

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Review of 2020-2029 Storm Protection Plan
pursuant to Rule 25-6.030, F.A.C., Gulf Power
Company

Docket No. 20200070-EI

Filed: May 4, 2020

**GULF POWER COMPANY'S RESPONSE IN OPPOSITION TO THE OFFICE OF
PUBLIC COUNSEL'S AMENDED MOTION TO COMPEL
RESPONSES TO FIRST SET OF INTERROGATORIES AND
FIRST REQUEST FOR PRODUCTION OF DOCUMENTS**

Gulf Power Company ("Gulf"), pursuant to Rule 1.280(b)(1), Florida Rules of Civil Procedure, Rules 28-106.204(1) and 28-106.206, Florida Administrative Code ("F.A.C."), and this Commission's Order Establishing Procedure PSC-2020-0073-PCO-EI, submits the following Response in Opposition to the Office of Public Counsel's ("OPC") Amended Motion to Compel responses to OPC's First Set of Interrogatories ("OPC Set 1 INTs") (Nos. 7, 8, 10, 22, 23, 24, 25, 26, 29, 31, 32, 33, 34, 40, and 41) and First Request for Production of Documents ("OPC Set 1 PODs") (Nos. 5, 6, 7, 8, and 13). The discovery requests that are the subject of OPC's Amended Motion to Compel are irrelevant to Gulf's 2020-2029 Storm Protection Plan ("SPP"), overly broad, burdensome, and unlikely to lead to admissible evidence in this proceeding. OPC has failed to demonstrate any causal connection between the information sought and the possible evidence relevant to the issues to be decided in this pending proceeding. Finally, OPC has rendered its Amended Motion to Compel moot, in part, by serving the same discovery requests dealing with cost recovery issues in the separate Storm Protection Plan Cost Recovery Clause ("SPPCRC") docket where such issues are properly addressed. For these reasons, as further explained below, OPC's Amended Motion to Compel should be promptly denied.

I. BACKGROUND

1. On June 27, 2019, the Governor of Florida signed CS/CS/CS/SB 796 addressing Storm Protection Plan Cost Recovery, which was codified in Section 366.96, Florida Statutes

("F.S."). Therein, the Florida Legislature directed each investor owned utility ("IOU") to file a transmission and distribution SPP that covers the immediate 10-year planning period and explains the systematic approach the utility will follow to achieve the legislative objectives of strengthening electric utility infrastructure to withstand extreme weather conditions by promoting the overhead hardening of transmission and distribution facilities, the undergrounding of certain electrical distribution lines, and vegetation management. Section 366.96, F.S.

2. The Florida Legislature directed the Commission to propose rules to implement and administer Section 366.96 as soon as practicable but no later than October 31, 2019. Consistent with this mandate, the Commission initiated a rulemaking and voted at its October 3, 2019 Agenda Conference to adopt proposed Rules 25-6.030 and 25-6.031, F.A.C. However, as a result of OPC's unsuccessful challenges to the Commission's proposed SPP Rules before the Division of Department of Administrative Hearings, the SPP Rules did not become final and effective until February 18, 2020.

3. On March 11, 2020, the Prehearing Officer issued the Order Establishing Procedure, Order No. PSC-2020-0073-PCO-EI, providing that Gulf's SPP was to be filed on April 10, 2020.

4. On April 3, 2020, OPC served its Set 1 INTs and Set 1 PODs, which are attached as "**Appendix A.**"

5. On April 20, 2020, Gulf served its objections and responses to OPC's Set 1 INTs and Set 1 PODs, which are attached as "**Appendix B.**"

6. On April 29, 2020, OPC served its Amended Motion to Compel.

7. Pursuant to 28-106.206, F.A.C., Gulf herein submits its Response in Opposition to OPC's Amended Motion to Compel. For the reasons explained below, OPC's Amended Motion to Compel should be denied in its entirety.

II. STANDARD FOR DISCOVERY

8. Rule 28-106.206, F.A.C., governs discovery in administrative proceedings and incorporates Rule 1.280 - 1.400 of the Florida Rules of Civil Procedure. Pursuant to Rule 1.280(b)(1), Florida Rules of Civil Procedure, “[p]arties may obtain discovery regarding any matter, not privileged, that is relevant to the subject matter of the pending action.... It is not ground for objection that the information sought will be inadmissible at the trial if the information sought appears reasonably calculated to lead to the discovery of admissible evidence.” Fla. R. Civ. P. 1.280(b)(1) (emphasis added).

9. The scope of discovery under the Florida Rules of Civil Procedure is liberal. This standard is not, however, without limit. *In re: Complaint of Mad Hatter Utility, Inc., and Paradise Lakes Utility, LLC against Verizon Florida, Inc.*, Docket No. 20090313-PU, Order No. PSC-2010-0021-PCO-PU, 2010 Fla. PUC LEXIS 53 at *2-3 (Fla. P.S.C. Jan, 7, 2010). Indeed, discovery should be denied when it has been established that the information requested is neither relevant to any pending claim or defense nor will it lead to the discovery of admissible evidence. *In re: Petition for rate increase by Tampa Electric Company*, Docket No. 2030040-EI, Order No. PSC-2013-0415-PCO-EI, 2013 Fla. PUC LEXIS 259 at *4 (Fla. P.S.C. Sept. 6, 2013) (citing *Poston v. Wiggins*, 112 So.3d 783, (Fla. 1st DCA 2013)).

10. It is well settled that the burden of establishing relevance is on the questioner. *See, Calderbank v. Cazares*, 435 So.2d 377 (Fla. 5th DCA, 1983). As explained by Florida Appellate Courts,

A reasonably “calculated” causal connection between the information sought and the possible evidence relevant to the issues in the pending action must “appear” from the nature of both or it must be demonstrated by the person seeking the discovery. If a logical connection is not readily apparent, the questioner should make it apparent by pointing out to the court his reasoning process based on facts and inferences demonstrating how he calculates that the sought information will “reasonably” lead to admissible

evidence. The mere fact that an inquiry that appears to be irrelevant “might” lead to evidence that is relevant and admissible to the issues in the pending suit is not sufficient. Such a rule would place no limitation on the authority of any litigant to invade, by questions, the privacy of a witness.

Id., 379 (emphasis added).¹

11. As explained in detail below, OPC has failed to demonstrate that the discovery requests that are the subject of its Amended Motion to Compel are relevant to Gulf’s SPP or the Commission’s review and determination of whether the SPP is in the public interest and, therefore, OPC’s Amended Motion to Compel should be denied.

III. RESPONSE TO OPC’S AMENDED MOTION TO COMPEL

A. General Response to OPC’s Amended Motion to Compel

12. As a preliminary matter, OPC has conceded that a majority of the discovery requests that are the subject of its Amended Motion to Compel are not relevant to the SPP docket and belong in the SPPCRC docket by its recent actions. Indeed, on April 30, 2020, OPC served Gulf with its first set of interrogatories and requests for production of documents in Docket No. 20200092-EI opened by the Commission to address SPPCRC the petitions that will be filed the third quarter of 2020. Without waiver of any objections in the SPPCRC docket or whether pre-petition discovery is legally permissible and appropriate, Gulf notes that the discovery requests propounded in the SPPCRC docket are the exact same discovery that is the subject of OPC’s Amended Motion to Compel -- OPC Set 1 INTs (Nos. 7, 8, 10, 22, 23, 24, 25, 26, 29, 31, 32, 33, 34, 40, and 41) and OPC Set 1 PODs (Nos. 5, 6, 7, 8, and 13). A true and correct copy of OPC’s

¹ See also, *In re: Request for arbitration concerning complaint of Intermedia Communications, Inc. against BellSouth Telecommunications, Inc. for breach of terms of interconnection agreement under Sections 251 and 252 of the Telecommunications Act of 1996, and request for relief*, Docket No. 19991534-TP, Order No. PSC-2000-2035-PCO-TP2000, Fla. PUC LEXIS 706 at *4-5 (Fla. P.S.C. June 13, 2000); *In re: Petition of BellSouth Telecommunications, Inc. to remove interLATA access subsidy received by St. Joseph Telephone & Telegraph Company*, Docket No. 19970808-TL, Order No. PSC-1998-0465-FOF-TL, 1998 Fla. PUC LEXIS 631 at *14 (Fla. P.S.C. March 31, 1998).

first set of interrogatories and requests for production of documents served in Docket No. 20200092-EI is attached hereto as “**Appendix C.**” OPC should not be permitted to claim that these discovery requests are relevant to the SPP, not the SPPCRC, and then serve the very same discovery in the SPPCRC docket. OPC’s service of these same discovery requests in the SPPCRC renders the pending Amended Motion to Compel legally moot and practically superfluous.

13. Even assuming, *arguendo*, that OPC has not rendered the pending Amended Motion to Compel moot, OPC Set 1 INTs (Nos. 7, 8, 10, 22, 23, 24, 25, 26, 29, 31, 32, 33, 34, 40, and 41) and OPC Set 1 PODs (Nos. 5, 6, 7, 8, and 13) are irrelevant to the issues to be addressed in this proceeding.

14. OPC served its Set 1 INTs and Set 1 PODs on April 3, 2020, which consisted of 73 questions including subparts. Notably, OPC’s first set of discovery was served seven days before Gulf filed its SPP on April 10, 2020, during the period when Gulf was diligently working to complete and finalize its SPP.² That OPC propounded discovery without waiting to review the actual SPP as filed is telling, particularly given that this was a first time filing for the newly established SPP docket. Indeed, in issuing that discovery prior even to being able to read the SPP that was to be considered in this docket, OPC essentially was either guessing at what it thought might be relevant, or was attempting through discovery to drive the issues that OPC wanted to be addressed in this proceeding. Neither is an acceptable basis for issuing appropriate discovery.

15. Even after seeing Gulf’s SPP, which confirmed that much of OPC’s pre-petition discovery is entirely unrelated to the SPP that Gulf filed,³ OPC is nonetheless continuing to seek

² In fact, OPC served three sets of interrogatories and requests for production of documents, a total of approximately 200 questions including subparts, before Gulf even filed the SPP that is the subject of this proceeding.

³ Gulf is not addressing herein whether pre-petition discovery by a non-petitioner is appropriate or when such discovery should be deemed served; however, Gulf is not acquiescing to or otherwise agreeing that such practice is legally permissible, reasonable, and appropriate. Gulf reserves and is not waiving any and all objections and arguments regarding pre-petition discovery.

the information requested in OPC Set 1 INTs (Nos. 7, 8, 10, 22, 23, 24, 25, 26, 29, 31, 32, 33, 34, 40, and 41) and OPC Set 1 PODs (Nos. 5, 6, 7, 8, and 13) without credibly explaining why the questions are relevant to the SPP actually filed by Gulf or the issues appropriate raised in connection with the review of Gulf's SPP.

16. None of these discovery requests are reasonably focused on Gulf's SPP, which is the subject of the pending action. Further, in some instances, OPC has taken a broad, audit-type approach to discovery and is seeking information about topics that do not and cannot relate to Gulf's SPP. A clear example showing that OPC's motion to compel must be denied is found in OPC Set 1 INT No. 22. That request asks Gulf to "provide a schedule listing all franchise agreements, indicating the expiration date and those currently being negotiated for renewal." This question is overwhelmingly broad, irrelevant, and unequivocally beyond the scope and purpose of this pending proceeding. A request for information about the status of Gulf's existing and future franchise agreements clearly cannot lead to the discovery of admissible evidence in this matter, and OPC's motion is devoid of any explanation as to how it could. Nonetheless, OPC maintains that the Commission should compel Gulf to respond to this question and others like it that are plainly improper.

17. Significantly, OPC's Amended Motion to Compel, and the associated discovery requests, also completely ignore the fact that the Commission adopted separate Rules for the SPP and the SPPCRC. These are the Rules that OPC unsuccessfully challenged. Rule 25-6.030, F.A.C., applies to the SPP and directs precisely what is to be included in and reviewed as part of the SPP; and Rule 25.6031, F.A.C., applies to the SPPCRC and describes what is to be included and reviewed as part of the SPPCRC. OPC, however, ignores the requirements of these Rules and seeks overwhelmingly broad and detailed information that is clearly beyond the limited scope of this proceeding as specified in the in Rule 25-6.030, F.A.C. The Commission separated these two

proceedings for a reason, and OPC should be held to respect the Commission's Rules in the discovery that OPC serves in each of those dockets.

18. As its principal, and in most instances, sole justification that its discovery requests are relevant, OPC's Amended Motion to Compel repeatedly asserts that Section 366.96(4)(d), F.S., charges the Commission with evaluating and making a rate impact determination as part of the SPP. OPC's strained interpretation of Section 366.96(4)(d), F.S., is flawed for several reasons.

19. First, OPC's argument conflates bill impacts with estimated rate impacts, which are not the same. For example, numerous questions included in OPC's Set 1 INTs and Set 1 PODs seek information about whether SPP costs will be recovered in base rates or clause and the amount of costs Gulf plans to include in the SPPCRC. These type of discovery questions are relevant to the bill impacts of the costs to be recovered through the SPPCRC. However, the estimated rate impacts referenced in Section 366.96(4), F.S., and Rule 25-6.030, F.A.C., are the total estimated rate impacts of the proposed SPP programs⁴ irrespective of whether they are being recovered in base rates or will be recovered in the SPPCRC.

20. Second, and contrary to OPC's contention, Rule 25-6.030, F.A.C., clearly does not direct the utility to provide the estimated incremental rate impacts, the estimated rate impacts from the SPPCRC, or the costs that are being recovered in base rates. Under the legal maxim and well-recognized statutory construction principle *expressio unius est exclusio alterius*, the express inclusion of specific matter in a statute implies the exclusion of others not mentioned – meaning that the omission of the estimated incremental rate impacts, the estimated rate impacts from the SPPCRC, or the costs that are being recovered in base rates from Rule 25-6.030, F.A.C., was

⁴ The estimated rate impacts are a simple function of the total estimated annual SPP programs costs and annual sales.

deliberate.⁵ Indeed, the Commission’s intent is confirmed by Rule 25-6.031, F.A.C., which expressly directs the utility to identify the costs to be included in the SPPCRC and states that such costs cannot include costs recoverable through base rates or any other cost recovery mechanism.

21. Third, although the Commission is to consider the estimated rate impacts in determining whether a proposed SPP is in the public interest, Section 366.96(7), F.S., and Rule 25-6.031, F.A.C., unequivocally provide that the reasonableness and prudence of the SPP costs to be charged to customers through the SPPCRC, *i.e.*, the bill impacts, will be addressed in the SPPCRC. OPC’s discovery requests seeking detailed information about the bill impacts of the costs to be recovered through the SPPCRC are simply not relevant to the SPP. OPC will certainly have an opportunity in the SPPCRC docket to seek discovery at the appropriate time on the costs proposed to be recovered in the SPPCRC once the SPPCRC petition is filed. The Commission has opened Docket No. 20200092-EI to address SPPCRC the petitions that will be filed in the third quarter of 2020.

22. Based on the foregoing, and for the reasons further explained below, OPC has failed to meet its burden to demonstrate that there is a logical connection between the information requested in OPC Set 1 INTs (Nos. 7, 8, 10, 22, 23, 24, 25, 26, 29, 31, 32, 33, 34, 40, and 41) and OPC Set 1 PODs (Nos. 5, 6, 7, 8, and 13) and the issues to be decided in this SPP docket. Gulf should not be compelled to respond to discovery that OPC itself has, by its own actions, conceded is outside the scope of the SPP as prescribed by Rule 25-6.030. Accordingly, OPC’s Amended Motion to Compel should be promptly denied in its entirety.

⁵ “[R]ules of construction applicable to statutes also apply to the construction of rules.” *DOT v. SouthTrust Bank*, 886 So. 2d 393, 395 (Fla. Dist. Ct. App. 2004) (quoting *Brown v. State*, 715 So. 2d 241, 243 (Fla. 1998)).

B. Specific Responses to OPC's Amended Motion to Compel

1. OPC Set 1 INTs Nos. 7-8 and OPC Set 1 PODs Nos. 5-8 are Irrelevant to Gulf's SPP and Unlikely to Lead to Admissible Evidence in this Proceeding

23. OPC Set 1 INTs Nos. 7-8 and OPC Set 1 PODs Nos. 5-8 request the following information:

INT 7 Please provide a detailed list and description of all functions of the customer meters that your Company has currently installed. The list should be broken into two categories: 1) functions used exclusively for extreme weather events and 2) functions other than those used for extreme weather events. For the purpose of this question, "extreme weather events" are defined as named tropical storm or hurricane events.

INT 8 Please provide a detailed list and description of all functions of current and future battery installations currently in place or planned for construction. If any functions are described as required for extreme weather events, please provide a detailed description of the benefit(s) to customers during this type of event and why this is the main purpose for the battery installation. For the purpose of this question, "extreme weather events" are defined as named tropical storm or hurricane events.

POD 5 Please provide all Company documents that describe how customer meters aid in the recovery from extreme weather events.

POD 6 Please provide all literature known to the Company that describe how customer meters aid in the recovery from extreme weather events.

POD 7 Please provide all Company documents that describe how battery installations aid in the recovery from extreme weather conditions.

POD 8 Please provide all literature known to the Company that describe how battery installations aid in the recovery from extreme weather conditions.

24. OPC Set 1 INTs Nos. 7-8 and OPC Set 1 PODs Nos. 5-8 seek detailed information about customer meter or battery installation programs or projects. Gulf objected to these discovery requests on the grounds that they are irrelevant to Gulf's SPP and unlikely to lead to admissible evidence in this proceeding. These discovery requests seek detailed information and documents related to customer meters and battery installations. However, Gulf is not proposing any customer meter or battery installation programs or projects as part of its SPP and, therefore, such information

is necessarily irrelevant to the issues to be decided in this case.

25. OPC, which has the burden to demonstrate that the requested information is relevant to the pending matter, has failed to articulate how these non-SPP programs are relevant to the Commission's review and determination of whether the programs and projects that are included in Gulf's SPP are in the public interest and should be approved. Instead, OPC generally avers that these non-SPP customer meter and battery installation "programs and cost-types **may** impact the appropriateness of inclusion of certain projects and their related costs in the SPP." (*See* OPC Amended Motion, para. 8 (emphasis added)). However, OPC's general statement that these non-SPP programs may (or may not) impact the SPP programs and costs falls far short of providing any logical connection to the SPP programs and costs. Under such "logic," OPC could propound discovery on any topic at all and justify their request by simply stating that such information may or may not impact the SPP. This, of course, cannot and does not constitute proper discovery. *See Calderbank v. Cazares*, 435 So.2d 377 (Fla. 5th DCA, 1983) ("If a logical connection is not readily apparent, the questioner should make it apparent by pointing out to the court his reasoning process based on facts and inferences demonstrating how he calculates that the sought information will 'reasonably' lead to admissible evidence.")

26. OPC also contends that these non-SPP programs are relevant because, according to OPC, "this SPP docket is the proceeding where the rate impact must statutorily be evaluated and considered by the Commission." (*See* OPC Amended Motion, para. 8). Even assuming, *arguendo*, that the Commission is required to evaluate the reasonableness and prudence of the estimated rate impacts in the SPP docket, which it is not for the reasons explained above in paragraphs 18-21, OPC has failed to articulate any logical connection or explanation of how these **non-SPP** programs are relevant to the rate impacts of the SPP. By definition, the non-SPP programs are not SPP programs and, therefore, are not and cannot be included in the SPP costs and estimated rate

impacts.

27. For these reasons, OPC Set 1 INTs Nos. 7-8 and OPC Set 1 PODs Nos. 5-8 are irrelevant to this pending matter and, therefore, OPC's Amended Motion to Compel responses to OPC Set 1 INTs Nos. 7-8 and OPC Set 1 PODs Nos. 5-8 must be denied.

2. OPC Set 1 INT No. 22 is Irrelevant to Gulf's SPP and Unlikely to Lead to Admissible Evidence in this Proceeding

28. OPC Set 1 INT No. 22 requests the following information:

INT 22 Please provide a schedule listing all franchise agreements, indicating the expiration date and those currently being negotiated for renewal.

29. OPC Set 1 INT No. 22 seeks information about the status of existing and future franchise agreements. Gulf objected to this discovery request on the basis that it is irrelevant to Gulf's SPP and unlikely to lead to admissible evidence in this proceeding. The status of Gulf's existing and future franchise agreements is irrelevant to the Commission's review and determination whether to approve the SPP.

30. OPC, which has the burden to demonstrate that the requested information is relevant to the pending matter, has failed to articulate how the status of existing and future franchise agreements is relevant to the Commission's review and determination of whether the programs and projects that are included in Gulf's SPP are in the public interest and should be approved. Instead, OPC generally avers that franchise agreements "may impact the appropriateness of inclusion of certain projects and their related costs in the SPP." (See OPC Amended Motion, para. 8 (emphasis added)). However, OPC's speculative statement that franchise agreements may (or may not) impact the SPP programs and costs falls far short of providing any logical connection to the SPP programs and costs.

