

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: March 15, 2024

TO: Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

FROM: Donna D. Brown, Chief of Auditing, Office of Auditing and Performance Analysis *DB*

RE: Docket No.: 20230017-EI
Company Name: Florida Power & Light Company
Company Code: EI802
Audit Purpose: A1d: Comprehensive Earnings Review – Limited Scope
Audit Control No.: 2023-341-1-1

Attached is the revised final audit report for the Utility stated above. I am sending the Utility a copy of this memo and the revised audit report. The audit report was revised to correct references to the docket and order noted in the jurisdictional factor section of the audit report. If the Utility desires to file a response to the audit report, it should a response to the Office of the Commission Clerk.

Attachment: Copy of Letter

Cc: Office of Auditing and Performance Analysis File.

State of Florida



Public Service Commission

Office of Auditing and Performance Analysis
Bureau of Auditing

Revised Auditor's Report

Florida Power & Light
Storm Recovery Cost Audit – Hurricanes Ian and Nicole

As of June 1, 2023

Docket No. 20230017-EI
Audit Control No. 2023-341-1-1

March 12, 2024

A handwritten signature in blue ink, appearing to read "Yen Ngo", written over a horizontal line.

Yen Ngo
Audit Manager

A handwritten signature in black ink, appearing to read "Donna Brown", written over a horizontal line.

Donna Brown
Reviewer

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Purpose

To: Florida Public Service Commission

We have performed the procedures described later in this report to meet the objectives set forth by the Division of Accounting and Finance in its audit service request dated December 1, 2023. We have applied these procedures to the attached schedules prepared by Florida Power & Light Company in support of its filing for storm recovery costs in Docket No. 20230017-EI.

The report is intended only for internal Commission use.

Objectives and Procedures

General

Definition

Florida Power & Light Company hereinafter referred to as FPL or Utility.

Incremental Costs are costs that are incremental to costs normally charged to non-cost recovery clause operating expenses in the absence of a storm (ICCA).

Non-incremental Costs are costs that are not incremental to costs normally charged to non-cost recovery clause operating expenses in the absence of a storm.

Background

On January 23, 2023, FPL filed a petition for approval to implement an Interim Storm Charge to recover an initial estimate of \$1.5 billion for the combined incremental restoration costs related to Hurricanes Ian and Nicole with the remaining amounts to be collected for Hurricanes Michael, Sally, and Zeta, and to replenish the storm reserve, which was approved by Order No. PSC-2023-0110-PCO-EI, issued on March 23, 2023. On September 5, 2023, FPL filed a supplemental petition with the Commission requesting to reduce the Interim Storm Charge to reflect a decrease in the estimated incremental storm restoration from the original estimate of \$1.5 billion to \$1.3 billion, which was approved by Order No. PSC-2023-0354-PCO-EI, issued on November 27, 2023. On November 17, 2023, FPL filed a petition for approval of the final actual incremental storm restoration costs of \$1.3 billion to be recovered through the Interim Storm Charge, including the replenishment of the storm reserve, and for approval of the proposed process for determining and applying a one-time true-up of the actual revenues collected under the Interim Storm Charge.

Expense

Payroll, Overtime, and Related Costs

Objectives: The objectives were to determine whether regular payroll, overtime, and related costs were properly stated, storm-related, and recoverable pursuant to Rule 25-6.0143, Florida Administrative Code (F.A.C.).

Procedures: We reviewed regular payroll, overtime, and related costs from Account 186 – Miscellaneous Deferred Debits by function and reconciled the balances to the storm restoration costs filing. We selected a statistical sample of costs for detail testing and traced the amounts to payroll records. No exceptions were noted.

Contractor Costs

Objectives: The objectives were to determine whether contractor costs were properly stated, storm-related, and recoverable pursuant to Rule 25-6.0143, Florida Administrative Code (F.A.C.).

Procedures: We reviewed contractor costs from Account 186 – Miscellaneous Deferred Debits by function and reconciled the balances to the storm restoration costs filing. We selected a statistical sample of costs for detail testing and traced the amounts to purchase orders, invoices, or contracts. No exceptions were noted.

Line Clearing

Objectives: The objectives were to determine whether line clearing costs were properly stated, storm-related, and recoverable pursuant to Rule 25-6.0143, Florida Administrative Code (F.A.C.).

Procedures: We reviewed line clearing costs from Account 186 – Miscellaneous Deferred Debits by function and reconciled the balances to the storm restoration costs filing. We selected a statistical sample of costs for detail testing and traced the amounts to purchase orders, invoices, or contracts. No exceptions were noted.

