities would be disincentivized to incur costs for storm protection projects. Tampa Electric included edits consistent with this comment in the attached redline version of draft Rule 25-6.031.

### **Recovery of Costs Incurred Before Plan Approval**

16. Tampa Electric believes costs related to the preparation and implementation of the storm protection plan incurred before the Plan is approved should be eligible for cost recovery. If these costs are not eligible for recovery, it could cause significant delays in the inception and completion of storm protection projects and their associated resiliency benefits to customers. SB 796 gives the Commission up to six months to approve the utility’s storm protection plan, meaning the utility may have less than six months to begin work on first-year projects after plan approval. Some first-year projects may have significant lead time, even in excess of six months. For instance, if a utility lists undergrounding of a particular circuit in the first year of its plan, the utility will need to acquire land or easements, perform engineering and geotechnical studies,

obtain necessary permits, and obtain equipment before it can begin the project. Utilities can ensure that storm protection projects with significant lead times remain on schedule if they are able to begin these tasks as soon as the plan is filed with assurance that the associated incremental costs will be eligible for cost recovery.

### **Rate Impacts**

17. As mentioned above, SB 796 requires the Commission to consider the “estimated annual rate impact resulting from implementation of the plan during the first 3 years addressed in the plan.” § 366.96(4)(d), Fla. Stat. The bill also requires the Commission to include the “rate impacts associated with completed *activities*” in its annual report, as opposed to the rate impacts of each activity. § 366.96(10), Fla. Stat. (emphasis added). Based on this language, Tampa Electric believes rate impacts should be assessed at the plan or program level, not at the individual project level.

### **Edits to Draft Rules 25-6.030 and 25-6.031**

18. Attached hereto are proposed amendments to draft Rules 25-6.030 and 25-6.031, reflecting and implementing the matters discussed in these post-workshop comments.

WHEREFORE, Tampa Electric Company submits the foregoing as its Post-Workshop Comments regarding the various issues discussed at the June 25, 2019 rule development workshop in this proceeding.

DATED this 15th day of July 2019

Respectfully submitted,



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ATTORNEYS FOR TAMPA ELECTRIC COMPANY

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing Post-Workshop Comments, filed on behalf of Tampa Electric Company, has been furnished by electronic mail on this 15th day of July, 2019 to the following:

<p>Mr. Andrew King Office of General Counsel Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 <a href="mailto:aking@psc.state.fl.us">aking@psc.state.fl.us</a></p> <p>Mr. J. R. Kelly Mr. Charles Rehwinkel Office of Public Counsel c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-400 <a href="mailto:kelly.jr@leg.state.fl.us">kelly.jr@leg.state.fl.us</a> <a href="mailto:rehwinkel.charles@leg.state.fl.us">rehwinkel.charles@leg.state.fl.us</a></p> <p>Mr. Ken Rubin Florida Power &amp; Light Company 700 Universe Boulevard Juno Beach, FL 33408 <a href="mailto:ken.rubin@fpl.com">ken.rubin@fpl.com</a></p> <p>Mr. Kenneth A. Hoffman Florida Power &amp; Light Company 215 S. Monroe Street, Suite 810 Tallahassee, FL 32301 <a href="mailto:ken.hoffman@fpl.com">ken.hoffman@fpl.com</a></p>	<p>Mr. Russell A. Badders Vice President &amp; Associate General Counsel Gulf Power Company One Energy Place <a href="mailto:Russell.Badders@nexteraenergy.com">Russell.Badders@nexteraenergy.com</a></p> <p>Mr. Ken Plante, Coordinator Joint Administrative Procedures Committee 680 Pepper Building 111 W. Madison Street Tallahassee, FL 32399 <a href="mailto:joint.admin.procedures@leg.state.fl.us">joint.admin.procedures@leg.state.fl.us</a></p> <p>Mr. Jeff Foster Duke Energy Florida 106 E. College Avenue-Suite 800 Tallahassee, FL 32301-7240 <a href="mailto:jeff.foster@duke-energy.com">jeff.foster@duke-energy.com</a></p> <p>Mr. Robert Scheffel Wright Gardner, Bist, Bowden, Bush, Dee, LaVia &amp; Wright, P.A. 1300 Thomaswood Drive Tallahassee, FL 32308 <a href="mailto:schef@gbwlegal.com">schef@gbwlegal.com</a></p> <p style="text-align: center;"> _____ ATTORNEY</p>
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1     **25-6.030 Storm Protection Plan.**

