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September 3, 2020

**-VIA ELECTRONIC FILING -**

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

**Re: Docket No. 20200000-OT**

Dear Mr. Teitzman:

Attached for electronic filing on behalf of Florida Power & Light Company and Gulf Power Company is the response to the Commission Staff's First Data Request (No. 1).

If there are any questions regarding this transmittal, please contact me at (561) 304-5795.

Sincerely,

*s/ Maria Jose Moncada*  
Maria Jose Moncada

Attachment

cc: Service List (w/ attachment)

:8186835

**CERTIFICATE OF SERVICE**  
**Docket No. 20200000-OT**

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished  
by electronic service on this 2nd day of September 2020 to the following:

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By: s/ Maria Jose Moncada  
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**QUESTION:**

Please refer to Florida Power & Light's "New proposed section 25-6.0141(2)(a)(2)" shown on page 14 of its comments dated July 27, 2020:

How would this proposal work? For the purposes of this response, please describe the analysis that would be conducted. What results would be conclusive? What documentation would be provided to the Commission? When would this documentation be filed with the Commission?

**RESPONSE:**

The language proposed by FPL and Gulf for section 25-6.0141(2)(a)(2) is a straightforward approach for determining whether work can be bundled together, which is consistent with the current evaluations FPL and Gulf complete when selecting the best construction option for customers. Each construction project has a unique, specific outcome driven by company initiatives to provide customers with reliable, low cost service.

**How would this proposal work? Please describe the analysis that would be conducted.**

The procurement process employed by FPL and Gulf for large projects that could implicate allowance for funds used during construction ("AFUDC") accounting invites potential bidders to identify alternative proposals that will result in a lower cost. This allows potential bidders to respond with alternate proposals for work to be performed at multiple locations on an individual basis as well as on a bundled basis. FPL and Gulf will evaluate the various bid combinations submitted in response to the solicitation to determine the lowest evaluated cost and best approach. That determination includes whether the lowest evaluated cost and best approach results in contracting the work on an individual basis or as a bundle. FPL and Gulf employ this approach currently and would continue to apply this approach under the proposed amended rule.

In addition to evaluating possible combinations of individual and bundled bid pricing, FPL and Gulf will determine when it is appropriate to bundle work by verifying whether the following project management related criteria can be satisfied:

- The bundled work achieves a unique product, service, or result;
- Work performed will be managed by one FPL or Gulf project manager to ensure success of all work;
- The work will be performed under a single construction schedule with interrelated activities;
- The contractor performing the bundled work will be responsible for meeting performance and schedule guarantees for all the work collectively; and
- The work at the sites will be subject to a single approved budget.

**What results would be conclusive?**

A determination to bundle work performed at different locations will be based on achieving the lowest evaluated cost for the all the work, the satisfaction of the five criteria identified above, and an evaluation of the vendor/contractor qualifications to complete the work timely. This analysis can be objectively conducted and assessed.

**What documentation would be provided to the Commission?**

If bundling is selected as the lowest cost option for a specific group of projects, FPL and Gulf will memorialize that decision in a sourcing justification memorandum. The memorandum will include a summary of the evaluation of all bid combinations that substantiates the lowest cost approach for awarding work on a bundled basis. Additionally, where a bundling decision is indicated, the memorandum will document that bundling the work will satisfy the project management related criteria noted above.

**When would this documentation be filed with the Commission?**

FPL and Gulf propose to provide the available sourcing justification memorandum described above to the Commission staff and/or parties to a formal proceeding in which cost recovery is sought for the bundled projects, including AFUDC. To the extent it is not available at the time of the cost-recovery proceeding, FPL and Gulf will provide a copy to Staff no later than 30 days after the Company finalizes the memorandum.