Vehicle and Fuel

Objectives: The objectives were to determine whether vehicle and fuel costs were properly stated, storm-related, and recoverable pursuant to Rule 25-6.0143, Florida Administrative Code (F.A.C.).

Procedures: We reviewed vehicle and fuel costs from Account 186 – Miscellaneous Deferred Debits by function and reconciled the balances to the storm restoration costs filing. We selected a statistical sample of costs for detail testing and traced the amounts to source documents. No exceptions were noted.

Materials and Supplies

Objectives: The objectives were to determine whether materials and supplies were properly stated, storm-related, and recoverable pursuant to Rule 25-6.0143, Florida Administrative Code (F.A.C.).

Procedures: We reviewed materials and supplies from Account 186 – Miscellaneous Deferred Debits by function and reconciled the balances to the storm restoration costs filing. We selected a statistical sample of costs for detail testing and traced the amounts to purchase orders, invoices, or inventory records. We also verified that the materials and supplies listed were specifically utilized in the restoration process. No exceptions were noted.

Logistics

Objectives: The objectives were to determine whether logistics costs were properly stated, storm-related, and recoverable pursuant to Rule 25-6.0143, Florida Administrative Code (F.A.C.).

Procedures: We reviewed logistics costs from Account 186 – Miscellaneous Deferred Debits by function and reconciled the balances to the storm restoration costs filing. We selected a statistical sample of costs for detail testing and traced the amounts to source documents. No exceptions were noted.

Other Costs

Objectives: The objectives were to determine whether other costs were properly stated, storm-related, and recoverable pursuant to Rule 25-6.0143, Florida Administrative Code (F.A.C.).

Procedures: We reviewed other costs from Account 186 – Miscellaneous Deferred Debits by function and reconciled the balances to the storm restoration costs filing. We selected a statistical sample of costs for detail testing and traced the amounts to purchase orders, invoices, or contracts. No exceptions were noted.

Other

Capitalizable Costs

Objectives: The objectives were to determine whether the capitalizable costs have been accounted for correctly and removed in their entirety from the recoverable costs as per Rule 25-6.0143(1)(d), F.A.C.

Procedures: We reviewed capitalizable costs from Account 186 – Miscellaneous Deferred Debits by function and reconciled the balances to the storm restoration costs filing. We requested a detailed description of the capitalizable costs. We selected a statistical sample of costs for detail testing test to determine if the Utility included for recovery only those costs that are allowed by the applicable rule. No exceptions were noted.

Incremental Cost and Capitalization Approach Methodology (ICCA)

Objectives: The objective was to determine whether non-incremental costs have been accounted for correctly and removed in their entirety from the recoverable costs as per Rule 25-6.0143, Florida Administrative Code F.A.C.

Procedures: We reviewed ICCA costs from Account 186 – Miscellaneous Deferred Debits by function and reconciled the balances to the storm restoration costs filing. We selected a statistical sample of costs for detail testing and recalculated the allocation of the ICCA to charge types. We determined the Utility calculated the ICCA adjustments as allowed by Rule 25-6.0143, F.A.C. No exceptions were noted.

Jurisdictional Factors

Objectives: The objective was to determine whether the Utility used the appropriate jurisdictional factors for the filing.

Procedures: We obtained and reviewed Order No. PSC-2021-0446-S-EI in Docket No. 20210015-EI, issued December 2, 2021, regarding the jurisdictional factors for the storm costs. We reconciled the jurisdictional factors from the support documentation provided by the Utility to the utility filing and verified the calculation of these factors. No exceptions were noted.

Audit Findings

None

Exhibits

Exhibit 1: Hurricane Ian Company Exhibit KF-1

Florida Power & Light Company
Hurricane Ian Incremental Cost and Capitalization Approach Adjustments
through June 1, 2023
(\$000s)

