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August 1, 2022

VIA ELECTRONIC FILING

Mr. Adam Teitzman
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 20220051-EI
Second Correction to Florida Power & Light Company's
Rebuttal Testimony of Michael Jarro

Dear Mr. Teitzman:

Enclosed for filing on behalf of Florida Power & Light Company ("FPL") are the following documents correcting the Rebuttal Testimony of Michael Jarro [DN 04177-2022] as previously corrected by FPL's first errata filed on July 27, 2022 [05031-2022]:

- Second Errata Sheet of FPL witness Michael Jarro
- Attachment 1 - a redline version of the Rebuttal Testimony of Michael Jarro
- Attachment 2 - a complete clean version of the Rebuttal Testimony of Michael Jarro, which includes the original Exhibit MJ-2 filed on June 21, 2022 [DN 04177-2022].

The above-referenced documents strike portions of FPL witness Jarro's Rebuttal Testimony that directly responded to and rebutted the portions of the Office of Public Counsel witness Lane Kollen's testimony that have been stricken by Commission Order No. PSC-2022-0292-PCO-EI issued on August 1, 2022.

For purposes of managing the existing record and ensuring earlier references to FPL witness Jarro's Rebuttal Testimony remain accurate, the pagination and line numbers for the clean version provided in Attachment 2 remain identical to the original version filed on June 21, 2022.

Copies of this filing will be provided as indicated on the enclosed Certificate of Service. If you or your staff have any questions regarding this filing, please contact me at (561) 691-7144.

Respectfully submitted,



Christopher T. Wright

Authorized House Counsel No. 1007055

Enclosures

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Electronic Mail to the following parties of record this 1st day of August 2022:

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s/ Christopher T. Wright

Christopher T. Wright
Fla. Auth. House Counsel No. 1007055

Attorney for Florida Power & Light Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Review of Storm Protection Plan, pursuant to Rule 25-6.030, F.A.C., Florida Power & Light Company

Docket No. 20220051-EI

Filed: August 1, 2022

FLORIDA POWER & LIGHT COMPANY
SECOND ERRATA SHEET OF MICHAEL JARRO

Florida Power & Light Company (“FPL”) hereby submits this second errata sheet to correct the **Rebuttal Testimony of Michael Jarro** filed in the above referenced docket on April 21, 2022.

Pursuant to Commission Order No. PSC-2022-0292-PCO-EI issued on August 1, 2022, certain portions of the direct testimony of Lane Kollen submitted on behalf of the Office of Public Counsel (“OPC”) were stricken and will not be admitted into the evidentiary record for this docket. Accordingly, it is necessary to make the following changes to those portions of the Rebuttal Testimony of FPL witness Jarro rebuttal testimony that directly responded to and rebutted the portions of the OPC witness Kollen’s testimony that have been stricken:

<u>Page and Line No.#</u>	<u>Changes/Corrections</u>
P. 1, ln. 25	Revise: Corrected by [Second] Errata Filed July [August] 27[1], 2022
P. 2, ln. 4-5	Strike: OPC’S PROPOSED NEW COST BENEFIT AND COST-EFFECTIVENESS STANDARDS ARE NOT APPROPRIATE OR NECESSARY
P. 2, ln. 8-9	Strike: OPC’S CLAIM THAT ONLY NEW OR EXPANDED STORM HARDENING PROGRAMS QUALIFY FOR INCLUSION IN THE SPP IS INAPPROPRIATE
P. 3, ln. 22 through p. 4, ln. 6	Strike in its entirety.
P. 4, ln. 16-24	Strike in its entirety.
P. 5, ln. 10-11	Strike: I note that FPL witness Liz Fuentes will also respond to OPC witness Kollen’s concerns regarding FPL’s calculation of the revenue requirements submitted with the 2023 SPP.
P. 8, ln. 17 through p. 9, ln. 2	Strike everything after “No.” on page 8, line 17.
P. 9, ln. 12-25	Strike everything after “Yes” on page 9, line 12.

- P. 10, ln, 2 Strike: ~~Second, and related to its first argument,~~ OPC contends that the benefits of the SPP
- P. 10, ln. 4-5 Strike: SPP Rule. ~~OPC’s proposal again attempts to add new requirements to the SPP Statute and SPP Rule that do not exist today.~~ As explained in my direct testimony, FPL has
- P. 10, ln. 17-24 Strike in its entirety.
- P. 11, ln. 1 through p. 13, ln. 22 Strike in its entirety.
- P. 14, ln. 19-24 Strike in its entirety.
- P. 20, ln. 13 through p. 23, ln. 15 Strike in its entirety.
- P. 32, ln. 3-4 Strike: ~~Despite the many pages of OPC’s testimony dedicated to recommending that the Commission adopt and apply a new cost-effectiveness test,~~

Provided as “**Attachment 1**” is a redline version of the Rebuttal Testimony of Michael Jarro that reflects the above referenced corrections. Provided as “**Attachment 2**” is a clean version of the Rebuttal Testimony of Michael Jarro that reflects the above-referenced corrections. For purposes of managing the existing record and ensuring earlier references to FPL witness Jarro’s Rebuttal Testimony remain accurate, the pagination and line numbers for the clean version provided in **Attachment 2** remain identical to the original version filed on June 21, 2022.

Please note, however, that FPL expressly reserves the right to offer the Rebuttal Testimony of Michael Jarro as originally filed on June 21, 2022, as corrected by the first errata filed on July 27, 2022, pending further action by the Commission related to Order No. PSC-2022-0292-PCO-EI.

Respectfully submitted this 1st day of August 2022,

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ATTACHMENT 1

**Florida Power & Light Company
Docket No. 20220051-EI**

**Rebuttal Testimony of Michael Jarro
Corrected by Second Errata Filed August 1, 2022 (REDLINE)**

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **DOCKET NO. 20220051-EI**

3
4 **FLORIDA POWER & LIGHT COMPANY**

5 **2023-2032 STORM PROTECTION PLAN**

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9 **REBUTTAL TESTIMONY OF**

10 **MICHAEL JARRO**

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24 **Filed: June 21, 2022**

25 **Corrected by [Second](#) Errata Filed [August](#) ~~July~~ [127](#), 2022**

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1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Michael Jarro. My business address is Florida Power & Light Company
4 (“FPL” or the “Company”), 15430 Endeavor Drive, Jupiter, FL, 33478.

5 **Q. Did you previously submit direct testimony?**

6 A. Yes. I submitted written direct testimony on April 11, 2022, together with Exhibit MJ-
7 1 – FPL’s Storm Protection Plan 2023-2032. On May 6, 2022, FPL filed and served a
8 Notice of Filing a Revised Appendix E to Exhibit MJ-1 to correct the completion dates,
9 start dates, and amounts projected for certain Distribution Feeder Hardening Program
10 projects included in the 2023 project level detail.

11 **Q. What is the purpose of your rebuttal testimony?**

12 A. The purpose of my rebuttal testimony is to respond to certain portions of the direct
13 testimonies of Lane Kollen and Kevin J. Mara submitted on behalf of the Office of
14 Public Counsel (“OPC”). My rebuttal testimony will respond to the concerns,
15 questions, and recommendations raised by these witnesses in opposition to FPL’s 2023-
16 2032 Storm Protection Plan (“2023 SPP”) submitted as Exhibit MJ-1 and as corrected
17 by the Notice of Filing a Revised Appendix E to Exhibit MJ-1 filed on May 6, 2022.

18
19 First, I will provide some context and general observations regarding OPC’s concerns
20 and criticisms of FPL’s 2023 SPP.

21
22 ~~Second, I will address OPC’s recommendation that the Florida Public Service~~
23 ~~Commission (the “Commission”) apply new cost-effectiveness criteria and standards~~
24 ~~to review and approve the SPP programs and projects proposed in this proceeding. In~~
25 ~~essence, OPC seeks to convert this matter into a rulemaking proceeding and asks the~~

1 ~~Commission to adopt and apply new criteria and standards that are not currently~~
2 ~~required by Section 366.96, Florida Statutes (hereinafter referred to as the “SPP~~
3 ~~Statute”), or Rule 25-6.030, Florida Administrative Code (hereinafter referred to as the~~
4 ~~“SPP Rule”). As I will explain below, OPC’s attempt to amend the requirements of~~
5 ~~the SPP Statute and SPP Rule as part of this proceeding is inappropriate and~~
6 ~~unnecessary.~~

7
8 Third, I will address OPC’s contention that FPL did not provide an estimate of how the
9 programs and projects included in the 2023 SPP will reduce restoration costs and
10 outage times as required by the SPP Rule. As explained below, OPC’s position is based
11 on its incorrect interpretation of the SPP Statute and SPP Rule, and ignores the fact that
12 SPP programs and projects provide both quantitative and qualitative benefits. I will
13 further explain that FPL’s 2023 SPP complies with the requirements of the SPP Statute
14 and SPP Rule.

15
16 ~~Fourth, I will address the incorrect contention of OPC witness Kollen that only new or~~
17 ~~expanded storm hardening programs are eligible to be included in the SPP. As~~
18 ~~explained below, OPC witness Kollen ignores the language of the SPP Statute and Rule~~
19 ~~25-6.031, Florida Administrative Code (hereinafter referred to as the “SPPCRC Rule”)~~
20 ~~that limits double recovery, and misapplies the requirement for the Storm Protection~~
21 ~~Plan Cost Recovery Clause (“SPPCRC”) to the SPP. Existing programs, together with~~
22 ~~new or expanded programs, are all eligible for approval as SPP programs under the~~
23 ~~SPP Statute. The issue of whether costs are recovered in base rates or the SPPCRC is~~
24 ~~a matter to be addressed in the applicable SPPCRC proceeding.~~

1 Finally, I will address and rebut OPC witness Mara's recommendations and
2 adjustments to five out of the nine programs included in FPL's 2023 SPP.
3 Specifically, I will address the following recommendations by OPC: modify the
4 Substation Storm Surge/Flood Mitigation Program; reduce the budget for the
5 Distribution Lateral Hardening Program;

6 and reject the new Transmission Access
7 Enhancement Program. As I explain below, each of these recommendations are
8 inappropriate and unnecessary, and do not serve customers' best interests.

9

10 ~~Inote that FPL witness Liz Fuentes will also respond to OPC witness Kollen's concerns~~
11 ~~regarding FPL's calculation of the revenue requirements submitted with the 2023 SPP.~~

12 **Q. Are you sponsoring any exhibits with your rebuttal testimony?**

13 A. Yes. I am sponsoring the following exhibits with my rebuttal testimony:

- 14 • Exhibit MJ-2, FPL's Response to OPC's Fourth Set of Interrogatories No.
15 50.

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21 **II. GENERAL RESPONSE TO OPC'S CONCERNS**

22 **Q. Before addressing the specific issues and recommendations raised by OPC, do you**
23 **have any general observations?**

24 A. Yes. The evaluation of FPL's 2023 SPP must be grounded in the fact that FPL has
25 successfully been engaging in Commission-approved storm hardening for the last 16

1 years. During this time, the Commission has reviewed and had full transparency into
2 all aspects of FPL’s storm hardening activities, and interested parties and stakeholders
3 had the opportunity to participate in these reviews. Indeed, in its report “Review of
4 Florida’s Electric Utility Hurricane Preparedness and Restoration Actions 2018”, in
5 Docket No. 20170215-EU, the Commission recognized the success of historical storm
6 hardening efforts in Florida. Key findings by the Commission in that report included:

- 7 • Florida’s aggressive storm hardening programs are working (Section V);
- 8 • The length of outages was reduced markedly from the 2004-2005 storm
9 season (Section IV);
- 10 • The primary cause of power outages came from outside the utilities’ rights
11 of way including falling trees, displaced vegetation, and other debris
12 (Section IV);
- 13 • Vegetation management outside the utilities’ rights of way is typically not
14 performed by utilities due to lack of legal access (Section IV);
- 15 • Hardened overhead distribution facilities performed better than non-
16 hardened facilities (Section V);
- 17 • Very few transmission structure failures were reported (Section V); and
- 18 • Underground facilities performed much better compared to overhead
19 facilities (Section V).

20 In response to Hurricanes Matthew and Irma, the Florida Legislature passed the SPP
21 Statute “to mitigate restoration costs and outage times to utility customers” by
22 “strengthen[ing] electric utility infrastructure to withstand extreme weather conditions
23 by promoting the overhead hardening of electrical transmission and distribution
24 facilities, the undergrounding of certain electrical distribution lines, and vegetation
25 management.” Section 366.96(1)(c)-(e), F.S. From these facts, one can logically and

1 reasonably conclude that the Legislature did not pass the SPP Statute to stop or limit
2 storm hardening activity in Florida, nor can one assume that the passage of the SPP
3 Statute was an indictment or criticism against storm hardening activity that has
4 previously taken place in Florida. Rather, it is reasonable to assume that the Florida
5 Legislature passed the SPP Statute to encourage, streamline, and advance storm
6 hardening work in this state.

7

8 FPL’s 2023 SPP outlines a comprehensive storm protection plan that meets the
9 statutory objectives codified in the SPP Statute and complies with the requirements of
10 the SPP Rule. The 2023 SPP is largely a continuation of the following programs
11 included in the current 2020-2029 Storm Protection Plan (hereinafter, the “2020 SPP”)
12 that were agreed to by OPC in a Joint Motion for Approval of a Stipulation and
13 Settlement Agreement (“2020 SPP Settlement”), approved by Commission Order No.
14 PSC-2020-0293-AS-EI:

- 15 • Distribution Inspection Program
- 16 • Transmission Inspection Program
- 17 • Distribution Feeder Hardening Program
- 18 • Distribution Lateral Hardening Program
- 19 • Transmission Hardening Program
- 20 • Distribution Vegetation Management Program
- 21 • Transmission Vegetation Management Program
- 22 • Substation Storm Surge/Flood Mitigation Program

23 The majority of the existing SPP programs have been in place since 2007 and have
24 already demonstrated that they have provided and will continue to provide increased
25 T&D infrastructure resiliency, reduced restoration times, and reduced restoration costs

1 when FPL is impacted by extreme weather events. For certain existing SPP programs,
2 FPL proposed limited modifications to further improve these programs and implement
3 best practices as further described in my direct testimony and Exhibit MJ-1. Notably,
4 OPC has not opposed or challenged any of these modifications to the existing SPP
5 programs.

