

STATE OF FLORIDA

COMMISSIONERS:
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OFFICE OF COMMISSION CLERK
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Public Service Commission

December 15, 2022

John A. Tomasino, Clerk
Florida Supreme Court
500 South Duval Street
Tallahassee, Florida 32399

Re: Review of Storm Protection Plan, pursuant to Rule 25-6.030, F.A.C., Florida Power & Light Company. PSC Docket No. 20220051-EI.

Dear Mr. Tomasino:

Enclosed please find a certified copy of a Notice of Administrative Appeal, which was filed with the Florida Public Service Commission on December 9, 2022, along with its attachment, Order No. PSC-2022-0389-FOF-EI. This appeal was filed by the Office of Public Counsel.

Please do not hesitate to contact me should you have any questions concerning this matter.

Sincerely,

Adam J. Teitzman
Commission Clerk

AJT: cdr
Enclosure

cc: Richard Gentry, Esq.
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**CITIZENS OF THE STATE OF)
FLORIDA, THROUGH THE)
FLORIDA OFFICE OF PUBLIC)
COUNSEL,)
Appellants,)
v.)

FLORIDA PUBLIC SERVICE)
COMMISSION,)
Appellee.)
_____)**

FILED 12/9/2022
DOCUMENT NO. 11939-2022
FPSC - COMMISSION CLERK

**IN THE FLORIDA PUBLIC
SERVICE COMMISSION**

DOCKET NO. 20220051-EI

**NOTICE OF
ADMINISTRATIVE
APPEAL**

NOTICE IS GIVEN that the Citizens of the State of Florida (“Citizens”), Appellants, through the Office of Public Counsel, appeal to the Supreme Court of the State of Florida the order of the Florida Public Service Commission, Order No. PSC-2022-0389-FOF-EI, rendered on November 10, 2022. A copy of Order No. PSC-2022-0389-FOF-EI is attached to this Notice of Administrative Appeal as Exhibit “A.”

The nature of the order is that it is the Final Order Approving, With Modifications,
Florida Power & Light Company's Storm Protection Plan.

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/s/ Mary A. Wessling
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Attorneys for Citizens of
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing **NOTICE OF ADMINISTRATIVE APPEAL** has been furnished by electronic mail on this 9th day of December, 2022, to the following:

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CITIZENS OF THE STATE OF)
FLORIDA, THROUGH THE)
FLORIDA OFFICE OF PUBLIC)
COUNSEL,)

Appellants,)

v.)

FLORIDA PUBLIC SERVICE)
COMMISSION)

Appellee.)
_____)

IN THE FLORIDA PUBLIC
SERVICE COMMISSION

DOCKET NO. 20220051-EI

NOTICE OF
ADMINISTRATIVE
APPEAL

EXHIBIT "A"

**FLORIDA PUBLIC SERVICE COMMISSION
ORDER NO. PSC-2022-0389-FOF-EI, ISSUED NOVEMBER 10,
2022**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 20220051-EI
ORDER NO. PSC-2022-0389-FOF-EI
ISSUED: November 10, 2022

The following Commissioners participated in the disposition of this matter:

ART GRAHAM
GARY F. CLARK
MIKE LA ROSA
GABRIELLA PASSIDOMO

FINAL ORDER APPROVING, WITH MODIFICATIONS, FLORIDA POWER & LIGHT
COMPANY'S STORM PROTECTION PLAN

APPEARANCES:

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On behalf of Florida Power & Light Company (FPL).

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On behalf of Office of Public Counsel (OPC).

JON C. MOYLE, JR. and KAREN PUTNAL, ESQUIRES, 118 North Gadsden
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On behalf of Florida Industrial Power Users Group (FIPUG).

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On behalf of Southern Alliance for Clean Energy (SACE).

STEPHANIE U. EATON, ESQUIRE, 110 Oakwood Drive, Suite 500, Winston-
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STEVEN W. LEE, ESQUIRES, 1100 Bent Creek Boulevard, Suite 101,
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On behalf of Walmart Inc. (Walmart).

WALT TRIERWEILER and JACOB IMIG, ESQUIRES, Florida Public Service
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On behalf of the Florida Public Service Commission (Staff).

MARY ANNE HELTON, ESQUIRE, Deputy General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850

Advisor to the Florida Public Service Commission.

KEITH C. HETRICK, ESQUIRE, General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850

Florida Public Service Commission General Counsel.

BY THE COMMISSION:

Background

Section 366.96, Florida Statutes (F.S.), requires each investor-owned electric utility (IOU) to file a transmission and distribution storm protection plan (SPP) that covers the immediate 10-year planning period. The plans are required to be filed with the Florida Public Service Commission (FPSC or Commission) at least every three years and must explain the systematic approach the utility will follow to achieve the objectives of reducing restoration costs and outage times associated with extreme weather events and enhancing reliability. No later than 180 days after a utility files its plan containing all elements required by our rule, we must determine whether it is in the public interest to approve, approve with modification, or deny the plan. Subsection 366.96(7), F.S., states that once a utility's SPP has been approved, proceeding with actions to implement the plan shall not constitute or be evidence of imprudence. Under this section, we are also required to conduct an annual storm protection plan cost recovery clause (SPPCRC) proceeding to determine the utility's prudently incurred SPP costs.

Florida Power & Light Company (FPL or Utility) and Gulf Power Company (Gulf) filed their first SPPs on April 10, 2020, in Docket Nos. 20200070-EI (Gulf) and 20200071-EI (FPL).¹ The Office of Public Counsel (OPC), Walmart, Inc. (Walmart), and Florida Industrial Power Users Group (FIPUG) were granted intervention in both dockets. The 2020 SPPs were pending an administrative hearing; however prior to that hearing, FPL/Gulf entered into a Settlement Agreement with OPC and Walmart.² An administrative hearing was held on August 10, 2020 where we heard oral argument from the parties in support of the Settlement Agreement, admitted testimony and documentary evidence into the record, and approved the Settlement Agreement.³

Key provisions of the 2020 Settlement are:

- Our approval did not include or imply a determination of prudence for any particular project under a given program. OPC retained the right to challenge the prudence or

¹ Gulf merged with FPL in 2021; however, the utilities remained separate ratemaking entities. As such, the utilities separately administered their SPP programs and projects during 2021. In 2022, the utilities consolidated, with FPL being the surviving entity.

² FIPUG took no position on the Joint Motion for Expedited Approval of a Stipulation and Settlement Agreement.

³ Order No. PSC-2020-0293-AS-EI, issued August 28, 2020, in Docket Nos. 20200070-EI and 20200071-EI.

reasonableness of any projects or costs for any project submitted through the SPPCRC docket for programs approved under the settlement.

- FPL and Gulf would not seek recovery of any SPP program operation and maintenance (O&M) expenses incurred in 2020 or 2021 through the SPPCRC. FPL and Gulf agreed to address the recovery of future SPP program O&M expenses in their next base rate cases, including whether such O&M expenses would be recovered through base rates or through the SPPCRC.

On April 11, 2022, FPL filed its proposed SPP for the period 2023-2032 for our approval, which included eleven programs. On July 11, 2022, FPL filed a notice withdrawing two of its proposed programs, the Distribution and Transmission Winterization Programs. FPL's remaining nine SPP Programs are:

- Distribution Inspection
- Transmission Inspection
- Distribution Feeder Hardening
- Distribution Lateral Hardening
- Transmission Hardening
- Distribution Vegetation Management
- Transmission Vegetation Management
- Substation Storm Surge/Flood Mitigation
- Transmission Access Enhancement

The majority of these programs are a continuation of both FPL's and Gulf's 2020 SPPs and are described in Attachment A.

