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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
Correction to Florida Power & Light Company's
Rebuttal Testimony of Liz Fuentes

Dear Mr. Teitzman:

Enclosed for filing on behalf of Florida Power & Light Company ("FPL") are the following documents correcting the Rebuttal Testimony of Liz Fuentes [DN 04177-2022]:

- Errata Sheet of FPL witness Liz Fuentes
- Attachment 1 - a redline version of the Rebuttal Testimony of Liz Fuentes

The above-referenced documents correct the Rebuttal Testimony of Liz Fuentes 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. Please note, however, that FPL expressly reserves the right to offer the Rebuttal Testimony of Liz Fuentes as originally filed on June 21, 2022, in its entirety, pending further action by the Commission related to Order No. PSC-2022-0292-PCO-EI.

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:

<p>Walter Trierweiler, Esquire Theresa Lee Eng Tan, Esquire Jacob Imig, Esquire Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 wtrierwe@psc.state.fl.us jimig@psc.state.fl.us ltan@psc.state.fl.us <i>For Commission Staff</i></p>	<p>Office of Public Counsel c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 Gentry.richard@leg.state.fl.us rehwinkel.charles@leg.state.fl.us morse.stephanie@leg.state.fl.us wessling.mary@leg.state.fl.us christensen.patty@leg.state.fl.us <i>For Office of Public Counsel</i></p>
<p>Stephanie U. Eaton Florida Bar No.: 165610 SPILMAN THOMAS & BATTLE, PLLC 110 Oakwood Drive, Suite 500 Winston-Salem, NC 27103 seaton@spilmanlaw.com</p> <p>Derrick Price Williamson Steven W. Lee SPILMAN THOMAS & BATTLE, PLLC 1100 Bent Creek Boulevard, Suite 101 Mechanicsburg, PA 17050 dwilliamson@spilmanlaw.com slee@spilmanlaw.com <i>For Walmart Inc.</i></p>	<p>Dianne M. Triplett Deputy General Counsel Duke Energy Florida, LLC 299 First Avenue North St. Petersburg, FL 33701 Dianne.Triplett@Duke-Energy.com</p> <p>Matthew R. Bernier Robert L. Pickels Stephanie A. Cuello 106 E. College Avenue, Suite 800 Tallahassee FL 32301 FLRegulatoryLegal@duke-energy.com matthew.bernier@duke-energy.com robert.pickels@duke-energy.com stephanie.cuello@duke-energy.com <i>For Duke Energy Florida, LLC</i></p>
<p>Beth Keating Gunster, Yoakley & Stewart, P.A. 215 South Monroe St., Suite 601 Tallahassee, FL 32301 BKeating@gunster.com</p> <p>Mr. Mike Cassel 208 Wildlight Ave. Yulee FL 32097 (904) 491-4361 mcassel@fpuc.com <i>For Florida Public Utilities Company</i></p>	<p>J. Jeffrey Wahlen Malcolm M. Means Ausley McMullen Post Office Box 391 Tallahassee, Florida 32302 jwahlen@ausley.com mmeans@ausley.com</p> <p>Ms. Paula K. Brown Regulatory Affairs P. O. Box 111 Tampa FL 33601-0111 regdept@tecoenergy.com <i>For Tampa Electric Company</i></p>

<p>Jon C. Moyle, Jr. Karen A. Putnal Moyle Law Firm, P.A. 118 North Gadsden Street Tallahassee, Florida 32301 jmoyle@moylelaw.com kputnal@moylelaw.com mqualls@moylelaw.com <i>For Florida Industrial Power Users Group</i></p>	<p>James W. Brew/Laura Wynn Baker c/o Stone Law Firm 1025 Thomas Jefferson St., NW, Eighth Floor, W Tower Washington DC 20007 (202) 342-0800 (202) 342-0807 jbrew@smxblaw.com lwb@smxblaw.com <i>For PSC Phosphate – White Springs</i></p>
<p>George Cavros 120 E. Oakland Park Blvd., Suite 105 Fort Lauderdale FL 33334 george@cavros-law.com <i>For Southern Alliance for Clean Energy</i></p>	