6
7 As part of the 2023 SPP, FPL also proposed to implement a new
8
9 Transmission Access Enhancement Program. As detailed in my direct testimony and
10 Exhibit MJ-1, the new

11
12 Transmission Access Enhancement Program
13 will help ensure that FPL and its contractors have reasonable access to FPL's
14 transmission facilities for repair and restoration activities following an extreme weather
15 event.

16 **Q. Does OPC challenge all of the programs included in FPL's 2023 SPP?**

17 A. No. ~~OPC submitted the direct testimony of OPC witness Kollen in all four SPP dockets~~
18 ~~currently pending before the Commission. The vast majority of his direct testimony~~
19 ~~(pages 6-21) is dedicated to proposing that the Commission adopt new criteria~~
20 ~~standards that do not exist in the SPP Statute or SPP Rule today and apply those to~~
21 ~~reject all of the SPPs submitted by all four investor-owned utilities ("IOU") that do not~~
22 ~~meet his proposed new cost effectiveness threshold. Thus, OPC witness Kollen is~~
23 ~~seeking to establish new standards, outside the SPP Statute and the SPP Rule, to review~~
24 ~~the SPP and does not oppose or challenge any specific program included in FPL's 2023~~

1 ~~SPP. I will respond to OPC witness Kollen's proposed new criteria and standards later~~
2 ~~in my testimony and explain that his proposal is inappropriate and unnecessary.~~

3
4 On pages 13, and 17-34, OPC witness Mara proposes adjustments to two of the existing
5 SPP programs and opposes the new SPP program . Based on the testimony of
6 OPC witness Mara, it appears that OPC essentially agrees with eight out of the nine
7 programs included in FPL's 2023 SPP. I will respond to OPC's recommended
8 adjustments to the existing SPP programs and criticisms of the new SPP programs later
9 in my testimony.

10 **Q. Do you have any additional general observations about the testimonies of OPC**
11 **witnesses Kollen and Mara?**

12 A. Yes. ~~Other than the proposed adjustments to the Substation Storm Surge/Flood~~
13 ~~Mitigation Program and Distribution Lateral Hardening Program, and opposition to the~~
14 ~~three new proposed SPP programs, the OPC witnesses primarily make four general~~
15 ~~arguments in opposition to FPL's 2023 SPP.~~

16
17 ~~First, OPC argues that the Commission should adopt and apply new formulaic cost-~~
18 ~~benefit and cost-effectiveness requirements for approval of SPP programs and projects.~~
19 ~~As explained below, the Florida Legislature and this Commission, through the SPP~~
20 ~~Rule, have already addressed the issue and declined to require either cost benefit~~
21 ~~analysis or a cost-effectiveness threshold in the review and approval of a SPP. FPL's~~
22 ~~2023 SPP has fully complied with all the requirements of what must be included in a~~
23 ~~SPP pursuant to the SPP Statute and SPP Rule as explained in my direct testimony.~~
24 ~~For the reasons explained later in my testimony, OPC's proposal is inappropriate and~~
25 ~~unnecessary for several reasons.~~

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~~Second, and related to its first argument,~~ OPC contends that the benefits of the SPP programs must be quantified and monetized in order to meet the requirements of the SPP Rule. ~~OPC's proposal again attempts to add new requirements to the SPP Statute and SPP Rule that do not exist today.~~ As explained in my direct testimony, FPL has provided a description of how the 2023 SPP will reduce restoration costs and outage times associated with extreme weather events in compliance with express requirements of SPP Rule. As explained in greater detail below, storm hardening is not a simple cost-effective proposition and OPC's belief that outage times should be monetized ignores the very real and simple fact that the monetary value individual customers or communities place on reduced outage times cannot be accurately or uniformly estimated. Moreover, OPC's recommendation that FPL's SPP programs require further cost-justification before they can be approved is directly contrary to OPC's own testimony that requests the Commission reject only three of the nine programs included in FPL's 2023 SPP as further explained in my rebuttal testimony.

~~Third, OPC argues that projects which displace base rate costs that would have been incurred during the normal course of business and that are not incurred on an incremental basis specifically to achieve the objectives of the SPP Rule are not eligible to be included in the SPP. As explained below, OPC's argument misconstrues the language of the SPP Statute and SPPCRC Rule, misapplies the requirement for the SPPCRC to the SPP, and disregards that the issue of whether SPP costs are recovered in base rates or the SPPCRC is a matter to be addressed in the annual SPPCRC proceedings.~~

1 Finally, OPC raises questions regarding FPL's calculation of the SPP revenue
2 requirements that were used to estimate the rate impacts of the programs included in
3 FPL's 2023 SPP. FPL witness Liz Fuentes will respond to these criticisms.
4

5 **III. OPC's PROPOSED NEW COST-BENEFIT AND COST-EFFECTIVENESS**
6 **STANDARDS ARE NOT APPROPRIATE OR NECESSARY**

7 **Q. — OPC is proposing that the Commission apply new standards and criteria to review**
8 **the IOUs' SPPs. Are these the same standards and criteria that FPL used to**
9 **prepare its 2023 SPP?**

10 **A. — No.** FPL designed its SPP programs and prepared the 2023 SPP based on the
11 requirements and standards prescribed in the SPP Statute and SPP Rule that were in
12 effect at the time FPL filed the 2023 SPP on April 11, 2022, and which remain in effect
13 today. OPC, on the other hand, is asking the Commission to adopt new criteria and
14 standards that, as I further explain below, are not currently in either the SPP Statute or
15 SPP Rule and then retroactively apply those new requirements to the IOUs' SPPs that
16 were filed on April 11, 2022 to determine if they should be approved.

17 **Q. — Please summarize OPC's proposal to add new criteria and standards to the review**
18 **of the IOUs' SPPs.**

19 **A. —** OPC witness Kollen is proposing that the Commission adopt a new requirement for the
20 SPP's to include a cost-benefit analysis and establish a new cost-effectiveness test to
21 determine if the SPP programs should be approved. OPC witness Kollen then
22 recommends on page 9 of his testimony that the "Commission reject all proposed SPP
23 projects that are not economic, meaning that they do not have a benefit-to-cost ratio of
24 at least 100%." On page 14 of his direct testimony, OPC witness Kollen goes on to
25 conclude that "FPL's programs and costs are not prudent and reasonable unless they

1 meet all of the requirements” proposed by OPC witness Kollen. Thus, OPC witness
2 Kollen proposes that the Commission adopt a new cost-effectiveness threshold and
3 apply that new standard to review and approve/reject the programs and projects
4 included in FPL’s 2023 SPP.

5 **Q. Do you have concerns with OPC’s proposal that the Commission adopt and apply**
6 **a new cost-effectiveness test to review the IOUs’ SPPs?**

7 **A.** Yes. First, the SPP Statute and SPP Rule do not prescribe or require a traditional cost-
8 benefit analysis or cost-effectiveness test for projects or programs to be included in the
9 SPP. The Statute makes no mention of any such analysis or test and, instead, the
10 Florida Legislature left that determination to the discretion of the Commission by
11 directing it to adopt rules necessary to implement the statute. In adopting the SPP Rule,
12 the Commission could have prescribed specific metrics, standards, and formulas to
13 require the SPP programs to meet a cost effective threshold, but it wisely did not
14 because each program is different and, therefore, must be evaluated on its particular
15 facts and merits. Indeed, Rule 25-6.030(3)(d)(4), F.A.C., requires the SPP to include a
16 “comparison” of the estimated costs and described benefits for each SPP program,
17 which is provided in the following portions of FPL’s 2023 SPP: Section II; the
18 “Comparison of Costs and Benefits” included in each SPP program description in
19 Section IV; and Appendix A of Exhibit MJ-1. As such, a cost benefit analysis or cost-
20 effectiveness test for each major component of the SPP is not required under either the
21 SPP Statute or SPP Rule. OPC is attempting to re-litigate the SPP Rule approved by
22 this Commission.

23
24 ~~Second, in the SPP Rule, the Commission prescribed specific information and data that~~
25 ~~must be included with each SPP, including, but not limited to, estimated costs,~~

1 description of the benefits, criteria to prioritize and select projects, and estimated rate
2 impacts. As explained in my direct testimony, FPL provided this information in its
3 2023 SPP consistent with SPP Rule. The Commission can use and “compare” all of
4 the information it specifically required FPL to provide in the SPP to determine if,
5 pursuant to the SPP Statute, the programs and projects included in the SPP are in the
6 public interest and should be approved, or if the SPP programs should be modified or
7 denied. Each program is different and, therefore, the comparison of costs and benefits
8 must be evaluated on its particular facts and merits.

9
10 ~~Third, the analysis of whether the benefits of a SPP program or project justify the~~
11 ~~estimated costs is not a one-size-fits-all proposition as suggested by OPC. This is~~
12 ~~clearly demonstrated by the fact that, as OPC witness Kollen acknowledges on page 14~~
13 ~~of his direct testimony, each of the electric utilities took very different approaches to~~
14 ~~comparing the estimated costs and benefits of their SPP programs. Further, such~~
15 ~~analyses are necessarily dependent on several highly variable factors that, in large part,~~
16 ~~are beyond the utility’s control and cannot be accurately predicted, including, but not~~
17 ~~limited to: the number of annual extreme weather events; the path of each storm; the~~
18 ~~intensity or category of each storm; the speed or duration of each storm; the availability~~
19 ~~of resources to respond to and provide storm restoration services for each storm; and~~
20 ~~the extent to which the infrastructure has been storm hardened at the time of each~~
21 ~~projected storm. Moreover, the benefits to be included in such analyses should not be~~
22 ~~limited to only avoided utility costs as I will explain further.~~

23

1 **IV. FPL'S 2023 SPP WILL REDUCE RESTORATION COSTS AND OUTAGE**
2 **TIMES AS REQUIRED BY RULE 25-6.030, F.A.C.**

3 **Q. Both OPC witnesses Kollen and Mara argue that FPL's 2023 SPP did not meet**
4 **the requirements of the SPP Rule because it did not quantify and monetize the**
5 **benefits of the proposed SPP Programs. Do you have a response?**

6 A. Yes. I disagree with OPC witnesses Kollen and Mara that further cost-justification of
7 FPL's 2023 SPP programs is needed or appropriate. On pages 17-19 of his testimony,
8 OPC witness Kollen states that FPL did not provide any quantitative benefits for the
9 proposed SPP programs and that it is not enough under the SPP Rule to simply say
10 there will be benefits without quantifying those benefits. OPC witness Mara likewise
11 states on pages 10-11 of his testimony that FPL only provided written descriptions of
12 SPP program benefits and did not quantify the estimated cost reductions or monetize
13 the reduction of outage times for each program. OPC witness Mara goes on to suggest
14 on page 11 of his testimony that FPL should be required to file an amended SPP that
15 provides this data. OPC's contention that FPL failed to comply with the SPP Rule
16 because it did not quantify the benefits of the SPP programs is misplaced for several
17 reasons.

18
19 ~~First, OPC's contention that the SPP must include quantifiable and monetized benefits~~
20 ~~for each SPP program is a fallout of OPC's proposal that the Commission adopt and~~
21 ~~apply a new cost benefit analysis and new cost effectiveness threshold for the SPP~~
22 ~~programs. As I explained above, OPC's proposed new criteria and standards to review~~
23 ~~the SPPs are contrary to the requirements of both the SPP Statute and SPP Rule and~~
24 ~~should be rejected.~~

25

1 Second, there is nothing in either the SPP Statute or SPP Rule that prescribes that the
2 benefits of SPP programs must be quantified or monetized as suggested by the OPC
3 witnesses. Rather, the SPP Rule expressly provides that the SPP must include a
4 “description” of the benefits of the SPP programs. See Rule 25-6.030(3)(b), F.A.C.
5 (“For each Storm Protection Plan, the following information must be included.... (b)
6 *A description* of how the proposed Storm Protection Plan will reduce restoration costs
7 and outage times associated with extreme weather conditions” (emphasis added)); see
8 also Rule 25-6.030(3)(d)(1), F.A.C. (“*A description* of each proposed storm protection
9 program that includes: (1) A description of how each proposed storm protection
10 program is designed to enhance the utility’s existing transmission and distribution
11 facilities including an estimate of the resulting reduction in outage times and restoration
12 costs due to extreme weather events” (emphasis added)).

13
14 Third, storm hardening is not a simple cost-effective proposition as suggested by OPC.
15 OPC’s approach focuses only on program costs and savings in restoration costs
16 associated with extreme weather conditions (*i.e.*, a strictly quantitative analysis), and
17 completely ignores the qualitative component required by both the SPP Statute and SPP
18 Rule. Stated differently, OPC’s proposed cost-benefit and cost-effectiveness approach
19 ignores half of the benefits side of the equation. It cannot be reasonably disputed that
20 customers want the extended outage times associated with extreme weather events to
21 be reduced. Indeed, the Florida Legislature concluded that reducing outage times for
22 utility customers, as well as restoration costs, is in the public interest. The Commission
23 can and should compare these factors and determine whether the estimated benefits of
24 the storm hardening programs are justified by the estimated rate impacts.