31. As it also did with discovery on non-SPP projects, OPC contends that franchise agreements are relevant because, according to OPC, "this SPP docket is the proceeding where the

rate impact must statutorily be evaluated and considered by the Commission.” (See OPC Amended Motion, para. 8). Even assuming, *arguendo*, that the Commission is required to evaluate the reasonableness and prudence of the estimated rate impacts in the SPP docket, which it is not for the reasons explained above in paragraphs 18-21, OPC has failed to articulate any logical connection or explanation of how the status of existing and future franchise agreements are relevant to the rate impacts of the SPP programs. Indeed, there is nothing in Gulf’s SPP that could possibly lead a reasonable mind to conclude that franchise agreements are included in the SPP costs, which they are not. Nonetheless, OPC has asked the Commission to compel Gulf to produce this information without any rational explanation.

32. For these reasons, OPC Set 1 INT No. 22 is irrelevant to this pending matter and OPC’s Amended Motion to Compel responses to OPC Set 1 INT No. 22 must be denied.

3. OPC Set 1 INTs Nos. 23-26 are Irrelevant to Gulf’s SPP and Unlikely to Lead to Admissible Evidence in this Proceeding

33. OPC Set 1 INTs Nos. 23-26 request the following information:

INT 23 Please describe in detail how your Company determines what is included in a project that would be eligible for AFUDC?

INT 24 Please describe in detail how your Company determines when a project is eligible for AFUDC treatment? Please identify the document(s) containing the specific criteria for making such a determination. Object same

INT 25 Please provide the amount equal to 0.5% of the sum of the total balance in Account 101 – Electric Plant In Service, and Account 106 – Completed Construction not Classified as of February 29, 2020?

INT 26 Given the following hypothetical:

Three undergrounding of lateral projects located in three distinctly separate counties and are not physically inter-connected other than as distinct components of the overall Company grid,

The Company contracts for all three under one contract,

None of the three projects independently meet the AFUDC requirements of Rule 25-6.0141, Florida Administrative Code.

All three projects added together meet the threshold test of Rule 25-6.0141, Florida Administrative Code.

Do you believe the above projects would accrue AFUDC in accordance with your company policies and procedures? Explain your answer.

34. OPC Set 1 INTs Nos. 23-26 seek detailed information about allowance for use during construction (“AFUDC”). Gulf objected to these discovery requests on the grounds that they are irrelevant to Gulf’s SPP, beyond the scope of this proceeding, and unlikely to lead to admissible evidence in this proceeding. Indeed, Gulf’s objection unequivocally states that Gulf **has not included AFUDC** for any of the projects or programs reflected in its SPP.

35. OPC, which has the burden to demonstrate that the requested information is relevant to the pending matter, has failed to articulate how AFUDC, which is not included in any of the projects or programs reflected in Gulf’s SPP, is relevant to the Commission’s review and determination of whether the programs and projects that are included in Gulf’s SPP are in the public interest and should be approved. Instead, OPC generally avers that AFUDC “**may** impact the appropriateness of inclusion of certain projects and their related costs in the SPP.” (See OPC Amended Motion, para. 8 (emphasis added)). However, like OPC’s other general statements that any given topic may (or may not) impact the SPP programs and costs, such statements are legally and logically insufficient to justify a motion to compel.

36. OPC also contends that AFUDC is relevant because, according to OPC, “this SPP docket is the proceeding where the rate impact must statutorily be evaluated and considered by the Commission.” (See OPC Amended Motion, para. 8). Even assuming, *arguendo*, that the Commission is required to evaluate the reasonableness and prudence of the estimated rate impacts in the SPP docket, which it is not for the reasons explained above in paragraphs 18-21, OPC has failed to articulate any logical connection or explanation of how AFUDC is relevant to the rate impacts of the SPP programs. Again, Gulf’s objection unequivocally stated that AFUDC is not

included in any of the projects or programs reflected in Gulf's SPP and, therefore, AFUDC is not included in the SPP estimated costs and estimated rate impacts.

37. For these reasons, OPC Set 1 INT Nos. 23-26 are irrelevant to this pending matter and OPC's Amended Motion to Compel responses to OPC Set 1 INTs Nos. 23-26 must be denied.

4. OPC Set 1 INT Nos. 10, 29, 31, 32-34, 40, and 41 and OPC Set 1 PODs No. 13 are Irrelevant to Gulf's SPP and Unlikely to Lead to Admissible Evidence in this Proceeding

38. OPC Set 1 INT Nos. 10, 29, 31, 32-34 40, and 41 and OPC Set 1 PODs No. 13 requests the following information:

INT 10 If your answer to Question 9 is yes, please explain how the Commission will be able to distinguish between costs covered by base rates and the incremental costs above that covered by base rates based on the language in the Rule 25-6.031(6)(b)?

INT 29 According to your storm hardening plans filed with the Commission and approved by the Commission on July 9, 2019, your Company already has plans to perform storm hardening activities for 2019 and 2020. Is it your Company's opinion that all of these activities and identified dollar amounts or dollar amount ranges would be recovered through your Company's current base rates and therefore is not being requested for recovery through the new Storm Protection Cost Recovery Clause? Explain your answer.

INT 31 If your answer to Question 8 is yes, please explain how the Commission will be able to distinguish between costs covered by base rates and the incremental costs above that covered by base rates based on the language in the Rule 25-6.031(6)(b)?

INT 32 Please explain in detail how the Company will distinguish between tree trimming expenses currently being recovered through base rates and those that you will be requesting as new incremental costs to be recovered through the SPPCRC?

INT 33 Rule 25-6.030(3)(e)2, Storm Protection Plan does not require the Company to list the specific projects to be included in years 2 and 3. Please explain how the Commission can make a determination that the programs included in year 2 and 3 do not include projects already being recovered through base rates, if no project detail is given?

INT 34 Rule 25-6.031(3), states that the annual hearing will be limited to determining the reasonableness of approved storm protection plan costs, determining the prudence of actual storm protection plan costs incurred

by the utility, and establishing storm protection plan cost recovery factors consistent with the requirements of this rule. If no project information is required for years 2 and 3 of the plan, please explain how the Commission, Commission Staff or any intervenor can contest the inclusion of a particular project as being imprudent for inclusion in the clause for recovery?

INT 40 Please provide a detailed explanation of how your Company arrived at the amount of vegetation management costs you plan to include in the SPPCRC?

INT 41 Please provide a detailed explanation of how your company arrived at the amount of pole inspection costs you plan to include in the SPPCRC?

POD 13 Please provide copies of all Company documents that discuss the separation of storm enhancement projects between those to be or already included in base rates and those projects to be included in the storm protection plan cost recover clause filing for the years 2019, 2020, and 2021.

39. OPC Set 1 INT Nos. 10, 29, 31, 32-34, 40, and 41 and OPC Set 1 PODs No. 13 seek detailed information about costs being recovered in base rate and costs to be recovered in the SPPCRC. OPC Set 1 INT Nos. 33 and 34 also seek information about project level detail for years 2 and 3 of the SPP.

40. Gulf objected to OPC Set 1 INT Nos. 10, 29, 31, 32-34, 40, and 41 and OPC Set 1 PODs No. 13 on the grounds that it is irrelevant to Gulf's SPP, beyond the scope of this proceeding, and unlikely to lead to admissible evidence in this proceeding. The projected costs, actual/estimated costs, actual costs, and true-up of actual costs to be included in Gulf's SPPCRC, including whether these costs are included in current base rates, will all be addressed in subsequent and separate SPPCRC filings pursuant to Rule 25-6.031, F.A.C. The Commission has opened Docket No. 20200092-EI to address SPPCRC petitions to be filed the third quarter of 2020.

41. Gulf also objected to OPC Set 1 INT Nos. 33 and 34 on the grounds that they are irrelevant to Gulf's SPP, burdensome, and unlikely to lead to admissible evidence in this proceeding. Rule 25-6.030 does not require project level detail for years 2 and 3 of the SPP; project

level detail is only required for year 1 of the SPP.

42. In paragraph 5 of its Amended Motion to Compel, OPC concedes that projected costs, actual/estimated costs, actual costs, and true-up of actual costs to be included in Gulf's SPPCRC will be addressed in the SPPCRC docket. Notwithstanding, OPC asserts that these discovery requests are relevant to the SPP docket because, according to OPC, "the current SPP proceeding, not the SPPCRC, will evaluate the rate impact of projects proposed in the SPP and whether the Commission should approve, approve with modifications or deny the proposed SPPs." (See OPC Amended Motion, para. 5). OPC's reliance on the requirement for the Commission to consider the estimated rate impacts in determining whether a proposed SPP is in the public interest is flawed for the many reasons stated in paragraphs 18-21 above, which are incorporated herein.

43. Further, even assuming, *arguendo*, that the Commission is required to evaluate the reasonableness and prudence of the estimated rate impacts in the SPP docket, which it is not for the reasons explained above in paragraphs 18-21, OPC Set 1 INT Nos. 10, 29, 31, 32-34, 40, and 41 and OPC Set 1 PODs No. 13 seek detailed information about the costs to be included in the SPPCRC, *i.e.*, the incremental bill impacts of the SPPCRC, not the total estimated rate impacts. Although OPC has attempted to couch these discovery requests as seeking information about "rate impacts," on their face these discovery requests go well beyond the estimated rate impacts provided in Rule 25-6.030, F.A.C., and seek information about the incremental bill impacts of the SPPCRC. Thus, even assuming OPC's argument about rate impacts was correct, which it is not, it is simply inapplicable to the actual requests in OPC Set 1 INT Nos. 10, 29, 31, 32-34, 40, and 41 and OPC Set 1 PODs No. 13.

44. OPC Set 1 INT Nos. 10, 29, 31, 32-34, 40, and 41 and OPC Set 1 PODs No. 13 also request detailed information about costs that are being recovered in base vs. costs that will be recovered in the SPPCRC. Both Section 366.96(7), F.S., and Rule 25-6.031(6)(b), F.A.C. clearly

provide that the time and place to address whether the SPP costs are being recovered in base vs. clause is in the SPPCRC docket. Indeed, there is nothing in Rule 25.6.030 that mentions costs being recovered in base rates, incremental costs, costs to be recovered in the SPPCRC.

45. OPC Set 1 INT Nos. 33 and 34 seek information and explanations regarding the presence of lack of project level detail for years 2 and 3 of the SPP. Such information is clearly beyond the scope of this proceeding. Rule 25.6030 requires project level detail only for year 1 of the SPP. OPC should not be permitted to simply ignore the plain and unambiguous language of the Rule and collaterally attack the Rule as adopted by the Commission. OPC has already had the opportunity to challenge the requirement of the Rule and lost that challenge. OPC must limit its discovery to what is actually required by the Rule.

46. OPC Set 1 INT No. 34 also asks for an explanation of how costs to be included in the SPPCRC for recovery can be determined to be prudent if no project information is required for years 2 and 3 of the plan. Again, OPC's request completely disregards the Commission's Rules. As explained above, project level detail for years 2 and 3 of the SPP are not required by Rule 25-6.030, F.A.C. Moreover, the Commission's "prudence" determination for recovery in the SPPCRC applies to the actual/true-up filing in the clause docket (*i.e.*, the actual costs incurred during the prior year), not years 2 and 3 of the plan docket. *See* Rule 25-6.031(3) ("An annual hearing to address petitions for recovery of Storm Protection Plan costs will be limited to determining ... the prudence of actual Storm Protection Plan costs incurred by the utility.")

47. OPC Set 1 INT Nos. 10, 29, 31, 32-34, 40, and 41 and OPC Set 1 PODs No. 13 on their face are irrelevant, overly broad, burdensome, and clearly beyond the scope of this proceeding as established by Section 366.96, F.S., and Rules 25-6.030 and 25-6.031, F.A.C. Accordingly, OPC's Amended Motion to Compel responses to OPC Set 1 INT Nos. 10, 29, 31, 32-34, 40, and 41 and OPC Set 1 PODs No. 13 must be denied.

IV. CONCLUSION

For the reasons explained above, OPC Set 1 INTs (Nos. 7, 8, 10, 22, 23, 24, 25, 26, 29, 31, 32, 33, 34, 40, and 41) and OPC Set 1 PODs (Nos. 5, 6, 7, 8, and 13) are irrelevant to Gulf's SPP, beyond the scope of this proceeding, and unlikely to lead to admissible evidence in this proceeding.

WHEREFORE, Gulf respectfully requests that the Commission promptly deny OPC's Amended Motion to Compel in its entirety.

Respectfully submitted this 4th day of May, 2020,

John T. Burnett
Vice President and Deputy General Counsel
Jason A. Higginbotham
Senior Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
Phone: 561-691-7144
Fax: 561-691-7135
Email: john.t.burnett@fpl.com
Email: jason.higginbotham@fpl.com

By: s/Jason A. Higginbotham
Jason A. Higginbotham
Fla. Auth. House Counsel No. 1017875

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was served by electronic delivery to the following parties of record this 4th day of May, 2020:

Charles Murphy, Esquire Rachael Dziechciarz, Esquire Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 rdziehc@psc.state.fl.us cmurphy@psc.state.fl.us	Office of Public Counsel J.R. Kelly Thomas A. (Tad) David c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 kelly.jr@leg.state.fl.us david.tad@leg.state.fl.us
Stephanie U. Eaton Spilman Thomas & Battle, PLLC 110 Oakwood Drive, Suite 500 Winston-Salem, NC 27103 seaton@spilmanlaw.com	Derrick Price Williamson Spilman Thomas & Battle, PLLC 1100 Bent Creek Boulevard, Suite 101 Mechanicsburg, PA 17050 dwilliamson@spilmanlaw.com

By: s/Jason A. Higginbotham

Jason A. Higginbotham
Fla. Auth. House Counsel No. 1017875
Florida Power & Light Company
700 Universe Boulevard (JB/LAW)
Juno Beach, Florida 33408

Attorney for Gulf Power Company

APPENDIX A

The Office of Public Counsel's First Set of Interrogatories (Nos. 1-41) and First Request for Production of Documents (Nos. 1-14) to Gulf Power Company in Docket No. 20200070-EI, served on April 3, 2020.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of 2020-2029 Storm Protection
Plan pursuant to Rule 25-6.030, F.A.C., Gulf
Power Company.

DOCKET NO.: 20200070-EI

FILED: April 3, 2020

**CITIZENS' FIRST SET OF INTERROGATORIES TO
GULF POWER COMPANY (NOS. 1-41)**

Pursuant to § 350.0611(1), F.S., Rule 28-106.206, Fla. Admin. Code, and Rule 1.340, Fla. R. Civ. P., the Citizens of the State of Florida (Citizens), through the Office of Public Counsel (OPC), propound the following interrogatories to Gulf Power Company (Gulf or Company), to be answered on or before April 23, 2020. These interrogatories shall be answered under oath by the Company or its agent, who is qualified and who will be identified. As provided by Rule 1.340(a), Florida Rules of Civil Procedure, each interrogatory shall be answered separately and fully in writing under oath unless it is objected to. Each answer shall be signed by the person making it. Please supply the name, address, and relationship to the Company of those persons providing the answers to each of the following interrogatories.

To the extent the Company provides documents in response to an interrogatory, Citizens request the Company produce the documents for inspection and copying at the Office of Public Counsel, Claude Pepper Building, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400.

DEFINITIONS

As used herein, the following words shall have the meanings indicated:

“You”, “your”, “Company” or “Gulf” refers to Gulf Power Company, its employees, consultants, agents, representatives, attorneys of the Company, and any other person or entity acting on behalf of the Company. “Parent” means the holding company or parent of the Florida regulated Company. “Affiliate” means the affiliates or sister companies regulated in Florida or which are regulated by, or operate primarily in, another jurisdiction.

“Document” refers to written matter of any kind, regardless of its form, and to information recorded on any storage medium, whether in electrical, optical or electromagnetic form, and capable of reduction to writing by the use of computer hardware and software.

“Identify” means:

- (a) With respect to a person, to state the person’s name, address and business relationship (e.g., “employee”) to the Company;
- (b) With respect to a document, to state the nature of the document in sufficient detail for identification in a request for production, its date, its author, and to identify its custodian. If the information or document identified is recorded in electrical, optical or electromagnetic form, identification includes a description of the computer hardware or software required to reduce it to readable form.

INSTRUCTIONS

1. To the extent an interrogatory calls for information which cannot now be precisely and completely furnished, such information as can be furnished should be included in the answer, together with a statement that further information cannot be furnished, and a statement as to the reasons therefore. If you expect to obtain further information between the time answers are served and the time of hearing, you are requested to state this fact in each answer. If the information which cannot now be furnished is believed to be available to another person, identify such other person and the reasons for believing such person has the described information.
2. In the event any interrogatory herein calls for information or documents which you deem to be privileged, in whole or in part, you shall
 - (a) make the claim expressly and specify the grounds relied upon for the claim of privilege,
 - (b) produce the information or documents in redacted form, and
 - (c) to the extent any information or documents are withheld, you shall identify and describe the nature of each document not disclosed and each redacted provision in a manner that will enable other parties to assess the applicability of the privilege or protection.
3. Documents or reports to be identified shall include all documents in your possession, custody and control and all other documents of which you have knowledge. If a document

is produced in response to an interrogatory, please produce a copy of the original and all versions that are different in any way from the original, whether by interlineation, receipt stamp or notation. If the Utility does not have possession, custody, or control of the originals of the documents requested, please produce a copy of the version(s) in the possession, custody, or control of the Utility, however, made.

4. Separate answers shall be furnished for each interrogatory, although where the context permits, an interrogatory may be answered by reference to the answer furnished to another interrogatory.
5. For each interrogatory, identify the name, address, telephone number and position of the person responsible for providing the answer.
6. Responsive documents available in an electronic format shall be provided in their native electronic format, unless the parties have reached a specific agreement in advance for production of the documents in a different, agreed-upon format or medium. OPC requests that responses for each production of document request be provided in separate electronic folders that include the documents responsive to the request.
7. Documents should be produced in an OCR (Optical Character Recognition) searchable format.
8. Please provide all responses to these interrogatories that include workpapers, data, calculations and spreadsheets in non-password protected and executable PC-compatible computer program/models/software. Formulae, links, and cells, formatting, metadata and any other original features assisting in calculation should be intact. For example, Excel documents and documents of a similar format shall be produced in their native electronic format, with all spreadsheets, formulas, and links unlocked and intact. To the extent the data requested does not exist in the form requested, please notify the undersigned counsel so that the parties can confer to reach a resolution for timely production.

INTERROGATORIES

1. Please describe in detail how the Company determines what encompasses a project in accordance with Definition 26 – Project, of the Code of Federal Regulation 18, Chapter 1.
2. Please provide a detailed description of the process that your Company uses to identify the need to harden or underground a service lateral?
3. Please provide a detailed description of how the company determines the priority to underground a service lateral.
4. Please provide the following for undergrounding a service lateral:
 - a. Which government entities does the Company have to obtain a permit from for an undergrounding project?
 - b. At what point in time for an undergrounding project would the Company file for the needed permit(s)?
 - c. Please explain in detail, once an undergrounding lateral project is identified, the average length of time the preliminary engineering of a project takes. Please include a project timeline of activities involved as well as a description of each activity.
 - d. Does your Company contract with a separate entity for the lateral undergrounding projects or do you complete the construction by using Company employees to perform the work? If your Company uses contractors to perform the lateral underground work, does each project require a separate contract? If a new contract is required, please provide a detailed description of the activities required for vendor solicitation, procurement and contract execution.
5. Please provide a description by individual project (including actual or estimated dollar amounts) of the individual storm hardening projects that your Company has (a) completed in 2019 and 2020 and (b) has started construction but not completed in 2019 and 2020? Projects should be broken out by year.

6. Please provide a description by individual project (including estimated dollar amounts) of the projected individual storm hardening projects that you have projected to be incurred for the year 2020 and 2021. Projects should be broken out by year.
7. Please provide a detailed list and description of all functions of the customer meters that your Company has currently installed. The list should be broken into two categories: 1) functions used exclusively for extreme weather events and 2) functions other than those used for extreme weather events. For the purpose of this question, "extreme weather events" are defined as named tropical storm or hurricane events.
8. Please provide a detailed list and description of all functions of current and future battery installations currently in place or planned for construction. If any functions are described as required for extreme weather events, please provide a detailed description of the benefit(s) to customers during this type of event and why this is the main purpose for the battery installation. For the purpose of this question, "extreme weather events" are defined as named tropical storm or hurricane events.
9. Rule 25-6.031(6)(b), Storm Protection Plan Cost Recovery Clause (SPPCRC) states that costs included in base rates or other cost recovery mechanisms are not recoverable through this clause. However, Rule 25-6.030, Storm Protection Plan (SPP), has no such language. Is it your Company's intention and opinion that the Storm Protection Plan should and will include storm protection costs, both capital costs and expensed costs, that are currently being recovered through the Company's base rates as well as the additional incremental costs above those already included in base rates?
10. If your answer to Question 9 is yes, please explain how the Commission will be able to distinguish between costs covered by base rates and the incremental costs above that covered by base rates based on the language in the Rule 25-6.031(6)(b)?
11. Please explain how your company currently accounts for and recovers tree trimming expenses?

