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October 16, 2020

## VIA E-PORTAL

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

Re: [New Filing] - In re: Request by Florida Public Utilities Company to Modify Storm Protection Plan Filing Date and Make Associated Changes to Order No. PSC-2020-0097-PCO-EL.

Dear Mr. Teitzman:

Attached for electronic filing, please find Florida Public Utilities Company's Request to Modify Filing Dates Set Forth in Order No. PSC-2020-0097-PCO-EI for the Company's Storm Protection Plan and First Plan Update.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions or concerns.

Sincerely,

Beth Keating

Gunster, Yoakley & Stewart, P.A. 215 South Monroe St., Suite 601

Tallahassee, FL 32301

(850) 521-1706

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request by Florida Public Utilities ) Docket No.

Company to Modify Storm Protection Plan )

Filing Date and Make Associated Changes )

to Order No. PSC-2020-0097-PCO-EI. ) Filed: October 16, 2020

## FLORIDA PUBLIC UTILITIES COMPANY'S REQUEST TO MODIFY FILING DATES SET FORTH IN ORDER NO. PSC-2020-0097-PCO-EI FOR THE COMPANY'S STORM PROTECTION PLAN AND FIRST PLAN UPDATE

Florida Public Utilities Company, (herein "FPUC" or "Company"), by and through its undersigned counsel, hereby files this Request to Modify Filing Dates Set Forth in Order No. PSC-2020-0097-PCO-EI for the Company Storm Protection Plan and First Plan Update, pursuant to Sections 366.04 and 366.05, Florida Statutes ("F.S."), and in accordance with Rule 28-106.204, F.A.C.. FPUC respectfully asks that it be allowed to defer filing its initial storm protection plan for a period of one additional year, until 2022, and that it be allowed to follow the applicable provisions of Rule 25-6.030, Florida Administrative Code, for subsequent required updates to its Storm Protection Plan. In support of this Request, the Company states:

- 1. In 2019, the Florida Legislature passed SB 796, the "Storm protection plan cost recovery." Codified at Section 366.96, F.S., the new law requires each investor-owned electric utility ("IOU") to file a transmission and distribution storm protection plan ("Storm Protection Plan" or "SPP") for the Commission's review and directs the Commission to hold an annual proceeding to determine each IOU's prudently incurred costs to implement its plan and allow recovery of those costs through a Storm Protection Plan Cost Recovery Clause ("SPPCRC").
- 2. Section 366.96(3), F.S., also required the Commission to adopt rules to specify the elements that must be included in an IOU's filing for the Commission's

review of its storm protection plan. Consistent with that directive, the Commission issued a Notice of Development of Rulemaking on June 7, 2019. The notice included two new rules: Rule 25-6.030, Florida Administrative Code (F.A.C.), which would specify the elements that must be included in an IOU's storm protection plan, and Rule 25-6.031, F.A.C., which would establish the SPPCRC. On January 29, 2020, Final Order PSC-2020-0038-FOF-EU noticing adoption of Rule 25-6.030, FAC and Rule 25-6.031, FAC; rule was filed with the Department of State, and the new rules became effective on February 18, 2020.

- 3. Pursuant to new Rule 25-6.030, F.A.C., each utility must file a petition with the Commission for approval of a Storm Protection Plan that covers the utility's immediate 10-year planning period. Each utility must file, for Commission approval, an updated Storm Protection Plan at least every 3 years.
- 4. To facilitate the filing of the Storm Protection Plans, the Commission opened dockets for each IOU, including this Docket for FPUC, on March 3, 2020. On March 11, 2020, the Prehearing Officer issued Order No. PSC-2020-0073-PCO-EI, establishing procedure and consolidating Dockets No. 20200067-EI, 20200068-EI, 20200069-EI, 20200070-EI and 20200071-EI for purposes of hearing ("OEP"). Pursuant to the OEP, the IOUs' Storm Protection Plans, as well as supporting testimony and exhibits, must be filed with the Commission on or before April 10, 2020.
- 5. As the Commission is, however, aware, prior to the 2019 Legislative session, in October 2018, Hurricane Michael battered FPUC's Northwest Division, which serves 47% of FPUC's Electric customers. FPUC suffered 100% customer

outages immediately following the storm and incurred extraordinary and significant costs associated with the removal of debris and damaged equipment on its system, as well as the added expense of extensive capital projects necessary to rebuild its system serving the Northwest Division.