FIPUG, OPC, Southern Alliance for Clean Energy (SACE), and Walmart were granted intervention in this docket. An administrative hearing was held on August 2-4, 2022.⁴ Post hearing briefs were filed on September 6, 2022. OPC and FIPUG (Joint Parties) filed a joint brief, which included a procedural matter, which is addressed below.

Procedural Matter

On pages 17-23 of their post-hearing brief, the Joint Parties unilaterally inserted a "post-hearing legal issue" that was not listed in the Prehearing Order.⁵ The Joint Parties argued that we should reverse the prehearing ruling, set forth in Order No. PSC-2022-0292-PCO-EI, wherein the Prehearing Officer granted motions to strike portions of the prefiled testimony of OPC witness Lane Kollen. In our opinion, this legal argument does not raise a new substantive issue not previously ruled upon. The lack of legal relevance of witness Kollen's testimony was addressed in detail by the Prehearing Officer in Order No. PSC-2022-0292-PCO-EI. OPC

⁴ FPL's docket was consolidated with the SPP dockets for TECO (20220048-EI), FPUC (20220049-EI), and DEF (20220050-EI) for hearing purposes only.

⁵ Order No. PSC-2022-0291-PHO-EI, issued August 1, 2022.

requested reconsideration of that Order, which was denied. Because we have fully addressed the evidentiary concerns relating to the testimony of witness Kollen on the merits on two previous occasions, we find it is appropriate to discuss the Joint Parties' "post-hearing legal issue" here only to the extent it raises procedural concerns. For the reasons set forth below, we find there is no procedural error that we must consider at this time.

"The fundamental requirements of due process are satisfied by reasonable notice and a reasonable opportunity to be heard." *Florida Public Service Commission v. Triple "A" Enterprises, Inc.*, 387 So. 2d 940, 943 (Fla. 1980). At the administrative hearing held on August 2-4, 2022, in accordance with Sections 120.569 and 120.57, F.S., all parties, including the Joint Parties, were given full opportunity to present argument on all relevant issues and to conduct cross-examination of all witnesses. Neither OPC nor any other party to this proceeding was precluded from making any legal arguments regarding rule interpretation by the exclusion of the testimony. The only effect of our action in striking the testimony was to exclude expert testimony on the ultimate legal issues, which are the sole province of the tribunal.

Many portions of Witness Kollen's prefiled testimony were not stricken. Those portions were moved into the record as though read, and exhibits LK-1 through LK-3 were admitted into evidence. OPC separately proffered the portions of Witness Kollen's testimony subject to the order granting the motion to strike, and the proffered testimony was also moved into the record as though read. On August 3, 2022, Witness Kollen provided a summary and was subject to cross-examination on both the testimony that was not stricken and the proffered testimony that had been stricken. Counsel for OPC also made legal arguments about the rule interpretation at that time. Although we ultimately decided to strike portions of OPC witness Kollen's testimony, OPC was provided an opportunity to make its legal argument at the administrative hearing, and in its motion for reconsideration. OPC made its arguments again in its post-hearing brief.

The Joint Parties also argued that if we were to render an order that applied Rule 25-6.030, F.A.C., in a manner not consistent with their argument, that it "could be seen as the agency interpreting its [statutory] mandate without an effective or complete delegation of authority." The cases cited by the Joint Parties in support of this argument address judicial review of the constitutionality of statutes.⁶ As an agency, we have no jurisdiction to declare a statute unconstitutional.

For these reasons, we do not agree with the Joint Parties' arguments that the actions taken with respect to witness Kollen's testimony were procedurally infirmed or negatively impacted the fairness of the proceeding.

We have jurisdiction over the issues set out below pursuant to Section 366.96 and Chapter 120, F.S.

⁶ Post-Hearing Brief at 23 (citing *Askew v. Cross Key Waterways*, 372 So. 2d 913 (Fla. 1978); *Microtel, Inc. v. Florida Pub. Serv. Comm'n*, 464 So. 2d 1189, 1191 (Fla. 1985); *Microtel, Inc. v. Florida Pub. Serv. Comm'n*, 483 So. 2d 415 (Fla. 1986)).

Decision

I. Does FPL’s SPP contain all of the required elements of Section 366.96, F.S., and Rule 25-6.030, F.A.C.?

A. Parties’ Arguments

FPL argued that its SPP tracks the language of and provides information consistent with the express requirements of Rule 25-6.030, F.A.C. (SPP Rule). Additionally, FPL argued that there is nothing in Section 366.96, F.S., (SPP Statute) or the SPP Rule that requires SPP benefits to be projected, quantified, or monetized. FPL argued that the SPP Rule expressly provides that the SPP must include a description of the benefits of the SPP programs. FPL argued that storm hardening is not a simple cost-effective proposition and the qualitative component, which is outage times, of the SPP Rule cannot be ignored. FPL also argued that the monetary value individual customers or communities place on reduced outage times cannot be accurately or uniformly estimated, and that such analyses are dependent on highly speculative assumptions regarding the frequency and impacts of future extreme weather events and a very wide range of subjective economic assumptions. FPL argued there is no accurate way to truly provide a forward-looking view of the estimated benefits of the SPP programs for the entire 2023-2032 SPP period.

Additionally, FPL argued that there is nothing in the SPP Statute or Rule that requires a quantitative comparison of estimated costs and benefits of SPP Programs. FPL argued that nothing in the SPP Statute or Rule requires a cost-effectiveness test or threshold for the SPP programs or projects.

The Joint Parties argued that the SPP Rule requires a comparison of a cost estimate including capital and operating expense against an estimate of the resulting reduction in outage times and restoration costs expected to be gained from the SPP programs. The Joint Parties argued that the plain text of the SPP Rule requires a comparison of costs and benefits. The Joint Parties also argued that in order to have a meaningful comparison of costs and benefits a utility should provide quantifiable factors for comparison, i.e., costs and benefits conveyed in dollar amounts. Finally, the Joint Parties argued that the best way for this Commission to conduct the evaluation required by the statute is for the utility to present forward-looking data and analyses in its SPP.

SACE argued that the SPP Rule requires a utility to provide a description of how each proposed storm protection program is designed to enhance the utility’s existing transmission and distribution facilities, and that the description must include an estimate of the resulting reduction in outage times and restoration costs due to extreme weather conditions. SACE argued that the word “cost” has a clear and definite meaning, the amount paid for something; therefore, restoration “costs” required in the SPP Rule should be provided in a dollar amount. Finally, SACE argued that FPL’s SPP fails to meet the requirements of the SPP Rule because FPL did not provide quantitative benefits for its proposed programs. Walmart argued that FPL witness Jarro admitted that FPL provided a qualitative rather than a quantified estimate of benefits.

B. Analysis

The first utility storm hardening programs were filed for our approval in 2007 and were reviewed by us at least every three years thereafter. In 2019, the Florida Legislature emphasized the importance of storm hardening when it enacted Section 366.96, F.S., entitled “Storm Protection Plan Cost Recovery.”⁷ Subsection 366.96(3), F.S., requires each IOU to file a transmission and distribution SPP for our review and directs us to hold an annual proceeding to determine the IOU’s prudently incurred costs to implement the plan and allow recovery of those costs through the SPPCRC.