| | | Storm Costs By Function (A) | | | | | | |
|----|---|--------------------------------|----------------|---------------------|---------------------|--------------------|-------------------------|--------------------|
| | | Steam & Other (1) | Nuclear (2) | Transmission (3) | Distribution (4) | General (B) (5) | Customer Service (6) | Total (7) |
| 1 | Storm Restoration Costs | | | | | | | |
| 2 | Regular Payroll and Related Costs (C) | \$172 | \$47 | \$1,146 | \$12,070 | \$1,197 | \$631 | \$15,263 |
| 3 | Overtime Payroll and Related Costs (C) | 392 | 27 | 2,458 | 23,614 | 1,744 | 1,044 | 29,277 |
| 4 | Contractors | 8,428 | 660 | 27,232 | 579,979 | 4,833 | 357 | 621,490 |
| 5 | Line Clearing | - | - | 322 | 165,382 | - | - | 165,704 |
| 6 | Vehicle & Fuel | 8 | - | 348 | 35,333 | 583 | 13 | 36,286 |
| 7 | Materials & Supplies | 695 | - | 1,346 | 45,413 | 210 | 127 | 47,790 |
| 8 | Logistics | 1,187 | - | 585 | 202,422 | 571 | 17 | 204,781 |
| 9 | Other (D) | 1,177 | 3 | 789 | 4,261 | 6,963 | 447 | 13,640 |
| 10 | Total Storm Restoration Costs | \$12,058 | \$737 | \$34,224 | \$1,068,474 | \$16,101 | \$2,635 | \$1,134,230 |
| 11 | | | | | | | | |
| 12 | Less: Capitalizable Costs | | | | | | | |
| 13 | Payroll and Related Costs | \$0 | - | - | \$3,584 | \$178 | \$28 | \$3,789 |
| 14 | Contractors | 5,640 | - | - | 49,446 | 425 | - | 55,511 |
| 15 | Materials & Supplies | 395 | - | - | 31,138 | 109 | 124 | 31,766 |
| 16 | Other | - | - | - | 2,159 | 2,417 | - | 4,576 |
| 17 | Total Capitalizable Costs | \$6,035 | - | - | \$86,328 | \$3,128 | \$152 | \$95,642 |
| 18 | | | | | | | | |
| 19 | Less: Insurance Receivables | - | - | - | - | - | - | - |
| 20 | | | | | | | | |
| 21 | Net Storm Restoration Costs Incurred | \$5,024 | \$737 | \$34,224 | \$982,147 | \$12,973 | \$2,483 | \$1,038,588 |
| 22 | | | | | | | | |
| 23 | Less: ICCA Adjustments | | | | | | | |
| 24 | Regular Payroll and Related Costs (E) | \$178 | \$0 | \$204 | \$3,514 | \$1,043 | \$534 | \$5,472 |
| 25 | Overtime Payroll and Related Costs (E) | - | 27 | 3 | 381 | 36 | 116 | 562 |
| 26 | Contractors | 666 | 47 | 7 | 328 | 148 | - | 1,195 |
| 27 | Line Clearing: | | | | | | | |
| 28 | Vegetation Management (F) | - | - | - | - | - | - | - |
| 29 | Vehicle & Fuel: | | | | | | | |
| 30 | Vehicle Utilization | - | - | 347 | 3,105 | - | - | 3,452 |
| 31 | Fuel | - | - | - | - | - | - | - |
| 32 | Other | - | - | - | - | - | - | - |
| 33 | Legal Claims | - | - | - | - | - | - | - |
| 34 | Employee Assistance and Childcare | - | - | - | - | 614 | - | 614 |
| 35 | Total ICCA Adjustments | \$844 | \$74 | \$580 | \$7,328 | \$1,841 | \$650 | \$11,296 |
| 36 | | | | | | | | |
| 37 | Incremental Storm Losses | | | | | | | |
| 38 | Regular Payroll and Related Costs | Lines 2 - 13 - 24 -\$6 | \$47 | \$942 | \$4,972 | -\$24 | \$69 | \$6,001 |
| 39 | Overtime Payroll and Related Costs | Lines 3 - 25 392 | 0 | 2,455 | 23,233 | 1,708 | 928 | 28,715 |
| 40 | Contractors | Lines 4 - 14 - 26 2,123 | 614 | 27,225 | 530,205 | 4,261 | 357 | 564,784 |
| 41 | Line Clearing | Lines 5 - 28 - | - | 322 | 165,382 | - | - | 165,704 |
| 42 | Vehicle & Fuel | Lines 6 - 30 - 31 8 | - | 2 | 32,228 | 583 | 13 | 32,834 |
| 43 | Materials & Supplies | Lines 7 - 15 300 | - | 1,346 | 14,275 | 101 | 3 | 16,024 |
| 44 | Logistics | Line 8 1,187 | - | 585 | 202,422 | 571 | 17 | 204,781 |
| 45 | Other | Line 9 - 16 - 33 - 34 1,177 | 3 | 789 | 2,102 | 3,932 | 447 | 8,449 |
| 46 | Total Incremental Storm Losses (G) | \$5,180 | \$663 | \$33,665 | \$974,819 | \$11,132 | \$1,834 | \$1,027,293 |
| 47 | | | | | | | | |
| 48 | Jurisdictional Factor (H) | 0.9556 | 0.9431 | 0.9065 | 0.9999 | 0.9690 | 1.0000 | |
| 49 | | | | | | | | |
| 50 | Retail Recoverable Costs | Line 46 * 48 \$4,950 | \$626 | \$30,517 | \$974,679 | \$10,787 | \$1,834 | \$1,023,393 |