25

1 Fourth, OPC witness Mara's belief that outage times should be monetized, ignores the
2 very real and simple fact that the monetary value individual customers or communities
3 place on reduced outage times cannot be accurately or uniformly estimated. Indeed,
4 some customers may be willing to pay a premium to never have a power outage, while
5 others may be willing to tolerate a few short outages. Moreover, the SPP Rule does
6 not require the outage times to be monetized as explained above, and there is no
7 uniform Commission or industry method to do so. Such analyses are necessarily
8 dependent on several highly variable factors (such as the intensity, path, and duration
9 of the extreme weather event and extent that the system has been hardened) and could
10 include a very wide range of subjective economic factors, including, but not limited to:
11 individual and different customer value on reduced outage times, including comfort,
12 health, and convenience; economic impact to individual customers due to spoilage, loss
13 or disruption of business, and loss of equipment or supplies; and impact to the local
14 and state economy. Thus, even if the SPP Statute and Rule did require the reduction in
15 outage times to be monetized, which they do not, there is significant uncertainty and
16 variability in how that should be done.

17

18 Finally, OPC's recommendation that FPL's SPP programs require further cost-benefit
19 analysis or cost-justification before they can be approved is directly contrary to OPC
20 witness Mara's testimony on pages 13 and 17-34 that requests the Commission only
21 reject three of the nine programs included in FPL's 2023 SPP. Stated differently,
22 OPC witness Mara does not dispute that it would be reasonable for the Commission to
23 allow FPL to implement the eight programs included in the 2023 SPP as further
24 explained below. Either these SPP programs are in the public interest and should be
25 approved, or they are not. The fact that OPC witness Mara has essentially agreed that

1 most of these programs should be approved without further cost-justification clearly
2 suggests that OPC believes FPL has provided sufficient information about each of the
3 SPP programs for the Commission to determine if they are in the public interest.

4 **Q. On page 18 of his direct testimony, OPC witness Kollen recommends that FPL**
5 **should be directed to use its storm damage assessment model to model and**
6 **quantify the estimated benefits and savings from the programs included in FPL’s**
7 **2023 SPP. Please describe FPL’s Storm Damage Model.**

8 A. FPL’s Storm Damage Model is a very important proprietary tool developed by FPL to
9 prepare for major storms that threaten FPL’s service area. The Storm Damage Model
10 is used for major storms with a forecast track provided by the National Hurricane
11 Center to estimate the number of construction man-hours (“CMH”) required to restore
12 power to customers based on the forecasted intensity, speed, path of the storm, and the
13 condition (hardened vs. non-hardened) of the infrastructure at the time of the storm.
14 The Storm Damage Model is a planning tool used by the Company to estimate the
15 extent of damage expected from a projected storm, and the number and location of
16 resources that will be needed to quickly and safely restore power outages to the greatest
17 number of customers in the shortest amount of time.

18 **Q. Do you agree with OPC witness Kollen’s recommendation that FPL should use**
19 **the Storm Damage Model to model to quantify the benefits and savings associated**
20 **with the programs included in FPL’s 2023 SPP?**

21 A. No, FPL’s Storm Damage Model was not intended to be used to quantify individual
22 SPP programs or projects. As provided in Appendix A to Exhibit MJ-1, FPL used its
23 Storm Damage Model to analyze Hurricanes Matthew and Irma and estimate the
24 reduction in CMH, days to restore, and storm restoration costs that were attributable to
25 the storm hardening projects that were completed and in place at the time of the

1 hurricanes. This analysis was based mainly on the feeders that FPL knew had been
2 hardened versus non-hardened at the times Hurricanes Matthew and Irma occurred, and
3 included the distribution inspection and vegetation management that had been
4 completed at the times Hurricanes Matthew and Irma occurred. OPC witness Kollen
5 proposes something different.

6
7 OPC witness Kollen proposes that FPL use the Storm Damage Model to model the
8 future system with the proposed 2023 SPP programs in place for the entire 2023-2032
9 SPP period to quantify the costs that could be avoided due to the SPP programs. The
10 problem with this approach is that, beyond year one of the SPP (2023), the project level
11 detail has not been determined; meaning FPL does not at this time know which specific
12 projects will be completed each year or where they will be located for the entire 2023-
13 2032 SPP period. The scope and location of the storm hardening projects used in the
14 Storm Damage Model for each year of the SPP will have a significant impact on the
15 results of the analysis. For example, if FPL assumes a storm hardening project in a
16 densely populated urban area as opposed to a rural area, or vice versa, this could change
17 the damage estimated by the Storm Damage Model. Also illustrative is the fact that
18 the estimated length, number of poles, location, and accessibility of the laterals used in
19 the model would change the damage estimated by the Storm Damage Model. Each of
20 these factors, which cannot be reasonably predicted for the entire 2023-2032 SPP
21 period, would impact the estimated CMH, days to restore, and storm restoration costs
22 predicted by the Storm Damage Model. For these reasons, the Storm Damage Model
23 does not readily lend itself to model future SPP programs as proposed by OPC witness
24 Kollen.

25

1 Even assuming the Storm Damage Model was appropriate to provide an estimate of
2 CMH, days to restore, and storm restoration costs for future SPP programs, FPL’s
3 Storm Damage Model is only used for major storms with a forecast track provided by
4 the National Hurricane Center. Thus, the Model would not account for any other types
5 of extreme weather conditions, as well as any associated reductions in restoration costs
6 and outage times. Florida remains the most hurricane-prone state in the nation and,
7 with the significant coast-line exposure of FPL’s system and the fact that the vast
8 majority of FPL’s customers live within 20 miles of the coast, FPL’s service area has
9 a high probability of being impacted by multiple extreme weather events every year.
10 Although no one is in a position to know for sure how frequently FPL’s service area
11 will be impacted by extreme weather conditions, the Storm Damage Model estimate of
12 cumulative reductions in restoration costs and outage times associated with the SPP
13 programs will be directly affected by frequency, strength, speed, and path of storms
14 that impact FPL’s service area. As required by the SPP Rule, FPL has provided a
15 description of the benefits and estimated cost for all the programs in FPL’s 2023 SPP,
16 in some cases these benefits are qualitative and in others they are quantitative, as
17 provided in Sections II and IV and Appendix A to Exhibit MJ-1.

18 **Q. Has FPL provided descriptions of how the programs included in its 2023 SPP will**
19 **reduce restoration costs and outage times associated with extreme weather**
20 **conditions?**

21 A. Yes. In compliance with Rules 25-6.030(3)(b) and 25-6.030(3)(d)(1), F.A.C., the
22 benefits expected from the proposed SPP programs were provided in the following
23 portions of FPL’s 2023 SPP: Section II; the “Description of the Program and Benefits”
24 included in each SPP program description in Section IV; and Appendix A of Exhibit
25 MJ-1. The existing SPP programs have already demonstrated that they will both reduce

1 restoration costs and outage times associated with extreme weather conditions, and
2 were previously approved as part of the 2020 SPP. Although FPL has proposed limited
3 modifications to certain of these existing SPP programs, these modifications will
4 further improve these programs and implement best practices where applicable as
5 explained in my direct testimony and Exhibit MJ-1. And, OPC has not opposed or
6 challenged any of these limited modifications to the existing SPP programs.

7
8 The Commission can review the benefits of the SPP programs described in my direct
9 testimony and Exhibit MJ-1, together with the prioritization, feasibility, estimated
10 costs, and estimated rate impacts, and determine whether the programs included in the
11 2023 SPP are in the public interest.

12
13 **V. OPC'S CLAIM THAT ONLY NEW OR EXPANDED STORM HARDENING**
14 **PROGRAMS QUALIFY FOR INCLUSION IN THE SPP IS INAPPROPRIATE**

15 **~~Q.—On pages 13-15 of his direct testimony, OPC witness Kollen asserts that FPL has~~**
16 **~~included programs and projects that are within the scope of its existing base rate~~**
17 **~~programs and base rate recoveries in the normal course of business, and he~~**
18 **~~recommends that these programs and projects should be excluded from the SPPs.~~**
19 **Do you have a response?**

20 **~~A.—Yes. It appears that OPC witness Kollen is recommending that only new or expanded~~**
21 **~~storm hardening programs qualify for inclusion in the SPP, and that any programs that~~**
22 **~~have previously been recovered in base rates are not eligible to be included in the SPP.~~**
23 **~~Indeed, on page 7 of his testimony, OPC witness Kollen states that to be included in~~**
24 **~~the SPP, “the projects and the costs of the projects must be incremental, not simply~~**
25 **~~displacements of base rate costs that would have been incurred during the normal~~**

1 course of business.” OPC witness Kollen’s recommendation is misplaced for several
2 reasons:

3
4 ~~First, OPC witness Kollen is again attempting to re-litigate the Commission’s approval~~
5 ~~of the SPP Rule and add a new requirement that is clearly not prescribed in either the~~
6 ~~SPP Statute or SPP Rule. The SPP Statute and SPP Rule define the type of programs~~
7 ~~eligible to be included in the SPP as programs for the overhead hardening and increased~~
8 ~~resilience of T&D facilities, undergrounding of electric distribution facilities, and~~
9 ~~vegetation management that will mitigate restoration costs and outage times due to~~
10 ~~extreme weather events. Contrary to OPC witness Kollen’s assertion, there is nothing~~
11 ~~in either the SPP Statute or SPP Rule that limit SPP programs to only new or expanded~~
12 ~~storm hardening programs.~~

13
14 ~~Second, OPC witness Kollen’s recommendation misconstrues and seeks to expand the~~
15 ~~limitation in the SPP Statute and SPPCRC Rule that SPP costs cannot be recovered in~~
16 ~~both base and clause rates. The SPP Statute provides that the “annual transmission and~~
17 ~~distribution storm protection plan costs may not include costs recovered through the~~
18 ~~public utility’s base rates.” See Section 366.96(8), F.S. Similarly, the SPPCRC Rule~~
19 ~~provides that costs recoverable through the SPPCRC “shall not include costs recovered~~
20 ~~through the utility’s base rates or any other cost recovery mechanisms.” See Rule 25-~~
21 ~~6.031(6)(b), F.A.C. Simply stated, the limitation proscribed in the SPP Statute and~~
22 ~~SPPCRC Rule ensures that there is no double recovery of SPP costs in both base and~~
23 ~~clause rates. It does not limit SPP programs to only new or expanded storm hardening~~
24 ~~programs that have not previously been recovered in base rates as suggested by OPC~~
25 ~~witness Kollen.~~

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~~Third, the issue of whether SPP costs are incremental or being recovered in base rates is irrelevant to this SPP proceeding. As stated in Commission Order No. PSC-2020-0162 PCO EI in Docket No. 20200071 EI, this is an issue to be addressed in the SPPCRC proceedings. Relatedly, OPC witness Kollen’s recommendation overlooks the fact that SPP costs can be recovered through either the SPPCRC or base rates—just not both. See Rule 25-6.031(8), F.A.C. (“Recovery of costs under this rule does not preclude a utility from proposing inclusion of unrecovered Storm Protection Plan implementation costs in base rates in a subsequent rate proceeding”).~~

~~Fourth, OPC witness Kollen’s recommendation would lead to nonsensical results. Under OPC witness Kollen’s approach, none of the pole inspection, vegetation management, transmission pole replacement, feeder hardening, or other long-standing storm hardening programs that existed prior to the effective date of the SPP Statute would be eligible to be included in the SPP unless they are expanded and, even then, only the costs associated with the expanded portion of those programs could be included in the SPP. See Direct Testimony of OPC witness Kollen, page 15. The flaw with this approach is that these programs have largely been in place since 2007 and approved as part of the Storm Hardening Plan, which has now been replaced with the SPP. Moreover, the existing eight SPP programs were approved in FPL’s and former Gulf Power Company’s (Gulf) 2020 SPPs. The purpose and policy of the SPP Statute is to mitigate restoration costs and outage times by encouraging the IOUs to continue and accelerate their storm hardening efforts by reducing regulatory lag and allowing the IOUs to recover the associated costs through an annual clause proceeding. OPC witness Kollen’s new proposal, however, would defeat this legislative objective by~~

1 ~~disallowing longstanding and proven storm hardening measures from being included~~
2 ~~in the SPP.~~

3
4 ~~Finally, although OPC witness Kollen alleges on page 13 of his testimony that FPL~~
5 ~~included programs and projects in its 2023 SPP that are base rate programs recovered~~
6 ~~in base rates in the normal course of business, neither OPC witness identifies any~~
7 ~~specific FPL program that they believe are currently in FPL's base rates. While OPC~~
8 ~~may attempt to raise this as an issue in the SPPCRC proceeding, it is important to~~
9 ~~remember that, effective January 1, 2022, all SPP operations and maintenance expenses~~
10 ~~and capital expenditures, with the exception of the cost of removal for assets existing~~
11 ~~prior to 2021, have been recovered or will be requested for recovery through the~~
12 ~~SPPCRC and, therefore, are incremental to and not being recovered in base rates. See~~
13 ~~Direct Testimony of FPL witness Liz Fuentes filed in Docket No. 20210015 EI on~~
14 ~~March 12, 2021; see Direct Testimony of FPL witnesses Liz Fuentes and Michael Jarro~~
15 ~~filed in Docket No. 20200092 EI on July 24, 2020.~~

16
17 **VI. THE PROGRAMS AND PROJECTS INCLUDED IN FPL'S 2023 SPP ARE IN**
18 **THE PUBLIC INTEREST AND SHOULD BE APPROVED**

19 **A. OPC Essentially Agrees with Eight of the Nine Programs Included in**
20 **FPL's SPP**

21 **Q. You have stated that OPC essentially agrees with eight of the nine programs**
22 **included in FPL's 2023 SPP. Can you please explain how you arrived at that**
23 **conclusion?**

24 **A. Yes. As explained above, FPL's 2023 SPP includes a total of nine SPP programs:**
25 **eight existing programs included in the 2020 SPP approved by Commission Order No.**

1 PSC-2020-0293-AS-EI, and three new programs. OPC witness Mara proposes
2 adjustments to two of the existing SPP programs: the existing Substation Storm
3 Surge/Flood Mitigation Program and the existing Distribution Lateral Hardening
4 Program. OPC witness Mara also opposes the

5 Transmission Access
6 Enhancement Program. Therefore, OPC witness Mara essentially agrees that six out
7 of the nine programs included in FPL's 2023 SPP should be approved as submitted.