We promulgated two rules, Rule 25-6.030, F.A.C., Storm Protection Plan, and Rule 25-6.031, F.A.C., Storm Protection Cost Recovery, to implement and administer Section 366.96, F.S. Subsection 366.96(4), F.S., provides:

- (4) In its review of each transmission and distribution storm protection plan filed pursuant to this section, the commission shall consider:
 - (a) The extent to which the plan is expected to reduce restoration costs and outage times associated with extreme weather events and enhance reliability, including whether the plan prioritizes areas of lower reliability performance.
 - (b) The extent to which storm protection of transmission and distribution infrastructure is feasible, reasonable, or practical in certain areas of the utility’s service territory, including, but not limited to, flood zones and rural areas.
 - (c) The estimated costs and benefits to the utility and its customers of making the improvements proposed in the plan.
 - (d) The estimated annual rate impact resulting from implementation of the plan during the first 3 years addressed in the plan.

The rule implementing this statute identifies the types of information a utility is to submit for us to consider as part of our SPP review. *See* Rule 25-6.030(3), F.A.C. (“For each Storm Protection Plan, the following information must be provided . . .”). By its plain language, this rule specifies only the informational content of the SPP filing. It does not establish a substantive standard for our decision on the SPP. We are to apply the considerations specified in Subsection 366.94(4), F.S., in making the ultimate determination whether it is in the public interest to approve, approve with modifications, or deny the SPP.

Under the rule, a utility must provide an estimate and comparison of the costs and benefits of each SPP program.⁸ Specifically, Rule 25-6.0303(d), F.A.C., provides as follows:

- (3)(d) A description of each proposed storm protection program that includes:

⁷ Subsection 366.96(1), F.S., provides that it is in the state of Florida’s interest to strengthen electric utility infrastructure to withstand extreme weather conditions by promoting the overhead hardening of electrical transmission and distribution facilities and the undergrounding of certain electrical distribution lines and vegetation management, and that it is in the state’s interest for each utility to mitigate restoration costs and outage times to utility customers when developing transmission and distribution storm protection plans.

⁸ Specific elements of Rule 25-6.030, F.A.C., such as areas for prioritization and rate impact, are discussed in more detail in Sections II through VI of this Order.

1. A description of how each proposed storm protection program is designed to enhance the utility's existing transmission and distribution facilities including an estimate of the resulting reduction in outage times and restoration costs due to extreme weather conditions;
2. If applicable, the actual or estimated start and completion dates of the program;
3. A cost estimate including capital and operating expenses;
4. A comparison of the costs identified in subparagraph (3)(d)3. and the benefits identified in subparagraph (3)(d)1.

Neither Section 366.96, F.S., nor Rule 25-6030, F.A.C., explicitly require a cost-effectiveness evaluation or quantitative cost-benefit analysis. Rule 25-6.030(3)(d)4., F.A.C., requires "...a comparison of the costs identified in subparagraph (3)(d)3. and the benefits identified in subparagraph 3(d)1." The crux of the Joint Parties' argument is those terms must be read together to mandate filings include a traditional cost-effectiveness evaluation or quantitative cost-benefit analysis that shows estimated benefits outweigh costs in a SPP. The Joint Parties and SACE argued that if no traditional cost-effectiveness evaluation or "quantitative" cost-benefit analysis is contained in the utility's SPP filings, we would lack the information necessary to make a determination that a SPP can be approved in the public interest. In making this argument, however, the Joint Parties make the case for requirements that are outside the scope of the rule for two reasons.

First, the traditional use of the term, phrase, or concept of "cost-effectiveness evaluation" or "quantitative cost-benefit analysis," as promoted by the Joint Parties, is not expressly included in Section 366.96, F.S., nor Rule 25-6.030, F.A.C. An interpretive application of such term, phrase, or concept, as proposed by the Joint Parties, at a minimum would result in the imposition of new filing and analytical requirements that are not contained within the current rule, and therefore would arguably be beyond the scope of the current rule.

The more logical and practicable interpretation of the terms "costs" and "benefits" is found in a plain reading of Section 366.96, F.S., and Rule 25-6.030, F.A.C. Collectively these provisions require an investor-owned electric utility to provide information that demonstrates their program is likely to mitigate potential outages and reduce restoration time and the subsequent costs, regardless if such information is presented in a qualitative or quantitative format. These provisions also require that we consider the rate impact in order to approve a SPP, after receiving all of the cost numbers necessary to make a rate impact determination. Thus, Rule 25-6.030, F.A.C., should be interpreted to allow for both quantitative and qualitative information in the SPPs.

Second, the Joint Parties' argument is flawed given the real world nature of storm hardening. It is not a traditional utility function required for day-to-day service. Rather, creating a SPP is an activity that goes above and beyond the basic "sufficient, adequate, and efficient" standard of service to strengthen existing utility infrastructure to withstand potential extreme weather conditions. Section 366.03, F.S. This means that storm hardening costs may or may not produce actual financial benefits that exceed costs during a given time, depending on a particular

utility's circumstances, and qualitative information may provide additional information of the benefits of a SPP.⁹

Qualitative information can be meaningful when it demonstrates:

- How storm projects would impact the largest numbers of customers, such as transmission projects, and utility infrastructure serving critical customers such as hospitals, emergency responders, and water treatment plants.
- Whether a proposed SPP program or activity is something in addition to or above-and-beyond normal utility practices.

This means a utility may demonstrate its SPP complies with the statutory criteria of mitigating outages and reducing restoration costs by providing quantitative or qualitative information. Also, either quantitative or qualitative information can provide us with adequate information to consider the estimated costs and benefits to the utility and its customers of making the improvements proposed in the plan, as required by Section 366.96(4)(c), F.S.

However, a determination that a utility met the filing requirements of the SPP Rule, regardless of the type of information provided, does not mean automatic approval of its SPP programs and projects. In other words, meeting the filing requirements of the SPP Rule allows us to go forward with making a determination on approval, denial, or modification of a SPP.

In this case, the information FPL provided is sufficient to ascertain a comparison of costs and benefits within its SPP, as well as the rate impact of its SPP. FPL met the filing requirements of Rule 25-6.030, F.A.C., because FPL provided:

- The estimated costs for each proposed program.
- A description of how implementation of the plan will reduce restoration costs.
- Outage times and a description of how each program is designed to enhance the facilities including an estimate of the resulting reduction in outage times and restoration costs.

FPL provided data as to the costs and benefits associated with its SPP programs and projects. The qualitative information that FPL provided was historical data that demonstrated how past storm hardening measures have reduced restoration costs and outage times. For example, FPL's analysis of Hurricanes Irma and Matthew indicated the construction man-hours (CMH), days to restore, and storm restoration costs would have been significantly greater without its storm hardening programs. Restoration for Hurricane Matthew would have been

⁹ Consider the following example: a utility spends \$10 million to convert wooden poles to concrete poles. Based on the assumption that a Category 3 hurricane would strike the area every three years, the projected benefits are \$15 million over 30 years for a net savings to customers of \$5 million. However, if the utility does not experience extreme weather in these locations for a period of time (as was the case for the period 2005 through 2017), the customers may nonetheless be receiving qualitative benefits (the system is better prepared for when extreme weather does occur) that are consistent with the public interest requirements of Section 366.96, F.S.

extended by two additional days (50 percent) and costs increased by \$105 million (36 percent) without hardening. Similarly for Hurricane Irma, FPL estimated that restoration would have been extended by four days (40 percent) and costs increased by \$496 million (40 percent) without hardening.