12. Is it your Company's belief that undergrounding of new distribution systems would be considered an enhancement of the current infrastructure and therefore includable for recovery through the storm protection recovery clause?
13. Is it your company's intention that a storm protection program would include all projects of a specific type such as undergrounding laterals?
14. Rule 25-6.030(3)(e)1., Storm Protection Plan, requires the Company to file a description of each storm protection project. Is it your Company's opinion that this rule does not require the Company to show how it selected and prioritized each of these projects?
 - a. Is it also the Company's opinion that the Commission does not need that (selection/prioritization) information to determine the prudence of moving forward with a particular project included in the first year?
 - b. If the answer to 22(a) is yes, please explain how the Commission can decide whether a particular project should be included in an approved Storm Protection Plan based on the Company's prioritization of a program.
 - c. If ranking criteria is used to prioritize projects, please explain the criteria developed and used in this evaluation and prioritization process.
15. Please describe in detail the process that your Company uses to identify the need to storm harden or enhance the wind resistance capability of transmission structures and components?
16. Please describe in detail how the company determines the priority to storm harden or enhance the wind resistance capability of transmission structures and components?

17. Please provide the following for storm hardening or enhancing the wind resistance capability of transmission structures and components:
 - a. Which government entities does the Company have to obtain a permit(s) from to storm harden or enhance the wind resistance capability of transmission structures and components?
 - b. At what point in time for such a project will the Company file for the needed permit(s)?
 - c. Please explain in detail, once a transmission structure project is identified, the average length of time the preliminary engineering of a project takes. Please include a timeline of activities involved as well as a description of each activity.
 - d. Does your Company contract for the transmission structure projects or does the Company complete the construction using Company employees?
 - i. If your Company uses contractors, does each project require a separate contract?
 - ii. If a separate contract is required for each project, please provide a detailed description of the activities required for vendor solicitation, procurement and contract execution.
18. Please provide a detail description of the process that your Company uses to assess and identify the need to replace wooden poles with concrete or other enhanced wind resistant structures?
19. Please provide a detailed description of how the company determines the priority to replace wooden poles with concrete or other enhanced wind resistant structures?
20. Please provide the following regarding the process for replacing wooden poles with concrete or other enhanced wind resistant structures and components:
 - a. Which government entities does the Company have to obtain a permit(s) from to replace wooden poles with concrete or other enhanced wind resistant structures and components?

- b. At what point in time for such a project would the Company file for the needed permit(s)?
 - c. Please explain in detail, once a replacement of wooden poles with concrete or other enhanced wind resistant structures and components project is identified, the length of time the preliminary engineering of the project takes. Please include a timeline of activities involved as well as a description of each activity.
 - d. Does your Company contract with a separate entity for the replacement of wooden poles with concrete or other enhanced wind resistant structures and components projects, or does the Company complete the construction by using Company employees?
 - i. If your Company uses contractors, does each project require a separate contract?
 - ii. If a separate contract is required, please provide a detailed description of the activities required for vendor solicitation, procurement and contract execution.
21. Please provide a schedule showing, for the years 2019, 2020 and 2021, detail for the areas that the Company intends to underground and also provide the associated reason that each such area was chosen for undergrounding.
22. Please provide a schedule listing all franchise agreements, indicating the expiration date and those currently being negotiated for renewal.
23. Please describe in detail how your Company determines what is included in a project that would be eligible for AFUDC?
24. Please describe in detail how your Company determines when a project is eligible for AFUDC treatment? Please identify the document(s) containing the specific criteria for making such a determination.

25. Please provide the amount equal to 0.5% of the sum of the total balance in Account 101 – Electric Plant In Service, and Account 106 – Completed Construction not Classified as of February 29, 2020?
26. Given the following hypothetical:
- Three undergrounding of lateral projects located in three distinctly separate counties and are not physically inter-connected other than as distinct components of the overall Company grid,
 - The Company contracts for all three under one contract,
 - None of the three projects independently meet the AFUDC requirements of Rule 25-6.0141, Florida Administrative Code.
 - All three projects added together meet the threshold test of Rule 25-6.0141, Florida Administrative Code.
- Do you believe the above projects would accrue AFUDC in accordance with your company policies and procedures? Explain your answer.
27. Please provide a detailed description of how the Company identifies, tracks, and accounts for current individual projects that it considers “storm hardening” as described in the Company’s recent 2019-2021 storm hardening plan filed on March 1, 2019 and approved by the Commission on July 9, 2019?
28. Please provide a detailed description of each current individual project that the Company considers storm hardening as described in the Company’s recent 2019-2021 storm hardening plan approved by the Commission on July 9, 2019?
29. According to your storm hardening plans filed with the Commission and approved by the Commission on July 9, 2019, your Company already has plans to perform storm hardening activities for 2019 and 2020. Is it your Company’s opinion that all of these activities and identified dollar amounts or dollar amount ranges would be recovered through your Company’s current base rates and therefore is not being requested for recovery through the new Storm Protection Cost Recovery Clause? Explain your answer.

30. Rule 25-6.031(6)(b), Storm Protection Plan Cost Recovery Clause (SPPCRC) states that costs included in base rates or other cost recovery mechanisms are not recoverable through this clause. However, Rule 25-6.030, Storm Protection Plan (SPP), has no such language. Did the Company's Storm Protection Plan filed in this docket include storm protection costs, both capital costs and expensed costs, that are currently being recovered through the Company's base rates as well as the additional incremental costs above those already included in base rates?
31. If your answer to Question 8 is yes, please explain how the Commission will be able to distinguish between costs covered by base rates and the incremental costs above that covered by base rates based on the language in the Rule 25-6.031(6)(b)?
32. Please explain in detail how the Company will distinguish between tree trimming expenses currently being recovered through base rates and those that you will be requesting as new incremental costs to be recovered through the SPPCRC?
33. Rule 25-6.030(3)(e)2, Storm Protection Plan does not require the Company to list the specific projects to be included in years 2 and 3. Please explain how the Commission can make a determination that the programs included in year 2 and 3 do not include projects already being recovered through base rates, if no project detail is given?
34. Rule 25-6.031(3), states that the annual hearing will be limited to determining the reasonableness of approved storm protection plan costs, determining the prudence of actual storm protection plan costs incurred by the utility, and establishing storm protection plan cost recovery factors consistent with the requirements of this rule. If no project information is required for years 2 and 3 of the plan, please explain how the Commission, Commission Staff or any intervenor can contest the inclusion of a particular project as being imprudent for inclusion in the clause for recovery?

35. Please provide the annual amounts spent on your Company's Wood Pole Inspection Program for the years 2017, 2018 and 2019.
36. Please provide the projected annual amounts that the Company has projected to spend on your Wood Pole Inspection program for the years 2020 and 2021 in total and split between the amounts to be recovered through base rates and the SPPCRC.
37. Please provide the annual amounts of vegetation management performed by Company employees for the years 2016, 2017, 2018 and 2019?
38. Please provide the annual amounts spent on your Company's Vegetation Management Program for the years 2016, 2017, 2018 and 2019 segregated as follows:

	2016	2017	2018	2019
Distribution Vegetation Management - Planned				
Distribution Vegetation Management - Unplanned				
Transmission Veg. Management - Planned				
Transmission Veg. Management - Unplanned				
Transmission Right of Way Maintenance				
Other Vegetation Management				
Total				

39. Please provide the projected annual amounts that the Company has projected to spend on your Vegetation Management Program for the years 2020 and 2021 in total and split between the amounts to be recovered through base rates and the amounts you plan to include in the SPPCRC.
40. Please provide a detailed explanation of how your Company arrived at the amount of vegetation management costs you plan to include in the SPPCRC?

41. Please provide a detailed explanation of how your company arrived at the amount of pole inspection costs you plan to include in the SPPCRC?

Respectfully submitted,

J. R. Kelly
Public Counsel

s/ Thomas A. (Tad) David
Thomas A. (Tad) David
Associate Public Counsel

Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400

Attorneys for the Citizens
of the State of Florida

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF _____)

I hereby certify that on this _____ day of _____, 2020, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared _____, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) _____ from CITIZENS' FIRST SET OF INTERROGATORIES TO GULF POWER COMPANY FLORIDA (NOS. 1-41) in Docket No. 20200070-EI, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this _____ day of _____ 2020.

Notary Public
State of Florida, at Large

My Commission Expires:

CERTIFICATE OF SERVICE
DOCKET NO. 20200070-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing Citizens' First Set of Interrogatories (Nos. 1-41) to Gulf Power Company has been furnished by electronic mail on this 3rd day of April 2020, to the following:

Gulf Power Company
Mark Bubriski
134 West Jefferson Street
Tallahassee, FL 32301
mark.bubriski@nexteraenergy.com

Charles Murphy
Rachael Dziechciarz
Office of General Counsel
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
cmurphy@psc.state.fl.us
rdziehc@psc.state.fl.us

s/ Thomas A. (Tad) David
Thomas A. (Tad) David
Associate Public Counsel
Florida Bar No. 076868

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of 2020-2029 Storm Protection
Plan pursuant to Rule 25-6.030, F.A.C., Gulf
Power Company.

DOCKET NO.: 20200070-EI

FILED: April 3, 2020

**CITIZENS' FIRST REQUEST FOR PRODUCTION OF DOCUMENTS
TO GULF POWER COMPANY (NOS. 1-14)**

Pursuant to § 350.0611(1), F.S., Rule 28-106.206, Fla. Admin. Code, and Rule 1.350, Fla. R. Civ. P., the Citizens of the State of Florida, through the Office of Public Counsel, request Gulf Power Company (Gulf or Company) to produce the following documents for inspection and copying at the Office of Public Counsel, Claude Pepper Building, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400, or at such other mutually agreed place, on or before April 23, 2020. **In lieu of hard copy responses, OPC requests that the Company provide the responses electronically as described below in the Instructions.**

DEFINITIONS

As used herein, the following words shall have the meanings indicated:

“You”, “your”, “Company” or “Gulf” refers to Gulf Power Company, its employees, consultants, agents, representatives, attorneys of the Company, and any other person or entity acting on behalf of the Company. “Parent” means the holding company or parent of the Florida regulated Company. “Affiliate” means the affiliate or sister companies regulated in Florida or which are regulated by, or operate primarily in, another jurisdiction.

“Document” refers to written matter of any kind, regardless of its form, and to information recorded on any storage medium, whether in electrical, optical or electromagnetic form, and capable of reduction to writing by the use of computer hardware and software. The terms "document" and "documents" are meant to have the broadest possible meaning under applicable law and includes, but is not necessarily limited to, any written, recorded, filmed or graphic matter, whether produced, reproduced, or on paper, e-mail, cards, tapes, film, electronic facsimile, computer storage device or any other media, including, but not limited to, memoranda, notes, minutes, records, photographs, correspondence, communications, telegrams, diaries, bookkeeping

entries, financial statements, tax returns, checks, check stubs, reports, studies, charts, graphs, statements, notebooks, handwritten notes, applications, agreements, books, pamphlets, periodicals, appointment calendars, records and recordings of oral conversations, work papers, and notes, any of which are in your possession, custody, or control.

INSTRUCTIONS

1. If any document is withheld under any claim to privilege, please furnish a list identifying each document for which privilege is claimed, together with the following information: date, sender, recipients, recipients of copies, subject matter of the document, and the basis upon which such privilege is claimed.

2. Responsive documents available in an electronic format shall be provided in their native electronic format, unless the parties have reached a specific agreement in advance for production of the documents in a different, agreed-upon format or medium. OPC requests that responses for each production of document request be provided in separate electronic folders that include the documents responsive to the request.

3. If you have possession, custody, or control of the original of the documents requested, please produce a copy of the originals and all versions that are different in any way from the original, whether by interlineation, receipt stamp or notation. If you do not have possession, custody, or control of the originals of the documents requested, please produce a copy of the version(s) in your possession, custody, or control, however, made.

4. In providing documents, the Company, is requested to furnish all documents or items in its physical possession or custody, as well as those materials under the physical possession, custody or control of any other person acting or purporting to act on behalf of the Company or any of the employees or representatives, whether as an agent, independent contractor, attorney, consultant, witness, or otherwise, of the Company.

5. Please construe “and” as well as “or” either disjunctively or conjunctively as necessary to bring within the scope of this production of documents any document which might otherwise be constructed to be outside the scope.

6. Please provide all responses that include workpapers, data, calculations and spreadsheets in non-password protected and executable PC-compatible computer program/models/software. Formulae, links, and cells, formatting, metadata and any other original features assisting in calculation should be intact. For example, Excel documents and documents of a similar format shall be produced in their native electronic format, with all spreadsheets, formulas, and links unlocked and intact. To the extent the data requested does not exist in the form requested, please notify the undersigned counsel so that the parties can confer to reach a resolution for timely production.

7. Documents should be produced in an OCR (Optical Character Recognition) searchable format.

8. Pursuant to the Commission’s order establishing procedure, each page of every document produced pursuant to requests for production of documents shall be identified individually through the use of a Bates Stamp or other equivalent method of sequential identification.

PRODUCTION OF DOCUMENTS

1. Please provide all documents that describe the Company's policies and procedures related to accounting for capital projects.
2. Please provide all documents that describe the Company's process and timeline for undergrounding laterals.
3. Please provide all documents that describe the Company's process and timeline for replacing transmission structures and components.
4. Please provide all documents that describe the Company's process and timeline for replacing wooden poles with concrete or more wind resistant materials.
5. Please provide all Company documents that describe how customer meters aid in the recovery from extreme weather events.
6. Please provide all literature known to the Company that describe how customer meters aid in the recovery from extreme weather events.
7. Please provide all Company documents that describe how battery installations aid in the recovery from extreme weather conditions.
8. Please provide all literature known to the Company that describe how battery installations aid in the recovery from extreme weather conditions.
9. Please provide all Company documents that describe the Company's policies and procedures for determining how projects included in the Company's Storm Protection Plan filing are designed to enhance the Company's existing transmission and distribution facilities.
10. Please provide all Company documents that describe the Company's policies and procedures for determining how the projects included in the Company's Storm Protection Plan filing are to be prioritized.

11. Please provide all documents that describe the Company's policies and procedures related to accounting for capital projects.
12. Please provide all documents that describe the Company's policies and procedures for applying Allowance for Funds Used During Construction (AFUDC) to capital projects in compliance with Rule 25-6.0141, Florida Administrative Code, including, but not limited to the documents identified in Citizens Interrogatory No. 24.
13. Please provide copies of all Company documents that discuss the separation of storm enhancement projects between those to be or already included in base rates and those projects to be included in the storm protection plan cost recover clause filing for the years 2019, 2020, and 2021.
14. Please provide copies of your Company's Storm Hardening Plan filings for the years 2019, 2020, and 2021.

Respectfully Submitted,

J.R. Kelly
Public Counsel

/s/Thomas A. (Tad) David
Thomas A. (Tad) David
Associate Public Counsel

Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400

Attorneys for the Citizens
of the State of Florida

CERTIFICATE OF SERVICE
DOCKET NO. 20200070-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished
by electronic mail on this 3rd day of April 2020, to the following:

Gulf Power Company
Mark Bubriski
134 West Jefferson Street
Tallahassee, FL 32301
mark.bubriski@nexteraenergy.com

Charles Murphy
Rachael Dziechciarz
Office of General Counsel
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
cmurphy@psc.state.fl.us
rdziehc@psc.state.fl.us

/s/Thomas A. (Tad) David
Thomas A. (Tad) David
Associate Public Counsel

APPENDIX B

Gulf Power Company's Objections and Responses to the Office of Public Counsel's First Set of Interrogatories (Nos. 1-41) and First Request for Production of Documents (Nos. 1-14) to Gulf Power Company, served on April 20, 2020

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Review of 2020-2029 Storm Protection Plan
pursuant to Rule 25-6.030, F.A.C., Gulf Power
Company

Docket No. 20200070-EI

Filed: April 23, 2020

**GULF POWER COMPANY’S OBJECTIONS AND RESPONSES TO THE OFFICE OF
PUBLIC COUNSEL’S FIRST SET OF INTERROGATORIES (NOS. 1-41)
AND FIRST REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 1-14)**

Gulf Power Company (“Gulf”), pursuant to Rule 1.340 and Rule 1.350, Florida Rules of Civil Procedure, Rule 28-106.206, Florida Administrative Code, and this Commission’s Order Establishing Procedure PSC-2020-0073-PCO-EI, submits the following Objections and Responses to the Office of Public Counsel’s First Set of Interrogatories (Nos. 1-41) and First Request for Production of Documents (Nos. 1-14).

I. General Objections

1. Gulf objects to each and every discovery request that calls for information protected by the attorney-client privilege, the work product doctrine, the accountant-client privilege, the trade secret privilege, or any other applicable privilege or protection afforded by law, whether such privilege or protection appears at the time the response is first made or is later determined to be applicable for any reason. Gulf in no way intends to waive any such privilege or protection. The nature of the documents, if any, will be described in a privilege log prepared and provided by Gulf.

2. Gulf is a large corporation with employees located in many different locations. In the course of its business, Gulf creates numerous documents that are not subject to Florida Public Service Commission or other governmental record retention requirements. These documents are kept in numerous locations and frequently are moved from site to site as employees change jobs or as business is reorganized. Therefore, it is possible that not every relevant document may have been consulted in developing Gulf’s responses to the discovery requests. Rather, these responses provide all of the information that Gulf obtained after a reasonable and diligent search conducted

in connection with these discovery requests. To the extent that the discovery requests propose to require more, Gulf objects on the grounds that compliance would impose an undue burden or expense on Gulf.

3. Gulf objects to each discovery request to the extent that it seeks information that is duplicative, not relevant to the subject matter of this docket, and is not reasonably calculated to lead to the discovery of admissible evidence.

4. Gulf objects to each and every discovery request to the extent it is vague, ambiguous, overly broad, imprecise, or utilizes terms that are subject to multiple interpretations but are not properly defined or explained for purposes of such discovery requests. Any responses provided by Gulf will be provided subject to, and without waiver of, the foregoing objection.

5. Gulf also objects to each and every discovery request to the extent it calls for Gulf to prepare information in a particular format or perform calculations or analyses not previously prepared or performed as unduly burdensome and purporting to expand Gulf's obligations under applicable law.

6. Gulf objects to providing information to the extent that such information is already in the public record before a public agency and available through normal procedures or is readily accessible through legal search engines.

7. Gulf objects to each and every discovery request that calls for the production of documents and/or disclosure of information from NextEra Energy, Inc. and any subsidiaries and/or affiliates of NextEra Energy, Inc. that do not deal with transactions or cost allocations between Gulf and either NextEra Energy, Inc. or any subsidiaries and/or affiliates. Such documents and/or information do not affect Gulf's rates or cost of service to Gulf's customers. Therefore, those documents and/or information are irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. Furthermore, Gulf is the party appearing before the Florida Public Service

Commission in this docket. To require any non-regulated entities to participate in irrelevant discovery is by its very nature unduly burdensome and overbroad. Subject to, and without waiving, any other objections, Gulf will respond to the extent the request pertains to Gulf and Gulf's rates or cost of service charged to Gulf's customers. To the extent any responsive documents contain irrelevant affiliate information as well as information related to Gulf and Gulf's rates or cost of service charged to its customers, Gulf may redact the irrelevant affiliate information from the responsive documents.

8. Where any discovery request calls for production of documents, Gulf objects to any production location other than the location established by Gulf, at Gulf's Tallahassee Office located at 134 W. Jefferson Street, Tallahassee, Florida, unless otherwise agreed by the parties.

9. Gulf objects to each and every discovery request and any instructions that purport to expand Gulf's obligations under applicable law.

10. In addition, Gulf reserves its right to count discovery requests and their sub-parts, as permitted under the applicable rules of procedure, in determining whether it is obligated to respond to additional requests served by any party.

11. Gulf expressly reserves and does not waive any and all objections it may have to the admissibility, authenticity, or relevance of the information provided in its responses.

II. Specific Objections

12. Gulf Objects to OPC 1st Set of Interrogatories, No. 7 on the grounds that it is irrelevant to Gulf's SPP and unlikely to lead to admissible evidence in this proceeding. Gulf is not proposing any customer meter programs or projects as part of its SPP.

13. Gulf Objects to OPC 1st Set of Interrogatories, No. 8 on the grounds that it is irrelevant to Gulf's SPP and unlikely to lead to admissible evidence in this proceeding. Gulf is not proposing any battery installation programs or projects as part of its SPP.

14. Gulf Objects to OPC 1st Set of Interrogatories, No. 10 on the grounds that it is irrelevant to Gulf's SPP, beyond the scope of this proceeding, and unlikely to lead to admissible evidence in this proceeding. The projected costs, actual/estimated costs, actual costs, and true-up of actual costs to be included in Gulf's Storm Protection Plan Cost Recovery Clause, including whether these costs are included in current base rates, will all be addressed in subsequent and separate Storm Protection Plan Cost Recovery Clause filings pursuant to Rule 25-6.031, F.A.C. The Commission has opened Docket No. 20200092-EI to address Storm Protection Plan Cost Recovery Clause petitions to be filed the third quarter of 2020.