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
ERRATA SHEET OF LIZ FUENTES**

Florida Power & Light Company (“FPL”) hereby submits this errata sheet to correct the **Rebuttal Testimony of Liz Fuentes** originally filed in the above referenced docket on June 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 Fuentes that directly responded to and rebutted the portions of the OPC witness Kollen’s testimony that were stricken by Order No. PSC-2022-0292-PCO-EI:

Page and Line No.#

Changes/Corrections

P. 1, ln. 1 through p. 7, ln. 25 Strike in its entirety.

Provided as “**Attachment 1**” is a redline version of the Rebuttal Testimony of Liz Fuentes that reflects the above referenced corrections.

Please note, however, that FPL expressly reserves the right to offer the Rebuttal Testimony of Liz Fuentes as originally filed on June 21, 2022, in its entirety, pending further action by the Commission related to Order No. PSC-2022-0292-PCO-EI.

Respectfully submitted this 1st day of August 2022,

By: s/Christopher T. Wright

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ATTACHMENT 1

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

**Rebuttal Testimony of Liz Fuentes
Corrected by Errata Filed August 1, 2022 (REDLINE)**

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **DOCKET NO. 20220051-EI**

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4 **FLORIDA POWER & LIGHT COMPANY**

5 **2023-2032 STORM PROTECTION PLAN**

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9 **REBUTTAL TESTIMONY OF**

10 **LIZ FUENTES**

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25 **Filed: June 21, 2022**

1 ~~Q. — Please state your name and business address.~~

2 ~~A. — My name is Liz Fuentes. My business address is Florida Power & Light Company,~~
3 ~~4200 West Flagler Street, Miami, Florida, 33134.~~

4 ~~Q. — By whom are you employed and what is your position?~~

5 ~~A. — I am employed by Florida Power & Light Company (“FPL” or the “Company”) as~~
6 ~~Senior Director, Regulatory Accounting.~~

7 ~~Q. — Please describe your duties and responsibilities in that position.~~

8 ~~A. — I am responsible for planning, guidance, and management of most regulatory~~
9 ~~accounting activities for FPL and Pivotal Utility Holdings, Inc. d/b/a Florida City Gas.~~
10 ~~In this role, I ensure that the financial books and records comply with multi-~~
11 ~~jurisdictional regulatory accounting requirements and regulations.~~

12 ~~Q. — Please describe your educational background and professional experience.~~

13 ~~A. — I graduated from the University of Florida in 1999 with a Bachelor of Science Degree~~
14 ~~in Accounting. That same year, I was employed by FPL. During my tenure at the~~
15 ~~Company, I have held various accounting and regulatory positions of increasing~~
16 ~~responsibility with most of my career focused in regulatory accounting and the~~
17 ~~calculation of revenue requirements. Specifically, I have filed testimony or provided~~
18 ~~accounting support in multiple FPL retail base rate filings, clause filings, and other~~
19 ~~regulatory dockets filed at the Florida Public Service Commission (“FPSC” or the~~
20 ~~“Commission”) as well as the Federal Energy Regulatory Commission (“FERC”).~~
21 ~~Most recently, I filed testimony in the Florida City Gas base rate case filing. My~~
22 ~~responsibilities have included the management of the accounting for FPL’s cost~~
23 ~~recovery clauses and the preparation, review, and filing of FPL’s monthly Earnings~~
24 ~~Surveillance Reports at the FPSC. I am a Certified Public Accountant (“CPA”)~~

1 licensed in the Commonwealth of Virginia and member of the American Institute of
2 CPAs.