C. Conclusion

FPL satisfied the SPP Statute and Rule with its filing, and we have sufficient information to make a public interest determination on its SPP.

II. Is FPL's SPP expected to reduce restoration costs and outage times associated with extreme weather events and enhance reliability?

A. Parties' Arguments

FPL stated that its 2023 SPP is largely a continuation of the programs included in its current 2020 SPP, and a majority of the programs have been in place since 2007.¹⁰ These programs have provided and are expected to continue to provide increased infrastructure resiliency, reduced restoration times, and reduced restoration costs.

FPL's analysis of Hurricanes Irma and Matthew indicated the CMH, days to restore, and storm restoration costs would have been significantly greater without its storm hardening programs. For example, restoration for Hurricane Matthew would have been extended by two days (50 percent) and costs increased by \$105 million (36 percent) without hardening. Similarly for Hurricane Irma, FPL estimated that restoration would have been extended by four days (40 percent) and costs increased by \$496 million (40 percent) without hardening. Further, FPL pointed out that its underground laterals performed 6.6 times, or 85 percent, better during Hurricane Irma than its overhead laterals. FPL calculated the 40-year net present value (NPV) of savings associated with storm hardening if similar storms to Hurricanes Matthew and Irma occurred every three and five years to demonstrate the significant savings attributable to storm hardening.

The Joint Parties argued that the language within Rule 25-6.030(3)(d), F.A.C., creates a "Two-Prong" test. This "test" does not explicitly exist in the SPP Rule or Statute. The Joint Parties interpret the statute to require an IOU to use quantitative data to demonstrate that each program would result in a reduction in outage times and restoration costs. As part of its argument, the Joint Parties voiced concern that the Utility included general infrastructure work as part of its SPP, which instead should be recovered through base rates as part of normal routine maintenance. Further, the Joint Parties argued that FPL did not provide proper data estimating reductions in restoration costs and outage times in order to comply with the requirements of the SPP Rule. Instead, FPL provided historical data, which the Joint Parties argued is inadequate, especially for FPL's new Transmission Access Enhancement program, since the data predates this new program. Walmart adopted the position of OPC.

¹⁰ The new program is the proposed Transmission Access Enhancement Program.

SACE argued that FPL's SPP did not meet the requirements of Rule 25-6.030(3)(d)1., F.A.C., because the Utility did not provide any estimate of the resulting reduction in outage times or restoration costs due to extreme weather conditions. In addition, SACE argued that FPL did not provide a consistent and measurable metric for a comparison of costs and benefits of its proposed programs. SACE further argued that the matter before us is not whether storm hardening is in the public interest, because that is not disputed, but rather, whether FPL complied with the provisions of the rule. SACE argued that the answer is no and that this answer places us in a difficult position of lacking sufficient facts in the record to support a public interest determination.

B. Analysis

Subsection 366.96(4)(a), F.S., states that when reviewing a utility's transmission and distribution storm protection plan, the Commission shall consider the extent to which the storm protection plan is expected to reduce restoration costs and outage times associated with extreme weather events, and enhance reliability, including whether the plan prioritizes areas of lower reliability performance. Rule 25-6.030(3)(d)1., F.A.C., requires a utility to provide a description of how each proposed storm protection program is designed to enhance the utility's existing transmission and distribution facilities including an estimate of the resulting reduction in outage times and restoration costs due to extreme weather conditions.

Although the Joint Parties acknowledged that some of FPL's proposed SPP programs provided more benefits compared to others, their primary criticism is that the SPP did not meet the requirements of the SPP Rule because FPL's analysis did not provide quantified benefits. SACE concurred. Specifically, OPC provided testimony that two of the FPL SPP programs, the Substation Storm Surge/Flood Mitigation Program and the Transmission Access Enhancement Program, should be excluded from FPL's SPP because neither program reduced outage times.

FPL rebutted the Joint Parties' arguments and OPC's witness. FPL provided historical data to support its SPP restoration outage times and costs in the form of an analysis of Hurricanes Matthew and Irma. This analysis demonstrated that the existing SPP programs have increased infrastructure resiliency, as well as reduced restoration times and costs. Table 1 below shows how the restoration costs and times for Hurricanes Matthew and Irma would have differed without FPL's storm hardening efforts prior to the dates of these storms.

Table 1
FPL Impacts of Hurricanes Matthew/Irma without any Storm Hardening

	Hurricane Matthew	Hurricane Irma
Additional Construction Man-Hours	93,000 (36%)	483,000 (40%)
Additional Restoration time (days)	2 (50%)	4 (40%)
Additional Restoration Costs (Millions)	\$105 (36%)	\$496 (40%)

FPL also conducted a 40-year NPV analysis of the savings achieved from storm hardening if a storm similar to Hurricane Matthew and Hurricane Irma occurred once every three years and once every five years. The results of FPL's analysis are shown below in Table 2.

Table 2
FPL's 40-year NPV Analysis

Storm	40-Year NPV Savings Every 3 Years (2017\$)	40-Year NPV Savings Every 5 Years (2017\$)
Matthew	\$653 million	\$406 million
Irma	\$3,082 million	\$1,915 million

Using the historical data analysis, the Utility estimated the reduction in outage times and restoration costs that would result from the implementation of its proposed SPP programs. The historical data demonstrates that FPL's prior storm hardening projects reduced restoration costs and outage times associated with extreme weather events. Based on the historical data, FPL demonstrated that its SPP is expected to reduce restoration costs and outage times associated with extreme weather and enhance reliability.

C. Conclusion

FPL demonstrated that its SPP is expected to reduce restoration costs and outage times associated with extreme weather and enhance reliability.

III. Does FPL's SPP prioritize areas of lower reliability performance?

A. Parties' Arguments

FPL noted that its 2023 SPP prioritizes areas of lower reliability performance. FPL has selected, prioritized, and deployed all of its historical storm hardening programs in a deliberate and effective manner over the past sixteen years, and FPL employed the same approach for its 2023 SPP programs.

FPL argued that while all of its SPP programs are system-wide initiatives, annual activities and projects are prioritized and selected based on factors that include: last vegetation maintenance date; historic service reliability performance during extreme weather conditions; and efficient use of resources. Beginning in 2025, FPL proposed to add a new Management Region selection approach to its Distribution Lateral Hardening Program to target areas of highest risk of hurricane impacts, highest concentration of customers, and areas that would require significant travel times for out-of-state crews during extreme weather restoration events. FPL stated that no parties opposed or challenged its proposed prioritization and selection methodologies.

OPC did not specifically dispute the extent to which FPL's SPP prioritized areas of lower reliability performance. Walmart adopted the position of OPC, and SACE did not take a position.

B. Analysis

Subsection 366.96(4)(a), F.S., provides that when reviewing a utility's transmission and distribution storm protection plan, we shall consider whether the plan prioritizes areas of lower reliability performance. Rule 25-6.030(3)(e)1.d., F.A.C., requires a description of the criteria used to select and prioritize proposed SPP projects be provided.

In Section III of its SPP, FPL provided a description of its overall service area and transmission and distribution facilities. FPL's SPP programs are system-wide initiatives; however, the annual activities are prioritized based on last inspection dates, last vegetation management dates, reliability performance, and efficient resource utilization. For each of its SPP programs, FPL included the specific criteria and factors used to select and prioritize projects. FPL included this information as part of the SPP program descriptions. For example, as part of its project level detail, FPL indicated if the feeder, lateral, or transmission structure to be hardened experienced outages during Hurricanes Irma, Matthew, and Michael, then these factors were considered for the prioritization selection of its projects.

