

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricanes Ian and Nicole, by Florida Power & Light Company.

DOCKET NO.: 20230017-EI

FILED: June 04, 2024

**PREHEARING STATEMENT OF THE OFFICE OF PUBLIC COUNSEL**

The Citizens of the State of Florida, by and through the Office of Public Counsel, pursuant to the Order Establishing Procedure, Order No. PSC-2023-0372-PCO-EI, issued December 14, 2023, hereby submit this Prehearing Statement.

**APPEARANCES:**

Walt Trierweiler  
Public Counsel

Charles Rehwinkel  
Deputy Public Counsel

Patricia A. Christensen  
Associate Public Counsel

Office of Public Counsel  
c/o The Florida Legislature  
111 West Madison Street, Room 812  
Tallahassee, Florida 32399-1400

On behalf of the Citizens of the State of Florida

**1. WITNESSES:**

<b>Witness</b>	<b>Subject Matter</b>	<b>Issue #</b>
None		

**2. EXHIBITS:**

<b>Witness</b>	<b>Proffered by</b>	<b>Exhibit No.</b>	<b>Description</b>	<b>Issue #</b>
None				

### **3. STATEMENT OF BASIC POSITION**

The burden of proof in a Commission proceeding is always on a utility seeking a rate change and upon other parties seeking to change established rates. *Fla. Power Corp. v. Cresse*, 413 So. 2d 1187, 1191 (Fla. 1982). Florida Power & Light (FPL) has the burden to prove whether the Commission should approve FPL's Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricanes Ian and Nicole, by Florida Power & Light Company.

As a result of the stipulation entered into among the parties to Docket No. 20180049-EI and approved in Order No. PSC-2019-0319-S- EI (Irma Settlement), issued August 1, 2019, FPL agreed to follow certain process provisions related to incurring storm restoration costs. Pursuant to Paragraph 18 of the Irma Settlement, FPL also agreed to engage an independent accounting firm to audit its compliance with the agreed process provisions for the first named tropical system named by the National Hurricane Center for which claimed damages exceed \$250 million.

The OPC has reviewed FPL's audit plan, audit report and audit workpapers, and the OPC further conducted discovery involving a review of a representative sample of invoices and cost documentation. After conducting this review and cooperatively meeting with FPL and their outside auditors, the OPC determined that the company has materially complied with the Irma Settlement and that the audit was well designed and executed. FPL has also demonstrated that it maintains processes that ensure their positive stewardship of the resources they acquire for restoring service after severe weather events.

Based on the entirety of the circumstances, FPL's petition meets the burden of proof established by the Irma Settlement and other applicable laws. OPC and FPL have agreed to stipulations to resolve all outstanding issues. OPC represents that these stipulations are reasonable and prudent resolutions to the issues and are in the public interest. As a result of the due diligence performed by the OPC and the cooperation by FPL in this matter, OPC is in support of FPL's

continued commitment to implement and update the process provision in the Irma Settlement so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events.

#### **4. STATEMENT OF FACTUAL ISSUES AND POSITIONS**

##### **Florida Power & Light Company**

**ISSUE 1:** Should the incremental cost and capitalization approach (ICCA) found in Rule 25-6.0143, F.A.C., be used to determine the reasonable and prudent amounts to be included in the restoration costs?

OPC: Based on the entirety of the circumstances, FPL's petition meets the burden of proof established by the Irma Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by FPL in this matter, OPC is in support of FPL's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. OPC agrees with FPL.

**ISSUE 2:** Has FPL complied with the terms of the 2019 Stipulation and Settlement, approved by Order No. PSC-2019-0319-S-EI, issued August 1, 2019? If not, why not?

OPC: Based on the entirety of the circumstances, FPL's petition meets the burden of proof established by the Irma Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by FPL in this matter, OPC is in support of FPL's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. OPC agrees with FPL.