3 **Q. — Did you previously submit direct testimony in this docket?**

4 A. — No, I did not.

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

6 A. — The purpose of my rebuttal testimony is to respond to recommendations provided in
7 the direct testimony of Office of Public Counsel (“OPC”) witness Lane Kollen in regard
8 to the calculation of revenue requirements reflected in FPL’s 2023-2032 Storm
9 Protection Plan (“2023 SPP”) submitted as Exhibit MJ-1 and as corrected by the Notice
10 of Filing a Revised Appendix E to Exhibit MJ-1 filed on May 6, 2022. Specifically, I
11 explain that FPL’s revenue requirement calculations reflected in its 2023 SPP are
12 reasonable estimates consistent with the revenue requirement calculations presented in
13 FPL’s approved 2020-2029 SPP and are not meant to be precise calculations to be
14 relied upon to set rates. In addition, I also explain why multiple recommendations by
15 OPC witness Kollen to modify FPL’s revenue requirement calculations should be
16 rejected.

17 **Q. — Before addressing the specific issues and recommendations raised by OPC, do you**
18 **have any general observations regarding the revenue requirements reflected in**
19 **FPL’s 2023 SPP?**

20 A. — Yes, I do. OPC witness Kollen fails to recognize that the revenue requirement
21 calculations required under Rule 25-6.030, Storm Protection Plan, Florida
22 Administrative Code (“F.A.C.”) (the “SPP Rule”), are not intended to be precise
23 calculations used to set base rates or cost recovery clause rates. Instead, the revenue
24 requirements are estimates based on reasonable assumptions and the capital costs and
25 operating and maintenance expenses (“O&M”) presented in FPL’s 2023 SPP. In

1 addition, the revenue requirements included in the 2023 SPP do not distinguish whether
2 SPP costs or expenses will be requested for recovery through base rates versus the SPP
3 cost recovery clause (“SPPCRC”) nor are they required to under the SPP Rule. The
4 costs and expenses included in FPL’s 2023 SPP, if approved as is, are not automatically
5 included for recovery from customers. Rather, FPL must request recovery of SPP
6 projects in either its SPPCRC filings or as part of a base rate filing prior to their
7 inclusion in rates.

8 **Q. — Does the SPP Rule define or describe how the revenue requirements included in**
9 **FPL’s 2023 SPP should be calculated?**

10 A. — No, it does not. Unlike the Commission prescribed templates/forms for the SPPCRC
11 and environmental cost recovery clause filings, the SPP Rule only provides that the
12 SPP must include an “estimate of the annual jurisdictional revenue requirements for
13 each year of the Storm Protection Plan.” See Rule 25-6.030(3)(g), F.A.C. Consistent
14 therewith, FPL has provided revenue requirement calculations based on reasonable
15 assumptions in order to provide an *estimate* of the total costs and expenses associated
16 with each of its SPP programs reflected in its 2023 SPP, which are not solely based on
17 the incremental costs for each of FPL’s SPP programs. The revenue requirement
18 calculations reflected in FPL’s 2023 SPP are consistent with the revenue requirements
19 reflected in FPL’s 2020-2029 SPP filing, which was approved by the Commission in
20 Order No. PSC-2020-0293-AS-EI. In addition, OPC witness Kollen’s references to
21 Rule 25-6.031 F.A.C., Storm Protection Plan Cost Recovery Clause (the “SPPCRC
22 Rule”) and negotiated settlement agreements as to what should be reflected in FPL’s
23 revenue requirement calculations are irrelevant and should be ignored.

24 **Q. — OPC witness Kollen recommends on pages 21-22 of his testimony that the revenue**
25 **requirements reflected in FPL’s 2023 SPP should reflect O&M savings and**

1 ~~reductions in depreciation expense from retired plant resulting from its SPP~~
2 ~~projects. Do you agree both items should be incorporated into the calculation of~~
3 ~~revenue requirements in FPL's 2023 SPP?~~