51 (A) Storm costs are as of June 1, 2023. Totals may not add due to rounding.

52 (B) General plant function reflects restoration costs associated with FPL's Human Resources, External Affairs, Information Technology, Corporate Real Estate, Regulatory Affairs, Development, Corporate Security and Marketing and Communications departments.

53 (C) Represents total payroll charged to the business unit (function) being supported. For example, an employee that works in FPL Development but is supporting Distribution during storm restoration would charge their time to Distribution.

54 (D) Includes other miscellaneous costs, including payroll and related overheads from affiliate personnel directly supporting storm restoration.

55 (E) Represents regular payroll normally recovered through base rate O&M and not charged to the Storm Reserve. The amounts are charged to the employee's normal business unit, which may not be the business unit that the employee supported during the storm. Therefore, in the example in Note C above, if the FPL Development employee had payroll cannot be charged to the Storm Reserve, that amount would be charged to FPL Development (General) whereas the recoverable portion of their time would remain in Distribution.

56 (F) Since FPL recovers all actual vegetation costs incurred through the storm charge or the Storm Protection Plan Cost Recovery Clause, there is no ICCA applicable.

Exhibit 2: Hurricane Nicole Company Exhibit KF-2

Florida Power & Light Company
Hurricane Nicole Incremental Cost and Capitalization Approach Adjustments
 through June 1, 2023
 (\$000s)