15. Gulf Objects to OPC 1st Set of Interrogatories, No. 22 on the grounds that it is irrelevant to Gulf's SPP and unlikely to lead to admissible evidence in this proceeding. The status of Gulf's existing and future franchise agreements is irrelevant to the Commission's review and determination whether to approve the SPP. *See* Sections 366.96(5)-(4), F.S.

16. Gulf Objects to OPC 1st Set of Interrogatories, Nos. 23 through 26 on the grounds that they are irrelevant to Gulf's SPP, beyond the scope of this proceeding, and unlikely to lead to admissible evidence in this proceeding. Gulf has not included AFUDC for any of the projects or programs reflected in its SPP.

17. Gulf Objects to OPC 1st Set of Interrogatories, No. 29 on the grounds that it is irrelevant to Gulf's SPP, beyond the scope of this proceeding, and unlikely to lead to admissible evidence in this proceeding. The projected costs, actual/estimated costs, actual costs, and true-up of actual costs to be included in Gulf's Storm Protection Plan Cost Recovery Clause, including whether these costs are included in current base rates, will all be addressed in subsequent and separate Storm Protection Plan Cost Recovery Clause filings pursuant to Rule 25-6.031, F.A.C. The Commission has opened Docket No. 20200092-EI to address Storm Protection Plan Cost Recovery Clause petitions to be filed the third quarter of 2020.

18. Gulf Objects to OPC 1st Set of Interrogatories, No. 31 on the grounds that it is irrelevant to Gulf's SPP, beyond the scope of this proceeding, and unlikely to lead to admissible evidence in this proceeding. The projected costs, actual/estimated costs, actual costs, and true-up of actual costs to be included in Gulf's Storm Protection Plan Cost Recovery Clause, including whether these costs are included in current base rates, will all be addressed in subsequent and separate Storm Protection Plan Cost Recovery Clause filings pursuant to Rule 25-6.031, F.A.C. The Commission has opened Docket No. 20200092-EI to address Storm Protection Plan Cost Recovery Clause petitions to be filed the third quarter of 2020.

19. Gulf Objects to OPC 1st Set of Interrogatories, No. 32 on the grounds that it is irrelevant to Gulf's SPP, beyond the scope of this proceeding, and unlikely to lead to admissible evidence in this proceeding. The projected costs, actual/estimated costs, actual costs, and true-up of actual costs to be included in Gulf's Storm Protection Plan Cost Recovery Clause, including whether these costs are included in current base rates, will all be addressed in subsequent and separate Storm Protection Plan Cost Recovery Clause filings pursuant to Rule 25-6.031, F.A.C. The Commission has opened Docket No. 20200092-EI to address Storm Protection Plan Cost Recovery Clause petitions to be filed the third quarter of 2020.

20. Gulf Objects to OPC 1st Set of Interrogatories, No. 33 on the grounds that it is irrelevant to Gulf's SPP and unlikely to lead to admissible evidence in this proceeding. Rule 25-6.030 does not require project level detail for years 2 and 3 of the SPP; project level detail is only required for year 1 of the SPP. Further, the projected costs, actual/estimated costs, actual costs, and true-up of actual costs to be included in Gulf's Storm Protection Plan Cost Recovery Clause, including whether these costs are included in current base rates, will all be addressed in subsequent and separate Storm Protection Plan Cost Recovery Clause filings pursuant to Rule 25-6.031, F.A.C. The Commission has opened Docket No. 20200092-EI to address Storm Protection Plan

Cost Recovery Clause petitions to be filed the third quarter of 2020. Finally, with respect to the Commission's review and determination whether to approve the SPP, including years 2 and 3, see Sections 366.96(4)-(5), F.S.

21. Gulf Objects to OPC 1st Set of Interrogatories, No. 34 on the grounds that it is irrelevant to Gulf's SPP, burdensome, and unlikely to lead to admissible evidence in this proceeding. Rule 25-6.030 does not require project level detail for years 2 and 3 of the SPP; project level detail is only required for year 1 of the SPP. Further, the projected costs, actual/estimated costs, actual costs, and true-up of actual costs to be included in Gulf's Storm Protection Plan Cost Recovery Clause, including whether these costs are included in current base rates, will all be addressed in subsequent and separate Storm Protection Plan Cost Recovery Clause filings pursuant to Rule 25-6.031, F.A.C. Moreover, the Commission's "prudence" determination for recovery in the Storm Protection Plan Cost Recovery Clause applies to the actual/true-up filing in the clause docket (*i.e.*, the actual costs incurred during the prior year), not years 2 and 3 of the plan docket. *See* Rule 25-6.031(3) ("An annual hearing to address petitions for recovery of Storm Protection Plan costs will be limited to determining ... the prudence of actual Storm Protection Plan costs incurred by the utility.") The Commission has opened Docket No. 20200092-EI to address Storm Protection Plan Cost Recovery Clause petitions to be filed the third quarter of 2020. Finally, with respect to the Commission's review and determination whether to approve the SPP, including years 2 and 3, see Sections 366.96(4)-(5), F.S.

22. Gulf Objects to OPC 1st Set of Interrogatories, No. 40 on the grounds that it is irrelevant to Gulf's SPP, beyond the scope of this proceeding, and unlikely to lead to admissible evidence in this proceeding. The projected costs, actual/estimated costs, actual costs, and true-up of actual costs to be included in Gulf's Storm Protection Plan Cost Recovery Clause, including whether these costs are included in current base rates, will all be addressed in subsequent and

separate Storm Protection Plan Cost Recovery Clause filings pursuant to Rule 25-6.031, F.A.C. The Commission has opened Docket No. 20200092-EI to address Storm Protection Plan Cost Recovery Clause petitions to be filed the third quarter of 2020.

23. Gulf Objects to OPC 1st Set of Interrogatories, No. 41 on the grounds that it is irrelevant to Gulf's SPP, beyond the scope of this proceeding, and unlikely to lead to admissible evidence in this proceeding. The projected costs, actual/estimated costs, actual costs, and true-up of actual costs to be included in Gulf's Storm Protection Plan Cost Recovery Clause, including whether these costs are included in current base rates, will all be addressed in subsequent and separate Storm Protection Plan Cost Recovery Clause filings pursuant to Rule 25-6.031, F.A.C. The Commission has opened Docket No. 20200092-EI to address Storm Protection Plan Cost Recovery Clause petitions to be filed the third quarter of 2020.

24. Gulf Objects to OPC 1st Request for Production of Documents, Nos. 5 and 6 on the grounds that they are irrelevant to Gulf's SPP and unlikely to lead to admissible evidence in this proceeding. Gulf is not proposing any customer meter programs or projects as part of its SPP.

25. Gulf Objects to OPC 1st Request for Production of Documents, Nos. 7 and 8 on the grounds that they are irrelevant to Gulf's SPP and unlikely to lead to admissible evidence in this proceeding. Gulf is not proposing any battery installation programs or projects as part of its SPP.

26. Gulf Objects to OPC 1st Request for Production of Documents, No. 13 on the grounds that it is irrelevant to Gulf's SPP, beyond the scope of this proceeding, and unlikely to lead to admissible evidence in this proceeding. The projected costs, actual/estimated costs, actual costs, and true-up of actual costs to be included in Gulf's Storm Protection Plan Cost Recovery Clause, including whether these costs are included in current base rates, will all be addressed in subsequent and separate Storm Protection Plan Cost Recovery Clause filings pursuant to Rule 25-6.031, F.A.C. The Commission has opened Docket No. 20200092-EI to address Storm Protection

Plan Cost Recovery Clause petitions to be filed the third quarter of 2020.

III. Responses

27. Attached hereto are Gulf's responses to OPC First Set of Interrogatories (Nos. 1-41), consistent with its objections.

28. Attached hereto are Gulf's responses to OPC First Request for Production (Nos. 1-14), consistent with its objections.

Respectfully submitted this 23rd day of April, 2020,

Russell A. Badders
Vice President & Associate General
Counsel
Gulf Power Company
One Energy Place
Pensacola, FL 32520
Phone: (850) 444-6550
Facsimile: (850) 444-6744
russell.badders@nexteraenergy.com

John T. Burnett
Vice President & Deputy General Counsel
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408
Telephone: (561) 691-5253
Facsimile: (561) 691-7135
john.t.burnett@fpl.com

Jason A. Higginbotham
Senior Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408
Telephone: (561) 691-7108
Facsimile: (561) 691-7135
jason.higginbotham@fpl.com

By: s/Jason A. Higginbotham

Jason A. Higginbotham

Fla. Auth. House Counsel No. 1017875

CERTIFICATE OF SERVICE
DOCKET NO. 20200070-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing was served by electronic delivery to the following parties of record this 23rd day of April, 2020:

Charles Murphy, Esquire
Rachael Dziechciarz, Esquire
Office of General Counsel
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
cmurphy@psc.state.fl.us
rdziehc@psc.state.fl.us
Florida Public Service Commission

J.R. Kelly
Thomas A. (Tad) David
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, Florida 32399
kelly.jr@leg.state.fl.us
david.tad@leg.state.fl.us
Office of Public Counsel

Stephanie U. Eaton
Spilman Thomas & Battle, PLLC
110 Oakwood Drive, Suite 500
Winston-Salem, NC 27103
seaton@spilmanlaw.com
Walmart Inc.

Derrick Price Williamson
Spilman Thomas & Battle, PLLC
1100 Bent Creek Boulevard, Suite 101
Mechanicsburg, PA 17050
dwilliamson@spilmanlaw.com
Walmart Inc.

s/ Jason A. Higginbotham _____

Jason A. Higginbotham
Fla. Auth. House Counsel No. 1017875

Attorney for Gulf Power Company

QUESTION:

Please describe in detail how the Company determines what encompasses a project in accordance with Definition 26 – Project, of the Code of Federal Regulation 18, Chapter 1.

RESPONSE:

Gulf does not utilize Definition 26 - Project, of the Code of Federal Regulation 18, Chapter 1 for purposes of defining its SPP projects because it relates specifically to hydroelectric generation projects. Given the self-explanatory nature of the definition, Definition 26 - Project, of the Code of Federal Regulation 18, Chapter 1 is not applicable to its SPP projects.

QUESTION:

Please provide a detailed description of the process that your Company uses to identify the need to harden or underground a service lateral?

RESPONSE:

As described in Section IV.D of its 2020-2029 SPP, filed on April 10, 2020, Gulf is in the initial stages of implementing its Distribution Hardening – Lateral Undergrounding Program. Gulf will be reviewing similar programs implemented by FPL and Duke Energy Florida to determine the best practices that could be implemented by Gulf in northwest Florida. Part of the development of the initial plans will be validating conversion costs and identifying cost savings opportunities, testing different design philosophies, better understanding customer impacts and sentiments, and identifying barriers (e.g. obtaining easements, locating transformers and attaching entities' issues) to create a long term process.

QUESTION:

Please provide a detailed description of how the company determines the priority to underground a service lateral.

RESPONSE:

As described in Section IV.D of its 2020-2029 SPP, filed on April 10, 2020, Gulf is in the initial stages of implementing its Distribution Hardening – Lateral Undergrounding Program. Gulf will be reviewing similar programs implemented by FPL and Duke Energy Florida to determine the best approach for prioritizing the undergrounding of laterals in Gulf's service areas in northwest Florida. As stated in Gulf's SPP, considerations for determining whether to underground overhead laterals include whether the laterals have been impacted by recent storms and whether they have a history of vegetation-related outage and other reliability issues.

QUESTION:

Please provide the following for undergrounding a service lateral:

- a. Which government entities does the Company have to obtain a permit from for an undergrounding project?
- b. At what point in time for an undergrounding project would the Company file for the needed permit(s)?
- c. Please explain in detail, once an undergrounding lateral project is identified, the average length of time the preliminary engineering of a project takes. Please include a project timeline of activities involved as well as a description of each activity.
- d. Does your Company contract with a separate entity for the lateral undergrounding projects or do you complete the construction by using Company employees to perform the work? If your Company uses contractors to perform the lateral underground work, does each project require a separate contract? If a new contract is required, please provide a detailed description of the activities required for vendor solicitation, procurement and contract execution.

RESPONSE:

Please see Gulf's response to OPC's First Set of Interrogatories Nos. 2 and 3.

- a) Local city, county, and sometimes state agencies may require various construction and rights of way permits depending upon project scope and location. Specialty permits are sometimes required from various other agencies such as Florida Department of Transportation, Florida Department of Environmental Protection, and the Army Corps of Engineers.
- b) Gulf would file for the required permits during the preliminary engineering phase of the project and in conjunction with the agency's permit approval lead time.
- c) The average length of time of the preliminary engineering phase is approximately 8-14 weeks, depending upon the scope, size, and complexity of the project. The average fieldwork phase is approximately 4-8 weeks for surveys, easement acquisitions, field inspections and condition assessments, and staking. And the average design and Computer Assisted Drawing (CAD) phase is approximately 4-6 weeks.
- d) As stated in Gulf's 2020-2029 Storm Protection Plan (SPP), the undergrounding of laterals is a new program. Gulf is in the process of developing plans which would require both the contracting of resources and the utilization of Company employees to perform the work.

QUESTION:

Please provide a description by individual project (including actual or estimated dollar amounts) of the individual storm hardening projects that your Company has (a) completed in 2019 and 2020 and (b) has started construction but not completed in 2019 and 2020? Projects should be broken out by year.

RESPONSE:

To the extent it requests project level detail for year 2019, Gulf Power Company (Gulf) objects to OPC's First Set of Interrogatories, No. 5 on the grounds that it is irrelevant to Gulf's SPP, burdensome, and unlikely to lead to admissible evidence in this proceeding. Rule 25-6.030 only requires project level details for year 1 of the SPP (2020), not historical year 2019.

Notwithstanding, and without waiver of any objection, see the chart below for a description of the projects included in Gulf's 2019-2021 Storm Hardening Plan for which construction began in 2019:

Distribution Feeder Hardening

PROJECT DESCRIPTION	Year-End 2019	YTD 2020
2019 SH GREENWOOD 8472 PH#1	\$339,281.77	
2019 SH GREENWOOD 8472 PH#2	\$739,630.37	
2019-SH 5512 MOBILE HWY & BLUE ANGEL	\$692,621.55	
2019-SH 5512 MOBILE HWY & BLUE ANGEL	\$694,195.97	
ST 4 - STORM HARDENING - OH (C.R. 97 Reconductor)	\$467,184.43	\$31,558.57
9130' U/B RECONDUCTOR 9242 VALPARAISO	\$436,824.62	
2019 SH GREENWOOD 8472 PH3	\$402,646.41	\$34,133.59
2019 SH GREENWOOD 8472 PH4	\$541,877.20	\$42,898.80
2019 SH 5512 MOBILE HWY	\$1,006,028.72	
DEVINE FARM ROAD AT I-10	\$542,346.85	

Transmission Wood Structure Replacement

PROJECT DESCRIPTION	Year-End 2019	YTD 2020
STORM HARDENING HIGHLAND CITY - REDWOOD	\$1,452,808.23	\$34,411.93
STORM HARDENING HIGHLAND CITY - REDWOOD SINGLE POLE SECTION	\$844,455.22	\$180,602.51
STORM HARDENING-LULLWATER TAP	\$235,489.89	\$1,267.59
STORM HARDENING HATHAWAY TAP	\$994,337.09	\$29,951.43
STORM HARDENING GREENWOOD-LONG BEACH	\$45,346.89	\$235.02
STORM HARDEN PARKER TAP	\$264,543.96	\$15,191.37
STORM HARDENING SMITH - GREENWOOD	\$23,553.76	\$12,288.96
STORM HARDENING WEWA-TYNDALL #1	\$34,457.81	\$5,476.56
STORM HARDENING WRIGHT - FT WALTON	\$878,632.06	\$27,628.85
STORM HARDENING WRIGHT - FT WALTON	\$1,499,674.63	\$379,774.18
STORM HARDENING SANTA ROSA-MIRAMAR	\$548,453.07	\$1,550,345.55
STORM HARDEN BEACH HAVEN-INNERARITY	\$16,133.32	
STORM HARDEN VALPARAISO-OCEAN CITY	\$65,982.50	
STORM HARDENING EASTGATE-CORDOVA	\$951.89	\$6,037.14

Substation Resiliency

PROJECT DESCRIPTION	Year-End 2019	YTD 2020
NORTHSIDE - STORM HARDEN HOUSE	\$154,002.18	\$1,439.88
PARKER STORM HARDENING	\$251,949.51	\$125,738.31
DS MARIANNA ROOF REPLACEMENT	\$8,612.00	
DS HINSON CROSSROADS ROOF REPLACEMENT	\$6,357.00	
TS LAGUNA ROOF REPLACEMENT	\$23,277.50	
TS SMITH CONSTRUCTION ROOF REPLACEMENT	\$22,375.00	
TS CALLAWAY ROOF REPLACEMENT	\$25,930.01	

Gulf's 2020-2029 SPP does not include any actual or estimated costs for projects that were started in 2019. Please refer to Appendix C to Gulf's SPP filed on April 10, 2020 (Docket No. 20200070-EI), for Feeder Hardening and Transmission Hardening projects for the year 2020.

QUESTION:

Please provide a description by individual project (including estimated dollar amounts) of the projected individual storm hardening projects that you have projected to be incurred for the year 2020 and 2021. Projects should be broken out by year.

RESPONSE:

To the extent it requests project level detail for year 2021, Gulf Objects to OPC's First Set of Interrogatories, No. 6 on the grounds that it is irrelevant to Gulf's SPP, burdensome, and unlikely to lead to admissible evidence in this proceeding. Rule 25-6.030 only requires project level details for year 1 of the SPP (2020), not year 2 of the SPP (2021).

Notwithstanding, and without waiver of any objection, please see Appendix C to Gulf Power Company's 2020-2029 Storm Protection Plan, filed on April 10, 2020 (Docket No. 20200070-EI), for Feeder Hardening and Transmission Hardening projects for the year 2020.

QUESTION:

Please provide a detailed list and description of all functions of the customer meters that your Company has currently installed. The list should be broken into two categories: 1) functions used exclusively for extreme weather events and 2) functions other than those used for extreme weather events. For the purpose of this question, "extreme weather events" are defined as named tropical storm or hurricane events.

RESPONSE:

Please see Gulf's Objections to OPC's First Set of Interrogatories No. 7 filed contemporaneously with this response.

QUESTION:

Please provide a detailed list and description of all functions of current and future battery installations currently in place or planned for construction. If any functions are described as required for extreme weather events, please provide a detailed description of the benefit(s) to customers during this type of event and why this is the main purpose for the battery installation. For the purpose of this question, "extreme weather events" are defined as named tropical storm or hurricane events.

RESPONSE:

Please see Gulf's Objections to OPC's First Set of Interrogatories No. 8 filed contemporaneously with this response.

QUESTION:

Rule 25-6.031(6)(b), Storm Protection Plan Cost Recovery Clause (SPPCRC) states that costs included in base rates or other cost recovery mechanisms are not recoverable through this clause. However, Rule 25-6.030, Storm Protection Plan (SPP), has no such language. Is it your Company's intention and opinion that the Storm Protection Plan should and will include storm protection costs, both capital costs and expensed costs, that are currently being recovered through the Company's base rates as well as the additional incremental costs above those already included in base rates?

RESPONSE:

Yes. Gulf Power has provided estimated costs by program as of the time of its SPP filing on April 10, 2020, regardless of whether those costs will be recovered in Gulf Power's SPPCRC or through base rates, consistent with the requirements of Rule 25-6.030, F.A.C. The projected costs, actual/estimated costs, actual costs, and true-up of actual costs to be included in Gulf Power's SPPCRC, including whether these costs are included in current base rates, will be addressed in a subsequent and separate SPPCRC docket pursuant to Rule 25-6.031, F.A.C. The Commission has opened Docket No. 20200092-EI to address Storm Protection Plan Cost Recovery Clause petitions to be filed in the third quarter of 2020.

QUESTION:

If your answer to Question 9 is yes, please explain how the Commission will be able to distinguish between costs covered by base rates and the incremental costs above that covered by base rates based on the language in the Rule 25-6.031(6)(b)?

RESPONSE:

Please see Gulf Power's Objection to OPC's First Set of Interrogatories No. 10 filed contemporaneously with this response.

QUESTION:

Please explain how your company currently accounts for and recovers tree trimming expenses?

RESPONSE:

To the extent it seeks information related to cost recovery for tree trimming expense, Gulf objects to OPC's First Set of Interrogatories No. 11 on the grounds that it is irrelevant to Gulf's SPP, beyond the scope of this proceeding, and unlikely to lead to admissible evidence in this proceeding. The projected costs, actual/estimated costs, actual costs, and true-up of actual costs to be included in Gulf's Storm Protection Plan Cost Recovery Clause, including whether these costs are included in current base rates, will all be addressed in subsequent and separate Storm Protection Plan Cost Recovery Clause filings pursuant to Rule 25-6.031, F.A.C. The Commission has opened Docket No. 2020092-EI to address Storm Protection Plan Cost Recovery Clause petitions to be filed the third quarter of 2020.