FPL described the method and criteria it used to select and prioritize the proposed SPP projects. Thus, we find that FPL demonstrated its prioritization of SPP projects in areas of lower reliability performance.

C. Conclusion

FPL's SPP prioritized areas of lower reliability performance.

IV. Is FPL's SPP feasible, reasonable, and practical within the Utility's service territory?

A. Parties' Arguments

In its brief, FPL stated that it has not identified any areas where its SPP programs would not be feasible, reasonable, or practical. FPL argued that OPC's recommendations regarding the Substation Storm Surge/Flood Mitigation Program are inconsistent. FPL further argued that OPC witness Mara recommended that only substations with alternate feeds or no history of flooding should be excluded for this Program. The OPC witness did not identify any specific substation that should be excluded, nor did he explain his suggested elimination of the entire budget for this program. This is the same SPP program in FPL's 2020 SPP, and was projected to be completed by 2022. However, due to field conditions and permitting delays, FPL was unable to complete the Program. FPL proposed to continue the Program to address the remaining four substations originally identified in its 2020 SPP.

Further, FPL argued that it is not adding new or additional substations to the Substation Storm Surge/Flood Mitigation Program. All four of the remaining substations to be completed under this Program have experienced floods or storm surge in the past. FPL pointed out that no Intervenors disputed that the Substation Storm Surge/Flood Mitigation Program would reduce restoration costs and outage times associated with the need to de-energize and repair substations

impacted by storm surge or floods. FPL argued that the Intervenor's overlook that the mitigation measures of this Program would not only reduce outages but also reduce restoration costs.

The Joint Parties argued that FPL's SPP Programs that target issues in flood zones are more appropriately addressed in a base rate case, since it has not been demonstrated that these programs or projects will harden the system. The Joint Parties argued that their efforts to identify excessive spending in FPL's SPP centered on projects that did not reduce outage times or restoration costs and were not cost-effective. The Joint Parties stated that "feasible, reasonable, or practical" is a test of the physical viability of the plan components and provided testimony that substation hardening is not effective. Walmart adopted the position of OPC, and SACE did not take a position.

B. Analysis

Subsection 366.96(4)(b), F.S., states that when reviewing a utility's transmission and distribution storm protection plan, we shall consider the extent to which storm protection of transmission and distribution infrastructure is feasible, reasonable, or practical in certain areas of the utility's service territory, including, but not limited to, flood zones and rural areas. Rule 25-6.030(3)(c), F.A.C., requires a utility to provide a description of the utility's service area, including areas prioritized for enhancement and any areas where the utility has determined that enhancement of the utility's existing transmission and distribution facilities would not be feasible, reasonable, or practical. Integral to this description, the utility must include a general map, the number of customers served within each area, and its reasoning for prioritizing certain areas for enhanced performance and for designating other areas of the system as not feasible, reasonable, or practical.

FPL provided a map of its service area, the number of customers served within each area, and the methodology of prioritizing projects within its programs. OPC offered testimony that the Substation Storm Surge/Flood Mitigation program does not reduce outage times because raising a substation does not reduce outage times. However, FPL presented testimony that refuted OPC witness testimony that FPL has not added new or additional substations to the Substation Storm Surge/Flood Mitigation program. These were the original substations listed in its 2020 SPP. The Program was originally scheduled to be completed by 2022. However, there were permitting delays and field conditions that delayed the projects. FPL witness Jarro testified that de-energizing one substation due to flooding does not mean the adjacent substation can support the load from the other substation. He further testified that OPC witness Mara's recommendation is not practical because the four remaining substations have a history of flooding. Witness Jarro opined that the Substation Program would reduce outages and restoration costs associated with the need to repair a flooded substation. We agree with FPL.

FPL's SPP meets the requirements of the SPP Rule and Statute because FPL provided a map of its service territory that included the number of customers served within each area and descriptions of its service territory. Moreover, FPL's SPP did not identify any portion of its service area where its SPP programs would not be feasible, reasonable, or practical (this includes the former Gulf service areas).

C. Conclusion

FPL's SPP is feasible, reasonable, and practical within the Utility's service territory.

V. What are the estimated costs and benefits of FPL's SPP?

A. Parties' Arguments

FPL noted the estimated costs for each SPP program were provided in Appendix C of Revised Exhibit MJ-1. Consistent with historical results, FPL expects that the programs included in the 2023 SPP would result in a reduction of restoration costs and outage times associated with extreme weather events. A description of the benefits of FPL's 2023 SPP is provided in Appendix A of Revised Exhibit MJ-1. FPL presented testimony that the SPP Statute and Rule do not require quantified and monetized benefits for the 10-year SPP period.

FPL provided the estimated costs of each of its SPP programs. FPL evaluated the total customer rate impact for the overall SPP budget, which is the same process it used when developing its O&M and capital expenditures budgets. FPL witness Jarro testified that the only costs challenged by the Joint Parties are for the Substation Storm Surge/Flood Mitigation Program and the Distribution Lateral Hardening Program.

The Joint Parties argued that FPL failed to provide meaningful or quantifiable information regarding the expected costs and benefits of its SPP programs. In addition, the Joint Parties opined that the record shows the costs far outweigh the benefits. Walmart adopted the position of OPC. SACE argued that FPL's SPP did not meet the requirements of Rule 25-6.030(3)(d)1., F.A.C., because the Utility did not provide any estimate of the resulting reduction in outage times or restoration costs and did not provide a consistent and measurable metric for a comparison of cost and benefits of its proposed programs.

B. Analysis

Subsection 366.96(4)(c), F.S., states that when reviewing a utility's transmission and distribution storm protection plan, we shall consider the estimated costs and benefits to the utility and its customers of making the improvements proposed in the plan. Rule 25-6.030(3)(d)4., F.A.C., requires a utility to provide a comparison of the estimated program costs, including capital and operating expenses, and the benefits.

For each SPP program, FPL provided the estimated capital costs and operating expenses, which are summarized in Table 3 below. The Utility compared these costs with the estimated benefits that could be achieved from the completion of its programs. The benefits included the reduction in outage times, as discussed above in Section II of this Order.

Table 3
FPL's 2023-2025 SPP Program Costs

Program	2023 (millions)	2024 (millions)	2025 (millions)
Distribution Inspection	\$62.7	\$64.3	\$65.9
Transmission Inspection	\$75.9	\$62.9	\$60.4
Distribution Feeder Hardening	\$689.0	\$687.0	\$544.3
Distribution Lateral Hardening	\$523.1	\$628.6	\$758.4
Transmission Hardening	\$55.6	\$54.5	\$54.5
Distribution Vegetation Management	\$73.0	\$72.8	\$71.9
Transmission Vegetation Management	\$11.8	\$12.5	\$12.6
Substation Storm Surge/ Flood Mitigation	\$8.0	\$8.0	-
Transmission Access Enhancement	\$0.8	\$2.8	\$15.8
Total	\$1,499.9	\$1,593.4	\$1,583.8

The Joint Parties argued that FPL failed to quantify the dollar benefits of any of the SPP programs, use comparisons of benefits to costs to identify beneficial programs and projects, select and rank those projects, or determine the magnitude of projects. In support of its argument, the Joint Parties presented testimony that FPL could use its Storm Damage Model to quantify the costs to give a dollar benefit to quantify its SPP benefits.