8
9 Further, with respect to the Substation Storm Surge/Flood Mitigation Program, OPC
10 witness Mara does not oppose the program but, rather, asserts on pages 16-17 of his
11 direct testimony that the Storm Surge/Flood Mitigation Program should exclude
12 substations that have alternate feeds available and do not have a history of flooding.
13 Therefore, OPC essentially agrees with FPL's proposed Substation Storm Surge/Flood
14 Mitigation Program but recommends additional selection criteria be considered, which
15 I will further address later in my testimony.

16
17 Similarly, OPC witness Mara does not oppose the Distribution Lateral Hardening
18 Program. Rather, OPC witness Mara recommends on pages 33-34 of his direct
19 testimony that the annual budget for the Distribution Lateral Hardening Program be
20 capped at \$606 million for the years 2025-2032. Therefore, OPC essentially agrees
21 with FPL's proposed Distribution Lateral Hardening Program but recommends a
22 reduction in the number of laterals that may be completed each year, which will delay
23 when customers will receive the direct benefits of the Distribution Lateral Hardening
24 Program. I will respond to OPC witness Mara's recommended adjustment below.

25

1 Based on the testimony of OPC witness Mara, it appears that OPC essentially agrees
2 with eight out of the nine programs included in FPL's 2023 SPP. It further
3 appears that the only truly contested programs are the three new programs proposed in
4 FPL's 2023 SPP. I will respond to OPC criticisms of these new SPP programs below.

5

6 **B. OPC's Recommended Adjustment to the Storm Surge/Flood Mitigation**
7 **Program is not Reasonable or Appropriate**

8 **Q. OPC witness Mara recommends adjustments to the Storm Surge/Flood**
9 **Mitigation Program. Before responding to his specific recommendations, do you**
10 **have any general observations about his proposal?**

11 A. Yes. OPC witness Mara's recommendations regarding FPL's Storm Surge/Flood
12 Mitigation Program are inconsistent. On page 13 of his testimony, OPC witness Mara
13 appears to recommend that the entire budget for the Storm Surge/Flood Mitigation
14 Program should be rejected. However, on pages 16-18 of his testimony, OPC witness
15 Mara recommends that substations with alternate feeds or no history of flooding should
16 be excluded from the Storm Surge/Flood Mitigation Program. Notably, OPC witness
17 Mara does not identify any specific substation that would be excluded by his proposal,
18 nor does he explain or demonstrate how such exclusions would result in the elimination
19 of the entire budget for the Storm Surge/Flood Mitigation Program.

20 **Q. Do you have a response to OPC witness Mara's recommendation that the entire**
21 **budget for the Storm Surge/Flood Mitigation Program should be rejected?**

22 A. Yes. OPC witness Mara's recommendation overlooks that the Storm Surge/Flood
23 Mitigation Program included in FPL's 2023 SPP is the same program that was included
24 in FPL's 2020 SPP previously approved by Commission Order No. PSC-2020-0293-
25 AS-EI. In the 2020 SPP, FPL originally projected it would complete the Storm

1 Surge/Flood Mitigation Program by 2022. However, as explained in my direct
2 testimony and in Exhibit MJ-1, due to field conditions and permitting delays that were
3 largely beyond FPL's control, FPL was unable to complete the storm surge/mitigation
4 measures at all of the identified substations by year-end 2022 as originally projected.
5 As a result, FPL is proposing to continue the program to address the remaining four
6 substations originally identified in the 2020 SPP, which are currently expected to be
7 completed by year-end 2024. FPL has not added new or additional substations to the
8 Storm Surge/Flood Mitigation Program approved as part of the 2020 SPP. The new
9 exclusions proposed by OPC witness Mara were not part of either the 2020 SPP or the
10 2020 SPP Settlement that OPC joined. OPC witness Mara has not offered any reason
11 why it was in the public interest to complete the storm surge/mitigation measures at
12 these substations as part of the 2020 SPP, but not as part of the 2023 SPP.

13 **Q. Do you agree with OPC witness Mara's recommendation that substations with**
14 **alternate feeds should be excluded from the Storm Surge/Flood Mitigation**
15 **Program?**

16 A. No. Rather than installing measures to mitigate the potential for storm surge and flood
17 at these four substations, OPC witness Mara recommends that any of these substations
18 that have an alternative feed should be de-energized and the load served by the de-
19 energized substation should be transferred to an adjacent substation via the alternate
20 feed. OPC witness Mara's recommendation is not practical.

21
22 All of the four substations identified for the Storm Surge/Flood Mitigation Program
23 have alternative feeder ties to nearby substations. However, de-energizing one
24 substation due to storm surge or flooding does not mean an adjacently tied substation
25 can necessarily pick up and support the entire electric load from the de-energized

1 substation. For example, the St. Augustine Substation, which has an alternate feed,
2 was de-energized during Hurricanes Matthew and Irma and the majority of the
3 customers served by this substation experienced outages. Similarly, the South Daytona
4 Substation, which has an alternate feed, was de-energized during Hurricane Irma and
5 the majority of the customers served by this substation experienced outages. Further,
6 OPC witness Mara overlooks that the mitigation measures under the Storm
7 Surge/Flood Mitigation Program will not only reduce outages but will reduce
8 restoration costs associated with the need to repair and replace substation equipment
9 that is damaged due to storm surge or flooding following an extreme weather event.

10 **Q. Do you have a response to OPC witness Mara’s recommendation that substations**
11 **with no history of flooding should be excluded from the Storm Surge/Flood**
12 **Mitigation Program?**

13 A. Yes. All four substations remaining to be completed under the Storm Surge/Flood
14 Mitigation Program have, in fact, experienced floods or storm surges in the past. Most
15 recently, the flood alarm monitor went off at the Dumfoundling Substation during
16 Tropical Cyclone One that impacted South Florida on June 2, 2022. With respect to
17 future potential flooding at these substations, FPL explained in its response to OPC’s
18 Fourth Set of Interrogatories No. 50(d), which is attached to my rebuttal testimony as
19 Exhibit MJ-2, that each of the four substations remaining to be completed under the
20 program has projected flood levels that are higher than the current elevation of these
21 substations. Therefore, all four substations included in the Substation Storm
22 Surge/Flood Mitigation Program as part of the 2023 SPP have had a history of flooding
23 and remain susceptible to flooding.

24

1 C. OPC’s Recommended Adjustments to the Distribution Lateral
2 Hardening Program are not Reasonable or Appropriate

3 **Q. Does OPC oppose the Distribution Lateral Hardening Program included in FPL’s**
4 **2023 SPP?**

5 A. No. OPC witness Mara does not oppose FPL’s Distribution Lateral Hardening
6 Program. Rather, OPC witness Mara recommends a reduction in the annual budget for
7 the Distribution Lateral Hardening Program, which will reduce the number of laterals
8 to be completed each year and delay when customers will receive the direct benefits of
9 the Distribution Lateral Hardening Program.

10 **Q. In the 2023 SPP, FPL proposed to establish protocols for determining when a**
11 **lateral may be evaluated for overhead hardening as opposed to being placed**
12 **underground. Does OPC oppose these new overhead hardening protocols?**

13 A. No. Although OPC witness Mara asserts on pages 29-30 of his testimony that the
14 overhead program is vague and not well defined, he does not oppose any of the
15 protocols proposed by FPL for evaluating when a lateral may be overhead hardened as
16 opposed to being placed underground. Rather, OPC witness Mara simply notes that
17 the overhead hardening protocols appear similar to the standards used in FPL’s Feeder
18 Hardening Program. Notably, OPC does not oppose, criticize, or otherwise take any
19 issue with FPL’s Feeder Hardening Program.

20 **Q. On page 33 of his testimony, OPC witness Mara recommends that overhead**
21 **hardened laterals and undergrounded laterals should be separated and tracked**
22 **as two individual SPP programs. Do you agree with his recommendation?**

23 A. I do not agree that there should be separate overhead and underground lateral SPP
24 programs. The overhead protocols were established and incorporated into the
25 Distribution Lateral Hardening Program pursuant to the 2020 SPP Settlement approved

1 by Commission Order No. PSC-2020-0293-AS-EI. FPL did not commit to create
2 separate overhead and underground lateral programs. Moreover, the underground and
3 overhead components of the Distribution Lateral Hardening Program are symbiotic,
4 and the work will be part of the same overall lateral project. As explained in my direct
5 testimony and Exhibit MJ-1, the selection and prioritization criteria for the Distribution
6 Lateral Hardening Program ranks each feeder based on actual historical experience of
7 all the overhead laterals on the feeder in order to address the worst performing circuits
8 first. All laterals on the feeders are then hardened according to the ranking of each
9 feeder. As explained in Exhibit MJ-1, constructing at the feeder level significantly
10 improves the efficiency and timing of construction because all of the work takes place
11 in the same location (feeder) on a set of laterals as opposed to being spread out over
12 multiple individual laterals across the entire service area. It also allows for a more
13 efficient design to reduce overall cable footage and the number of transformers needed
14 to serve an area by interconnecting existing laterals and using alternate cable paths to
15 reduce the total number of laterals in the area. When FPL performs the engineering
16 evaluation of all laterals on a feeder, it will apply the overhead protocols to evaluate
17 whether each lateral should be overhead hardened or converted to underground based
18 on the actual field conditions and limitations at the time. Thus, the overhead and
19 underground work is completed as part of a single conceptual design across all laterals
20 on an entire feeder under the Distribution Lateral Hardening Program. To treat and
21 separately manage the overhead hardening and underground lateral work as separate
22 programs, as suggested by OPC witness Mara, would reduce efficiencies and increase
23 costs. For these reasons, I believe it is appropriate and reasonable that the overhead
24 protocols should be included and part of the overall Distribution Lateral Hardening
25 Program and should not be a standalone SPP program.

1 **Q. On page 31 of his testimony, OPC witness Mara claims that the Distribution**
2 **Lateral Hardening Program does not meet the requirements of the SPP Rule**
3 **because FPL did not provide any estimate of the cost reductions to be realized**
4 **from the program. Do you have a response?**

5 A. I disagree with OPC witness Mara. First, his claim that FPL did not provide cost
6 reductions associated with the Distribution Lateral Hardening Program is a fallout of
7 OPC’s proposal that the Commission should adopt and apply a new cost benefit
8 analysis requirement and new cost-effectiveness threshold for the SPP programs. As I
9 explained above, OPC’s proposed cost benefit analysis and new cost-effectiveness
10 threshold should be rejected.

11
12 Second, as I explained above, there is nothing in either the SPP Statute or SPP Rule
13 that prescribes that the benefits of SPP programs must be quantified, and storm
14 hardening is not a simple cost-effective calculation as suggested by OPC.

15
16 Third, in compliance with Rules 25-6.030(3)(b) and 25-6.030(3)(d)(1), F.A.C., the
17 benefits expected from the Distribution Lateral Hardening Program were provided in
18 the following portions of FPL’s 2023 SPP: Section II; Section IV(D)(1)(b); and
19 Appendix A of Exhibit MJ-1. In fact, on page 31 of his testimony, OPC witness Mara
20 relies on the 40-year net present value analysis of the reduction in storm restoration
21 costs provided by FPL in Appendix A of Exhibit MJ-1. Further, on page 34 of his
22 testimony, OPC witness Mara acknowledges that “[i]t is apparent from experiences in
23 Florida that undergrounding and hardening poles will reduce outage costs and outage
24 times.”

25

1 Finally, OPC witness Mara does not propose that the Distribution Lateral Hardening
2 Program be rejected; rather, he proposes an adjustment to the annual budget beginning
3 in 2025. Either the Distribution Lateral Hardening Program meets the requirements of
4 the SPP Rule and is eligible to be included in the SPP or it does not. OPC witness Mara
5 cannot have it both ways.

6 **Q. Does OPC agree with FPL’s prioritization and selection criteria for the**
7 **Distribution Lateral Hardening Program?**

8 A. No. Although OPC does not take issue with any specific selection and prioritization
9 criteria for the Distribution Lateral Hardening Program, OPC witness Mara nonetheless
10 states on page 32 of his testimony that he does not agree with FPL’s selection and
11 prioritization methodology. Apparently, OPC witness Mara believes that FPL needs to
12 do more so that lateral hardening and undergrounding and their associated benefits are
13 spread to more customers and communities:

14 My point is that the dollars are concentrated such that only a few
15 customers will see a reduction in customer outage minutes and enjoy
16 the aesthetics and other benefits of an undergrounded system. The
17 remaining customers only see a benefit cost ratio that is upside down
18 meaning more costs than benefits.

19 This is a significant investment in a small portion of the system (one
20 feeder) and in a single community. *There needs to be a mechanism*
21 *to help spread the undergrounding and hardening to more*
22 *communities, which is important since all customers will be*
23 *contributing to the cost of undergrounding.*

24 See Direct Testimony of OPC witness Mara, pp. 32-33 (emphasis added). As I address
25 later in my testimony, this statement is at odds with his recommendation of reducing
26 the budget for the Distribution Lateral Hardening Program.

27

1 **Q. Please describe OPC’s proposed adjustment to the Distribution Lateral**
2 **Hardening Program.**

3 A. ~~Despite the many pages of OPC’s testimony dedicated to recommending that the~~
4 ~~Commission adopt and apply a new cost effectiveness test,~~ on pages 33-34 of his
5 testimony OPC witness Mara recommends a qualitative adjustment to the annual
6 budget for the Distribution Lateral Hardening Program starting in 2025 and continuing
7 through 2032. Specifically, OPC witness Mara recommends that the annual budget for
8 the Distribution Lateral Hardening Program be capped at \$606 million per year for the
9 years 2025 to 2032, which results in a total ten-year budget reduction of approximately
10 \$3.4 billion.