2     (1) Purpose and Procedures. The objective of a utility’s Transmission and Distribution  
3 Storm Protection Plan (Storm Protection Plan) is to strengthen electric utility infrastructure to  
4 withstand extreme weather conditions through (1) overhead hardening and increased resilience  
5 of the utility’s ~~existing~~ electric transmission and distribution facilities, (2) undergrounding of  
6 electric distribution facilities, and (3) vegetation management, thereby reducing outage times  
7 and restoration costs associated with extreme weather events and improving overall service  
8 reliability. Each electric public utility must file a petition with the Commission for the  
9 approval of a Storm Protection Plan that covers the utility’s immediate 10-year planning  
10 period. Each utility must file, for Commission approval, an updated Storm Protection Plan at  
11 least every 3 years.

12     (2) Definitions.

13     (a) “Storm protection project” – For purposes of this rule, storm protection project means  
14 the enhancement, replacement, or undergrounding of a specified portion of ~~existing~~ electric  
15 transmission or distribution facilities for the ~~primary~~ purpose of reducing restoration costs,  
16 reducing outage times, and improving overall service reliability ~~and resiliency~~.

17     (b) “Storm protection program” – For purposes of this rule, storm protection program  
18 means a group of related storm protection projects that may be planned for implementation  
19 over a range of dates in the future, typically beyond the first year of a Storm Protection Plan or  
20 plan update.

21     (cb) “Transmission and distribution facilities” – For purposes of this rule, transmission and  
22 distribution facilities include all electric public utility owned poles and fixtures, towers and  
23 fixtures, overhead conductors and devices, ~~substations and related facilities~~, land and land  
24 rights, roads and trails, underground conduits, and underground conductors ~~and other assets~~  
25 used by a utility in order to deliver electricity from generating sources to the utility’s end use

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1 retail customers.

2 (3) Contents of the Plan. Each utility's Storm Protection Plan must contain a description of  
3 how the proposed plan will replace and strengthen the utility's ~~existing~~ transmission and  
4 distribution facilities and manage vegetation in order to reduce restoration costs and outage  
5 times associated with extreme weather events and enhance overall service reliability. Each  
6 Storm Protection Plan must contain the following information:

7 (a) A description of the criteria used to select and prioritize proposed storm protection  
8 projects ~~and programs.~~

9 (b) A description of each proposed storm protection project ~~or program~~ that includes:

10 1. The projected construction start and completion dates ~~or range of dates;~~

11 2. A description of any alternative storm protection projects ~~or programs~~ that were  
12 considered, including the reasons for not selecting the alternatives;

13 3. A description of how the proposed storm protection project ~~or program~~ is ~~designed~~  
14 ~~projected~~ to strengthen the utility's ~~existing~~ transmission and distribution facilities and an  
15 estimate of the resulting reduction in outage times and restoration costs due to extreme  
16 weather events;

17 4. A description of the affected existing facilities, including number and type(s) of  
18 customers served, historic service reliability performance during extreme weather events, and  
19 how this data was used to prioritize the proposed storm protection project ~~or program;~~

20 5. A cost estimate including capital and operating expenses, both fixed and variable;

21 6. A comparison of the costs identified in ~~(e5)~~ and benefits identified in ~~(e3)~~; and

22 7. Any other factors the utility requests the Commission to consider.

23 (c) A description of the utility's service area, including areas prioritized for enhancement  
24 and any areas where the utility has determined that the strengthening of the utility's ~~existing~~  
25 transmission and distribution facilities would not be feasible, reasonable, or practical. Such

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1 description must include a general map, number of customers served within each area, and the  
2 utility's reasoning for prioritizing certain areas for enhanced performance and for designating  
3 other areas of the system as not feasible, reasonable, or practical.

4 (d) A description of each vegetation management activity including:

5 1. The projected locations and frequency;

6 2. The projected miles of affected transmission and distribution overhead facilities; and

7 3. The estimated annual labor and equipment costs for both utility and contractor

8 personnel; and

9 4. An estimate of how the vegetation management activity will reduce outage times and  
10 restoration costs due to extreme weather events.

11 (e) An estimate of the annual jurisdictional revenue requirements and resulting rate  
12 impacts for each year of the Storm Protection Plan for residential, commercial, and industrial  
13 customers.

14 (f) A description of any project or deployment strategy alternatives that could mitigate the  
15 resulting rate impact for the first three years of the proposed Storm Protection Plan.