4 ~~A. No. First, the SPP Rule does not require FPL to incorporate any O&M savings or~~
5 ~~reduction in depreciation expense in its calculation of revenue requirements in its SPP~~
6 ~~filings. Second, as previously discussed, FPL's revenue requirements represent~~
7 ~~reasonable estimates based on the costs and expenses for the SPP programs reflected~~
8 ~~in FPL's 2023 SPP and are not used for ratemaking purposes. Rather, the actual SPP~~
9 ~~costs, and associated revenue requirements and rates, are reviewed and set in the~~
10 ~~applicable SPPCRC or base rate proceedings, which would include any O&M savings~~
11 ~~or reductions to depreciation expense resulting from retired plant.~~

12 ~~Q. OPC witness Kollen states on page 22 of his testimony that FPL made an error in~~
13 ~~its calculation of property taxes included in its revenue requirements. Do you~~
14 ~~agree?~~

15 ~~A. No, FPL did not make an error. OPC witness Kollen is correct that property taxes are~~
16 ~~typically evaluated based on property values from the prior year instead of the current~~
17 ~~year. However, as mentioned above, FPL's calculation of revenue requirements in its~~
18 ~~2023 SPP represents reasonable estimates and are not meant to be precise calculations~~
19 ~~to be relied upon to set rates.~~

20 ~~Q. Starting on page 21 of his testimony, OPC witness Kollen states that FPL should~~
21 ~~not have included a return on Construction Work in Progress ("CWIP") in the~~
22 ~~calculation of its SPP revenue requirement calculations. Do you agree?~~

23 ~~A. No, I do not. OPC witness Kollen attempts to point to Section 366.96(9), Florida~~
24 ~~Statute, and the SPPCRC Rule as a basis for what projects can and cannot earn a return,~~
25 ~~which is improper and inconsistent with traditional ratemaking. The proper reference~~

1 for determining how CWIP earns a return is Rule 25-6.0141, Allowance for Funds Used
2 During Construction, F.A.C., (the “AFUDC Rule”), which recognizes that a return on
3 CWIP balances can be achieved in either of two ways. First, CWIP projects that meet
4 the requirements set forth in section (2)(a) of the AFUDC Rule may accrue AFUDC.
5 Second, in the event CWIP projects do not meet the requirements to accrue AFUDC
6 under the AFUDC Rule, they are included in rate base. Since FPL’s SPP projects do
7 not meet the requirements to accrue AFUDC under the AFUDC Rule, FPL has included
8 CWIP associated with these projects in its calculation of revenue requirements in the
9 2023 SPP. This treatment is consistent with the SPP projects previously presented for
10 recovery through FPL’s SPPCRC and approved by the Commission.

11 ~~Q. — OPC witness Kollen recommends an alternative to a return on CWIP in rate base~~
12 ~~by deferring the return as a miscellaneous deferred debit and including it for~~
13 ~~recovery when the SPP project goes into service. Do you agree this is an~~
14 ~~acceptable alternative?~~

15 ~~A. — No. First, this alternative is not consistent with the requirements set forth in the~~
16 ~~AFUDC Rule and is an attempt by OPC to request that the Commission add additional~~
17 ~~provisions to the SPP Rule outside of a rulemaking process. Second, from a ratemaking~~
18 ~~perspective, OPC witness Kollen is essentially recommending accrual of AFUDC for~~
19 ~~SPP projects; however, SPP projects do not qualify for accrual of AFUDC.~~

20 ~~Q. — On page 25 of his testimony, OPC witness Kollen attempts to make a connection~~
21 ~~between a return on CWIP in rate base with prudence of SPP project costs. Do~~
22 ~~you agree with this connection?~~

23 ~~A. — No. As I previously discussed, the basis for whether a project in CWIP should earn a~~
24 ~~return or not is based on the requirements set forth in the AFUDC Rule. It has nothing~~
25 ~~to do with whether the costs of an SPP project are prudent or not. Prudence of the costs~~

1 ~~associated with FPL's SPP projects are determined by the Commission when they are~~
2 ~~presented for recovery from customers in the annual SPPCRC proceeding or in a base~~
3 ~~rate proceeding.~~

4 ~~**Q. — Does this conclude your rebuttal testimony?**~~

5 ~~**A. — Yes.**~~

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