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P R O C E E D I N G S

CHAIRMAN CLARK: Item No. 2 has been moved for discussion. And we will take that item up at this time. Who's going to introduce this item?

Justin.

MR. SEWARDS: Yes, sir. Good morning, Commissioners. Justin Swards with Commission staff. Item No. 2 is staff's recommendation regarding Duke Energy Florida's petition seeking approval to implement an interim storm-restoration recovery surcharge.

On December 19th, 2019, Duke filed a petition pursuant to the provisions of its 2017 second revised and restated settlement agreement for a limited proceeding, seeking recovery of approximately \$171 million for incremental storm-restoration costs associated with Hurricane Dorian and Tropical Storm Nestor.

The approval of an interim storm-restoration recovery charge is preliminary in nature and is subject to refund, pending further review once the total actual -- actual storm-restoration costs are known.

A representative from Duke Energy Florida is present, and the Office of Public Counsel would

1 like to speak on this item as well. Staff is also
2 available for any questions you may have.

3 CHAIRMAN CLARK: All right. We will begin
4 with Duke. Any comments, Ms. Byson [sic]?

5 MS. TRIPLETT: No, Mr. Chairman, and I would
6 just ask that I could reserve in case I need to say
7 anything. I hope I don't.

8 CHAIRMAN CLARK: Certainly.

9 MS. TRIPLETT: Thanks.

10 CHAIRMAN CLARK: All right. Ms. Christensen,
11 welcome.

12 MS. CHRISTENSEN: Good morning, Commissioners.
13 Patti Christensen with the Office of Public
14 Counsel. I'm here for Charles Rehwinkel, on behalf
15 of Duke customers.

16 As you know, we're here today on Duke's
17 request to implement a surcharge for Hurricane
18 Dorian and Tropical Storm Nestor under the storm-
19 charge recovery mechanism of the 2017 settlement
20 agreement.

21 Now, we agree that the Duke 2017 settlement
22 SCRM allows for an interim surcharge for recovery
23 and storm cost, pending the scrutiny of those costs
24 for the hearing process; however, OPC has several
25 concerns raised by the Hurricane Dorian and

1 Tropical Storm Nestor scenario that we want to
2 raise today.

3 As you are aware, the investor-owned utilities
4 mustered a lot of resources prior to Hurricane
5 Dorian, costing approximately 170 million for Duke
6 and 274 million for FPL; yet, Hurricane Dorian and
7 Tropical Storm Nestor had little to no impact on
8 Florida.

9 We recognize that Hurricane Dorian was a
10 Category 5 hurricane that was expected to hit
11 Florida and impact multiple utility territories,
12 and it was prudent to engage in some level of pre-
13 storm preparedness, but we believe that, as a
14 matter of policy, the Commission needs to look at
15 what is the appropriate level of the pre-storm
16 preparation and how much of those costs should be
17 borne by the utility customers.

18 OPC intends to raise these issues for hearing;
19 however, we will not be in a position to raise
20 these issues or scrutinize the Hurricane Dorian and
21 Tropical Storm Nestor costs for FPL since FPL
22 continues to misuse the settlement by failing to
23 proceed under the SCRM, and continues to misuse --
24 and continues to take funds from the depreciation
25 amortization fund.

1 Not only does this allow FPL to avoid, yet
2 again, the Commission's scrutiny of the storm costs
3 that are ultimately paid by today's customers, but
4 will also saddle customers for the next 30 or 40
5 years for these storm costs.

6 This intergenerational inequity will have
7 future customers not only paying for their own
8 storms, but these past storms because of FPL's
9 abuse of the settlement and SCRM.

10 We also find it unsettling that one set of
11 customers, Duke's customers, will get the benefit
12 of a full hearing, and another set of customers,
13 FPL customers, will be denied --

14 CHAIRMAN CLARK: Ms. Christensen, let -- let
15 me -- hold on a second. If we could, keep this
16 relative to the Duke perspective and leave the FPL
17 issue out of it. I believe we're focused here on
18 Duke's recovery, please.

19 MS. CHRISTENSEN: I understand. We just
20 wanted to bring to the attention that we have some
21 disparate treatments of how these storm costs will
22 be scrutinized and what level of scrutiny this
23 Commission will be afforded for these storm costs.
24 And we think that that needs to be brought to the
25 Commission's attention.