16 *Rulemaking Authority 366.96, FS. Law Implemented 366.96, FS. History—New \_\_\_\_\_.*

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1     **25-6.031 Storm Protection Plan Cost Recovery Clause.**

2     (1) Purpose. The purpose of this rule is to establish a recovery mechanism for costs  
3 prudently incurred to implement an approved Transmission and Distribution Storm Protection  
4 Plan (Storm Protection Plan).

5     (2) After the Commission has issued a final order approving a utility's Storm Protection  
6 Plan, updated Plan, or Plan amendment, a utility may file a petition for recovery of associated  
7 costs for any of the foregoing approvals through the storm protection plan cost recovery  
8 clause. A utility's petition shall be supported by testimony that provides details on the annual  
9 activities and costs that are the subject of its petition.

10     (3) An annual hearing will be conducted to determine the reasonableness of projected  
11 Storm Protection Plan costs, the prudence of actual Storm Protection Plan costs incurred or  
12 projected to be incurred by the utility, and to establish Storm Protection Plan cost recovery  
13 factors amounts, with cost recovery factors to recover said amounts later established in annual  
14 proceedings to determine cost recovery factors for the following year.

15     (4) Deferred accounting treatment. Storm Protection Plan costs shall be afforded deferred  
16 accounting treatment at the 30-day commercial paper rate, except for projected costs that are  
17 recovered on a projected basis in one annual cycle.

18     (5) Subaccounts. To ensure separation of costs subject to recovery through the clause, each  
19 utility filing for cost recovery shall maintain subaccounts for all items consistent with the  
20 Uniform System of Accounts prescribed by this Commission, pursuant to Rule 25-6.014,  
21 F.A.C.

22     (6) Recoverable costs.

23     (a) Storm Protection Plan costs recoverable through the clause shall not include costs  
24 recovered through the utility's base rates or any other cost recovery mechanism.

25     (b) The utility may recover the annual depreciation expense on capitalized Storm

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1 Protection Plan expenditures using the utility's most recent Commission-approved  
2 depreciation rates. The utility may recover a return on the undepreciated balance of the costs  
3 calculated at the utility's weighted average cost of capital using the return on equity most  
4 recently approved by the Commission in a rate case or settlement order.

5 (7) Pursuant to the order establishing procedure in the annual cost recovery proceeding, a  
6 utility shall submit the following each year for Commission review and approval as part of its  
7 cost recovery filings:

8 (a) Final True-Up for Previous Years. A utility shall submit its final true-up of Storm  
9 Protection Plan revenue requirements based on actual costs for the prior year and previously  
10 filed costs and revenue requirements for such prior year and a description of the work actually  
11 performed during such year.

12 (b) Estimated True-Up and Projections for Current Year. A utility shall submit its  
13 actual/estimated true-up of projected Storm Protection Plan revenue requirements based on a  
14 comparison of current year actual/estimated costs and the previously-filed estimated costs and  
15 revenue requirements for such current year and a description of the work projected to be  
16 performed during such year.

17 (c) Projected Costs for Subsequent Years. A utility shall submit its projected Storm  
18 Protection Plan costs and revenue requirements for the subsequent year and a description of  
19 the work projected to be performed during such year.

20 (d) True-Up of Variances. The utility shall report observed true-up variances including  
21 sales forecasting errors, changes in the utility's prices of services and/or equipment, and  
22 changes in the scope of work relative to the estimates provided pursuant to subparagraphs  
23 (7)(b) and (7)(c). The utility shall also provide explanations for variances regarding the  
24 deployment of the approved Storm Protection Plan.

25 (e) Proposed Storm Protection Plan Cost Recovery Factors. The utility shall provide the  
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existing law.

1 calculations of its proposed factors to be effective for the 12-month billing period beginning  
2 January 1 following the annual proceeding.

3 (8) Any request to modify an approved Storm Protection Plan must be through a petition  
4 filed pursuant to Rule 25-6.030, F.A.C., separate from any petition for cost recovery. Once a  
5 Storm Protection Plan modification has been approved, the utility may file a petition to revise  
6 its cost recovery factors to reflect the modification.

7 (9) Contemporaneously with the required filing in paragraph (7)(a) of this rule, a utility  
8 must submit a status report on the utility's Storm Protection Plan projects. The status report  
9 shall include:

10 (a) Identification of all projects completed or planned for completion;

11 (b) Actual costs and rate impacts associated with each completed project as compared to  
12 the estimated costs and rate impacts for each project; and

13 (c) Estimated costs and rate impacts associated with each project planned for completion.

14 *Rulemaking Authority 366.96, FS. Law Implemented 366.96, FS. History—New \_\_\_\_\_.*

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