11 **Q. Does OPC witness Mara describe how he calculated his proposed reduction to the**
12 **Distribution Lateral Hardening Program budget?**

13 A. No. His adjustment appears to be completely qualitative and, together with his other
14 proposed adjustments, is simply intended to reduce the ten-year capital cost per
15 customer to remain similar to the ten-year capital cost per customer for the combined
16 FPL and Gulf’s 2020 SPPs. See Direct Testimony of OPC witness Mara, pp. 13 and
17 34.

18 **Q. Do you agree with OPC witness Mara’s proposed adjustment to the Distribution**
19 **Lateral Hardening Program budget?**

20 A. No, I disagree for multiple reasons. It is important to understand OPC witness Mara’s
21 proposed adjustment will reduce the number of laterals to be completed each year and
22 delay when customers will receive the direct benefits of the Distribution Lateral
23 Hardening Program. This adjustment directly contradicts his position on pages 32-33
24 that FPL needs to expand its efforts so that lateral hardening and undergrounding, and
25 their associated benefits, are spread to more customers and communities.

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Although OPC witness Mara apparently seeks to simply maintain the status quo, he overlooks that the Distribution Lateral Hardening Program was initially deployed as a limited pilot, which was continued through 2022 as OPC agreed in the 2020 SPP Settlement. As part of the 2023 SPP, FPL is seeking to deploy the Distribution Lateral Hardening Program as a full-scale permanent SPP program and, as such, is ramping up the program in order to provide the benefits of underground lateral hardening throughout its system, including in the former Gulf service area. I note that OPC does not object to the Distribution Lateral Hardening Program becoming a permanent SPP program.

FPL’s Distribution Lateral Hardening Program was designed to achieve the objectives and goals of the SPP Statute. Therein, the Florida Legislature expressly found that “[i]t is in the state’s interest to strengthen electric utility infrastructure to withstand extreme weather conditions by promoting the overhead hardening of electrical transmission and distribution facilities, the undergrounding of certain electrical distribution lines, and vegetation management” and “[p]rotecting and strengthening transmission and distribution electric utility infrastructure from extreme weather conditions can effectively reduce restoration costs and outage times to customers.” See Sections 366.96(1)(c), (d), F.S. FPL’s underground lateral program is an impactful and crucial tool to achieve these legislative objectives and is appropriately designed to address the worst performing circuits and areas first based on actual historical experience. Indeed,

1 as shown in FPL’s Hurricane Irma Forensic Report, underground laterals performed
2 6.6 times (85%) better during Hurricane Irma than overhead laterals.¹

3

4 The ramp up in the number of laterals to be completed each year under the Distribution
5 Lateral Hardening Program is due primarily to the inclusion of the former Gulf service
6 area and the significant number of laterals that remain to be hardened, the strong local
7 support and interest in the program, as well as the addition of the Management Region
8 selection approach in 2025 as explained in my direct testimony and Exhibit MJ-1.
9 Notably, the OPC does not criticize or challenge the proposed addition of the
10 Management Region selection approach.

11

12 The annual budget for the Distribution Lateral Hardening Program is a product of the
13 number of estimated projects to be completed throughout FPL’s system as provided in
14 Appendix C to Exhibit MJ-1. Although all customers indirectly benefit from overhead
15 hardened and underground laterals through reduced restoration costs, the direct benefits
16 for customers of overhead hardened and underground laterals, including both reduced
17 outage times and aesthetics (as recognized by OPC witness Mara on page 32 of his
18 testimony), will be facilitated and realized more quickly through the expanded number
19 of underground projects contemplated by FPL’s SPP. How fast and how many lateral
20 projects are completed under the Distribution Lateral Hardening Program, and how
21 quickly customers realize the direct and indirect benefits therefrom, is ultimately a
22 regulatory decision for the Commission to be made in the context of the policy and
23 objectives of the SPP Statute.

¹ Refer to Page 7 of FPL’s Hurricane Irma Forensic Report in Docket No. 20180049, which is available at:
<http://www.psc.state.fl.us/library/filings/2019/05615-2019/Support/Exhibit%2036/POD%20No.%202/20180049%20-%20OPC's%201st%20POD%20No.%202%20-%20Attachment%20No.%201.pdf>

1 **D. FPL’s New Transmission Access Enhancement Program is Consistent**
2 **with the Objectives of the SPP Statute and Should be Approved**

3 **Q. Does the OPC agree with FPL’s proposal to add the new Transmission Access**
4 **Enhancement Program to the 2023 SPP?**

5 A. No. On pages 26-29 of his testimony, OPC witness Mara contends that maintenance
6 of bridges, roads, and culverts are ordinary base rate activities and FPL failed to
7 demonstrate how its proposed Transmission Access Enhancement Program will meet
8 the objectives of the SPP statute to reduce restoration costs and outage times associated
9 with extreme weather events.

10 **Q. Do you agree that projects to be completed under the Transmission Access**
11 **Enhancement Program should be maintained as part of FPL’s ordinary base rate**
12 **activities?**

13 A. No. OPC witness Mara appears to misunderstand the scope and purpose of the
14 Transmission Access Enhancement Program. FPL is not proposing to simply maintain
15 roads, rights of way, bridges, and culverts for purposes of accessing transmission
16 facilities for day-to-day maintenance and vegetation management activities, which
17 activities are typically scheduled and conducted during drier times of the year and
18 within the existing transmission rights-of-way. Rather, as explained in my direct
19 testimony and Exhibit MJ-1, the purpose of the Transmission Access Enhancement
20 Program is to ensure that FPL has access to its transmission facilities following an
21 extreme weather event by targeting and addressing areas that become inaccessible due
22 to flooding or saturated soils. Notably, the peak of the Atlantic Hurricane Season
23 coincides with Florida’s wet season when increased rainfall will exacerbate the
24 inaccessibility of many of these low-lying, saturated, and wetland areas. As explained
25 in my direct testimony and Exhibit MJ-1, and as acknowledged by OPC witness Mara

1 on page 27 of his testimony, these low-lying areas may not be accessible following an
2 extreme weather event without specialized equipment and vehicles, which has limited
3 availability during and immediately following storm events.

4 **Q. Do you have a response to OPC witness Mara's contention on pages 27-28 of his**
5 **testimony that FPL did not demonstrate that the Transmission Access**
6 **Enhancement Program will reduce restoration costs and outage times associated**
7 **with extreme weather events?**

8 A. Yes. OPC witness Mara's argument is, again, a fallout of OPC's proposal that the
9 Commission should adopt and apply a new cost benefit analysis requirement and new
10 cost-effectiveness threshold for the SPP programs. As I explained above, OPC's
11 proposed new criteria and standards to review the SPPs are contrary to the requirements
12 of both the SPP Statute and SPP Rule and should be rejected.

13

14 My direct testimony and Section IV(K)(1) of Exhibit MJ-1 explained that the
15 Transmission Access Enhancement Program will ensure that FPL and its contractors
16 have access to FPL's transmission facilities following an extreme weather event, which
17 will reduce the need and associated costs for specialized equipment and will help
18 expedite restoration activities and thereby reduce customer outage times. Importantly,
19 a transmission-related outage can result in an outage affecting tens of thousands of
20 customers and may cause a cascading event that could result in loss of service for
21 hundreds of thousands of customers. The Transmission Access Enhancement Program
22 will allow FPL and its contractors to quickly address such outages following an extreme
23 weather event, which would result in a reduction of outage times for tens of thousands
24 to hundreds of thousands of customers following an extreme weather event.

1 **Q. Do you have any other observations regarding OPC’s opposition to the**
2 **Transmission Access Enhancement Program?**

3 A. Yes. OPC witness Mara appears to overlook that the Commission’s SPP Rule defines
4 a storm protection project to include enhancement of T&D areas and not just the T&D
5 facilities themselves: “a specific activity within a storm protection program designed
6 for the enhancement of an identified portion *or area of existing electric or distribution*
7 *facilities* for the purpose of reduction restoration costs and reduction outage times
8 associated with extreme weather conditions therefore improving overall service
9 reliability.” See Rule 25-6.030(2)(b), F.A.C. (emphasis added). I also note that FPL’s
10 proposed program was modeled after the Transmission Access Enhancement Program
11 included in Tampa Electric Company’s (“TECO”) 2020-2029 SPP that was previously
12 agreed to in a Stipulation and Settlement Agreement, which OPC joined, that was
13 approved by Commission Order No. PSC-2020-0293-AS-EI.²

14 **Q. On page 27 of his testimony, OPC witness Mara states that, as an alternative, FPL**
15 **should consider simply purchasing the specialized equipment necessary to access**
16 **its transmission facilities located in low-lying and saturated areas following an**
17 **extreme weather event. Do you have a response to his alternative proposal?**

18 A. Yes. FPL has evaluated large tire equipment used in other industries. However, FPL
19 has not been able to locate large tire vehicles readily available for purchase that are
20 capable of working within Florida’s unique topography, terrain, and hydrology while
21 still meeting the necessary technical loading and reach specifications required to
22 perform transmission line restoration work following an extreme weather event.
23 Although floating equipment, such as barges, are utilized for construction of

² FPL acknowledges that, despite agreeing to the program in the TECO 2020-2029 SPP, OPC witness Mara filed testimony in Docket No. 20220048-EI opposing the continuation of TECO’s previously approved Transmission Enhancement Program.

1 transmission line river crossings, this floating equipment cannot be used to access the
2 low-lying and saturated areas to be addressed by the Transmission Access
3 Enhancement Program.

4
5 Even if this specialized equipment was readily available on the market for purchase,
6 FPL would need a large fleet of specialized equipment because the Company's service
7 area encompasses more than 35,000 square miles across 43 counties with more than
8 9,000 miles of transmission lines. Purchasing a large fleet of specialty vehicles would
9 also require ongoing specialized maintenance and specialized resources trained and
10 familiar with operating and maintaining the specialized equipment. Lastly, external
11 resources that perform restoration work following an extreme weather event may not
12 be able to utilize the specialized equipment, resulting in potential delays to restoration
13 of transmission structures and equipment.

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Q. Does this conclude your rebuttal testimony?

A. Yes.

ATTACHMENT 2

**Florida Power & Light Company
Docket No. 20220051-EI**

**Rebuttal Testimony of Michael Jarro
Corrected by Second Errata Filed August 1, 2022 (CLEAN)**

Includes the original Exhibit MJ-2 filed on June 21, 2022

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **DOCKET NO. 20220051-EI**

3
4 **FLORIDA POWER & LIGHT COMPANY**

5 **2023-2032 STORM PROTECTION PLAN**

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9 **REBUTTAL TESTIMONY OF**

10 **MICHAEL JARRO**

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24 **Filed: June 21, 2022**

25 **Corrected by Second Errata Filed August 1, 2022**

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24 **Exhibit MJ-2: FPL’s Response to OPC’s Fourth Set of Interrogatories No. 50**

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1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Michael Jarro. My business address is Florida Power & Light Company
4 (“FPL” or the “Company”), 15430 Endeavor Drive, Jupiter, FL, 33478.

5 **Q. Did you previously submit direct testimony?**

6 A. Yes. I submitted written direct testimony on April 11, 2022, together with Exhibit MJ-
7 1 – FPL’s Storm Protection Plan 2023-2032. On May 6, 2022, FPL filed and served a
8 Notice of Filing a Revised Appendix E to Exhibit MJ-1 to correct the completion dates,
9 start dates, and amounts projected for certain Distribution Feeder Hardening Program
10 projects included in the 2023 project level detail.

11 **Q. What is the purpose of your rebuttal testimony?**

12 A. The purpose of my rebuttal testimony is to respond to certain portions of the direct
13 testimonies of Lane Kollen and Kevin J. Mara submitted on behalf of the Office of
14 Public Counsel (“OPC”). My rebuttal testimony will respond to the concerns,
15 questions, and recommendations raised by these witnesses in opposition to FPL’s 2023-
16 2032 Storm Protection Plan (“2023 SPP”) submitted as Exhibit MJ-1 and as corrected
17 by the Notice of Filing a Revised Appendix E to Exhibit MJ-1 filed on May 6, 2022.

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19 First, I will provide some context and general observations regarding OPC’s concerns
20 and criticisms of FPL’s 2023 SPP.

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Third, I will address OPC’s contention that FPL did not provide an estimate of how the programs and projects included in the 2023 SPP will reduce restoration costs and outage times as required by the SPP Rule. As explained below, OPC’s position is based on its incorrect interpretation of the SPP Statute and SPP Rule, and ignores the fact that SPP programs and projects provide both quantitative and qualitative benefits. I will further explain that FPL’s 2023 SPP complies with the requirements of the SPP Statute and SPP Rule.

1 Finally, I will address and rebut OPC witness Mara's recommendations and
2 adjustments to five out of the nine programs included in FPL's 2023 SPP.
3 Specifically, I will address the following recommendations by OPC: modify the
4 Substation Storm Surge/Flood Mitigation Program; reduce the budget for the
5 Distribution Lateral Hardening Program;
6 and reject the new Transmission Access
7 Enhancement Program. As I explain below, each of these recommendations are
8 inappropriate and unnecessary, and do not serve customers' best interests.

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12 **Q. Are you sponsoring any exhibits with your rebuttal testimony?**

13 A. Yes. I am sponsoring the following exhibits with my rebuttal testimony:

- 14 • Exhibit MJ-2, FPL's Response to OPC's Fourth Set of Interrogatories No.
15 50.