1 CHAIRMAN CLARK: I understand, and we can
2 certainly address that at hearing. Thank you.

3 MS. CHRISTENSEN: Well, unfortunately, it
4 doesn't look like we may have a hearing for FPL.
5 But that said, we do look forward to moving forward
6 and proceeding to that level of scrutiny under the
7 SCRM for Duke's costs related to Hurricane Dorian
8 and Tropical Storm Nestor.

9 Thank you.

10 CHAIRMAN CLARK: Okay. Ms. -- Ms. Helton.

11 MS. HELTON: You did perfectly, Mr. Chairman.

12 CHAIRMAN CLARK: Oh, thank you.

13 (Laughter.)

14 CHAIRMAN CLARK: All right. Ms. Triplett, any
15 response?

16 MS. TRIPLETT: Yeah, I'm sorry. Dianne
17 Triplett for Duke Energy.

18 Just -- just very briefly, I -- I do look
19 forward to the hearing, in which our company
20 intends to fully support the costs that were
21 incurred to prepare for one of the largest storms
22 to be threatening our state and a storm that was
23 unprecedented in the -- in the -- in the speed at
24 which it approached the state of Florida.

25 So, I would just ask for you to -- to keep

1 that in mind as -- as we present our actual costs
2 and -- for consideration before the Commission
3 because I know that our customers expect us to be
4 fully prepared for an event. And we were lucky
5 that the storm did not impact our state more -- did
6 not hit our state directly, but it absolutely is
7 prudent to be prepared to restore, in the event
8 that it had.

9 CHAIRMAN CLARK: Okay.

10 MS. TRIPLETT: Thank you.

11 CHAIRMAN CLARK: All right. Any other
12 comments from staff?

13 All right. Commissioners, any comments or
14 questions?

15 Commissioner Polmann.

16 COMMISSIONER POLMANN: Thank you,
17 Mr. Chairman. This -- this Commissioner will put
18 aside any comments with regard to FPL.

19 To staff, with regard to this particular item
20 dealing with Duke, is there anything in your
21 development of this item that you found unusual or
22 extraordinary or outside of your normal procedure
23 of bringing this forward? Are we following
24 standard procedure that normally would -- would be
25 the case?

1 MR. MOURING: Curt Mouring, Commission staff.

2 This -- this has been a pretty-similar filing
3 to what we've seen for other storms in other
4 companies. As Ms. Christensen pointed out, what is
5 a little bit different in this case is that these
6 storms didn't necessarily make landfall.

7 But the -- a lot of the -- the costs
8 associated with it is engaging resources and
9 mobilizing them and demobilizing them, but that --
10 other -- other than that, this is -- it appears to
11 be a pretty-similar filing.

12 COMMISSIONER POLMANN: Well, I under- -- I
13 understand that, in each storm case, the damages
14 and -- and the nature of the costs would be
15 different, but in terms of process, the -- the
16 utility is claiming a cost that was incurred.

17 And in terms of their filing and -- and the
18 preliminary nature and then how we're going through
19 our process, is -- is -- is all of that a standard
20 procedure?

21 MR. MOURING: At this juncture, yes, sir.

22 COMMISSIONER POLMANN: Okay.

23 MR. MOURING: Yes, it is.

24 COMMISSIONER POLMANN: Thank you very much.

25 That's all I have, Mr. Chairman.

1 CHAIRMAN CLARK: All right. Any other
2 comments from Commissioners?

3 COMMISSIONER BROWN: I would move the staff
4 recommendation on all issues.

5 COMMISSIONER GRAHAM: Second.

6 CHAIRMAN CLARK: I have a motion and a second
7 to move staff's recommendation. Is there any
8 discussion?

9 All in favor, say aye.

10 (Chorus of ayes.)

11 CHAIRMAN CLARK: Opposed?

12 Motion carries.

13 All right. Any other business to come before
14 the Commission? If not, we stand adjourned. Thank
15 you very much.

16 (Agenda Item Concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, ANDREA KOMARIDIS WRAY, Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 12th day of February, 2020.



ANDREA KOMARIDIS WRAY
NOTARY PUBLIC
COMMISSION #GG365545
EXPIRES February 9, 2021