Notwithstanding and without waiver of any objection, Gulf Power Company accounts for non-storm vegetation management O&M expenses in FERC accounts 593 for Distribution and 571 for Transmission and currently recovers them through base rates.

QUESTION:

Is it your Company's belief that undergrounding of new distribution systems would be considered an enhancement of the current infrastructure and therefore includable for recovery through the storm protection recovery clause?

RESPONSE:

To the extent it seeks information about costs that may be recoverable through the Storm Protection Plan Cost Recovery Clause, Gulf objects to OPC's First Set of Interrogatories No. 12 on the grounds that it is irrelevant to Gulf's SPP, beyond the scope of this proceeding, and unlikely to lead to admissible evidence in this proceeding. The projected costs, actual/estimated costs, actual costs, and true-up of actual costs to be included in Gulf's Storm Protection Plan Cost Recovery Clause, including whether these costs are included in current base rates, will all be addressed in subsequent and separate Storm Protection Plan Cost Recovery Clause filings pursuant to Rule 25-6.031, F.A.C. The Commission has opened Docket No. 20200092-EI to address Storm Protection Plan Cost Recovery Clause petitions to be filed the third quarter of 2020.

Notwithstanding and without waiver of any objections, Gulf confirms that undergrounding of new distribution systems is not considered an enhancement to current infrastructure.

QUESTION:

Is it your company's intention that a storm protection program would include all projects of a specific type such as undergrounding laterals?

RESPONSE:

As per Rule 25-6.030(2)(a), F.A.C, a storm protection program would include a category, type, or group of related storm protection projects that are undertaken to enhance the utility's existing infrastructure for the purpose of reducing restoration costs and reducing outage times associated with extreme weather conditions. Please see Gulf's 2020-2029 Storm Protection Plan for specific descriptions of storm protection programs included in Gulf's SPP.

QUESTION:

Rule 25-6.030(3)(e)1., Storm Protection Plan, requires the Company to file a description of each storm protection project. Is it your Company's opinion that this rule does not require the Company to show how it selected and prioritized each of these projects?

- a. Is it also the Company's opinion that the Commission does not need that (selection/prioritization) information to determine the prudence of moving forward with a particular project included in the first year?
- b. If the answer to 22(a) is yes, please explain how the Commission can decide whether a particular project should be included in an approved Storm Protection Plan based on the Company's prioritization of a program.
- c. If ranking criteria is used to prioritize projects, please explain the criteria developed and used in this evaluation and prioritization process.

RESPONSE:

a.-c. Rule 25-6.030(3)(e)(1)(d) requests a description of the criteria used to select and prioritize proposed storm protection projects for the first year of the SPP. A description of the criteria used to select and prioritize the storm protection projects is included in the description of each SPP program provided in Section IV of Gulf's 2020-2029 Storm Protection Plan filed on April 10, 2020. With respect to the Commission's review and determination whether to approve the SPP, including storm protection projects for the first year of the SPP, see Sections 366.96(4)-(5), F.S.

QUESTION:

Please describe in detail the process that your Company uses to identify the need to storm harden or enhance the wind resistance capability of transmission structures and components?

RESPONSE:

Please see Section IV.E, "Transmission Hardening Program" of Gulf Power Company's 2020-2029 Storm Protection Plan filed on April 10, 2020 (Docket No. 2020070-EI).

QUESTION:

Please describe in detail how the company determines the priority to storm harden or enhance the wind resistance capability of transmission structures and components?

RESPONSE:

Please see Section IV.E, "Transmission Hardening Program" of Gulf Power Company's 2020-2029 Storm Protection Plan filed on April 10, 2020 (Docket No. 2020070-EI).

QUESTION:

Please provide the following for storm hardening or enhancing the wind resistance capability of transmission structures and components:

- a. Which government entities does the Company have to obtain a permit(s) from to storm harden or enhance the wind resistance capability of transmission structures and components?
- b. At what point in time for such a project will the Company file for the needed permit(s)?
- c. Please explain in detail, once a transmission structure project is identified, the average length of time the preliminary engineering of a project takes. Please include a timeline of activities involved as well as a description of each activity.
- d. Does your Company contract for the transmission structure projects or does the Company complete the construction using Company employees?
 - i. If your Company uses contractors, does each project require a separate contract?
 - ii. If a separate contract is required for each project, please provide a detailed description of the activities required for vendor solicitation, procurement and contract execution.

RESPONSE:

a) Permits (federal, state, and local) may be required for new and modification of electrical facilities. These permits may include zoning, land use and development approvals for substations. It also includes permitting for transmission facilities located within road and public rights of way, when parallel or crossing railroads, rivers/canals and other linear features, and when in close proximity to airports. Typical agencies are listed below, but is not all inclusive:

Federal Agencies:

- Army Corps of Engineers (ACOE)
- US Fish and Wildlife (USFWS)
- Federal Aviation Authority (FAA)

State Agencies:

- Florida Department of Environmental Protection (includes Siting Office) (FDEP)
- Florida Department of Transportation (FDOT)
- State and Regional Water Management Districts

Local City and County Governments:

- Zoning
- Land development
- Engineering

- Public works
- Local aviation

b) Actual permitting time varies for transmission project(s), but in general, local permitting occurs approximately 90 to 120 days prior to start of construction. State and federal permitting occurs 6 to 12 months prior to start of construction.

c) The average length of time of the preliminary engineering of a transmission project will vary depending on size, scope, and complexity of the project. The typical duration for the entire preliminary design activity is around 4 to 8 weeks. The deliverables and tasks involved are described below:

- Confirm purpose and necessity of the project and scope of project.
- Perform field site review. These site reviews typically occur with representatives from local field operations team, construction team, and vegetation management. During site review, these representatives gather additional details for engineering and review items such as clearance availability, accessing the work location, scope for specific work location, and project scheduling.
- Develop a project specific checklist which include project review hold points and safety and reliability requirements.
- Coordinate the review of project scope with other Company departments/business units. These Company departments/business units are Distribution, Land, and External Affairs (discuss communications for customers, third parties, and environmental groups).
- Obtain additional information which may be required for the specific project such as route of line drawings, aerials, county maps, and Department of Transportation maps, etc.
- Review the project to determine permit and notification requirements. Schedule environmental assessment to determine permit requirements.
- Initiate acquisition of survey and sub-surface investigation services including: preparing requests for proposals, preparing bid specifications, bidding, detailed work authorization preparation, pre-bid meeting with contractors, bid review, and bid award.
- Coordinate with the surveyor to gather route data such as property lines, obstructions, geotechnical data, and permit data.
- Conduct design review meeting (if appropriate) and document minutes;
- Re-confirm scope and schedule
- Route transmission work order for authorization if scope changed compared to budget estimate.

d) Gulf Power Company uses both Company employees and contract companies for transmission structure projects.

- No.
- Not applicable.

QUESTION:

Please provide a detail description of the process that your Company uses to assess and identify the need to replace wooden poles with concrete or other enhanced wind resistant structures?

RESPONSE:

Please see Section IV.E, "Transmission Hardening Program" of Gulf Power Company's 2020-2029 Storm Protection Plan filed on April 10, 2020 (Docket No. 2020070-EI).

QUESTION:

Please provide a detailed description of how the company determines the priority to replace wooden poles with concrete or other enhanced wind resistant structures?

RESPONSE:

Please see Section IV.E, "Transmission Hardening Program" of Gulf Power Company's 2020-2029 Storm Protection Plan filed on April 10, 2020 (Docket No. 2020070-EI).

QUESTION:

Please provide the following regarding the process for replacing wooden poles with concrete or other enhanced wind resistant structures and components:

- a. Which government entities does the Company have to obtain a permit(s) from to replace wooden poles with concrete or other enhanced wind resistant structures and components?
- b. At what point in time for such a project would the Company file for the needed permit(s)?
- c. Please explain in detail, once a replacement of wooden poles with concrete or other enhanced wind resistant structures and components project is identified, the length of time the preliminary engineering of the project takes. Please include a timeline of activities involved as well as a description of each activity.
- d. Does your Company contract with a separate entity for the replacement of wooden poles with concrete or other enhanced wind resistant structures and components projects, or does the Company complete the construction by using Company employees?
 - i. If your Company uses contractors, does each project require a separate contract?
 - ii. If a separate contract is required, please provide a detailed description of the activities required for vendor solicitation, procurement and contract execution.

RESPONSE:

- a. Please refer to Gulf's response to OPC's First Set of Interrogatories No. 17a.
- b. Please refer to Gulf's response to OPC's First Set of Interrogatories No. 17b.
- c. Please refer to Gulf's response to OPC's First Set of Interrogatories No. 17c.
- d. Gulf uses both Company employees and contract companies for transmission structure projects.
 - i. No.
 - ii. Not Applicable.

QUESTION:

Please provide a schedule showing, for the years 2019, 2020 and 2021, detail for the areas that the Company intends to underground and also provide the associated reason that each such area was chosen for undergrounding.

RESPONSE:

To the extent it requests project level detail for years 2019 and 2021, Gulf objects to OPC's First Set of Interrogatories, No. 21 on the grounds that it is irrelevant to Gulf's SPP, burdensome, and unlikely to lead to admissible evidence in this proceeding. Rule 25-6.030 only requires project level details for year 1 of the SPP (2020), not historical years (2019) or year 2 (2021).

Notwithstanding, and without waiver of any objection, please see response to OPC's First Set of Interrogatories Nos. 2 and 3. Additionally, a description of the criteria used to select and prioritize the storm protection projects is included in the description of each SPP program provided in Section IV of the SPP. Because Gulf's Distribution Hardening – Lateral Undergrounding Program is a new program that will be implemented in 2021, project schedules for 2019 and 2020 do not exist. SPP project schedules for 2021 have yet to be developed.

QUESTION:

Please provide a schedule listing all franchise agreements, indicating the expiration date and those currently being negotiated for renewal.

RESPONSE:

Please see Gulf's Objections to OPC's First Set of Interrogatories No. 22 filed contemporaneously with this response.

QUESTION:

Please describe in detail how your Company determines what is included in a project that would be eligible for AFUDC?

RESPONSE:

Please see Gulf's Objections to OPC's First Set of Interrogatories No. 23 filed contemporaneously with this response.

QUESTION:

Please describe in detail how your Company determines when a project is eligible for AFUDC treatment? Please identify the document(s) containing the specific criteria for making such a determination.

RESPONSE:

Please see Gulf Power's Objection to OPC's First Set of Interrogatories No. 24 filed contemporaneously with this response.

QUESTION:

Please provide the amount equal to 0.5% of the sum of the total balance in Account 101 – Electric Plant In Service, and Account 106 – Completed Construction not Classified as of February 29, 2020?

RESPONSE:

Please see Gulf Power's Objection to OPC's First Set of Interrogatories No. 25 filed contemporaneously with this response.

QUESTION:

Given the following hypothetical:

- Three undergrounding of lateral projects located in three distinctly separate counties and are not physically inter-connected other than as distinct components of the overall Company grid,
- The Company contracts for all three under one contract,
- None of the three projects independently meet the AFUDC requirements of Rule 25-6.0141, Florida Administrative Code.
- All three projects added together meet the threshold test of Rule 25-6.0141, Florida Administrative Code.

Do you believe the above projects would accrue AFUDC in accordance with your company policies and procedures? Explain your answer.

RESPONSE:

Please see Gulf Power's Objection to OPC's First Set of Interrogatories No. 26 filed contemporaneously with this response.

QUESTION:

Please provide a detailed description of how the Company identifies, tracks, and accounts for current individual projects that it considers "storm hardening" as described in the Company's recent 2019-2021 storm hardening plan filed on March 1, 2019 and approved by the Commission on July 9, 2019?

RESPONSE:

Gulf Objects to OPC's First Set of Interrogatories, No. 27 on the grounds that it is irrelevant to Gulf's SPP, beyond the scope of this proceeding, and unlikely to lead to admissible evidence in this proceeding. Rule 25-6.030 only requires project level details for year 1 of the SPP (2020), not historical years (2019) or year 2 (2021). Notwithstanding, and without waiver of any objection, Gulf provides the following:

Gulf will utilize various systems in order to identify, track, and record costs and expenses associated with its SPP (see below). Gulf will also account for SPP costs and expenses in the appropriate O&M and capital accounts in accordance with its capitalization policy and the requirements of the Uniform System of Accounts in the Code of Federal Regulation, Section 18, Part 101. For a copy of Gulf's capitalization policy, see Gulf's response to OPC's First Set of Production of Documents, No. 1.

- Vegetation Management Program - portion recorded to O&M
 - Gulf receives completed crew timesheets for contract Vegetation Management crews which are reviewed for accuracy and completeness before approval. Once approved, Gulf will submit the timesheets to eReceiving, which will interface with Accounts Payable for vendor payment. Once paid through Accounts Payable, the charges will interface with Gulf's accounting system (SAP) and be recorded to FERC Account 593 for distribution and FERC Account 571 for transmission.

- All Other SPP Programs
 - Once a construction project has been identified to be engineered, Gulf will create a unique Work Request (WR) in Work Management System (WMS) for distribution projects and Project Unit Reporting (PUR) for transmission projects to track costs for each project, which will be mapped to a unique Work Breakdown Structure (WBS) in SAP. Based on the work scope of each project, a capital and O&M split is applied to each distribution WR. As the job advances through each phase of construction, costs will accumulate and interface with its fixed asset system (PowerPlan) and then ultimately, SAP. O&M will be recorded to the appropriate FERC account depending the activity performed, and capital will remain in FERC account, 107, Construction Work in Progress (CWIP) until the job is completed. Once the job is completed, the actual as-built is entered in WMS and the final capital and O&M split is determined. At that point, all O&M and capital costs will be adjusted based on the final cost of the project. Subsequently, the capital portion of the job will transfer from CWIP to Electric Plant in Service (FERC account 101) to the appropriate plant accounts and will begin being depreciated utilizing Gulf's current FPSC approved depreciation rates. All O&M costs

not associated with a WR will be charged directly to the appropriate FERC account dependent upon the nature of work performed.

QUESTION:

Please provide a detailed description of each current individual project that the Company considers storm hardening as described in the Company's recent 2019-2021 storm hardening plan approved by the Commission on July 9, 2019?

RESPONSE:

Gulf Power objects to OPC's First Set of Interrogatories, No. 28, on the grounds that it is irrelevant to Gulf Power's SPP, beyond the scope of this proceeding, and unlikely to lead to admissible evidence in this proceeding. Rule 25-6.030, F.A.C., only requires project level details for year 1 of the SPP (2020), not historical years (2019) or year 2 (2021).

Notwithstanding, and without waiver of any objection, refer to Gulf Power Company's Storm 2020-2029 Protection Plan filed on April 10, 2020 (Docket No. 20200070-EI), specifically Section: "Description of the Program and Benefits" for each program and Appendix C for project level detail for year 1 (2020) of the SPP. Gulf notes that the Distribution Hardening – Lateral Undergrounding Program was not included in its 2019-2021 storm hardening plan.

QUESTION:

According to your storm hardening plans filed with the Commission and approved by the Commission on July 9, 2019, your Company already has plans to perform storm hardening activities for 2019 and 2020. Is it your Company's opinion that all of these activities and identified dollar amounts or dollar amount ranges would be recovered through your Company's current base rates and therefore is not being requested for recovery through the new Storm Protection Cost Recovery Clause? Explain your answer.

RESPONSE:

Please see Gulf Power's Objections to OPC's First Set of Interrogatories, No. 29 filed contemporaneously with this response.

QUESTION:

Rule 25-6.031(6)(b), Storm Protection Plan Cost Recovery Clause (SPPCRC) states that costs included in base rates or other cost recovery mechanisms are not recoverable through this clause. However, Rule 25-6.030, Storm Protection Plan (SPP), has no such language. Did the Company's Storm Protection Plan filed in this docket include storm protection costs, both capital costs and expensed costs, that are currently being recovered through the Company's base rates as well as the additional incremental costs above those already included in base rates?

RESPONSE:

Yes. Please see Gulf Power's response to OPC's First Set of Interrogatories, No. 9.

QUESTION:

If your answer to Question 8 is yes, please explain how the Commission will be able to distinguish between costs covered by base rates and the incremental costs above that covered by base rates based on the language in the Rule 25-6.031(6)(b)?

RESPONSE:

Please see Gulf Power's Objection to OPC's First Set of Interrogatories No. 31 filed contemporaneously with this response.

QUESTION:

Please explain in detail how the Company will distinguish between tree trimming expenses currently being recovered through base rates and those that you will be requesting as new incremental costs to be recovered through the SPPCRC?

RESPONSE:

Please see Gulf's Objections to OPC's First Set of Interrogatories No. 32 filed contemporaneously with this response.

QUESTION:

Rule 25-6.030(3)(e)2, Storm Protection Plan does not require the Company to list the specific projects to be included in years 2 and 3. Please explain how the Commission can make a determination that the programs included in year 2 and 3 do not include projects already being recovered through base rates, if no project detail is given?

RESPONSE:

Please see Gulf's Objections to OPC's First Set of Interrogatories No. 33 filed contemporaneously with this response.

QUESTION:

Rule 25-6.031(3), states that the annual hearing will be limited to determining the reasonableness of approved storm protection plan costs, determining the prudence of actual storm protection plan costs incurred by the utility, and establishing storm protection plan cost recovery factors consistent with the requirements of this rule. If no project information is required for years 2 and 3 of the plan, please explain how the Commission, Commission Staff or any intervenor can contest the inclusion of a particular project as being imprudent for inclusion in the clause for recovery?

RESPONSE:

Please see Gulf's Objections to OPC's First Set of Interrogatories No. 34 filed contemporaneously with this response.

QUESTION:

Please provide the annual amounts spent on your Company's Wood Pole Inspection Program for the years 2017, 2018 and 2019.

RESPONSE:

Please see chart below:

Activity	2017	2018	2019
Wooden Pole Inspections	\$307,603	\$348,930	\$373,631
Transmission Pole Inspections	\$279,555	\$225,028	\$146,062

QUESTION:

Please provide the projected annual amounts that the Company has projected to spend on your Wood Pole Inspection program for the years 2020 and 2021 in total and split between the amounts to be recovered through base rates and the SPPCRC.

RESPONSE:

To the extent it requests information on costs recovered in base rates or clause, Gulf objects to OPC's First Set of Interrogatories, No. 36 on the grounds that it is irrelevant to Gulf's SPP, beyond the scope of this proceeding, and unlikely to lead to admissible evidence in this proceeding. The projected costs, actual/estimated costs, actual costs, and true-up of actual costs to be included in Gulf Power's Storm Protection Plan Cost Recovery Clause, including whether these costs are included in current base rates, will all be addressed in subsequent and separate Storm Protection Plan Cost Recovery Clause filings pursuant to Rule 25-6.031, F.A.C. The Commission has opened Docket No. 20200092-EI to address Storm Protection Plan Cost Recovery Clause petitions to be filed the third quarter of 2020.

Notwithstanding, and without waiver of any objection, see Exhibit MS-1 (Gulf Power's SPP), Appendix C for projected costs of the Distribution pole inspection program for 2020 and 2021.

QUESTION:

Please provide the annual amounts of vegetation management performed by Company employees for the years 2016, 2017, 2018 and 2019?

RESPONSE:

Gulf Power's vegetation management is performed by contractors, including for the years 2016, 2017, 2018, and 2019. Therefore, the annual amounts performed by Gulf employees for the years 2016, 2017, 2018, and 2019 is \$0. Refer to Gulf Power's Storm Protection Plan 2020-2029 filed on April 10, 2020 (Docket No. 20200070-EI), specifically Sections F and G: Vegetation Management - Distribution and Vegetation Management – Transmission.

QUESTION:

Please provide the annual amounts spent on your Company's Vegetation Management Program for the years 2016, 2017, 2018 and 2019 segregated as follows:

	2016	2017	2018	2019
Distribution Vegetation Management - Planned				
Distribution Vegetation Management - Unplanned				
Transmission Veg. Management - Planned				
Transmission Veg. Management - Unplanned				
Transmission Right of Way Maintenance				
Other Vegetation Management				
Total				

RESPONSE:

Please see below:

Activity	2016	2017	2018	2019*
Distribution Vegetation Management - Planned	\$3,282,091	\$4,701,041	\$7,561,289	\$9,069,586
Distribution Vegetation Management - Unplanned	\$742,041	\$1,181,968	\$914,661	
Other Distribution Vegetation Management	\$620,015	\$859,574	\$1,260,732	
Transmission Vegetation Management - Planned**	\$2,555,498	\$2,725,376	\$2,340,487	\$2,617,081
Transmission Vegetation Management - Unplanned**				
Transmission Right of Way Maintenance	\$45,183	\$301,843	\$341,175	\$272,161

* For 2019, the Distribution Vegetation amount spend is not tracked on the basis requested.