FPL witness Jarro rebutted the Joint Parties' testimony. He testified that storm hardening is not a simple cost-effective proposition, and that OPC's belief that outage times should be quantified or monetized in a particular way ignores the fact that the monetary value individual customers or communities place on reduced outage times cannot be uniformly estimated. Witness Jarro further testified that there is nothing in either the SPP Statute or Rule that prescribes that the benefits of SPP programs must be quantified or monetized. Rather, the SPP rule expressly provides that the SPP must include a "description" of benefits of the SPP programs, which FPL provided. Witness Jarro argued that FPL's Storm Damage Model could not be used to monetize restoration costs and outage times, because FPL would not know which specific projects would be completed each year or where they would be located for the entire ten-year period of the SPP. The witness explained that the scope and location of the storm hardening projects used in the Storm Damage Model for each year of the SPP would have a significant impact on the results of the analysis. Witness Jarro argued that forward-looking estimates would contain inaccurate data as to hurricane tracking, impacts to FPL's infrastructure, and potential system improvement.

We are persuaded by FPL's testimony. Because FPL estimated benefits in the form of the reduction in outage times and restoration costs, FPL provided the necessary information to meet the requirements of the SPP Rule and Statute. The Utility also provided the program costs, including capital and operating expenses. Therefore, the estimated costs and benefits to FPL and its customers as a result of the proposed programs were presented by the Utility in its SPP.

C. Conclusion

The estimated costs of FPL's SPP programs are shown in Table 3 above. The estimated benefits for FPL's SPP are reflected in its estimates on the reduction in CMH and outage times.

VI. What is the estimated annual rate impact resulting from the implementation of FPL's SPP for the first 3 years?

A. Parties' Arguments

FPL stated that the estimated revenue requirements and rate impacts for the SPP could vary by as much as 10 to 15 percent and included the total program costs, no matter if the costs were in base rates or recovered through the SPPCRC. FPL cautioned that the estimated revenue requirements and rate impacts were not intended to be used to set rates, but were intended to be information for us to determine whether it is in the public interest to approve, approve with modification, or deny FPL's 2023 SPP.

The Joint Parties recommended that the annual budget for the Distribution Lateral Hardening Program be capped at \$606 million per year. FPL argued that the Joint Parties overlooked the fact that this Program was deployed as a limited pilot and FPL is seeking to deploy this Program as a full-scale permanent SPP program. FPL argued that ramping up the Program would provide the benefits of undergrounding and hardening laterals throughout its system, including the former Gulf service area. Further, FPL argued that the Distribution Lateral Hardening Program is a critical step necessary to harden its transmission and distribution system, since FPL has nearly finished its transmission hardening and feeder hardening programs. This Program would bring the benefits for storm hardening to the individual customers, including both reduced outage times and aesthetics.

FPL further argued that reducing the number of projects per year for the Distribution Feeder Hardening Program and Distribution Lateral Hardening Program would delay the SPP benefits to a significant number of customers with only very little incremental impact on rates. FPL presented testimony that the ramping up of the number of laterals to be completed each year is due to the inclusion of the former Gulf service area, the significant number of laterals that remain to be hardened throughout FPL's service area, the strong local support and interest in the program, and the addition of the unopposed Management Region selection approach.

The Joint Parties' argued that FPL rejected the concept of cost-effectiveness or any sort of analysis of costs versus benefits and did not include either of these concepts in its SPP. Moreover, the Joint Parties argued that there is a lack of evidence in the record of the cost-effectiveness of the programs in dispute, so the programs' reasonableness cannot be assessed for the purpose of inclusion in FPL's SPP. The Joint Parties argued that the estimated rate impact was not calculated properly because the programs in dispute were included in the rate impact calculation. The Joint Parties argued that certain programs should have been excluded from FPL's SPP and therefore excluded from the estimated rate impacts. Neither Walmart nor SACE took a position.

B. Analysis

Subsection 366.96(4)(d), F.S., states that when reviewing a utility's transmission and distribution storm protection plan, we shall consider the estimated annual rate impact resulting from implementation of the plan during the first three years addressed in the plan. Rule 25-6.030(3)(h), F.A.C., requires a utility to provide an estimate of the rate impact for each of the first three years of its SPP for the utility's typical residential, commercial, and industrial customers. In addition, Rule 25-6.030(3)(i), F.A.C., requires a utility to provide a description of any implementation alternatives that could mitigate the resulting rate impact. This section will address the annual rate impacts for the first three years of the Utility's SPP and deployment alternatives that could mitigate rate impacts to customers.

Pursuant to Rule 25-6.030(3)(h), F.A.C., FPL provided the rate impact information for each customer type, which is shown in Table 4 below.

Table 4
SPP Estimated Rate Impact (2023-2025)

Customer Class	2023	2024	2025
Residential (RS-1) (\$/kWh)	\$0.00431	\$0.00604	\$0.0071
Commercial (GSD-1) (\$/kW)	\$0.73	\$1.03	\$1.33
Industrial (GSLDT-3) (\$/kW)	\$0.10	\$0.14	\$0.174

In support of its rate mitigation argument, OPC witness Mara compared FPL's capital costs from the current 2020-2029 SPP to its proposed 2023-2032 SPP capital costs and proposed a reduction of capital spending by \$3.6 billion over the 10-year period. OPC testified the SPP costs should be reduced by scaling back the Distribution Lateral Hardening Program. To support a proposed reduction in capital spending for this program, OPC witness Mara testified that his calculations were based on the total program cost for the 10-year period.

We find that making any adjustments based on a 10-year budget, as the Joint Parties suggest, is not practical, given that we must review a utility's SPP at least every three years as well as conduct annual cost-recovery proceedings. FPL rebutted OPC's testimony with witness Jarro who testified that the majority of FPL's existing SPP programs have been in place since 2007. FPL Witness Jarro also explained that storm hardening is not a simple cost-effective proposition as argued by OPC and that OPC's testimony was contradictory. FPL witness Jarro also testified that a reduction to the budget would reduce the number of laterals to be completed each year and delay when customers would receive the direct benefits of the program. Witness Jarro also testified that the Lateral Program was a pilot, and that FPL is ramping up the program in order to provide the benefits of underground lateral hardening throughout its system. The witness further argued that although all customers indirectly benefit from overhead hardening and undergrounding laterals through reduction in restoration costs, the direct benefits for customers include both reduced outage times and aesthetics. We are persuaded by FPL's testimony, and find that FPL's Distribution Lateral Hardening Program budget should not be reduced from what the Company proposed in its SPP.

C. Conclusion

FPL provided the estimated annual rate impact of its SPP in Table 4.

VII. Should the Commission approve FPL's new Transmission Access Enhancement Program?

A. Parties' Arguments

FPL argued the Transmission Access Enhancement Program would allow FPL and its contractors to quickly access transmission facilities in areas that become inaccessible due to severe flooding or saturated soils after an extreme weather event, which would result in a reduction of outage times for tens of thousands to hundreds of thousands of customers following an extreme weather event. In its brief, FPL stated that its new Transmission Access Enhancement Program was modeled after a similar program approved by us in a settlement to which OPC was party.