- 6. The rebuilding process, as well as the regulatory proceedings necessary to recoun its losses and allow it to continue to provide safe and reliable service to its customers, required that the Company dedicate the full capacity of its limited resources to both the planning and regulatory efforts associated with its recovery. As such, the Company filed a request on March 17, 2020, asking that the Commission allow the Company to defer filing its first Storm Protection Plan ("Storm Protect Plan" or "SPP") for a year, whereupon the Company agreed to file its next, updated plan within 2-years, so that it would re-align with the review period for the updated plans of the other IOUs, Tampa Electric Company ("TECO"), Duke Energy Florida, LLC ("Duke"), Gulf Power Company ("Gulf"), and Florida Power & Light Company ("FPL"). By Order No. PSC-2020-0097-PCO-EI, issued April 6, 2020, the Prehearing Officer granted the Company's request, directed that Docket No. 20200068-EI be closed, and required that FPUC file its Storm Protection on or before April 10, 2021 ("Extension Order"). The Extension Order also specifically directed that FPUC file the update to its initial Storm Protection Plan in 2023 in order to re-align itself with the timing of the other IOUs.
- 7. Subsequent to the issuance of the Extension Order, the other Florida IOUs filed their Storm Protection Plans, which were initially scheduled to be addressed

through an administrative hearing. Prior to hearing, however, the IOUs entered into a series of Settlement Agreements with the Office of Public Counsel ("OPC") and Walmart, the Florida Industrial Power Users Group ("FIPUG") (as it relates to TECO), and PCS Phosphate — White Springs ("PCS") (as it relates to Duke). These settlement agreements were approved by the Commission, as reflected in Order No. PSC-2020-0293-AS-EI, issued August 28, 2020. Among the terms of these approved settlement agreements is a provision that these IOUs will file their updated Storm Protection Plans in 2022, rather than in 2023.

- 8. In light of this settlement provision applicable to the other IOUs, the Storm Protection Plan filing timeline contemplated for FPUC in Order No. 2020-0097-PCO-EI will no longer align FPUC's Storm Protection Plan review period with that of the other IOUs.
- 9. FPUC is aware that there are certain administrative efficiencies to be gained by having FPUC's Storm Protection Plan review coincide with that of the other IOUs and the same has been suggested by Commission staff. In order to re-align the Storm Protection Plan filing and review for FPUC with the process for the other IOUs, there appear to be two options. FPUC could either: (1) file its initial plan in April, 2021, as contemplated by the Extension Order, and then file its update the very next year; or (2) delay its initial filing one additional year such that it files for the first time in 2022.
- 10. Here, it is worth noting that neither Section 366.96, F.S., nor Rule 25-6.030, F.A.C., provide a specific time frame within which an IOU must file its <u>first</u> plan. Thus, the Company respectfully requests that the Commission allow it to further

defer the filing of its first SPP until April 2022. Considering the overall complexity of the Storm Protection Plan filing, FPUC suggests that the other alternative, which would require the Company to file its initial Storm Protection Plan and first update in consecutive years, would be unduly burdensome and administratively inefficient given that there would likely be minimal change to the SPP in a 12-month period. FPUC further asks that subsequent updates for the Company's SPP be allowed to follow the timeline contemplated in Commission Rule 25-6.030, Florida Administrative Code.

- 11. If the Commission grants this request, FPUC commits that it would not seek to participate in the Commission's Storm Protection Plan Cost Recovery Clause in 2021.
- 12. The Company emphasizes that it will continue to ensure the safety, reliability, and storm resiliency of its transmission and distribution facilities pending the deferred filing of its Storm Protection Plan. To that end, the Company acknowledges that its current Storm Hardening Plan, approved in Docket No. 20180148-EI, runs through 2021. In order to ensure that there is no lapse in efforts to harden and protect FPUC's distribution system, the Company proposes that it be allowed to extend the effective period for its current Storm Hardening Plan into 2022 until the new SPP is approved.
- 13. FPUC states that it has consulted with the Office of Public Counsel regarding this request and is authorized to represent that the Office of Public Counsel is not opposed to FPUC's request.

WHEREFORE, Florida Public Utilities Company respectfully requests that the Commission modify the filing due date set forth in Order No. PSC-2020-0097-PCO-EI for the Company's initial Storm Protection Plan to allow the Company to file its initial Storm Protection Plan in April 2022 with subsequent updates to the Company's approved Storm Protection Plan to be filed in accordance with the timeline set forth in Rule 25-6.030, Florida Administrative Code.

RESPECTFULLY SUBMITTED this 16th day of October, 2020.

BY:

Beth Keating

Gunster, Yoakley & Stewart, P.A. 215 South Monroe St., Suite 601 Tallahassee, FL 32301

(850) 521-1706

Attorneys for Florida Public Utilities Company

## **CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing has been served by Electronic Mail this 16th day of October, 2020, upon the following:

Florida Public Utilities Company Mike Cassel 208 Wildlight Ave., Yulee, FL 32097 mcassel@fpuc.com	Rachael Dziechciarz Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 rdziechc@psc.state.fl.us
	Office of Public Counsel J.R. Kelly/Stephanie Morse c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 Kelly.jr@leg.state.fl.us Morse.stephanie@leg.state.fl.us

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