| LINE NO. | | | Storm Costs By Function (A) | | | | | Total (7) | |
|----------|--|-----------------------|-----------------------------|----------------|------------------|------------------|-----------------|--------------|----------------------|
| | | | Steam & Other (1) | Nuclear (2) | Transmission (3) | Distribution (4) | General (B) (5) | | Customer Service (6) |
| 1 | Storm Restoration Costs | | | | | | | | |
| 2 | Regular Payroll and Related Costs (C) | | \$54 | \$126 | \$180 | \$2,322 | \$279 | \$113 | \$3,075 |
| 3 | Overtime Payroll and Related Costs (C) | | 173 | 236 | 335 | 5,151 | 241 | 86 | 6,222 |
| 4 | Contractors | | 594 | 3,566 | 1,631 | 59,004 | 318 | 25 | 65,138 |
| 5 | Line Clearing | | - | - | - | 23,451 | - | - | 23,451 |
| 6 | Vehicle & Fuel | | 0 | - | 84 | 3,794 | 24 | - | 3,902 |
| 7 | Materials & Supplies | | 5 | 33 | 1 | 1,966 | - | 5 | 2,010 |
| 8 | Logistics | | 0 | 207 | 12 | 16,603 | 18 | 1 | 16,841 |
| 9 | Other (D) | | 21 | 33 | 61 | 1,710 | 383 | 27 | 2,233 |
| 10 | Total Storm Restoration Costs | Sum of Lines 2 - 9 | \$848 | \$4,200 | \$2,302 | \$114,001 | \$1,263 | \$257 | \$122,871 |
| 11 | | | | | | | | | |
| 12 | Less: Capitalizable Costs | | | | | | | | |
| 13 | Payroll and Related Costs | | - | - | - | \$110 | - | \$2 | \$112 |
| 14 | Contractors | | - | - | - | 661 | - | - | 661 |
| 15 | Materials & Supplies | | - | - | - | 1,046 | - | 5 | 1,051 |
| 16 | Other | | - | - | - | 121 | - | - | 121 |
| 17 | Total Capitalizable Costs | Sum of Lines 13 - 16 | - | - | - | \$1,938 | - | \$7 | \$1,945 |
| 18 | | | | | | | | | |
| 19 | Less: Insurance Receivables | | | | | | | | |
| 20 | | | | | | | | | |
| 21 | Net Storm Restoration Costs Incurred | Lines 10 - 17 - 19 | \$848 | \$4,200 | \$2,302 | \$112,063 | \$1,263 | \$250 | \$120,926 |
| 22 | | | | | | | | | |
| 23 | Less: ICCA Adjustments | | | | | | | | |
| 24 | Regular Payroll and Related Costs (E) | | \$0 56 | \$35 | \$2 0 | \$461 | \$123 | \$0 0 | \$621 |
| 25 | Overtime Payroll and Related Costs (E) | | - | 4 | - | 21 | 5 | 25 | 87 |
| 26 | Contractors | | - | 368 | - | - | - | - | 393 |
| 27 | Line Clearing: | | - | - | 84 | -781 | - | - | - |
| 28 | Vegetation Management (F) | | - | - | - | - | - | - | - |
| 29 | Vehicle & Fuel: | | - | - | - | - | - | - | - |
| 30 | Vehicle Utilization | | - | - | - | - | 28 | - | \$655 |
| 31 | Fuel | | - | - | - | - | - | - | - |
| 32 | Other | | - | - | - | - | - | - | - |
| 33 | Legal Claims | | - | - | - | - | - | - | - |
| 34 | Employee Assistance and Childcare | | - | - | - | - | - | - | \$28 |
| 35 | Total ICCA Adjustments | Sum of Lines 24 - 34 | \$56 | \$407 | \$86 | \$1,264 | \$156 | \$25 | \$1,994 |
| 36 | | | | | | | | | |
| 37 | Incremental Storm Losses | | | | | | | | |
| 38 | Regular Payroll and Related Costs | Lines 2 - 13 - 24 | \$54 | \$91 | \$179 | \$1,750 | \$156 | \$111 | \$2,342 |
| 39 | Overtime Payroll and Related Costs | Lines 3 - 25 | 117 | 232 | 334 | 5,130 | 236 | 86 | 6,135 |
| 40 | Contractors | Lines 4 - 14 - 26 | 594 | 3,198 | 1,631 | 58,343 | 318 | 0 | 64,083 |
| 41 | Line Clearing | Lines 5 - 28 | - | - | - | 23,451 | - | - | 23,451 |
| 42 | Vehicle & Fuel | Lines 6 - 30 - 31 | 0 | - | 0 | 3,013 | 24 | - | 3,037 |
| 43 | Materials & Supplies | Lines 7 - 15 | 5 | 33 | 1 | 920 | - | 0 | 959 |
| 44 | Logistics | Line 8 | 0 | 207 | 12 | 16,603 | 18 | 1 | 16,841 |
| 45 | Other | Line 9 - 16 - 33 - 34 | 21 | 33 | 61 | 1,589 | 355 | 27 | 2,084 |
| 46 | Total Incremental Storm Losses | Sum of Lines 38 - 45 | \$791 | \$3,793 | \$2,216 | \$110,799 | \$1,107 | \$225 | \$118,931 |
| 47 | | | | | | | | | |
| 48 | Jurisdictional Factor (G) | | 0.9556 | 0.9431 | 0.9065 | 0.9999 | 0.9690 | 1.0000 | |
| 49 | | | | | | | | | |
| 50 | Retail Recoverable Costs | Line 46 * 48 | \$756 | \$3,577 | \$2,009 | \$110,783 | \$1,072 | \$225 | \$118,423 |
| 51 | | | | | | | | | |
| 52 | | | | | | | | | |
| 53 | Notes: | | | | | | | | |
| 54 | (A) Storm costs are as of June 1, 2023. Totals may not add due to rounding. | | | | | | | | |
| 55 | (B) General plant function reflects restoration costs associated with FPL's Human Resources, External Affairs, Information Technology, Corporate Real Estate, Regulatory Affairs, Development, Corporate Security, and Marketing and Communications departments. | | | | | | | | |
| 56 | (C) Represents total payroll charged to the business unit (function) being supported. For example, an employee that works in FPL Development but is supporting Distribution during storm restoration would charge their time to Distribution. | | | | | | | | |
| 57 | (D) Includes other miscellaneous costs, including payroll and related overheads from affiliate personnel directly supporting storm restoration. | | | | | | | | |