To rebut arguments made by the Joint Parties, FPL further stated the new Transmission Access Enhancement Program meets the definition of an eligible program under the SPP Rule. FPL argued that the program purpose is to target and address such areas so FPL and its contractors can shorten associated restoration costs and outage times. FPL also argued that in parts of its service area, some transmission facilities are located in low-lying areas, areas prone to severe flooding, or areas with saturated soils. These areas become inaccessible for repair and restoration following an extreme weather event. Specialized equipment can be used to access these areas after an extreme weather event; however, sometimes the equipment has limited availability during storm events and is typically available at a higher cost than traditional equipment.

The Joint Parties argued that the Transmission Access Enhancement Program should not be approved. The Joint Parties stated that the record shows that the Transmission Access Enhancement Program is not necessary for FPL to harden its transmission system against extreme weather events. The Joint Parties pointed out that FPL has already replaced 99 percent of its transmission structures and the existing roads and bridges were sufficient to achieve the work needed. In addition, the Joint Parties stated that FPL's transmission system is designed with adequate redundancy and complies with NERC standards regarding redundancy.

The Joint Parties argued that maintaining or replacing a utility's infrastructure, including bridges and transmission right-of-ways, is part of FPL's basic responsibilities in the normal course of business. They further argued that such maintenance does not harden the system or reduce outages. The Joint Parties argued that recovery for basic maintenance should be addressed in a rate case and should not be allowed to be recovered through SPP recovery. In addition, they argued that FPL's description of benefits for the Transmission Access Enhancement Program is vague and does not satisfy the SPP Rule. The Joint Parties stated that the benefits description is inadequate to justify taking hundreds of millions of dollars from ratepayers who are already dealing with inflation pressures and pandemic-related economic challenges. Neither Walmart nor SACE took a position.

B. Analysis

FPL's Transmission Access Enhancement Program is a new program included in the Utility's 2023 SPP. This program focuses on enhancing access roads, bridges, and culverts at targeted transmission facilities. The enhancement projects are scheduled to begin in 2023 in Clay, Flagler, Brevard, Palm Beach, Broward, Homestead, and Columbia Counties. The total estimated program costs are \$117.4 million for 2023-2032. The estimated annual average program cost is \$6.5 million per year for the first three years.

The Joint Parties opposed FPL's Transmission Access Enhancement Program and argued that it should be denied. OPC offered testimony that:

- The activities within this Program are to maintain infrastructure with the status quo rather than enhance it.
- Enhancements to an electric utility system, such as the replacement of a bridge, do not meet the criteria set forth in Rule 25-6.030, F.A.C., because outages would not be reduced.
- As an alternative, purchasing and maintaining specialized equipment to access difficult terrain including track vehicles, large tire vehicles, and floating equipment may be more cost-effective than expending \$115.8 million in capital cost for maintenance of roads and bridges.

Although FPL presented testimony to support the purpose of the program, we find OPC's witness testimony to be more persuasive. In support of excluding the Transmission Access Program, witness Mara testified that while adding a culvert or bridge can increase access, these structures would not provide access if the right-of-way is flooded. Additionally, witness Mara testified that the utility has a responsibility to maintain its infrastructure and therefore, replacing a bridge that needs to be replaced is a normal course of business, and does not qualify as a storm protection project. Witness Mara testified that 99 percent of FPL's transmission structures, in the former FPL service area, are already hardened with steel or concrete poles. Therefore, it is unclear why FPL did not previously maintain its access roads in the ordinary course of business to gain access to these poles while hardening.

Witness Mara also testified that any reduction in outage times or restoration costs for this program should be measured against the planning assumption that the grid is already a well-maintained infrastructure. Witness Mara testified that, if specialized equipment is required to access or maintain these poles, it may be more efficient for FPL to purchase these vehicles rather than renting them.

Rule 25-6.030 (2)(c), F.A.C., defines transmission and distribution facilities as "all utility owned poles and fixtures, towers and fixtures, overhead conductors and devices, substations and related facilities, land and land rights, roads and trails, underground conduits, and underground conductors." This definition is also consistent with the FERC system of accounts, and thus, we view this definition as inclusive of all components of a transmission or distribution project, not that each component is independently eligible for storm protection cost recovery. For example, a road may need to be repaired or relocated as part of a hardening project that converts wood poles

to concrete poles. The total costs of the project, including the cost of road repair, is included in the transmission plant reporting category and eligible for storm protection cost recovery.

As discussed above, FPL did not provide sufficient data supporting its position that obtaining or renting specialized equipment is difficult or more costly than its proposed Transmission Access Program. Although some of its transmission systems were constructed without access roads, the Utility should nonetheless maintain access for routine activities such as vegetation management and inspections. Maintaining access to transmission facilities is a regular utility activity and not a storm protection activity, unless such projects are required and conducted in conjunction with a storm hardening project. As such, FPL's Transmission Access Enhancement Program is denied and excluded from the Utility's 2023 SPP.

C. Conclusion

FPL's new Transmission Access Enhancement Program is denied and excluded from its 2023 SPP.

VIII. Is FPL's SPP in the public interest?

A. Parties' Arguments

FPL argued that its Revised 2023 SPP meets the objectives of Section 366.96, F.S., satisfies the requirements of Rule 25-6.030, F.A.C., is in the public interest, and should be approved without modification. The programs included in the Revised 2023 SPP will collectively provide increased resiliency and faster restoration to the electric infrastructure that FPL's 5.7 million customers and Florida's economy rely on for their electricity needs.

The Joint Parties argued that it is not in the public interest to approve FPL's Storm Protection Plan without making the modifications recommended by OPC witness Mara. The Joint Parties opined that the public interest is served by decisions that consider affordability and reasonableness. The Joint Parties also argued that the SPP Statute requires estimates of customer rate impacts and the SPP Rule requires a comparison of expected costs and benefits, and that benefits that are outweighed by costs should be excluded. The Joint Parties stated that consideration of the public interest must take into account not only the need for storm hardening, but also the level at which it is cost-effective and affordable for ratepayers. SACE agrees with OPC that FPL's SPP did not provide any estimate of the resulting reduction in outage times or restoration costs due to extreme weather conditions or a consistent and measurable metric for a comparison of cost and benefits of its proposed programs.

Walmart argued that continued collaboration by interested stakeholders prior to submission of FPL's next SPP would promote the public interest. According to Walmart, this collaboration would result in enhanced customer-sited generation to strengthen the Transmission and Distribution systems and provide customers with lower restoration costs, shorter outage periods, and more reliable electric service overall.

B. Analysis

Subsection 366.96(5), F.S., requires us to determine, no later than 180 days after a utility files its plan, “whether it is in the public interest to approve, approve with modification, or deny the plan.” Unlike the Storm Hardening Plans, Subsection 366.96(7), F.S., states that once a storm protection plan is approved, a utility’s “actions to implement the plan shall not constitute or be evidence of imprudence.”

As described by FPL witness Jarro, the Utility’s proposed SPP covers the period of 2023-2032, and uses the same analysis methodology and programs that were included in its previous SPP for the period of 2020-2029. FPL’s proposed SPP originally included 11 programs, 2 of which were withdrawn, leaving 9 for our analysis. Eight of these programs were continued from FPL’s previous SPP. The Transmission Access Enhancement Program is the only new program of the 9 total in FPL’s SPP:

- Distribution Inspection
- Transmission Inspection
- Distribution Feeder Hardening
- Distribution Lateral Hardening
- Transmission Hardening
- Distribution Vegetation Management
- Transmission Vegetation Management
- Substation Storm Surge/Flood Mitigation
- Transmission Access Enhancement

For the SPP programs that are a continuation of both FPL’s and Gulf’s 2020 SPPs, we find that those programs remain in the public interest and are approved. However, FPL’s transmission looping initiative within the Transmission Hardening Program and FPL’s new Transmission Access Enhancement Program do not meet the definition of storm hardening and therefore, we do not find them to be in the public interest. We addressed above why the Transmission Access Enhancement Program should be denied in Section VII of this Order. We are now left with the portions of the Transmission Hardening Program that includes a “looping initiative.” We deny the looping initiative of FPL’s Transmission Hardening Program for the reasons set forth below.