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21 **II. GENERAL RESPONSE TO OPC'S CONCERNS**

22 **Q. Before addressing the specific issues and recommendations raised by OPC, do you**
23 **have any general observations?**

24 A. Yes. The evaluation of FPL's 2023 SPP must be grounded in the fact that FPL has
25 successfully been engaging in Commission-approved storm hardening for the last 16

1 years. During this time, the Commission has reviewed and had full transparency into
2 all aspects of FPL’s storm hardening activities, and interested parties and stakeholders
3 had the opportunity to participate in these reviews. Indeed, in its report “Review of
4 Florida’s Electric Utility Hurricane Preparedness and Restoration Actions 2018”, in
5 Docket No. 20170215-EU, the Commission recognized the success of historical storm
6 hardening efforts in Florida. Key findings by the Commission in that report included:

- 7 • Florida’s aggressive storm hardening programs are working (Section V);
- 8 • The length of outages was reduced markedly from the 2004-2005 storm
9 season (Section IV);
- 10 • The primary cause of power outages came from outside the utilities’ rights
11 of way including falling trees, displaced vegetation, and other debris
12 (Section IV);
- 13 • Vegetation management outside the utilities’ rights of way is typically not
14 performed by utilities due to lack of legal access (Section IV);
- 15 • Hardened overhead distribution facilities performed better than non-
16 hardened facilities (Section V);
- 17 • Very few transmission structure failures were reported (Section V); and
- 18 • Underground facilities performed much better compared to overhead
19 facilities (Section V).

20 In response to Hurricanes Matthew and Irma, the Florida Legislature passed the SPP
21 Statute “to mitigate restoration costs and outage times to utility customers” by
22 “strengthen[ing] electric utility infrastructure to withstand extreme weather conditions
23 by promoting the overhead hardening of electrical transmission and distribution
24 facilities, the undergrounding of certain electrical distribution lines, and vegetation
25 management.” Section 366.96(1)(c)-(e), F.S. From these facts, one can logically and

1 reasonably conclude that the Legislature did not pass the SPP Statute to stop or limit
2 storm hardening activity in Florida, nor can one assume that the passage of the SPP
3 Statute was an indictment or criticism against storm hardening activity that has
4 previously taken place in Florida. Rather, it is reasonable to assume that the Florida
5 Legislature passed the SPP Statute to encourage, streamline, and advance storm
6 hardening work in this state.

7

8 FPL’s 2023 SPP outlines a comprehensive storm protection plan that meets the
9 statutory objectives codified in the SPP Statute and complies with the requirements of
10 the SPP Rule. The 2023 SPP is largely a continuation of the following programs
11 included in the current 2020-2029 Storm Protection Plan (hereinafter, the “2020 SPP”)
12 that were agreed to by OPC in a Joint Motion for Approval of a Stipulation and
13 Settlement Agreement (“2020 SPP Settlement”), approved by Commission Order No.
14 PSC-2020-0293-AS-EI:

- 15 • Distribution Inspection Program
- 16 • Transmission Inspection Program
- 17 • Distribution Feeder Hardening Program
- 18 • Distribution Lateral Hardening Program
- 19 • Transmission Hardening Program
- 20 • Distribution Vegetation Management Program
- 21 • Transmission Vegetation Management Program
- 22 • Substation Storm Surge/Flood Mitigation Program

23 The majority of the existing SPP programs have been in place since 2007 and have
24 already demonstrated that they have provided and will continue to provide increased
25 T&D infrastructure resiliency, reduced restoration times, and reduced restoration costs

1 when FPL is impacted by extreme weather events. For certain existing SPP programs,
2 FPL proposed limited modifications to further improve these programs and implement
3 best practices as further described in my direct testimony and Exhibit MJ-1. Notably,
4 OPC has not opposed or challenged any of these modifications to the existing SPP
5 programs.

6
7 As part of the 2023 SPP, FPL also proposed to implement a new
8
9 Transmission Access Enhancement Program. As detailed in my direct testimony and
10 Exhibit MJ-1, the new

11
12 Transmission Access Enhancement Program
13 will help ensure that FPL and its contractors have reasonable access to FPL's
14 transmission facilities for repair and restoration activities following an extreme weather
15 event.

16 **Q. Does OPC challenge all of the programs included in FPL's 2023 SPP?**

17 A. No.

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On pages 13, and 17-34, OPC witness Mara proposes adjustments to two of the existing SPP programs and opposes the new SPP program . Based on the testimony of OPC witness Mara, it appears that OPC essentially agrees with eight out of the nine programs included in FPL’s 2023 SPP. I will respond to OPC’s recommended adjustments to the existing SPP programs and criticisms of the new SPP programs later in my testimony.

Q. Do you have any additional general observations about the testimonies of OPC witnesses Kollen and Mara?

A. Yes.

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OPC contends that the benefits of the SPP programs must be quantified and monetized in order to meet the requirements of the SPP Rule.

As explained in my direct testimony, FPL has provided a description of how the 2023 SPP will reduce restoration costs and outage times associated with extreme weather events in compliance with express requirements of SPP Rule. As explained in greater detail below, storm hardening is not a simple cost-effective proposition and OPC’s belief that outage times should be monetized ignores the very real and simple fact that the monetary value individual customers or communities place on reduced outage times cannot be accurately or uniformly estimated. Moreover, OPC’s recommendation that FPL’s SPP programs require further cost-justification before they can be approved is directly contrary to OPC’s own testimony that requests the Commission reject only three of the nine programs included in FPL’s 2023 SPP as further explained in my rebuttal testimony.

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1 **IV. FPL'S 2023 SPP WILL REDUCE RESTORATION COSTS AND OUTAGE**
2 **TIMES AS REQUIRED BY RULE 25-6.030, F.A.C.**

3 **Q. Both OPC witnesses Kollen and Mara argue that FPL's 2023 SPP did not meet**
4 **the requirements of the SPP Rule because it did not quantify and monetize the**
5 **benefits of the proposed SPP Programs. Do you have a response?**

6 A. Yes. I disagree with OPC witnesses Kollen and Mara that further cost-justification of
7 FPL's 2023 SPP programs is needed or appropriate. On pages 17-19 of his testimony,
8 OPC witness Kollen states that FPL did not provide any quantitative benefits for the
9 proposed SPP programs and that it is not enough under the SPP Rule to simply say
10 there will be benefits without quantifying those benefits. OPC witness Mara likewise
11 states on pages 10-11 of his testimony that FPL only provided written descriptions of
12 SPP program benefits and did not quantify the estimated cost reductions or monetize
13 the reduction of outage times for each program. OPC witness Mara goes on to suggest
14 on page 11 of his testimony that FPL should be required to file an amended SPP that
15 provides this data. OPC's contention that FPL failed to comply with the SPP Rule
16 because it did not quantify the benefits of the SPP programs is misplaced for several
17 reasons.

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1 Second, there is nothing in either the SPP Statute or SPP Rule that prescribes that the
2 benefits of SPP programs must be quantified or monetized as suggested by the OPC
3 witnesses. Rather, the SPP Rule expressly provides that the SPP must include a
4 “description” of the benefits of the SPP programs. See Rule 25-6.030(3)(b), F.A.C.
5 (“For each Storm Protection Plan, the following information must be included.... (b)
6 *A description* of how the proposed Storm Protection Plan will reduce restoration costs
7 and outage times associated with extreme weather conditions” (emphasis added)); see
8 also Rule 25-6.030(3)(d)(1), F.A.C. (“*A description* of each proposed storm protection
9 program that includes: (1) A description of how each proposed storm protection
10 program is designed to enhance the utility’s existing transmission and distribution
11 facilities including an estimate of the resulting reduction in outage times and restoration
12 costs due to extreme weather events” (emphasis added)).

13
14 Third, storm hardening is not a simple cost-effective proposition as suggested by OPC.
15 OPC’s approach focuses only on program costs and savings in restoration costs
16 associated with extreme weather conditions (*i.e.*, a strictly quantitative analysis), and
17 completely ignores the qualitative component required by both the SPP Statute and SPP
18 Rule. Stated differently, OPC’s proposed cost-benefit and cost-effectiveness approach
19 ignores half of the benefits side of the equation. It cannot be reasonably disputed that
20 customers want the extended outage times associated with extreme weather events to
21 be reduced. Indeed, the Florida Legislature concluded that reducing outage times for
22 utility customers, as well as restoration costs, is in the public interest. The Commission
23 can and should compare these factors and determine whether the estimated benefits of
24 the storm hardening programs are justified by the estimated rate impacts.

25

1 Fourth, OPC witness Mara's belief that outage times should be monetized, ignores the
2 very real and simple fact that the monetary value individual customers or communities
3 place on reduced outage times cannot be accurately or uniformly estimated. Indeed,
4 some customers may be willing to pay a premium to never have a power outage, while
5 others may be willing to tolerate a few short outages. Moreover, the SPP Rule does
6 not require the outage times to be monetized as explained above, and there is no
7 uniform Commission or industry method to do so. Such analyses are necessarily
8 dependent on several highly variable factors (such as the intensity, path, and duration
9 of the extreme weather event and extent that the system has been hardened) and could
10 include a very wide range of subjective economic factors, including, but not limited to:
11 individual and different customer value on reduced outage times, including comfort,
12 health, and convenience; economic impact to individual customers due to spoilage, loss
13 or disruption of business, and loss of equipment or supplies; and impact to the local
14 and state economy. Thus, even if the SPP Statute and Rule did require the reduction in
15 outage times to be monetized, which they do not, there is significant uncertainty and
16 variability in how that should be done.

17

18 Finally, OPC's recommendation that FPL's SPP programs require further cost-benefit
19 analysis or cost-justification before they can be approved is directly contrary to OPC
20 witness Mara's testimony on pages 13 and 17-34 that requests the Commission only
21 reject three of the nine programs included in FPL's 2023 SPP. Stated differently,
22 OPC witness Mara does not dispute that it would be reasonable for the Commission to
23 allow FPL to implement the eight programs included in the 2023 SPP as further
24 explained below. Either these SPP programs are in the public interest and should be
25 approved, or they are not. The fact that OPC witness Mara has essentially agreed that

1 most of these programs should be approved without further cost-justification clearly
2 suggests that OPC believes FPL has provided sufficient information about each of the
3 SPP programs for the Commission to determine if they are in the public interest.

4 **Q. On page 18 of his direct testimony, OPC witness Kollen recommends that FPL**
5 **should be directed to use its storm damage assessment model to model and**
6 **quantify the estimated benefits and savings from the programs included in FPL’s**
7 **2023 SPP. Please describe FPL’s Storm Damage Model.**

8 A. FPL’s Storm Damage Model is a very important proprietary tool developed by FPL to
9 prepare for major storms that threaten FPL’s service area. The Storm Damage Model
10 is used for major storms with a forecast track provided by the National Hurricane
11 Center to estimate the number of construction man-hours (“CMH”) required to restore
12 power to customers based on the forecasted intensity, speed, path of the storm, and the
13 condition (hardened vs. non-hardened) of the infrastructure at the time of the storm.
14 The Storm Damage Model is a planning tool used by the Company to estimate the
15 extent of damage expected from a projected storm, and the number and location of
16 resources that will be needed to quickly and safely restore power outages to the greatest
17 number of customers in the shortest amount of time.

18 **Q. Do you agree with OPC witness Kollen’s recommendation that FPL should use**
19 **the Storm Damage Model to model to quantify the benefits and savings associated**
20 **with the programs included in FPL’s 2023 SPP?**

21 A. No, FPL’s Storm Damage Model was not intended to be used to quantify individual
22 SPP programs or projects. As provided in Appendix A to Exhibit MJ-1, FPL used its
23 Storm Damage Model to analyze Hurricanes Matthew and Irma and estimate the
24 reduction in CMH, days to restore, and storm restoration costs that were attributable to
25 the storm hardening projects that were completed and in place at the time of the

1 hurricanes. This analysis was based mainly on the feeders that FPL knew had been
2 hardened versus non-hardened at the times Hurricanes Matthew and Irma occurred, and
3 included the distribution inspection and vegetation management that had been
4 completed at the times Hurricanes Matthew and Irma occurred. OPC witness Kollen
5 proposes something different.

6
7 OPC witness Kollen proposes that FPL use the Storm Damage Model to model the
8 future system with the proposed 2023 SPP programs in place for the entire 2023-2032
9 SPP period to quantify the costs that could be avoided due to the SPP programs. The
10 problem with this approach is that, beyond year one of the SPP (2023), the project level
11 detail has not been determined; meaning FPL does not at this time know which specific
12 projects will be completed each year or where they will be located for the entire 2023-
13 2032 SPP period. The scope and location of the storm hardening projects used in the
14 Storm Damage Model for each year of the SPP will have a significant impact on the
15 results of the analysis. For example, if FPL assumes a storm hardening project in a
16 densely populated urban area as opposed to a rural area, or vice versa, this could change
17 the damage estimated by the Storm Damage Model. Also illustrative is the fact that
18 the estimated length, number of poles, location, and accessibility of the laterals used in
19 the model would change the damage estimated by the Storm Damage Model. Each of
20 these factors, which cannot be reasonably predicted for the entire 2023-2032 SPP
21 period, would impact the estimated CMH, days to restore, and storm restoration costs
22 predicted by the Storm Damage Model. For these reasons, the Storm Damage Model
23 does not readily lend itself to model future SPP programs as proposed by OPC witness
24 Kollen.

25

1 Even assuming the Storm Damage Model was appropriate to provide an estimate of
2 CMH, days to restore, and storm restoration costs for future SPP programs, FPL’s
3 Storm Damage Model is only used for major storms with a forecast track provided by
4 the National Hurricane Center. Thus, the Model would not account for any other types
5 of extreme weather conditions, as well as any associated reductions in restoration costs
6 and outage times. Florida remains the most hurricane-prone state in the nation and,
7 with the significant coast-line exposure of FPL’s system and the fact that the vast
8 majority of FPL’s customers live within 20 miles of the coast, FPL’s service area has
9 a high probability of being impacted by multiple extreme weather events every year.
10 Although no one is in a position to know for sure how frequently FPL’s service area
11 will be impacted by extreme weather conditions, the Storm Damage Model estimate of
12 cumulative reductions in restoration costs and outage times associated with the SPP
13 programs will be directly affected by frequency, strength, speed, and path of storms
14 that impact FPL’s service area. As required by the SPP Rule, FPL has provided a
15 description of the benefits and estimated cost for all the programs in FPL’s 2023 SPP,
16 in some cases these benefits are qualitative and in others they are quantitative, as
17 provided in Sections II and IV and Appendix A to Exhibit MJ-1.

