CORRESPONDENCE
4/27/2021
DOCUMENT NO. 03720-2021

Jacob Veaughn

From:	Angie Calhoun
Sent:	Tuesday, April 27, 2021 1:45 PM
To:	Records Clerk
Cc:	Hong Wang; Shalonda Gunn; Rhonda Hicks
Subject:	RE: FP&L Rate Case

I believe it should go in the FPL Rate Case docket 20210015 as mentioned by the customer. Whether they are relevant to the docket is up to staff assigned to decide.

Angie

From: Jacob Veaughn <JVEAUGHN@psc.state.fl.us> **On Behalf Of** Records Clerk
Sent: Tuesday, April 27, 2021 1:40 PM
To: Angie Calhoun <ACalhoun@PSC.STATE.FL.US>
Cc: Hong Wang <HWang@PSC.STATE.FL.US>; Shalonda Gunn <sgunn@psc.state.fl.us>
Subject: FW: FP&L Rate Case

Good afternoon,

Please see the e-mail below. Please let us know whether this needs to be entered in CMS as consumer correspondence, and what docket it should be placed in.

Thank you!

Jacob Veaughn
Commission Deputy Clerk I
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
Jacob.Veaughn@psc.state.fl.us
850.413.6656

From: 700 Universe <700universejb@gmail.com>
Sent: Monday, April 26, 2021 10:50 AM
To: Records Clerk <CLERK@PSC.STATE.FL.US>
Subject: FP&L Rate Case

With FP&L's ongoing rate case, here are some items the PSC and its staff may want to look into and should be aware of:

1. In 2015/2016 palms, nextera's captive insurance company, did a $20 million insurance premium distribution back to its parent company, nextera energy capital holdings. Did any of that redistribution go back to FP&L and it's rate payers? If so, how much? FP&L should have received some of this cash distribution, seeing as FP&L paid insurance premiums into palms.

2. There is constant and ongoing co-mingling of funds in palms, nextera's captive insurance company, between the FP&L regulated businesses and nextera's other unregulated businesses. There should be separate books and records between the regulated and non regulated businesses. The income statements and balance sheets of palms should be thoroughly reviewed by Staff. In addition, palms is planning to underwrite third party (outside) business, this will further intertwine funds within palms. The announcement for this new business venture can be found online.
3. There are many FP&L employees that work directly on palms and palms related activities. Their time and salary are not charged back to palms, rather FP&L is paying their salary. These employees should be paid directly by palms, not FP&L and rate payers since they are working on projects outside of FP&L.
4. In 2018, $3 million of property insurance costs were re-allocated from nextera's unregulated business, nextera energy resources, to FP&L, without any substantiation. Meaning rate payers now had an additional $3 million of insurance costs to pay for. What was the justification for this reallocation of premiums? Staff should look into FP&L's property insurance premium increases from 2018 -2021 and ask how those increases compared to increases for other non FP&L subsidiaries as a percent of total insured value. Staff may find that FP&L's property insurance premiums increased at a higher rate than its total insured value increased, compared to other nextera subsidiaries.
5. In 2019, FP&L increased the deductible on its property insurance from $10 million to $25 million. The rationale behind this change is that any repairs as a result of a loss or claim can get charged as capital expenditure and not as an expense. Meaning the rate payers, not FP&L's operation and maintenance budget, ultimately ends up paying for most repairs.
6. Project accelerated is a company wide initiative that focuses on reducing costs. Each year it's suggested that the personal excess liability and the executive car program, that are fringe benefits for FP&L and executive leadership be cut. However they never are. If FP&L leadership is so focused on reducing costs, they should lead by example and forgo these fringe benefits, seeing as they can afford them on their own.
7. Over the past four years, there is an increased correlation between project accelerated, which focuses on reducing operating and maintenance costs, and the increase number of electrocutions and deaths to members of the general public, as a result of decreased tree trimming. There has also been a decrease in response time to address and trim class four trees as noted in the FP&L tariff and a decrease in acknowledgement in customers tree requests. These reductions in service are being driven by the pressure to reduce operations and maintenance expenses every year since project accelerated began.
8. There has been an increased number of auto accidents and increased number of deaths within the FP&L auto fleet. Rather than focus on the root case of these accidents to try to prevent them in the future, nextera executive leadership directs palms, nextera's captive insurance company, that underwrites the FP&L auto liability policy, to charge FP&L a higher premium. This causes rate payers, not FP&L, to foot the bill for FP&L's poor driver performance.
9. Nextera executive leadership demands palms underwrite to a 55% loss ratio, when most captive insurance companies underwrite to a 80% - 90% loss ratio. The lower the loss ratio, the higher the premium that's charged. One of the primary reasons for having an in-house captive insurance company is to charge lower premiums and essentially break even vs. charging higher premiums and have the captive be a profit center. The ceo of nextera demands that palms be a profit center.

10. In 2020 nextera's unregulated subsidiary, nextera energy resources, that does very little business in the state of Florida, rented a suite at hard rock stadium for the super bowl. However multiple FP&L executives then attended the super bowl under the guise of being an "invited guest" of nextera energy resources.
11. In 2020, nextera bifurcated its property insurance policy, only from a premium prospective, between assets in Florida and those outside of Florida. The reason being was so that FP&L wouldn't have to pay self procurement taxes to the Florida surplus lines insurance officefor those assets located outside of Florida.

To the best of my knowledge, the above items are true and are being submitted in confidence and anonymously, with protection sought under the employee whistle blower protection act of 1989.

Jacob Veaughn

From: Jacob Veaughn on behalf of Records Clerk
Sent: Tuesday, April 27, 2021 1:59 PM
To: '700 Universe'
Cc: Consumer Contact
Subject: RE: FP&L Rate Case

Good Morning,

We will be placing your comments below in consumer correspondence in Docket No. 20210015 and forwarding your comments to the Office of Consumer Assistance and Outreach.

Jacob Veaughn
Commission Deputy Clerk I
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
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