Utility storm protection or hardening is a discretionary activity that goes above and beyond the basic standard of service to strengthen a utility’s existing infrastructure to withstand the potential for extreme weather. However, as part of FPL’s Transmission Hardening Program, FPL seeks to continue an initiative from Gulf’s 2020 SPP. This initiative would add additional transmission lines into radially fed substations and additional transformers in single bank transmission substations. “Looping” substations is a common utility activity to ensure reliable service, but it does not meet the objective of storm protection or hardening. Rule 25-6.030(1)(a), F.A.C., defines a storm protection program as a collection of projects that “enhance the utility’s *existing* infrastructure” (emphasis added). The looping initiative involves the construction of

new redundant infrastructure, rather than the enhancement or hardening of existing facilities. While we agree that such activity may enhance a utility's transmission system, it does not strengthen existing transmission facilities. We find that a new redundant infrastructure project, such as looping substations, should not be characterized as storm protection pursuant to Rule 25-6.030, F.A.C., and the portions of FPL's Transmission Hardening Program that includes the "looping" project should therefore be denied.

Walmart raised a general comment about SPPs. Walmart provided no witness testimony, but argued in its brief that it would be in the public interest if FPL continued to collaborate with Walmart and other interested stakeholders to develop ways in which customer-sited generation may be utilized to strengthen FPL's system. Although we agree with continuing the collaboration between utilities and interested stakeholders, the SPP Statute does not contemplate customer-sited generation. Subsection 366.96(2)(b), F.S., defines a transmission and distribution storm protection plan as "a plan for the overhead hardening and increased resilience of electric transmission and distribution facilities, undergrounding of electric distribution facilities, and vegetation management." Thus, on-site generation does not meet the definition as laid out in the statute.

C. Conclusion

FPL's SPP is in the public interest and shall be approved with the following modifications: (1) removal of the new Transmission Access Enhancement Program; and (2) removal of the transmission looping initiative from the Transmission Hardening Program. FPL shall file an amended SPP within 30 days of issuance of the final order for administrative approval by Commission staff.

Based on the foregoing, it is

ORDERED that Florida Power & Light Company's Storm Protection Plan met the requirements of Rule 25-6.030, F.A.C., and with the following modifications, is in the public interest and shall be approved: (1) removal of the new Transmission Access Enhancement Program; and (2) removal of the transmission looping initiative from the Transmission Hardening Program. It is further

ORDERED that Florida Power & Light Company shall file a modified Storm Protection Plan reflecting the above ordered changes within 30 days of the final order for administrative approval by Commission staff. It is further

ORDERED that this docket shall remain open for Commission staff's verification that the modified Storm Protection Plan has been filed and complies with our order. Once these actions are complete, this docket shall be closed administratively.

By ORDER of the Florida Public Service Commission this 10th day of November, 2022.



A handwritten signature in blue ink, appearing to read "Adam J. Teitzman", is written over a horizontal line.

ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.


WLT/JDI

COMMISSIONER PASSIDOMO DISSENTS WITH OPINION:

Commissioner Passidomo dissents with opinion from the Commission's decision to approve the Distribution Lateral Hardening Program at the level requested by the utility in their proposed Storm Protection Plan, as follows:

Section 366.96(4)(d), F.S., requires the Commission to consider "[t]he estimated annual rate impact resulting from implementation of the plan during the first 3 years addressed in the plan." Additionally, Section 366.96(4)(c), F.S., states that the Commission shall consider the estimated costs and benefits to the utility and its customers of making the improvements proposed in the plan.

The benefits of undergrounding are indisputable; however, the proposed cost of the program must be considered. I believe that maintaining the spending levels of the Distribution Lateral Hardening Program at the 2022 level will provide the stated benefits to the utility and customers, while moderating the rate impact to customers. By tempering the pace of these investments, the Commission will have an opportunity to reassess over time how effective this program is in various geographic areas and under different storm conditions.

I CERTIFY THAT THIS IS A TRUE AND
CORRECT COPY OF THE ORIGINAL
DOCUMENT THAT WAS FILED WITH THE
FLORIDA PUBLIC SERVICE COMMISSION
BY: 
ADAM J. TEITZMAN, COMMISSION CLERK
(or Office of Commission Clerk designee)

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request:

- 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or
- 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

Florida Power & Light Company Proposed 2023-2032 Storm Protection Plan Programs

Distribution Inspection

Inspections are conducted on an eight-year pole inspection cycle using methods such as visual and sound and bore. Replacement poles are based on the National Electrical Safety Code's Grade B construction standard.

Transmission Inspection

The program includes visual inspection each year of FPL's transmission structures and substations. Climbing and bucket truck inspections on wood structures are on a six-year cycle and steel and concrete structures are on a ten-year cycle.

Distribution Feeder Hardening

Feeders are hardened as a result of FPL's Priority Feeder Initiative which is a reliability program that targets feeders experiencing the highest number of interruptions and/or customers interrupted. This includes FPL's initiative of design and construction practices to meet the NESC extreme wind loading (EWL) criteria.

Distribution Lateral Hardening

FPL originally started this Program as a pilot program in 2018 and has continued the Program as part of its SPP. This Program targets certain overhead laterals, which were impacted by recent storms and have a history of vegetation-related outages and other reliability issues, for conversion from overhead to underground. FPL has also established and incorporated protocols for determining when a lateral may be overhead hardened as opposed to being placed underground.

Transmission Hardening

This Program replaces all wood transmission structures with steel or concrete structures. This Program also removes critical single points of failure from the transmission and/or substation systems and adds additional transmission lines into radially fed substations and additional transformers in single bank transmission substations to improve resiliency during extreme weather conditions.

Distribution Vegetation Management

This Program includes a three-year trim cycle for feeders, mid-year targeted trim maintenance cycle for certain feeders, six-year trim cycle for laterals, and continued customer education through FPL's Right Tree, Right Place initiative.

Transmission Vegetation Management

This Program includes inspecting the rights-of-way of transmission infrastructure, documenting vegetation inspection results and findings, and prescribing and executing a work plan. The North American Electric Reliability Corporation's (NERC) vegetation management standards/requirements serve as the basis for FPL's transmission vegetation management program, which requires annual inspection requirements, executing 100 percent of a utility's annual vegetation work plan, and prevent any encroachment into established minimum vegetation clearance distances.

Substation Storm Surge/Flood Mitigation

Damage to substations that are susceptible to storm surge and flooding during extreme weather events can be eliminated by raising the equipment at certain substations above flood level and constructing flood protection walls around other substations. FPL has identified certain substations located in areas throughout its service area that are susceptible to storm surge or flooding during extreme weather events.

Transmission Access Enhancement

In parts of FPL's service area, transmission facilities are located in areas that are not readily accessible for repair/restoration following an extreme weather event, such as low-lying areas, areas prone to severe flooding, or areas with saturated soils. The Program will focus on developing access roads, bridges, and culverts at targeted transmission facilities to ensure they are accessible after an extreme weather event.