** Transmission Vegetation amount spend is not tracked on the basis requested.

QUESTION:

Please provide the projected annual amounts that the Company has projected to spend on your Vegetation Management Program for the years 2020 and 2021 in total and split between the amounts to be recovered through base rates and the amounts you plan to include in the SPPCRC.

RESPONSE:

To the extent it requests information on costs recovered in base rates or clause, Gulf objects to OPC First Set of Interrogatories No. 39 on the grounds that it is irrelevant to Gulf's SPP, beyond the scope of this proceeding, and unlikely to lead to admissible evidence in this proceeding. The projected costs, actual/estimated costs, actual costs, and true-up of actual costs to be included in Gulf's Storm Protection Plan Cost Recovery Clause, including whether these costs are included in current base rates, will all be addressed in subsequent and separate Storm Protection Plan Cost Recovery Clause filings pursuant to Rule 25-6.031, F.A.C. The Commission has opened Docket No. 20200092-EI to address Storm Protection Plan Cost Recovery Clause petitions to be filed the third quarter of 2020.

Notwithstanding, and without waiver of any objection, refer to Gulf Power Company's 2020-2029 Storm Protection Plan filed on April 10, 2020 (Docket No. 20200070-EI), specifically Appendix C for the annual amounts that the Company has projected to spend on the SPP Vegetation Management Program for the years 2020 and 2021.

QUESTION:

Please provide a detailed explanation of how your Company arrived at the amount of vegetation management costs you plan to include in the SPPCRC?

RESPONSE:

Please see Gulf's Objections to OPC's First Set of Interrogatories No. 40 filed contemporaneously with this response.

QUESTION:

Please provide a detailed explanation of how your company arrived at the amount of pole inspection costs you plan to include in the SPPCRC?

RESPONSE:

Please see Gulf's Objections to OPC's First Set of Interrogatories No. 41 filed contemporaneously with this response.

QUESTION:

Please provide all documents that describe the Company's policies and procedures related to accounting for capital projects.

RESPONSE:

Gulf Power follows FPL's capitalization policy. Please see two responsive documents (one is confidential) attached to this response:

“FPL - 1.1 Electric Utility Plant”

“SOX Narratives – CONFIDENTIAL”

	Electric Utility Plant	Policy #: FPL – 1.1
		Rev Date: 1/3/2017
		Former Policy #3.1

1. Scope & Overview

This document outlines FPL’s accounting policies for significant accounts that are included in Electric Utility Plant (PPE) in FPL’s consolidated balance sheets. Policies and procedures for Property Records and the Work Order System of Accounts are discussed in Property Procedures 601 through 604 located on the INFPL website at the Corporate Policies and Procedures website. This policy is organized as follows:

- Section 2 – Electric Utility Plant – FERC account descriptions
- Section 3 – Capitalization criteria and thresholds
- Section 4 – Construction Work in Progress, AFUDC and CIAC
- Section 5 – Additions, Betterments, Replacements and Retirements
- Section 6 – Specific Items

Detail processes and procedures are outlined in procedure manuals and Sarbanes-Oxley documents maintained by Property Accounting. Questions regarding the appropriate accounting for PPE should be directed as follows:

- Transmission, Distribution, General Plant and Land – Manager, Power Delivery Accounting
- Power Generation, Nuclear and Engineering & Construction – Manager, Power Generation Accounting

2. Electric Utility Plant - FERC account descriptions

Plant in Service (101) – This account shall include the original cost of electric plant, included in accounts 301 to 399 owned and used by the utility in its electric utility operations, and having an expectation of life in service of more than one year from date of installation, including such property owned by the utility but held by nominees. This account is included in rate base unless otherwise directed by the commission.

Property under Capital Leases (101.1) – This account shall include the amount recorded under capital leases for plant leased from others and used by the utility in utility operations. The electric property included in this account shall be classified separately according to the detailed accounts (301 to 399) prescribed for electric plant in service.

Electric Plant Purchased or Sold (102) – This account shall be charged with the cost of electric plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise, and shall be credited with the selling price of like property transferred to others pending the distribution to appropriate accounts. Within six months from the date of acquisition or sale of property recorded herein, the utility shall file with the Federal Energy Regulatory Commission (FERC) the proposed journal entries to clear from this account the amounts recorded herein.

FPL defines an operating unit or system as a group or network of interconnected assets in a specific location or territory that are integrated with or dependent on one another in performing a specific function, whether production, transmission or distribution of electricity.

Plant Held for Future Use (105) – This account shall include the original cost of electric plant and land and land rights owned and held for future use in electric service under a definite plan respectively for such use, to include: (1) property acquired but never used by the utility in electric service, but held for such

	Electric Utility Plant	Policy #: FPL – 1.1
		Rev Date: 1/3/2017
		Former Policy #3.1

service in the future under a definite plan, and (2) property previously used by the utility in service, but retired from such service and held pending its reuse in the future, under a definite plan, in electric service. **Completed Construction not Classified/Electric (106)** – This account shall include the total of the balances of work orders for electric plant which has been completed and placed in service but for which work orders have not been classified for transfer to the detailed electric plant accounts. The classification of electric plant in service by detailed account is required for purposes of reporting to the FERC. The utility shall also report the balance in this account as accurately as practicable according to prescribed account classifications. The purpose of this provision is to avoid any significant omission in Electric Plant in Service. There are three sub accounts used:

- Utility Plant in Review (106.1) - This account is used for work orders that will be transferred out to Utility Plant in Service Account 101.
- Nonutility Property in Review (106.2) – This account is used for work orders that will be transferred out to Nonutility Property Account 121.
- Future Use in Review (106.5) – This account is used for work orders that will be transferred out to Plant held for Future Use Account 105.

Electric Plant Acquisition Adjustments (114) – This account shall include the difference between (1) the cost to the accounting utility of electric plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise to the extent it is less than or equal to fair value, and (2) the original cost, estimated, if not known, of such property, less the amount or amounts credited by the accounting utility at the time of acquisition to accumulated provisions for depreciation and amortization and contributions in aid of construction with respect to such property (i.e. net book value). To the extent the purchase price exceeds fair value, that portion must be recorded to goodwill in Account 186 (Miscellaneous deferred debits) pursuant to FERC policy as stated in 122 FERC ¶ 61,177 (2008).

Asset Retirement Costs – See Policy #3.6, Asset Retirement Obligations

Nuclear Fuel – See Policy #1.4, Nuclear Fuel

Nonutility Property (121) – This account shall include the book cost of land, structures, equipment, or other tangible or intangible property owned by the utility, but not used in utility service and not properly includible in account 105, Electric Plant Held for Future Use.

Construction Work in Progress (107) – This account shall include the total of the balances of work orders for electric plant in process of construction. Work orders shall be cleared from this account as soon as practicable after completion of the job and the asset being placed in-service. Further, if a project, such as a hydroelectric project, a steam station or a transmission line, is designed to consist of two or more units or circuits which may be placed in service at different dates, any expenditures which are common to and which will be used in the operation of the project as a whole shall be included in electric plant in service upon the completion and readiness for service of the first unit. Any expenditure that is identified exclusively with units of property not yet in service shall be included in this account. Expenditures on research, development, and demonstration projects for construction of utility facilities are to be included in a separate subdivision in this account. Records must be maintained to show separately each project along with detail of nature and purpose together with related costs.

Accumulated Provision for depreciation of electric utility plant (108) – See Policy 3.3, Depreciation

Accumulated Provision for amortization of electric utility plant (111) – See Policy 3.3, Depreciation

	Electric Utility Plant	Policy #: FPL – 1.1
		Rev Date: 1/3/2017
		Former Policy #3.1

Note: The above FERC accounts are further described and defined in the FERC Code of Federal Regulations.

Plant Accounts and Property Units

The FERC has specified a **uniform system of accounts** that requires that the plant accounts “be stated on the basis of cost to the utility of plant constructed by it and the original cost, estimated if not known, of plant acquired as an operating unit or system.” The FERC further defines original cost as “the cost of such property to the person first devoting it to the public service”.

FPL's facilities are grouped by primary plant accounts according to five functional groups as stated below. These primary accounts are suffixed with 3 or 4 digit numbers, to create property retirement unit accounts as described in the appropriate Property Retirement Unit Catalog (PRUC) for each business area. (There are additional accounts in the plant account series which are used for accounting controls and for allocation and overhead purposes, but are not used for property retirement unit purposes.)

- Intangible Plant
- Production Plant
 - Steam
 - Nuclear
 - Other
- Transmission
- Distribution
- General Plant

The Property Retirement Unit Catalog (PRUC) identifies the individual retirement units that comprise the fixed assets of the Company. A retirement unit is defined as the smallest distinct component of property that is identified and costed individually in the plant records. **If an asset or component is not defined as a retirement unit, generally it cannot be capitalized and must be expensed in the appropriate Operations and Maintenance expense account.**

3. Capitalization criteria and thresholds

The criterion for the recording of costs as either capital or expense is established by generally accepted accounting principles (GAAP). FASB Concepts Statement No. 6 defines assets as probable future economic benefits obtained or controlled by a particular entity as a result of past transactions or events. Therefore, PPE expenditures that will benefit an organization beyond the current period shall be capitalized, i.e., recorded as an asset. An expenditure that benefits the operations of only the current period is recorded as an expense. A “current period” is defined as one fiscal year. The exceptions to this guideline are as follows:

- Generally, immaterial items, which otherwise qualify as capital costs, are not capitalized (**FPL threshold - \$1,000**).
- Research and development costs are expensed as incurred. For example the design, construction and testing of a prototype truck. If these costs were not considered research and development costs, they could be capitalized.

	Electric Utility Plant	Policy #: FPL – 1.1
		Rev Date: 1/3/2017
		Former Policy #3.1

- The ratemaking action of a regulator can determine that an item which otherwise qualifies for expense treatment can be capitalized (*Regulated Operations*, ASC 980, see policy #9.1, Accounting for Regulated Operations).
- Developments of software costs have specific guidelines outlining capital vs. expense treatment. See policy #1.7, Accounting for Costs Related to Internal Use Software.
- Leases have specific guidelines under ASC 840.

ASC 970-360 – *Real Estate – General, Property, Plant and Equipment*, provides guidance on accounting for direct and indirect costs associated with the development or construction of a real estate project. It specifically excludes from its scope real estate developed by an enterprise for its own operations. However, due to the lack of any specific guidance regarding the capitalization of costs in developing PPE for use in a company’s own operations, the guidance in ASC 970-360 is referenced by analogy.

In addition, FERC allows all overhead construction costs, such as engineering, supervision, general office salaries and expenses, construction engineering and supervision by others than the accounting utility, law expenses, insurance, injuries and damages, relief and pensions, taxes and interest, to be charged to the applicable jobs using a reasonable allocation method.

Direct Costs:

In accordance with the guidance in ASC 970-360, all costs that are clearly associated with the construction of a real estate project should be capitalized. These costs include the portion of payroll-related costs attributable to personnel working directly on the project. Bonuses paid to employees should be included in the total compensation for purposes of allocating payroll-related costs to the project.

Indirect Costs:

Indirect costs that do not clearly relate to projects under development or construction, including most general and administrative expenses, are expensed as incurred. Capitalization of indirect costs is only appropriate when such costs are specifically identifiable with a particular project(s) and are identifiable in the accounting records. FPL considers severance payments made to employees who were hired to work on capital projects to be an indirect project cost. In order for severance payments to be capitalized, the payments must be clearly associated to a particular project(s), which is evidenced by appropriate documentation. For example, FPL believes it would be appropriate to capitalize severance costs paid to an employee who was hired to work on one specific job and was subsequently terminated at the end of that project. However, it would not be appropriate to capitalize severance paid to an employee who was originally hired for a specific capital project, but who was subsequently transferred to another project after the completion of the first project.

Indirect project costs that benefit more than one project should be allocated to the projects benefited based on appropriate statistical bases. For example, construction overhead should be allocated on the basis of construction labor costs.

FERC requires a “provable relationship” in order to capitalize indirect costs and disallows use of percentage distribution based on an assumed relationship between operating expense and cost of construction. If not incremental, an annual study supporting a provable relationship is required. The provable relationship study consists of:

- Relationship of particular function to construction activities
- Proportion of employee’s time
- Method of determination – time studies, daily time reports, etc; not allocations.

	Electric Utility Plant	Policy #: FPL – 1.1
		Rev Date: 1/3/2017
		Former Policy #3.1

Examples of indirect costs include engineering, supervision, insurance, pensions, and taxes.

Additionally, some of the recurring fixed costs of *internal* development departments including *internal* payroll and related benefits for employees who work *directly* on construction stage projects are *capitalizable* if they are necessary costs to get the project to its intended use and place the asset in service. The timing of when these costs are incurred impacts whether or not costs can be capitalized. It must be determined that the capital project is probable and has been approved by accounting. See **Appendix A** for listing of the departments and examples of related activities that are considered capitalizable.

Prepaid Capital:

Prepaid capital consists of amounts paid to vendors for capital items that will not be received within the normal time frame for such items. In exchange for this advanced payment, FPL receives a discounted price on the capital items purchased.

Prepaid capital should be charged to Account 186 (*miscellaneous deferred debits*) when the payment is made. The cash outflow should be classified as an investing activity in the statement of cash flows.

When the capital asset is delivered the payment should be re-classified to one of the following FERC accounts:

1. Account 107 (*construction work in progress-Electric*) if the asset is delivered to a specific project site, or;
2. Account 101 (*electric plant in service*) if the asset goes straight into service or meets the definition of a capital spare part, or;
3. Account 154 (*plant materials and operating supplies*) if the asset is delivered and held for future use on a capital project.

Deposits or advanced payments for capital items

Any deposits or progress payments disbursed on behalf of a construction contract to secure the acquisition of assets that have a long construction lead times should be charged to Account 107 (*construction work in progress-Electric*).

General Plant Furniture, Tools and Equipment

Florida Public Service Commission (FPSC) Rule 25-6.0142 established a minimum capitalization criterion of \$1,000 per unit for each retirement unit recorded to Office Furniture and Equipment, Stores Equipment, Tools, Shop and Garage, Laboratory Equipment, and Communication Equipment Accounts. The account distribution is outlined as follows:

- Tools, shop and garage equipment ≥ \$1,000 each item
- Stores Equipment ≥ \$1,000 each item
- Laboratory Equipment ≥ \$1,000 each item
- Communication Equipment, non fiber optic accounts – refer to the PRUC 📁 catalog for fiber optic property units.
- Office furniture and equipment, including miscellaneous power plant office furniture equipment, computer equipment and other miscellaneous equipment are generally capitalized. These items are charged to expense if they meet one of the following criteria:
 - are of small value (less than \$1,000), or

	Electric Utility Plant	Policy #: FPL – 1.1
		Rev Date: 1/3/2017
		Former Policy #3.1

- have a short life (less than one year), or
- can not be easily controlled/identified

The initial purchase of a complete office furniture set (including, but not limited to book case, desk, cabinet, chair, sofa, table, etc.) is considered the retirement unit. Replacement of or subsequent purchases of individual items of office furniture are to be expensed to the appropriate operations or maintenance account. Retirement units are identified in the PRUC Catalogs. In addition, computer equipment that can be bundled along with the labor costs needed to program, image and deliver the computer equipment may be capitalized.

The cost of small portable tools and safety equipment that are used directly in construction work, but do not meet the definition of a retirement unit shall be allocated to the work that directly benefits from the purchase of these items. This will result in the cost of these tools and equipment being allocated to both capital and O&M, dependent upon the nature of the work performed. The cost of such tools and equipment shall be capitalized to the plant accounts directly benefited as part of the construction.

4. Construction Work in Progress , AFUDC and CIAC

Definition of a Construction Project

A **Project** is defined as an identifiable unit of capital work including all associated labor, material, and other expenses which result in additions to and/or retirements from utility plant in service. Projects with different plant in-service dates **must** be recorded separately on unique work orders/internal orders. The scope of a work order/internal order **must** include all related retirement units required to make the project ready for service.

In certain instances and on an exception basis, some smaller jobs may be grouped together into a single ER if those jobs were projected with a high level of confidence to be completed within the same month.

If such additions and/or retirements, when completed, only become functional or useful when related or additional units of work are complete, then the group of related activities is considered a project. A project may include and involve the installation of numerous retirement units.

Preliminary Project Costs

GL Account 183, Preliminary Survey and Investigation Charges, is used for the recording of preliminary feasibility studies. CFR 18 Pt. 101 states "This account shall be charged with all expenditures for preliminary surveys, plans, investigations, etc. made for the purpose of determining the feasibility of utility projects under contemplation." Generally, this account is used for the larger projects under consideration that are anticipated to be capitalized and after they are approved all costs are transferred to the construction work order. If it is considered probable that the project will not be completed then costs are transferred to O&M. The costs should be transferred to O&M in the month the decision is made that the project will not be completed.

If a project qualifies as capital and construction is certain, Phase I Engineering costs (conceptual and design engineering studies) may be charged directly to capital work orders.

Land and Right-Of-Way Purchases

If land or right-of-way is purchased and construction on the land or right-of-way will commence within 1 year of the completion of the purchase, then the land or right-of-way work order shall remain in Account

	Electric Utility Plant	Policy #: FPL – 1.1
		Rev Date: 1/3/2017
		Former Policy #3.1

107, Construction Work in Progress, until the construction is completed. Only when the construction of the facility is completed and being used for its intended purpose will both the land and construction work orders be placed in-service. If the construction will commence more than one year from the completion of the land purchase, the land work order should be put in-service to Account 105, Plant Held for Future Use. Land purchases requiring more than 1 year for construction should be reviewed with Property Accounting.

When a land or right-of-way work order is opened, information on the related construction (current or future, budget activity of construction, etc.) is needed in order to determine the accounting treatment for the work order. In addition, land work orders must be properly segmented by its related construction. Land for a transmission line project that consists of more than one work order (where portions of the line will go in-service at different times) must be segmented into different work orders by the portions of land that relate to each line segment work order. Land for the segmented project should not be recorded in only one work order as this will violate regulatory rules.

When a transmission line, substation site prep or substation construction work order is opened, information regarding the related land is needed so that the land can be properly linked to the specific construction activity for accounting purposes and reporting to the regulatory commissions. This is especially important when the land is purchased more than 1 year before the construction commences and is placed in Account 105 for future use.

Site Preparation Costs of Substations

If the construction of a facility consists of more than one work order, i.e. work order #1 is for the clearing and erection of the fence on a substation site and work order #2 is for the structural and electrical portion of the substation, and the construction of work order #2 will commence within 1 year of the completion of work order #1 then both work orders shall remain in Account 107, Construction Work in Progress, until the substation is energized. If the construction of work order #2 will commence more than 1 year from the completion of work order #1 then work order #1 shall be put in-service to Account 105, Plant Held for Future Use.

The construction of a substation should not be split into 2 work orders until it is definitely known that the structural and electrical portion will not commence within 1 year of the site preparation activities. A single construction work order should be created instead. If due to changes in planning, the structural portion becomes delayed so that it will not commence within 1 year of the site preparation, the work order can be re-estimated and closed to Account 105, Plant Held for Future Use.

When a substation is placed in-service and the costs in the construction work order are moved out of account 107, information on the related site preparation work order (if any) and the related land work order is needed in order to move the costs accumulated in these work orders to in-service status at the same time the substation is placed in-service.

Contaminated Soil

Unless the below criteria are met, the removing and disposing of contaminated soil related to environmental regulations would be charged to O&M.

- Removal of Contaminated Soil directly caused to be removed as part of the construction of a new facility shall be capitalized as part of the cost of the new facility.
- Contaminated Soil removed as part of the removal of a retirement unit shall be charged to Account 108.3, Removal Cost, on the work order retiring the retirement unit.

	Electric Utility Plant	Policy #: FPL – 1.1
		Rev Date: 1/3/2017
		Former Policy #3.1

- Contaminated soil removed as part of the dismantlement of a generating facility shall be charged to the Dismantlement Reserve, Account 108.132.

Any questions related to how to account for contaminated soil should be directed to Property Accounting.

In-Service Date Of Projects

The Company defines a project as all the costs of the activities necessary to install or replace a system or a segment thereof, or to bring the condition of a specific asset to its intended use. A project can include one work order but in most cases it includes many work orders. A project is deemed in service when it is ready for its intended use. The FERC requirements use the term “ready for service”.

Land purchased for a substation site is technically ready for service when FPL closes on the property, but if construction of the substation is not complete, then in the context of a project, the land is not ready for service until the substation is completed. Another example would be the construction of a new power plant. The completion of the water treatment and the waste water facilities are not ready for service until the unit which they serve is complete and producing electricity.

Substation and Transmission Line and New Power Plant In-Service Determination: A facility shall be determined ready for service when it is functioning as an integrated facility to serve customers of FPL. A substation or transmission line is not ready for service **until energized** for the purpose of supplying electricity to customers of FPL.

Transmission line projects that consist of more than one line segment (where portions of the line will go in-service at different times) must be separated into different work orders by line segment. A work order with one or more line segments cannot be proportionally placed in-service and placing incomplete portions of a line in-service before it is completed and energized violates regulatory rules.