18 **Q. Has FPL provided descriptions of how the programs included in its 2023 SPP will**
19 **reduce restoration costs and outage times associated with extreme weather**
20 **conditions?**

21 A. Yes. In compliance with Rules 25-6.030(3)(b) and 25-6.030(3)(d)(1), F.A.C., the
22 benefits expected from the proposed SPP programs were provided in the following
23 portions of FPL’s 2023 SPP: Section II; the “Description of the Program and Benefits”
24 included in each SPP program description in Section IV; and Appendix A of Exhibit
25 MJ-1. The existing SPP programs have already demonstrated that they will both reduce

1 restoration costs and outage times associated with extreme weather conditions, and
2 were previously approved as part of the 2020 SPP. Although FPL has proposed limited
3 modifications to certain of these existing SPP programs, these modifications will
4 further improve these programs and implement best practices where applicable as
5 explained in my direct testimony and Exhibit MJ-1. And, OPC has not opposed or
6 challenged any of these limited modifications to the existing SPP programs.

7

8 The Commission can review the benefits of the SPP programs described in my direct
9 testimony and Exhibit MJ-1, together with the prioritization, feasibility, estimated
10 costs, and estimated rate impacts, and determine whether the programs included in the
11 2023 SPP are in the public interest.

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13 **V.**

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VI. THE PROGRAMS AND PROJECTS INCLUDED IN FPL’S 2023 SPP ARE IN THE PUBLIC INTEREST AND SHOULD BE APPROVED

A. OPC Essentially Agrees with Eight of the Nine Programs Included in FPL’s SPP

Q. You have stated that OPC essentially agrees with eight of the nine programs included in FPL’s 2023 SPP. Can you please explain how you arrived at that conclusion?

A. Yes. As explained above, FPL’s 2023 SPP includes a total of nine SPP programs: eight existing programs included in the 2020 SPP approved by Commission Order No.

1 PSC-2020-0293-AS-EI, and three new programs. OPC witness Mara proposes
2 adjustments to two of the existing SPP programs: the existing Substation Storm
3 Surge/Flood Mitigation Program and the existing Distribution Lateral Hardening
4 Program. OPC witness Mara also opposes the

5 Transmission Access
6 Enhancement Program. Therefore, OPC witness Mara essentially agrees that six out
7 of the nine programs included in FPL's 2023 SPP should be approved as submitted.

8
9 Further, with respect to the Substation Storm Surge/Flood Mitigation Program, OPC
10 witness Mara does not oppose the program but, rather, asserts on pages 16-17 of his
11 direct testimony that the Storm Surge/Flood Mitigation Program should exclude
12 substations that have alternate feeds available and do not have a history of flooding.
13 Therefore, OPC essentially agrees with FPL's proposed Substation Storm Surge/Flood
14 Mitigation Program but recommends additional selection criteria be considered, which
15 I will further address later in my testimony.

16
17 Similarly, OPC witness Mara does not oppose the Distribution Lateral Hardening
18 Program. Rather, OPC witness Mara recommends on pages 33-34 of his direct
19 testimony that the annual budget for the Distribution Lateral Hardening Program be
20 capped at \$606 million for the years 2025-2032. Therefore, OPC essentially agrees
21 with FPL's proposed Distribution Lateral Hardening Program but recommends a
22 reduction in the number of laterals that may be completed each year, which will delay
23 when customers will receive the direct benefits of the Distribution Lateral Hardening
24 Program. I will respond to OPC witness Mara's recommended adjustment below.

25

1 Based on the testimony of OPC witness Mara, it appears that OPC essentially agrees
2 with eight out of the nine programs included in FPL's 2023 SPP. It further
3 appears that the only truly contested programs are the three new programs proposed in
4 FPL's 2023 SPP. I will respond to OPC criticisms of these new SPP programs below.

5

6 **B. OPC's Recommended Adjustment to the Storm Surge/Flood Mitigation**
7 **Program is not Reasonable or Appropriate**

8 **Q. OPC witness Mara recommends adjustments to the Storm Surge/Flood**
9 **Mitigation Program. Before responding to his specific recommendations, do you**
10 **have any general observations about his proposal?**

11 A. Yes. OPC witness Mara's recommendations regarding FPL's Storm Surge/Flood
12 Mitigation Program are inconsistent. On page 13 of his testimony, OPC witness Mara
13 appears to recommend that the entire budget for the Storm Surge/Flood Mitigation
14 Program should be rejected. However, on pages 16-18 of his testimony, OPC witness
15 Mara recommends that substations with alternate feeds or no history of flooding should
16 be excluded from the Storm Surge/Flood Mitigation Program. Notably, OPC witness
17 Mara does not identify any specific substation that would be excluded by his proposal,
18 nor does he explain or demonstrate how such exclusions would result in the elimination
19 of the entire budget for the Storm Surge/Flood Mitigation Program.

20 **Q. Do you have a response to OPC witness Mara's recommendation that the entire**
21 **budget for the Storm Surge/Flood Mitigation Program should be rejected?**

22 A. Yes. OPC witness Mara's recommendation overlooks that the Storm Surge/Flood
23 Mitigation Program included in FPL's 2023 SPP is the same program that was included
24 in FPL's 2020 SPP previously approved by Commission Order No. PSC-2020-0293-
25 AS-EI. In the 2020 SPP, FPL originally projected it would complete the Storm

1 Surge/Flood Mitigation Program by 2022. However, as explained in my direct
2 testimony and in Exhibit MJ-1, due to field conditions and permitting delays that were
3 largely beyond FPL's control, FPL was unable to complete the storm surge/mitigation
4 measures at all of the identified substations by year-end 2022 as originally projected.
5 As a result, FPL is proposing to continue the program to address the remaining four
6 substations originally identified in the 2020 SPP, which are currently expected to be
7 completed by year-end 2024. FPL has not added new or additional substations to the
8 Storm Surge/Flood Mitigation Program approved as part of the 2020 SPP. The new
9 exclusions proposed by OPC witness Mara were not part of either the 2020 SPP or the
10 2020 SPP Settlement that OPC joined. OPC witness Mara has not offered any reason
11 why it was in the public interest to complete the storm surge/mitigation measures at
12 these substations as part of the 2020 SPP, but not as part of the 2023 SPP.

13 **Q. Do you agree with OPC witness Mara's recommendation that substations with**
14 **alternate feeds should be excluded from the Storm Surge/Flood Mitigation**
15 **Program?**

16 A. No. Rather than installing measures to mitigate the potential for storm surge and flood
17 at these four substations, OPC witness Mara recommends that any of these substations
18 that have an alternative feed should be de-energized and the load served by the de-
19 energized substation should be transferred to an adjacent substation via the alternate
20 feed. OPC witness Mara's recommendation is not practical.

21
22 All of the four substations identified for the Storm Surge/Flood Mitigation Program
23 have alternative feeder ties to nearby substations. However, de-energizing one
24 substation due to storm surge or flooding does not mean an adjacently tied substation
25 can necessarily pick up and support the entire electric load from the de-energized

1 substation. For example, the St. Augustine Substation, which has an alternate feed,
2 was de-energized during Hurricanes Matthew and Irma and the majority of the
3 customers served by this substation experienced outages. Similarly, the South Daytona
4 Substation, which has an alternate feed, was de-energized during Hurricane Irma and
5 the majority of the customers served by this substation experienced outages. Further,
6 OPC witness Mara overlooks that the mitigation measures under the Storm
7 Surge/Flood Mitigation Program will not only reduce outages but will reduce
8 restoration costs associated with the need to repair and replace substation equipment
9 that is damaged due to storm surge or flooding following an extreme weather event.

10 **Q. Do you have a response to OPC witness Mara’s recommendation that substations**
11 **with no history of flooding should be excluded from the Storm Surge/Flood**
12 **Mitigation Program?**

13 A. Yes. All four substations remaining to be completed under the Storm Surge/Flood
14 Mitigation Program have, in fact, experienced floods or storm surges in the past. Most
15 recently, the flood alarm monitor went off at the Dumfoundling Substation during
16 Tropical Cyclone One that impacted South Florida on June 2, 2022. With respect to
17 future potential flooding at these substations, FPL explained in its response to OPC’s
18 Fourth Set of Interrogatories No. 50(d), which is attached to my rebuttal testimony as
19 Exhibit MJ-2, that each of the four substations remaining to be completed under the
20 program has projected flood levels that are higher than the current elevation of these
21 substations. Therefore, all four substations included in the Substation Storm
22 Surge/Flood Mitigation Program as part of the 2023 SPP have had a history of flooding
23 and remain susceptible to flooding.

24

1 C. OPC's Recommended Adjustments to the Distribution Lateral
2 Hardening Program are not Reasonable or Appropriate

3 **Q. Does OPC oppose the Distribution Lateral Hardening Program included in FPL's**
4 **2023 SPP?**

5 A. No. OPC witness Mara does not oppose FPL's Distribution Lateral Hardening
6 Program. Rather, OPC witness Mara recommends a reduction in the annual budget for
7 the Distribution Lateral Hardening Program, which will reduce the number of laterals
8 to be completed each year and delay when customers will receive the direct benefits of
9 the Distribution Lateral Hardening Program.

10 **Q. In the 2023 SPP, FPL proposed to establish protocols for determining when a**
11 **lateral may be evaluated for overhead hardening as opposed to being placed**
12 **underground. Does OPC oppose these new overhead hardening protocols?**

13 A. No. Although OPC witness Mara asserts on pages 29-30 of his testimony that the
14 overhead program is vague and not well defined, he does not oppose any of the
15 protocols proposed by FPL for evaluating when a lateral may be overhead hardened as
16 opposed to being placed underground. Rather, OPC witness Mara simply notes that
17 the overhead hardening protocols appear similar to the standards used in FPL's Feeder
18 Hardening Program. Notably, OPC does not oppose, criticize, or otherwise take any
19 issue with FPL's Feeder Hardening Program.

20 **Q. On page 33 of his testimony, OPC witness Mara recommends that overhead**
21 **hardened laterals and undergrounded laterals should be separated and tracked**
22 **as two individual SPP programs. Do you agree with his recommendation?**

23 A. I do not agree that there should be separate overhead and underground lateral SPP
24 programs. The overhead protocols were established and incorporated into the
25 Distribution Lateral Hardening Program pursuant to the 2020 SPP Settlement approved

1 by Commission Order No. PSC-2020-0293-AS-EI. FPL did not commit to create
2 separate overhead and underground lateral programs. Moreover, the underground and
3 overhead components of the Distribution Lateral Hardening Program are symbiotic,
4 and the work will be part of the same overall lateral project. As explained in my direct
5 testimony and Exhibit MJ-1, the selection and prioritization criteria for the Distribution
6 Lateral Hardening Program ranks each feeder based on actual historical experience of
7 all the overhead laterals on the feeder in order to address the worst performing circuits
8 first. All laterals on the feeders are then hardened according to the ranking of each
9 feeder. As explained in Exhibit MJ-1, constructing at the feeder level significantly
10 improves the efficiency and timing of construction because all of the work takes place
11 in the same location (feeder) on a set of laterals as opposed to being spread out over
12 multiple individual laterals across the entire service area. It also allows for a more
13 efficient design to reduce overall cable footage and the number of transformers needed
14 to serve an area by interconnecting existing laterals and using alternate cable paths to
15 reduce the total number of laterals in the area. When FPL performs the engineering
16 evaluation of all laterals on a feeder, it will apply the overhead protocols to evaluate
17 whether each lateral should be overhead hardened or converted to underground based
18 on the actual field conditions and limitations at the time. Thus, the overhead and
19 underground work is completed as part of a single conceptual design across all laterals
20 on an entire feeder under the Distribution Lateral Hardening Program. To treat and
21 separately manage the overhead hardening and underground lateral work as separate
22 programs, as suggested by OPC witness Mara, would reduce efficiencies and increase
23 costs. For these reasons, I believe it is appropriate and reasonable that the overhead
24 protocols should be included and part of the overall Distribution Lateral Hardening
25 Program and should not be a standalone SPP program.

1 **Q. On page 31 of his testimony, OPC witness Mara claims that the Distribution**
2 **Lateral Hardening Program does not meet the requirements of the SPP Rule**
3 **because FPL did not provide any estimate of the cost reductions to be realized**
4 **from the program. Do you have a response?**

5 A. I disagree with OPC witness Mara. First, his claim that FPL did not provide cost
6 reductions associated with the Distribution Lateral Hardening Program is a fallout of
7 OPC’s proposal that the Commission should adopt and apply a new cost benefit
8 analysis requirement and new cost-effectiveness threshold for the SPP programs. As I
9 explained above, OPC’s proposed cost benefit analysis and new cost-effectiveness
10 threshold should be rejected.

11
12 Second, as I explained above, there is nothing in either the SPP Statute or SPP Rule
13 that prescribes that the benefits of SPP programs must be quantified, and storm
14 hardening is not a simple cost-effective calculation as suggested by OPC.

15
16 Third, in compliance with Rules 25-6.030(3)(b) and 25-6.030(3)(d)(1), F.A.C., the
17 benefits expected from the Distribution Lateral Hardening Program were provided in
18 the following portions of FPL’s 2023 SPP: Section II; Section IV(D)(1)(b); and
19 Appendix A of Exhibit MJ-1. In fact, on page 31 of his testimony, OPC witness Mara
20 relies on the 40-year net present value analysis of the reduction in storm restoration
21 costs provided by FPL in Appendix A of Exhibit MJ-1. Further, on page 34 of his
22 testimony, OPC witness Mara acknowledges that “[i]t is apparent from experiences in
23 Florida that undergrounding and hardening poles will reduce outage costs and outage
24 times.”