Exhibit 3: Calculation of Total Storm Costs to be Recovered

| Florida Power & Light Company Calculation of Total Storm Costs to be Recovered from Customers (\$000s) Modified Interim Storm Charge (A) Total Recoverable Storm Amount | | | | |
|---|---|---|---------------------------------------|-------|
| Line No. | | (1) Modified Interim Storm Charged (A) | (2) Total Recoverable Storm Amount | Notes |
| 2 | Hurricane Michael | | | (B) |
| 3 | Hurricane Sally | \$132,247 | \$132,247 | (C) |
| 4 | Hurricane Zeta | 4,552 | 4,552 | (D) |
| 5 | Hurricane Ian | 1,024,211 | 1,023,393 | (E) |
| 6 | Hurricane Nicole | 120,840 | 118,423 | (F) |
| 7 | Total Retail Recoverable Costs | <u>\$1,281,849</u> | <u>\$1,278,614</u> | |
| 8 | | | | |
| 9 | Less: | | | |
| 10 | Funded Storm Reserve Balance as of 9/30/22 | (114,872) | (114,872) | (G) |
| 11 | Unfunded Storm Reserve Balance as of 9/30/22 | (105,034) | (105,034) | (H) |
| 12 | Storm Reserve Activity for the period October 2022 through October 2023 | 1,010 | 781 | (I) |
| 13 | | | | |
| 14 | Balance of Retail Recoverable Costs after Storm Reserve Funding ("Eligible Restoration Costs") (Line 7 + 10 + 11 + 12) | <u>\$1,062,953</u> | <u>\$1,059,490</u> | |
| 15 | | | | |
| 16 | Plus: | | | |
| 17 | Interest on Unrecovered Storm Costs for the period April 2023 through November 2023 | \$19,043 | \$18,631 | (J) |
| 18 | Amount to Replenish Storm Reserve Pursuant to FPL's 2021 Settlement Agreement ("Storm Reserve Replenishment") | 219,906 | 219,906 | (K) |
| 19 | | | | |
| 20 | Total Amount to be Recovered from Customers ("Recoverable Storm Amount") (Line 14 + 17 + 18) | <u>\$1,301,903</u> | <u>\$1,298,027</u> | |
| 21 | | | | |
| 22 | <u>Notes:</u> | | | |
| 23 | (A) Amounts reflected in column (1) represents amounts presented on Appendix C of FPL's Supplemental Petition to Modify the Interim Storm Surcharge Related to Hurricanes Ian and Nicole filed on September 5, 2023 and approved for recovery by the Commission at the November 9, 2023 Agenda Conference. | | | |
| 24 | (B) Incremental storm costs associated with the Hurricane Michael surcharge approved by the Commission in Order No. PSC-2020-0349-S-EI, Docket No. 20190038-EI were fully recovered as of March 31, 2023. | | | |
| 25 | Amount represents the actual amount of the Hurricane Sally surcharge (approved by the Commission in Order No. PSC-2022-0406-FOF-EI, Docket No. 20200241-EI) remaining to be recovered as of March 31, 2023. | | | |
| 26 | (D) Represents the actual amount of Hurricane Zeta incremental costs approved by the Commission for recovery in Order No. PSC-2022-0406-FOF-EI, Docket No. 20210719-EI less additional Storm Accruals reflected on Gulf Power's books and records as of December 31, 2021. | | | |
| 27 | (E) Amount reflected in column (2) represents incremental storm costs for Hurricane Ian incurred as of June 1, 2023 as reflected on Exhibit KF-1. | | | |
| 28 | (F) Amount reflected in column (2) represents incremental storm costs for Hurricane Nicole incurred as of June 1, 2023 as reflected on Exhibit KF-2. | | | |
| 29 | (G) Represents funded storm reserve balance as of September 30, 2022 prior to Hurricanes Ian and Nicole. | | | |
| 30 | (H) Represents unfunded storm reserve balance as of September 30, 2022 prior to Hurricanes Ian and Nicole. | | | |
| 31 | (I) Represents the following: (1) \$2.3 million of losses upon liquidation of the storm fund in the fourth quarter of 2022, offset by (2) \$1.3 million of storm reserve accrual recorded during October through December 2022, which were authorized under paragraph 16 of FPL's 2021 Settlement Agreement approved by the Commission in Order No. PSC-2021-0446-S-EI, Docket No. 20210015-EI. | | | |
| 32 | (J) Amount reflected in column (2) includes actual interest recorded on FPL's books and records for the period April 2023 through October 2023, and forecasted interest for the month of November 2023. Incremental storm costs are forecasted to be recovered during the month of November 2023 and then FPL will begin to apply surcharge revenues to the replenishment of | | | |
| 33 | (K) Represent storm serve replenishment allowed under paragraph 10 of FPL's 2021 Settlement Agreement approved by the Commission in Order No. PSC-2021-0440S-EI, Docket No. 20210015-EI. | | | |