Construction of a new power plant and its related switchyard and interconnections: The switchyard and interconnections would not be built if the plant was not constructed and the plant cannot properly function without the switchyard and the interconnections. Therefore the total project must include the plant and its related switchyard and interconnections which should be placed in service at the same time.

Allowance For Funds Used During Construction – AFUDC

Allowance for Funds Used During Construction is recorded monthly in the retail power plant ledger according to FPSC rule 25-6.0141 which states that CWIP or Nuclear Fuel in Process not under lease agreement that is not included in rate base may accrue AFUDC under the following conditions:

Eligibility test:

1. A work order or project becomes eligible once it receives charges if it meets the following requirements: a) estimated additions exceed 0.5 percent of the sum of the total balance in general ledger accounts 101.000 and 106.100 as of the prior month (See step 2 below) and b) the construction period is greater than a year. Note: Projects originally estimated to be completed in less than one year but are suspended for six months or more, or are not ready for service after one year become eligible for AFUDC on a prospective basis only.
2. Each month, Property Accounting will supply the business units with the current project threshold in order to qualify for AFUDC. Work orders that meet the criteria have the AFUDC button flagged within the fixed asset system, PowerPlant, so that the amount of AFUDC can be systematically calculated and applied.

	Electric Utility Plant	Policy #: FPL – 1.1
		Rev Date: 1/3/2017
		Former Policy #3.1

For FERC purposes, AFUDC is accrued on all capital work orders/projects that are expected to be under construction for more than one year.

An AFUDC rate is calculated annually as per FPSC rule and the FERC regulations including the monthly discounted AFUDC rate, the debt/equity split for the income statement and the debt/equity split to be used in calculating deferred income taxes. The Debt component is credited to AFUDC-Interest Sources and the Equity Component is reflected as a credit to Other Sources of Income. **Any questions regarding the currently approved AFUDC rate should be directed to Regulatory Accounting.**

Time Test:

The construction period must exceed 12 months to be eligible for AFUDC under rule #25-6.0141.

- The AFUDC time test is performed the month the work order has its first eligible charge (cash voucher, payroll or engineering – includes applied engineering).
- If the calculation of the estimated construction period in months equals or exceeds thirteen (13) months the work order would qualify for the AFUDC time period criteria.

Application of AFUDC on Land and Site Preparation:

AFUDC is not applied on land work orders which are to be transferred to Account 105, Plant Held for Future Use. AFUDC is applied to land work orders when the related on-going construction is eligible for AFUDC. AFUDC is applied to site preparation work orders that are either eligible for AFUDC on their own or eligible under the project concept. If the work order is subsequently transferred to Account 105, Plant Held for Future Use, no AFUDC is reversed. AFUDC is applied on all related land, site preparation and construction work orders when the first work order becomes eligible for AFUDC either on its own or through the project concept.

The AFUDC application is to be suspended prospectively when:

- Construction activity will cease for a period greater than six months due to circumstances within FPL’s control. Construction activity is defined to include all preconstruction engineering, legal fees, licensing requirements, etc.
- A work order/project has not received charges for cash voucher, payroll or engineering for a period of six months. Suspension will be automatic on the seventh month.

Note that the FPSC Rule 25-6.0141 requires Commission notification when a capital project is expected to be suspended.

The AFUDC application is not suspended when:

- The construction delay is caused by circumstances beyond FPL’s control. (i.e. government action, vendors, acts of God. etc.)
- The work order is part of a larger project and all activities for that project have not ceased.

Accounting Standards Codification 835-20, Capitalization of Interest:

In applying AFUDC, FPL considers the guidance provided in ASC 835-20, *Capitalization of Interest*. Under ASC 835-20-25-5, the capitalization period shall end when the asset is substantially complete and ready for its intended use. Some assets are completed in parts, and each part is capable of being used

	Electric Utility Plant	Policy #: FPL – 1.1
		Rev Date: 1/3/2017
		Former Policy #3.1

independently while work is continuing on other parts. An example is the RCB coatings. As the painting or coating of each fuel storage container is completed, that asset can be placed in service. For such assets, interest capitalization shall stop on each part when it is substantially complete and ready for use. Some assets must be completed in their entirety before any part of the asset can be used. An example is a facility designed to manufacture products by sequential processes. For such asset, interest capitalization shall continue until the entire asset is substantially complete and ready for use. Some assets cannot be used effectively until a separate facility has been completed. An example is a switchyard and a power plant. One asset can not function without the other; therefore, both assets must be placed in service at the same time. For such assets, interest capitalization shall continue until the separate facility is substantially complete and ready for use. Assets equal to or greater than \$10 million receive AFUDC until the day preceding the in service day. Property Accounting should be notified when an asset(s) of this magnitude exists.

FERC Requirements:

In 1968, the office of the Chief Accountant of FERC issued Accounting Release Number 5 addressing the proper period for capitalization of AFUDC. AR-5 states the following:

“Capitalization of AFUDC stops when the facilities have been tested and are placed in, or ready for, service. This would include those portions of construction projects completed and put into service although the project is not fully completed.”

Contribution in Aid of Construction (CIAC):

Requests for new facilities, upgrades of existing facilities or relocations of electric plant resulting in a cost that is incremental to the normal cost of such service will necessitate a cash contribution from the customer known as a contribution in aid of construction (“CIAC”). (Note: The FPSC prescribes the minimum standards of service that FPL must adhere to when providing electric service to a customer.) CIAC is most often required when installing or relocating electrical lines underground or for upgraded highway street lighting and related facilities for government/municipal entities. These requests are made through the distribution, transmission and engineering departments who develop the estimate for the requested scope of work. The engineer designs the job within the respective Work Management System, which develops an estimate that is interfaced to PowerPlant. The PowerPlant system has a reimbursable billing module that utilizes the estimate to develop a bill for the customer, which includes overheads and the related tax, if applicable. The business unit initiating the work is responsible for the CIAC contract and the subsequent billing and collection. All proceeds are due prior to work commencing and are recorded as a customer deposit (government agencies such as FDOT do not have to pay in advance and are billed at the end of the project). Upon completion of the work and closure of the work order, the proceeds are cleared to the appropriate capital or expense accounts to offset the cost of work performed.

5. Additions, Betterments, Replacements and Retirements
(After Acquisition or Construction)

Addition – represents cost of additions to units of utility property added to existing plant, whether or not as replacements. Additions are capitalized if the addition meets the definition of a retirement unit and results in the affected property being either more useful, more efficient, of greater durability (increased service life) or of greater capacity.

Betterment – an enlargement or improvement of existing structures, facilities, or equipment by the replacement or improvement of parts without replacement of a complete unit. When a betterment consists of the substitution of a superior part for an inferior part of the same kind, the amount of the betterment is the excess cost of the new part over the cost of the part removed, less net salvage. This

	Electric Utility Plant	Policy #: FPL – 1.1
		Rev Date: 1/3/2017
		Former Policy #3.1

betterment amount is only capitalized if the addition results in the affected property being either more useful, more efficient, of greater durability (increased service life) or of greater capacity.

Replacement – the substitution of a new component for existing components that are worn out, damaged beyond repair, or have become inadequate in service. The substitution has substantially no greater capacity or benefit than the component for which it replaced. When it becomes necessary to replace some part of a unit and if the replacement does not result in substantial change of identity, or physical character of the item, the replacement is considered a repair and charged to operating expense. Replacement is applicable unless the component is defined as a retirement unit, at which point it would be treated as an addition and the replaced item would be retired.

Retirement – the removal of property from service, whether or not in the course of replacement. As an accounting transaction, a retirement may or may not coincide with either the removal from service or the physical removal of the plant affected. The system of accounts requires that the book cost of property permanently removed or not used or useful in service, whether or not replaced, be credited to the electric utility plant account and charged to the Accumulated Provision for Depreciation or Amortization of Electric Utility Plant. Retirement Units are prescribed by FERC although a lower level of detail may be maintained if practice is consistent. (Changes to or additions of retirement units must be filed annually with the FPSC). Any related costs to remove the utility plant from service should be charged to the Accumulated Provision for Depreciation and any proceeds received from the sale of the utility plant should be credited to the Accumulated Provision for Depreciation.

Buildings and Land retired or sold

If a building or land is retired, the net book value (NBV) is credited to the building or land account. If the building or land is sold, the difference between NBV and the sales price (less commissions and other expenses) is recorded as a Gain/Loss from disposition of Utility Plant. The Gain/Loss from the disposition of the property shall be deferred as a regulatory asset or liability and amortized as a gain or loss over a five year period in accordance with FPSC policy. Losses shall be accounted for as regulatory assets in Account 182.3 and amortized to Account 407.3 (Regulatory Debits). Gains will be recorded as regulatory liabilities in Account 254 and amortized to Account 407.4 (Regulatory Credits). The gain or loss from the sale of non-utility property is recorded to 421.1 or 421.2, if the property had never been included in future use or plant in service. Gains and losses associated with transactions where the building or land is currently or was previously recorded in Utility Plant In-Service or Future Use (Rate Base) are required by FPSC policy to be amortized over a 5 year period.

When any property recorded as intangible, such as franchises, intangibles, or other items of limited-term interest in land which are included in land and/or land rights are sold, relinquished or otherwise retired, Account 111 (Accumulated Provision for Amortization of Electric Utility Plant) shall be charged with the amount previously credited as related to such property. The book cost of the property retired, less the amount charged to Account 111 and the net proceeds realized, shall be deferred as a regulatory asset or liability and amortized as a gain or loss over a five year period in accordance with FPSC policy. Losses shall be accounted for as regulatory assets in Account 182.3 and amortized to Account 407.3 (Regulatory Debits). Gains will be recorded as regulatory liabilities in Account 254 and amortized to Account 407.4 (Regulatory Credits).

Unusual or significant utility plant sales

In accordance with FPSC historical practice, gains and losses arising from unusual or significant utility plant sales shall be deferred as regulatory assets or liabilities and amortized as gains or losses over a five year period. Losses shall be accounted for as regulatory assets in Account 182.3 and amortized to Account 407.3 (Regulatory Debits). Gains will be recorded as regulatory liabilities in Account 254 and amortized to Account 407.4 (Regulatory Credits).

	Electric Utility Plant	Policy #: FPL – 1.1
		Rev Date: 1/3/2017
		Former Policy #3.1

Additions and retirements of minor items of property

In accordance with FPSC rules, a minor item is any part or element of plant which is not designated as a retirement unit, but is a component part of the retirement unit. The addition of a minor item that did not previously exist that results in a substantial addition or betterment should be accounted for in the same manner as for the addition of a retirement unit. If the addition of the minor item does not result in a substantial addition or betterment, the costs would be charged to the appropriate operations and maintenance expense account.

When a minor item of property is retired and not replaced, no entry is recorded to the plant account as the item is being accounted for by its inclusion in the retirement unit of which it is a part.

When a minor item is replaced independently of the retirement unit, the cost of replacement shall be charged to the maintenance account, except that if the replacement results in a substantial betterment the excess of the cost of the replacement over the estimated cost at current prices of replacing without betterment shall be charged to the appropriate utility plant account.

6. Specific Items

The following outlines the accounting policy for specific issues that have arisen over time related to items within the PPE account. The information below reflects excerpts from previous memos (modified where necessary to reflect changes in GAAP or other changes in company policy) written to address the accounting in certain situations and is not comprehensive. Questions regarding the appropriate accounting for specific issues should be directed to the FPL Property Accounting group.

A. Engineering and Construction Overheads (Applied Engineering/EO's)

All engineering and associated costs that can be assignable to a specific capital work order are charged directly. The exceptions are the Distribution, Transmission, Power Generation and Information Management Business Units which allocate engineering costs and executive overhead costs to eligible capital projects based on a standard rate determined through a forecast of projected costs. The costs are charged to an overhead pool which is allocated to open projects using the standard rate. The overhead pool is monitored on a monthly basis and cleared on an annual basis.

B. Capitalized Spare Parts

Refer to Policy #1.6, Capital Spare Parts

	Electric Utility Plant	Policy #: FPL – 1.1
		Rev Date: 1/3/2017
		Former Policy #3.1

Appendix A

MATRIX OF EXPENDITURE EXAMPLES

Expenditure Type	Not probable or undetermined project	Probable Capital Project with accounting approval*	Construction***	Commercial Operations
Salaries, benefits & bonuses (Except as noted below)	<i>Expense</i>	<i>Expense</i>	<i>Expense</i>	<i>Expense</i>
Construction and Project Development Departments				
➤ Salaries, benefits & bonuses	<i>Expense</i>	<i>Capitalize</i>	<i>Capitalize</i>	<i>Expense</i>
Legal (Commercial)				
➤ Negotiations of project specific engineer, procurement, construction (EPC) and supply agreements, to the extent the contracts are not based on a pre-negotiated master form.	<i>Expense</i>	<i>Capitalize</i>	<i>Capitalize</i>	<i>N/A</i>
➤ Due diligence of construction and procurement related issues.	<i>Expense</i>	<i>Capitalize</i>	<i>Capitalize</i>	<i>N/A</i>
➤ Assistance during construction process with disputes, change orders, contract interpretation.	<i>Expense</i>	<i>Capitalize</i>	<i>Capitalize</i>	<i>N/A</i>
➤ Assistance with project financing.	<i>Expense</i>	<i>Expense</i>	<i>Expense</i>	<i>Expense</i>
➤ Assistance with general construction and procurement contract and project management.	<i>Expense</i>	<i>Capitalize</i>	<i>Capitalize</i>	<i>N/A</i>
Legal (Real Estate)				
➤ Order and review Title Reports or Commitments for drafted Agreements for Projects that have a high likelihood of getting built	<i>Expense</i>	<i>Capitalize</i>	<i>N/A</i>	<i>N/A</i>
➤ Order and review Preliminary Surveys for Projects that have a high likelihood of getting built	<i>Expense</i>	<i>Capitalize</i>	<i>N/A</i>	<i>N/A</i>
➤ Cure all Title Defects affecting the Projects (e.g. obtaining Subordination Non-Disturbance Agreements from landowner lenders, obtaining Title Affidavits, drafting Amendments based on new information received)	<i>Expense</i>	<i>Capitalize</i>	<i>Capitalize</i>	<i>N/A</i>
ISC Costs - during procurement of the EPC process				
➤ ISC works with Engineering to get the specifications on Capital job requirements.	<i>Expense</i>	<i>Capitalize**</i>	<i>Capitalize**</i>	<i>Expense</i>
➤ ISC bids the work and negotiates with the suppliers to mitigate construction and contract risks	<i>Expense</i>	<i>Capitalize**</i>	<i>Capitalize**</i>	<i>Expense</i>
➤ ISC processes change order to the construction jobs	<i>Expense</i>	<i>Capitalize**</i>	<i>Capitalize**</i>	<i>Expense</i>
➤ ISC helps with dispute resolution on construction jobs in relation to contract issues	<i>Expense</i>	<i>Capitalize**</i>	<i>Capitalize**</i>	<i>Expense</i>
➤ ISC moves the material to the jobs or oversees delivery to the construction site	<i>Expense</i>	<i>Capitalize**</i>	<i>Capitalize**</i>	<i>Expense</i>
Transmission Service Group				
➤ Engineering support for project construction & development processes (various engineering-related inputs into individual project construction and development processes)	<i>Expense</i>	<i>Capitalize</i>	<i>Capitalize</i>	<i>N/A</i>
➤ Required reactive studies on new generation projects to determine project is in compliance with regulatory requirements	<i>Expense</i>	<i>Capitalize</i>	<i>Capitalize</i>	<i>N/A</i>
Property Accounting				
➤ PowerPlan Master Data Set Up	<i>N/A</i>	<i>N/A</i>	<i>Capitalize</i>	<i>N/A</i>
➤ Internal order life cycle activities (including review	<i>N/A</i>	<i>N/A</i>	<i>Capitalize</i>	<i>N/A</i>

	Electric Utility Plant	Policy #: FPL – 1.1
		Rev Date: 1/3/2017
		Former Policy #3.1

and approval, in-service activities, unitization & close processes)				
➤ Business Unit Capital Support (including capitalization requests and analytics)	N/A	N/A	<i>Capitalize</i>	N/A
➤ Other Capital Support Activities (including providing accounting guidance & oversight related to proper recording of prepays & accelerated purchases)	N/A	N/A	<i>Capitalize</i>	N/A
Environmental				
➤ Preconstruction Surveys (avian, bat monitoring, habitat assessments) can span 2-3 years, but typically >1 year	<i>Expense</i>	<i>Capitalize**^</i>	<i>Capitalize**^</i>	N/A
➤ Completion of pre-construction avian/bat/wildlife surveys/raptor nest surveys	<i>Expense</i>	<i>Capitalize**^</i>	<i>Capitalize**^</i>	N/A
➤ Micrositing support with E&C (wetlands, cultural, biological surveys, etc. during construction)	<i>Expense</i>	<i>Capitalize</i>	<i>Capitalize</i>	N/A
➤ Agency Consultation (during final permitting)	<i>Expense</i>	<i>Capitalize</i>	<i>Capitalize</i>	N/A
➤ Litigation Support	<i>Expense</i>	<i>Capitalize</i>	<i>Capitalize</i>	<i>Expense</i>
➤ financing support	<i>Expense</i>	<i>Expense</i>	<i>Expense</i>	<i>Expense</i>
➤ Compliance assurance	<i>Expense</i>	<i>Capitalize</i>	<i>Capitalize</i>	<i>Expense</i>
<p><i>*Refers to project costs that are deferred in FERC Account 183, Preliminary Survey and Investigation Charges</i></p> <p><i>**Must be related to a specific project. Not just general procurement of items for projects in the future.</i></p> <p><i>*** Includes activities that qualify for capital treatment once the assets are in construction phase.</i></p> <p><i>^if required by law/permit to get the asset ready for use</i></p>				

QUESTION:

Please provide all documents that describe the Company's process and timeline for undergrounding laterals.

RESPONSE:

Please refer to Gulf Power's Storm Protection Plan 2020-2029 filed on April 10, 2020 (Docket No. 20200070-EI), specifically Section D, "Distribution Hardening – Lateral Undergrounding Program. This is a new program for Gulf Power and the Company's process and timeline for undergrounding laterals is in the developmental phase.

QUESTION:

Please provide all documents that describe the Company's process and timeline for replacing transmission structures and components.

RESPONSE:

Gulf interprets OPC First Request for Production of Documents No. 3 to mean Gulf's process and timeline for replacing transmission structures and components under Gulf's SPP. Based on that interpretation, please refer to Gulf Power's Storm Protection Plan 2020-2029 filed on April 10, 2020 (Docket No. 20200070-EI), specifically: Sections "Transmission Inspection Program" and "Transmission Hardening Program" which discuss Gulf's process and timeline for replacing transmission structures and components.

QUESTION:

Please provide all documents that describe the Company's process and timeline for replacing wooden poles with concrete or more wind resistant materials.

RESPONSE:

Please refer to Gulf Power's Storm Protection Plan 2020-2029 filed on April 10, 2020 (Docket No. 20200070-EI), specifically: Sections, "Distribution Inspection Program," "Transmission Inspection Program," "Distribution Feeder Hardening Program," and "Transmission Hardening Program."

QUESTION:

Please provide all Company documents that describe how customer meters aid in the recovery from extreme weather events.

RESPONSE:

Please see Gulf's Objections to OPC's First Set of Production of Documents No. 5 filed contemporaneously with this response.

QUESTION:

Please provide all literature known to the Company that describe how customer meters aid in the recovery from extreme weather events.

RESPONSE:

Please see Gulf's Objections to OPC's First Set of Production of Documents No. 6 filed contemporaneously with this response.

QUESTION:

Please provide all Company documents that describe how battery installations aid in the recovery from extreme weather conditions.

RESPONSE:

Please see Gulf's Objections to OPC's First Set of Production of Documents No. 7 filed contemporaneously with this response.

QUESTION:

Please provide all literature known to the Company that describe how battery installations aid in the recovery from extreme weather conditions.

RESPONSE:

Please see Gulf's Objections to OPC's First Set of Production of Documents No. 8 filed contemporaneously with this response.

Gulf Power Company
Docket No. 20200070-EI
OPC's First Request for Production of Documents
Request No. 9
Page 1 of 1

QUESTION:

Please provide all Company documents that describe the Company's policies and procedures for determining how projects included in the Company's Storm Protection Plan filing are designed to enhance the Company's existing transmission and distribution facilities.

RESPONSE:

Please refer to Gulf Power's Storm Protection Plan 2020-2029 filed on April 10, 2020 (Docket No. 20200070-EI) and Gulf Power's 2019-2021 Storm Hardening Plan specifically, Appendix D. See also Gulf's response to OPC's First Request for Production of Documents, No. 10.

QUESTION:

Please provide all Company documents that describe the Company's policies and procedures for determining how the projects included in the Company's Storm Protection Plan filing are to be prioritized.

RESPONSE:

Please refer to Gulf Power's Storm Protection Plan 2020-2029 filed on April 10, 2020 (Docket No. 20200070-EI), specifically subsection IV, "Criteria used to Select and Prioritize Programs" for each Storm Protection Plan Program.