25

1 Finally, OPC witness Mara does not propose that the Distribution Lateral Hardening
2 Program be rejected; rather, he proposes an adjustment to the annual budget beginning
3 in 2025. Either the Distribution Lateral Hardening Program meets the requirements of
4 the SPP Rule and is eligible to be included in the SPP or it does not. OPC witness Mara
5 cannot have it both ways.

6 **Q. Does OPC agree with FPL’s prioritization and selection criteria for the**
7 **Distribution Lateral Hardening Program?**

8 A. No. Although OPC does not take issue with any specific selection and prioritization
9 criteria for the Distribution Lateral Hardening Program, OPC witness Mara nonetheless
10 states on page 32 of his testimony that he does not agree with FPL’s selection and
11 prioritization methodology. Apparently, OPC witness Mara believes that FPL needs to
12 do more so that lateral hardening and undergrounding and their associated benefits are
13 spread to more customers and communities:

14 My point is that the dollars are concentrated such that only a few
15 customers will see a reduction in customer outage minutes and enjoy
16 the aesthetics and other benefits of an undergrounded system. The
17 remaining customers only see a benefit cost ratio that is upside down
18 meaning more costs than benefits.

19 This is a significant investment in a small portion of the system (one
20 feeder) and in a single community. *There needs to be a mechanism*
21 *to help spread the undergrounding and hardening to more*
22 *communities, which is important since all customers will be*
23 *contributing to the cost of undergrounding.*

24 See Direct Testimony of OPC witness Mara, pp. 32-33 (emphasis added). As I address
25 later in my testimony, this statement is at odds with his recommendation of reducing
26 the budget for the Distribution Lateral Hardening Program.

27

1 **Q. Please describe OPC’s proposed adjustment to the Distribution Lateral**
2 **Hardening Program.**

3 A.

4 on pages 33-34 of his
5 testimony OPC witness Mara recommends a qualitative adjustment to the annual
6 budget for the Distribution Lateral Hardening Program starting in 2025 and continuing
7 through 2032. Specifically, OPC witness Mara recommends that the annual budget for
8 the Distribution Lateral Hardening Program be capped at \$606 million per year for the
9 years 2025 to 2032, which results in a total ten-year budget reduction of approximately
10 \$3.4 billion.

11 **Q. Does OPC witness Mara describe how he calculated his proposed reduction to the**
12 **Distribution Lateral Hardening Program budget?**

13 A. No. His adjustment appears to be completely qualitative and, together with his other
14 proposed adjustments, is simply intended to reduce the ten-year capital cost per
15 customer to remain similar to the ten-year capital cost per customer for the combined
16 FPL and Gulf’s 2020 SPPs. See Direct Testimony of OPC witness Mara, pp. 13 and
17 34.

18 **Q. Do you agree with OPC witness Mara’s proposed adjustment to the Distribution**
19 **Lateral Hardening Program budget?**

20 A. No, I disagree for multiple reasons. It is important to understand OPC witness Mara’s
21 proposed adjustment will reduce the number of laterals to be completed each year and
22 delay when customers will receive the direct benefits of the Distribution Lateral
23 Hardening Program. This adjustment directly contradicts his position on pages 32-33
24 that FPL needs to expand its efforts so that lateral hardening and undergrounding, and
25 their associated benefits, are spread to more customers and communities.

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Although OPC witness Mara apparently seeks to simply maintain the status quo, he overlooks that the Distribution Lateral Hardening Program was initially deployed as a limited pilot, which was continued through 2022 as OPC agreed in the 2020 SPP Settlement. As part of the 2023 SPP, FPL is seeking to deploy the Distribution Lateral Hardening Program as a full-scale permanent SPP program and, as such, is ramping up the program in order to provide the benefits of underground lateral hardening throughout its system, including in the former Gulf service area. I note that OPC does not object to the Distribution Lateral Hardening Program becoming a permanent SPP program.

FPL’s Distribution Lateral Hardening Program was designed to achieve the objectives and goals of the SPP Statute. Therein, the Florida Legislature expressly found that “[i]t is in the state’s interest to strengthen electric utility infrastructure to withstand extreme weather conditions by promoting the overhead hardening of electrical transmission and distribution facilities, the undergrounding of certain electrical distribution lines, and vegetation management” and “[p]rotecting and strengthening transmission and distribution electric utility infrastructure from extreme weather conditions can effectively reduce restoration costs and outage times to customers.” See Sections 366.96(1)(c), (d), F.S. FPL’s underground lateral program is an impactful and crucial tool to achieve these legislative objectives and is appropriately designed to address the worst performing circuits and areas first based on actual historical experience. Indeed,

1 as shown in FPL’s Hurricane Irma Forensic Report, underground laterals performed
2 6.6 times (85%) better during Hurricane Irma than overhead laterals.¹

3

4 The ramp up in the number of laterals to be completed each year under the Distribution
5 Lateral Hardening Program is due primarily to the inclusion of the former Gulf service
6 area and the significant number of laterals that remain to be hardened, the strong local
7 support and interest in the program, as well as the addition of the Management Region
8 selection approach in 2025 as explained in my direct testimony and Exhibit MJ-1.
9 Notably, the OPC does not criticize or challenge the proposed addition of the
10 Management Region selection approach.

11

12 The annual budget for the Distribution Lateral Hardening Program is a product of the
13 number of estimated projects to be completed throughout FPL’s system as provided in
14 Appendix C to Exhibit MJ-1. Although all customers indirectly benefit from overhead
15 hardened and underground laterals through reduced restoration costs, the direct benefits
16 for customers of overhead hardened and underground laterals, including both reduced
17 outage times and aesthetics (as recognized by OPC witness Mara on page 32 of his
18 testimony), will be facilitated and realized more quickly through the expanded number
19 of underground projects contemplated by FPL’s SPP. How fast and how many lateral
20 projects are completed under the Distribution Lateral Hardening Program, and how
21 quickly customers realize the direct and indirect benefits therefrom, is ultimately a
22 regulatory decision for the Commission to be made in the context of the policy and
23 objectives of the SPP Statute.

¹ Refer to Page 7 of FPL’s Hurricane Irma Forensic Report in Docket No. 20180049, which is available at:
<http://www.psc.state.fl.us/library/filings/2019/05615-2019/Support/Exhibit%2036/POD%20No.%202/20180049%20-%20OPC's%201st%20POD%20No.%202%20-%20Attachment%20No.%201.pdf>

1 **D. FPL’s New Transmission Access Enhancement Program is Consistent**
2 **with the Objectives of the SPP Statute and Should be Approved**

3 **Q. Does the OPC agree with FPL’s proposal to add the new Transmission Access**
4 **Enhancement Program to the 2023 SPP?**

5 A. No. On pages 26-29 of his testimony, OPC witness Mara contends that maintenance
6 of bridges, roads, and culverts are ordinary base rate activities and FPL failed to
7 demonstrate how its proposed Transmission Access Enhancement Program will meet
8 the objectives of the SPP statute to reduce restoration costs and outage times associated
9 with extreme weather events.

10 **Q. Do you agree that projects to be completed under the Transmission Access**
11 **Enhancement Program should be maintained as part of FPL’s ordinary base rate**
12 **activities?**

13 A. No. OPC witness Mara appears to misunderstand the scope and purpose of the
14 Transmission Access Enhancement Program. FPL is not proposing to simply maintain
15 roads, rights of way, bridges, and culverts for purposes of accessing transmission
16 facilities for day-to-day maintenance and vegetation management activities, which
17 activities are typically scheduled and conducted during drier times of the year and
18 within the existing transmission rights-of-way. Rather, as explained in my direct
19 testimony and Exhibit MJ-1, the purpose of the Transmission Access Enhancement
20 Program is to ensure that FPL has access to its transmission facilities following an
21 extreme weather event by targeting and addressing areas that become inaccessible due
22 to flooding or saturated soils. Notably, the peak of the Atlantic Hurricane Season
23 coincides with Florida’s wet season when increased rainfall will exacerbate the
24 inaccessibility of many of these low-lying, saturated, and wetland areas. As explained
25 in my direct testimony and Exhibit MJ-1, and as acknowledged by OPC witness Mara

1 on page 27 of his testimony, these low-lying areas may not be accessible following an
2 extreme weather event without specialized equipment and vehicles, which has limited
3 availability during and immediately following storm events.

4 **Q. Do you have a response to OPC witness Mara's contention on pages 27-28 of his**
5 **testimony that FPL did not demonstrate that the Transmission Access**
6 **Enhancement Program will reduce restoration costs and outage times associated**
7 **with extreme weather events?**

8 A. Yes. OPC witness Mara's argument is, again, a fallout of OPC's proposal that the
9 Commission should adopt and apply a new cost benefit analysis requirement and new
10 cost-effectiveness threshold for the SPP programs. As I explained above, OPC's
11 proposed new criteria and standards to review the SPPs are contrary to the requirements
12 of both the SPP Statute and SPP Rule and should be rejected.

13

14 My direct testimony and Section IV(K)(1) of Exhibit MJ-1 explained that the
15 Transmission Access Enhancement Program will ensure that FPL and its contractors
16 have access to FPL's transmission facilities following an extreme weather event, which
17 will reduce the need and associated costs for specialized equipment and will help
18 expedite restoration activities and thereby reduce customer outage times. Importantly,
19 a transmission-related outage can result in an outage affecting tens of thousands of
20 customers and may cause a cascading event that could result in loss of service for
21 hundreds of thousands of customers. The Transmission Access Enhancement Program
22 will allow FPL and its contractors to quickly address such outages following an extreme
23 weather event, which would result in a reduction of outage times for tens of thousands
24 to hundreds of thousands of customers following an extreme weather event.

1 **Q. Do you have any other observations regarding OPC’s opposition to the**
2 **Transmission Access Enhancement Program?**

3 A. Yes. OPC witness Mara appears to overlook that the Commission’s SPP Rule defines
4 a storm protection project to include enhancement of T&D areas and not just the T&D
5 facilities themselves: “a specific activity within a storm protection program designed
6 for the enhancement of an identified portion *or area of existing electric or distribution*
7 *facilities* for the purpose of reduction restoration costs and reduction outage times
8 associated with extreme weather conditions therefore improving overall service
9 reliability.” See Rule 25-6.030(2)(b), F.A.C. (emphasis added). I also note that FPL’s
10 proposed program was modeled after the Transmission Access Enhancement Program
11 included in Tampa Electric Company’s (“TECO”) 2020-2029 SPP that was previously
12 agreed to in a Stipulation and Settlement Agreement, which OPC joined, that was
13 approved by Commission Order No. PSC-2020-0293-AS-EI.²

14 **Q. On page 27 of his testimony, OPC witness Mara states that, as an alternative, FPL**
15 **should consider simply purchasing the specialized equipment necessary to access**
16 **its transmission facilities located in low-lying and saturated areas following an**
17 **extreme weather event. Do you have a response to his alternative proposal?**

18 A. Yes. FPL has evaluated large tire equipment used in other industries. However, FPL
19 has not been able to locate large tire vehicles readily available for purchase that are
20 capable of working within Florida’s unique topography, terrain, and hydrology while
21 still meeting the necessary technical loading and reach specifications required to
22 perform transmission line restoration work following an extreme weather event.
23 Although floating equipment, such as barges, are utilized for construction of

² FPL acknowledges that, despite agreeing to the program in the TECO 2020-2029 SPP, OPC witness Mara filed testimony in Docket No. 20220048-EI opposing the continuation of TECO’s previously approved Transmission Enhancement Program.

1 transmission line river crossings, this floating equipment cannot be used to access the
2 low-lying and saturated areas to be addressed by the Transmission Access
3 Enhancement Program.

4
5 Even if this specialized equipment was readily available on the market for purchase,
6 FPL would need a large fleet of specialized equipment because the Company's service
7 area encompasses more than 35,000 square miles across 43 counties with more than
8 9,000 miles of transmission lines. Purchasing a large fleet of specialty vehicles would
9 also require ongoing specialized maintenance and specialized resources trained and
10 familiar with operating and maintaining the specialized equipment. Lastly, external
11 resources that perform restoration work following an extreme weather event may not
12 be able to utilize the specialized equipment, resulting in potential delays to restoration
13 of transmission structures and equipment.

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15 **E.**

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Q. Does this conclude your rebuttal testimony?

A. Yes.

Exhibit MJ-2

Florida Power & Light Company
Docket No. 20220051-EI
OPC's Fourth Set of Interrogatories
Interrogatory No. 50
Page 1 of 2

QUESTION:

For the last 10 years, for each substation slated for modification by the substation flood mitigation program, list the following:

- a. Provide the dates each of the substation had to be de-energized due to high water.
- b. For each date of de-energization, provide the duration that the substation was de-energized.
- c. Provide the number of customers served by each substation at the time of de-energization.
- d. Describe the elevation of the substation and FPL's projected elevation of the flood water

RESPONSE:

- a. Please refer to FPL's response to OPC's 4th Set of Interrogatories, No. 39.
- b. Please refer to FPL's response to OPC's 4th Set of Interrogatories, No. 39.
- c. Please refer to FPL's response to OPC's 4th Set of Interrogatories, No. 39.
- d. Please see table below.

Sites	Existing Average Grade	2022 Elevation of Flood Protection	Expected Flood Elevation
St. Augustine	4.5 ft	10.0 ft	8-9 ft
Opa Locka	Approx. 9 ft	N/A-- Drainage Improvements ~11 ft	10 ft-- post improvements
S. Daytona	5.4 ft	10 ft	7.8 ft
Lewis	6.4 ft	11.4 ft	8 ft
Aventura	4 ft	N/A--Drainage Improvements 4.4 ft	4.4 ft -- post improvements
Pine Ridge	9.2 ft	11.2 ft	11.2 ft
Dumfoundling	4.4 ft	9 ft	6.4 ft

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Corkscrew	19.18 ft	22.5 ft	20 ft
Chambers	Approx. 6 ft	10.5 ft	7.9 ft
Gracewood	Approx. 5 ft	10 ft	7.1 ft