Gulf Power Annual Distribution Service Reliability Report Filings per Rule 25-6.0455 F.A.C., from 2007 to the present are found at the following link:

<http://www.psc.state.fl.us/ElectricNaturalGas/ElectricDistributionReliability> (2007-2019)

In addition, please refer to the following links to Gulf Power's Electric Infrastructure Storm Hardening Plans filed per Rule 25-6.0342 F.A.C., since 2007 to the present:

<http://www.psc.state.fl.us/library/filings/2007/03815-2007/> (2007-2009 Plan)

<http://www.psc.state.fl.us/library/filings/2010/03686-2010/> (2010-2012 Plan)

<http://www.psc.state.fl.us/library/filings/2013/02372-2013/> (2013-2015 Plan)

<http://www.psc.state.fl.us/library/filings/2016/02718-2016/> (2016-2018 Plan)

<http://www.psc.state.fl.us/library/filings/2019/01346-2019/> (2019-2021 Plan)

QUESTION:

Please provide all documents that describe the Company's policies and procedures related to accounting for capital projects.

RESPONSE:

Please see Gulf Power's response to OPC's First Request for Production of Documents No. 1.

QUESTION:

Please provide all documents that describe the Company's policies and procedures for applying Allowance for Funds Used During Construction (AFUDC) to capital projects in compliance with Rule 25-6.0141, Florida Administrative Code, including, but not limited to the documents identified in Citizens Interrogatory No. 24.

RESPONSE:

Gulf objects to OPC First Request for Production of Documents, No. 12 on the grounds that it is irrelevant to Gulf's SPP, beyond the scope of this proceeding, and unlikely to lead to admissible evidence in this proceeding. Gulf has not included AFUDC for any of the projects or programs reflected in its SPP. Notwithstanding this objection, please see the document provided in Gulf's response to OPC's First Request for Production of Documents, No. 1 which contains discussion on the application of AFUDC to capital projects.

QUESTION:

Please provide copies of all Company documents that discuss the separation of storm enhancement projects between those to be or already included in base rates and those projects to be included in the storm protection plan cost recover clause filing for the years 2019, 2020, and 2021.

RESPONSE:

Please see Gulf Power's Objection to OPC's First Request for Production of Documents No. 13 filed contemporaneously with this response.

QUESTION:

Please provide copies of your Company's Storm Hardening Plan filings for the years 2019, 2020, and 2021.

RESPONSE:

Please see link to Gulf Power's Storm Hardening Plan 2019-2021 (Rule 25-6.0342, F.A.C.) filed March 1, 2019:

<http://www.psc.state.fl.us/library/filings/2019/01346-2019/01346-2019.pdf>

APPENDIX C

The Office of Public Counsel's First Set of Interrogatories (Nos. 1-15) and First Request for Production of Documents (Nos. 1-5) to Gulf Power Company in Docket No. 20200092-EI, served on April 30, 2020

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Storm protection plan cost recovery
clause.

DOCKET NO.: 20200092-EI

FILED: April 30, 2020

**CITIZENS' FIRST REQUEST FOR PRODUCTION OF DOCUMENTS
TO GULF POWER COMPANY (NOS. 1-5)**

Pursuant to section 350.0611(1), Florida Statutes (“F.S.”), Rule 28-106.206, Florida Administrative Code (“F.A.C.”), and Rule 1.350, Florida Rule of Civil Procedure, the Citizens of the State of Florida (“Citizens”) through the Office of Public Counsel (“OPC”), request Gulf Power Company (“Gulf” or “Company”) to produce the following documents for inspection and copying at the Office of Public Counsel, Claude Pepper Building, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400, or at such other mutually agreed place, on or before May 30, 2020. **In lieu of hard copy responses, OPC requests that the Company provide the responses electronically as described below in the Instructions.**

DEFINITIONS

As used herein, the following words shall have the meanings indicated:

“You,” “your,” “Company,” or “Gulf” refers to Gulf Power Company, its employees, consultants, agents, representatives, attorneys of the Company, and any other person or entity acting on behalf of the Company. “Parent” means the holding company or parent of the Florida regulated Company. “Affiliate” means the affiliate or sister companies regulated in Florida or which are regulated by, or operate primarily in, another jurisdiction.

“Document” refers to written matter of any kind, regardless of its form, and to information recorded on any storage medium, whether in electrical, optical or electromagnetic form, and capable of reduction to writing by the use of computer hardware and software. The terms “document” and “documents” are meant to have the broadest possible meaning under applicable law and includes, but is not necessarily limited to, any written, recorded, filmed or graphic matter, whether produced, reproduced, or on paper, e-mail, cards, tapes, film, electronic facsimile, computer storage device or any other media, including, but not limited to, all drafts, memoranda,

notes, minutes, records, photographs, correspondence, communications, telegrams, diaries, bookkeeping entries, financial statements, tax returns, checks, check stubs, reports, studies, charts, graphs, statements, notebooks, handwritten notes, applications, agreements, books, pamphlets, periodicals, appointment calendars, records and recordings of oral conversations, work papers, and notes, any of which are in your possession, custody, or control.

INSTRUCTIONS

1. If any document is withheld under any claim to privilege, please furnish a list identifying each document for which privilege is claimed, together with the following information: date, sender, recipients, recipients of copies, subject matter of the document, and the basis upon which such privilege is claimed.

2. Responsive documents available in an electronic format shall be provided in their native, Windows-compatible, electronic format; a searchable portable document format (.pdf); or, if scanned, in a searchable, Optical Character Recognition ("OCR") .pdf, unless the parties have reached a specific agreement in advance for production of the documents in a different, agreed-upon format or medium. OPC requests that responses for each production of document request be provided in separate electronic folders that include the documents responsive to the request.

3. If you have possession, custody, or control of the original of the documents requested, please produce a copy of the originals and all versions that are different in any way from the original, whether by interlineation, receipt stamp or notation. If you do not have possession, custody, or control of the originals of the documents requested, please produce a copy of the version(s) in your possession, custody, or control, however, made.

4. In providing documents, the Company, is requested to furnish all documents or items in its physical possession or custody, as well as those materials under the physical possession, custody or control of any other person acting or purporting to act on behalf of the Company or any of the employees or representatives, whether as an agent, independent contractor, attorney, consultant, witness, or otherwise, of the Company.

5. Please construe “and” as well as “or” either disjunctively or conjunctively as necessary to bring within the scope of this production of documents any document which might otherwise be constructed to be outside the scope.

6. Please provide all responses that include workpapers, data, calculations and spreadsheets in non-password protected and executable Windows-compatible computer program/models/software. Formulae, links, and cells, formatting, metadata and any other original features assisting in calculation should be intact. For example, Excel documents and documents of a similar format shall be produced in their native electronic format, with all spreadsheets, formulas, and links unlocked and intact. To the extent the data requested does not exist in the form requested, please notify the undersigned counsel so that the parties can confer to reach a resolution for timely production.

7. Pursuant to the Commission’s order establishing procedure, each page of every document produced pursuant to requests for production of documents shall be identified individually through the use of a Bates Stamp or other equivalent method of sequential identification.

8. If a document is responsive to a request to produce but cannot be located (original or copy), fully describe the document, its contents, and its last known location to the fullest extent possible.

PRODUCTION OF DOCUMENTS

1. Please refer to Production of Documents Request No. 5 in Docket No. 20200070-EI. Please provide all Company documents that describe how customer meters aid in the recovery from extreme weather events.
2. Please refer to Production of Documents, Request No. 6 in Docket No. 20200070-EI. Please provide all literature known to the Company that describe how customer meters aid in the recovery from extreme weather events.
3. Please refer to Production of Documents, Request No. 7 in Docket No. 20200070-EI. Please provide all Company documents that describe how battery installations aid in the recovery from extreme weather conditions.
4. Please refer to Production of Documents, Request No. 8 in Docket No. 20200070-EI. Please provide all literature known to the Company that describe how battery installations aid in the recovery from extreme weather conditions.
5. Please refer to Production of Documents Request No. 13 in Docket No. 20200070-EI. Please provide copies of all Company documents that discuss the separation of storm enhancement projects between those to be or already included in base rates and those projects to be included in the storm protection plan cost recovery clause filing for the years 2019, 2020, and 2021.

Respectfully submitted,

J.R. Kelly
Public Counsel

/s/Thomas A. (Tad) David
Thomas A. (Tad) David
Associate Public Counsel

Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400

Attorneys for the Citizens
of the State of Florida

CERTIFICATE OF SERVICE
DOCKET NO. 20200092-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing Citizens' First Request for Production of Documents (Nos. 1-5) to Gulf Power Company has been furnished by electronic mail on this 30th day of April 2020, to the following:

Gulf Power Company
Mark Bubriski
mark.bubriski@nexteraenergy.com

Florida Public Service Commission
Office of General Counsel
Jennifer Crawford
jcrawfor@psc.state.fl.us

Duke Energy
Mr. Robert Pickels
Robert.Pickels@duke-energy.com

Florida Power & Light Company
Ken Hoffman
ken.hoffman@fpl.com

Florida Public Utilities Company
Mike Cassel
mcassel@fpuc.com

Tampa Electric Company
Paula K. Brown
regdept@tecoenergy.com

PCS Phosphate - White Springs
James W. Brew
Laura Wynn Baker
c/o Stone Law Firm
jbrew@smxblaw.com
lwb@smxblaw.com

Walmart Inc.
Stephanie Eaton
Derrick Williamson
dwilliamson@spilmanlaw.com
seaton@spilmanlaw.com

/s/Thomas A. (Tad) David
Thomas A. (Tad) David
Associate Public Counsel

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Storm protection plan cost recovery
clause.

DOCKET NO.: 20200092-EI

FILED: April 30, 2020

**CITIZENS' FIRST SET OF INTERROGATORIES TO
GULF POWER COMPANY (NOS. 1-15)**

Pursuant to section 350.0611(1), Florida Statutes (“F.S.”), Rule 28-106.206, Florida Administrative Code (“F.A.C.”), and Rule 1.340, Florida Rules of Civil Procedure, the Citizens of the State of Florida (“Citizens”), through the Office of Public Counsel (“OPC”), propound the following interrogatories to Gulf Power Company (“Gulf” or “Company”), to be answered on or before May 30, 2020. These interrogatories shall be answered under oath by the Company or its agent, who is qualified and who will be identified. As provided by Rule 1.340(a), Florida Rules of Civil Procedure, each interrogatory shall be answered separately and fully in writing under oath unless it is objected to. Each answer shall be signed by the person making it. Please supply the name, address, and relationship to the Company of those persons providing the answers to each of the following interrogatories

To the extent the Company provides documents in response to an interrogatory, Citizens request that, in lieu of hard copy responses, the Company provide the documents electronically as described below in the Instructions. To the extent the Company provides electronic documents on a removable drive or disk, Citizens request the Company produce the drive or disk at the Office of Public Counsel, Claude Pepper Building, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400.

DEFINITIONS

As used herein, the following words shall have the meanings indicated:

“You,” “your,” “Company,” or “Gulf” refers to Gulf Power Company, its employees, consultants, agents, representatives, attorneys of the Company, and any other person or entity acting on behalf of the Company. “Parent” means the holding company or parent of the Florida regulated Company. “Affiliate” means the affiliates or sister companies regulated in Florida or which are regulated by, or operate primarily in, another jurisdiction.

“Document” refers to written matter of any kind, regardless of its form, and to information recorded on any storage medium, whether in electrical, optical or electromagnetic form, and capable of reduction to writing by the use of computer hardware and software.

“Identify” means:

- (a) With respect to a person, to state the person’s name, address and business relationship (e.g., “employee”) to the Company;
- (b) With respect to a document, to state the nature of the document in sufficient detail for identification in a request for production, its date, its author, and to identify its custodian. If the information or document identified is recorded in electrical, optical, or electromagnetic form, identification includes a description of the computer hardware or software required to reduce it to readable form.

“Explain” means to give the details of the outcome, inputs, process, conditions, circumstances, etc. that are related, directly or indirectly, to the subject of the interrogatory. This includes, but is not limited to, the purpose or intent of any process or undertaking that is the subject of or responsive to the interrogatory.

“Provide” means the response must contain all information accessible to the Company that is related, directly or indirectly, to the subject of the interrogatory.

INSTRUCTIONS

1. To the extent an interrogatory calls for information which cannot now be precisely and completely furnished, such information as can be furnished should be included in the answer, together with a statement that further information cannot be furnished, and a statement as to the reasons therefore. If you expect to obtain further information between the time answers are served and the time of hearing, you are requested to state this fact in each answer. If the information which cannot now be furnished is believed to be available to another person, identify such other person and the reasons for believing such person has the described information.
2. Please construe “and” as well as “or” either disjunctively or conjunctively as necessary to bring within the scope of this discovery request any response which might otherwise be constructed or construed to be outside the scope.

3. In the event any interrogatory herein calls for information or documents which you deem to be privileged, in whole or in part, you shall
 - (a) make the claim expressly and specify the grounds relied upon for the claim of privilege,
 - (b) produce the information or documents in redacted form, and
 - (c) to the extent any information or documents are withheld, you shall identify and describe the nature of each document not disclosed and each redacted provision in a manner that will enable other parties to assess the applicability of the privilege or protection.
 - (d) Documents or reports to be identified shall include all documents in your possession, custody and control and all other documents of which you have knowledge. If a document is produced in response to an interrogatory, please produce a copy of the original and all versions that are different in any way from the original, whether by interlineation, receipt stamp or notation. If you do not have possession, custody, or control of the originals of the documents requested, please produce a copy of the version(s) in your possession, custody, or control, however, made.
4. Separate answers shall be furnished for each interrogatory, although where the context permits, an interrogatory may be answered by reference to the answer furnished to another interrogatory.
5. For each interrogatory, identify the name, address, telephone number and position of the person responsible for providing the answer.
6. Responsive documents available in an electronic format shall be provided in their native, Windows-compatible, electronic format; a searchable portable document format (.pdf); or, if scanned, in a searchable, OCR (Optical Character Recognition ("OCR")) searchable .pdf format, unless the parties have reached a specific agreement in advance for production of the documents in a different, agreed-upon format or medium. OPC requests that responses for each production of document request be provided in separate electronic folders that include the documents responsive to the request.

Please provide all responses to these interrogatories that include workpapers, data, calculations and spreadsheets in non-password protected and executable Windows-compatible computer

program/models/software. Formulae, links, and cells, formatting, metadata and any other original features assisting in calculation should be intact. For example, Excel documents and documents of a similar format shall be produced in their native electronic format, with all spreadsheets, formulas, and links unlocked and intact. To the extent the data requested does not exist in the form requested, please notify the undersigned counsel so that the parties can confer to reach a resolution for timely production.

INTERROGATORIES

1. Please refer to Interrogatory No. 7 in Docket No. 20200070-EI. Please provide a detailed list and description of all functions of the customer meters that your Company has currently installed. The list should be broken into two categories: 1) functions used exclusively for extreme weather events and 2) functions other than those used for extreme weather events. For the purpose of this question, "extreme weather events" are defined as named tropical storm or hurricane events.
2. Please refer to Interrogatory No. 8 in Docket No. 20200070-EI. Please provide a detailed list and description of all functions of current and future battery installations currently in place or planned for construction. If any functions are described as required for extreme weather events, please provide a detailed description of the benefit(s) to customers during this type of event and why this is the main purpose for the battery installation. For the purpose of this question, "extreme weather events" are defined as named tropical storm or hurricane events.
3. Please refer to Interrogatory No. 10 in Docket No. 20200070-EI. If your answer to Question 9 in Docket No. 20200070-EI is yes, please explain how the Commission will be able to distinguish between costs covered by base rates and the incremental costs above that covered by base rates based on the language in the Rule 25-6.031(6)(b)?
4. Please refer to Interrogatory No. 22 in Docket No. 20200070-EI. Please provide a schedule listing all franchise agreements, indicating the expiration date and those currently being negotiated for renewal.
5. Please refer to Interrogatory No. 23 in Docket No. 20200070-EI. Please describe in detail how your Company determines what is included in a project that would be eligible for Allowance for Funds Used During Construction (AFUDC) treatment?
6. Please refer to Interrogatory No. 24 in Docket No. 20200070-EI. Please describe in detail how your Company determines when a project is eligible for AFUDC treatment? Please identify the document(s) containing the specific criteria for making such a determination.
7. Please refer to Interrogatory No. 25 in Docket No. 20200070-EI. Please provide the amount equal to 0.5% of the sum of the total balance in Account 101 – Electric Plant In Service, and Account 106 – Completed Construction not Classified as of February 29, 2020?
8. Please refer to Interrogatory No. 26 in Docket No. 20200070-EI. Given the following hypothetical:
 - Three undergrounding of lateral projects located in three distinctly separate counties and are not physically inter-connected other than as distinct components of the overall Company grid,
 - The Company contracts for all three under one contract,

- None of the three projects independently meet the AFUDC requirements of Rule 25-6.0141, Florida Administrative Code.
- All three projects added together meet the threshold test of Rule 25-6.0141, Florida Administrative Code.

Do you believe the above projects would accrue AFUDC in accordance with your company policies and procedures? Explain your answer.

9. Please refer to Interrogatory No. 29 in Docket No. 20200070-EI. According to your storm hardening plans filed with the Commission and approved by the Commission on July 9, 2019, your Company already has plans to perform storm hardening activities for 2019 and 2020. Is it your Company's opinion that all of these activities and identified dollar amounts or dollar amount ranges would be recovered through your Company's current base rates and therefore is not being requested for recovery through the new Storm Protection Plan Cost Recovery Clause (SPPCRC)? Explain your answer.
10. Please refer to Interrogatory No. 31 in Docket No. 20200070-EI. If your answer to Question 8 in Docket No. 20200070-EI would be yes, please explain how the Commission will be able to distinguish between costs covered by base rates and the incremental costs above that covered by base rates based on the language in the Rule 25-6.031(6)(b)?
11. Please refer to Interrogatory No. 32 in Docket No. 20200070-EI. Please explain in detail how the Company will distinguish between tree trimming expenses currently being recovered through base rates and those that you will be requesting as new incremental costs to be recovered through the SPPCRC?
12. Please refer to Interrogatory No. 33 in Docket No. 20200070-EI. Rule 25-6.030(3)(e)2, Storm Protection Plan does not require the Company to list the specific projects to be included in years 2 and 3. Please explain how the Commission can make a determination that the programs included in year 2 and 3 do not include projects already being recovered through base rates, if no project detail is given?
13. Please refer to Interrogatory No. 34 in Docket No. 20200070-EI. Rule 25-6.031(3), states that the annual hearing will be limited to determining the reasonableness of approved storm protection plan costs, determining the prudence of actual storm protection plan costs incurred by the utility, and establishing storm protection plan cost recovery factors consistent with the requirements of this rule. If no project information is required for years 2 and 3 of the plan, please explain how the Commission, Commission Staff or any intervenor can contest the inclusion of a particular project as being imprudent for inclusion in the clause for recovery?
14. Please refer to Interrogatory No. 40 in Docket No. 20200070-EI. Please provide a detailed explanation of how your Company arrived at the amount of vegetation management costs you plan to include in the SPPCRC?

15. Please refer to Interrogatory No. 41. Please provide a detailed explanation of how your company arrived at the amount of pole inspection costs you plan to include in the SPPCRC?

Respectfully submitted,

J. R. Kelly
Public Counsel

/s/ Thomas A. (Tad) David
Thomas A. (Tad) David
Associate Public Counsel

Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400

Attorneys for the Citizens
of the State of Florida

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF _____)

I hereby certify that on this _____ day of _____, 2020, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared _____, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) _____ from CITIZENS' FIRST SET OF INTERROGATORIES TO GULF POWER COMPANY (NOS. 1-15) in Docket No. 20200092-EI, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this _____ day of _____ 2020.

Notary Public
State of Florida, at Large

My Commission Expires:

CERTIFICATE OF SERVICE
DOCKET NO. 20200092-EI

I **HEREBY CERTIFY** that a true and correct copy of the foregoing Citizens' First Set of Interrogatories (Nos. 1-15) to Gulf Power Company has been furnished by electronic mail on this 30th day of April 2020, to the following:

Gulf Power Company
Mark Bubriski
mark.bubriski@nexteraenergy.com

Florida Public Service Commission
Office of General Counsel
Jennifer Crawford
jcrawfor@psc.state.fl.us

Duke Energy
Mr. Robert Pickels
Robert.Pickels@duke-energy.com

Florida Power & Light Company
Ken Hoffman
ken.hoffman@fpl.com

Florida Public Utilities Company
Mike Cassel
mcassel@fpuc.com

Tampa Electric Company
Paula K. Brown
regdept@tecoenergy.com

PCS Phosphate - White Springs
James W. Brew
Laura Wynn Baker
c/o Stone Law Firm
jbrew@smxblaw.com
lwb@smxblaw.com

Walmart Inc.
Stephanie Eaton
Derrick Williamson
dwilliamson@spilmanlaw.com
seaton@spilmanlaw.com

/s/ Thomas A. (Tad) David
Thomas A. (Tad) David
Associate Public Counsel