**ISSUE 3:** What is the reasonable and prudent amount of regular payroll expense to be included in the restoration costs?

OPC: Based on the entirety of the circumstances, FPL's petition meets the burden of proof established by the Irma Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by FPL in this matter, OPC is in support of FPL's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. OPC agrees with FPL.

**ISSUE 4:** What is the reasonable and prudent amount of overtime payroll expense to be included in the restoration costs?

OPC: Based on the entirety of the circumstances, FPL's petition meets the burden of proof established by the Irma Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by FPL in this matter, OPC is in support of FPL's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. OPC agrees with FPL.

**ISSUE 5:** What is the reasonable and prudent amount of contractor costs to be included in the restoration costs?

OPC: Based on the entirety of the circumstances, FPL's petition meets the burden of proof established by the Irma Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by FPL in this matter, OPC is in support of FPL's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. OPC agrees with FPL.

**ISSUE 6:** What is the reasonable and prudent amount of vegetation and line clearing costs to be included in the restoration costs?

OPC: Based on the entirety of the circumstances, FPL's petition meets the burden of proof established by the Irma Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by FPL in this matter, OPC is in support of FPL's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. OPC agrees with FPL.

**ISSUE 7:** What is the reasonable and prudent amount of employee expenses to be included in the restoration costs?

OPC: Based on the entirety of the circumstances, FPL's petition meets the burden of proof established by the Irma Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by FPL in this matter, OPC is in support of FPL's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. OPC agrees with FPL.

**ISSUE 8:** What is the reasonable and prudent amount of materials and supplies expense to be included in the restoration costs?

OPC: Based on the entirety of the circumstances, FPL's petition meets the burden of proof established by the Irma Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by FPL in this matter, OPC is in support of FPL's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. OPC agrees with FPL.

**ISSUE 9:** What is the reasonable and prudent amount of logistics costs to be included in the restoration costs?

OPC: Based on the entirety of the circumstances, FPL's petition meets the burden of proof established by the Irma Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by FPL in this matter, OPC is in support of FPL's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. OPC agrees with FPL.

**ISSUE 10:** What is the reasonable and prudent total amount of costs to be included in the restoration costs?

OPC: Based on the entirety of the circumstances, FPL's petition meets the burden of proof established by the Irma Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by FPL in this matter, OPC is in support of FPL's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. OPC agrees with FPL.

**ISSUE 11:** What is the reasonable and prudent amount of storm-related costs that should be capitalized?

OPC: Based on the entirety of the circumstances, FPL's petition meets the burden of proof established by the Irma Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by FPL in this matter, OPC is in support of FPL's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. OPC agrees with FPL.

**ISSUE 12:** What is the appropriate accounting treatment associated with any storm costs found to have been imprudently incurred?

OPC: Based on the entirety of the circumstances, FPL's petition meets the burden of proof established by the Irma Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by FPL in this matter, OPC is in support of FPL's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. OPC agrees with FPL.

**ISSUE 13:** Should the Commission approve FPL's proposed tariffs and associated charges?

OPC: Based on the entirety of the circumstances, FPL's petition meets the burden of proof established by the Irma Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by FPL in this matter, OPC is in support of FPL's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. OPC agrees with FPL.

**ISSUE 14:** If applicable, how should any under-recovery or over-recovery be handled?

OPC: Based on the entirety of the circumstances, FPL's petition meets the burden of proof established by the Irma Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by FPL in this matter, OPC is in support of FPL's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. OPC agrees with FPL.

**ISSUE 15:** Should this docket be closed?

OPC: No.

**5. STIPULATED ISSUES**

OPC and FPL have agreed to a stipulation which resolves all issues.

**6. PENDING MOTIONS**

OPC has no pending motions at the time.

7. **STATEMENT OF PARTY'S PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY**

There are no pending requests for claims for confidentiality filed by OPC.

8. **OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT**

OPC has no objections to the qualification of any witnesses as an expert in the field which they pre-filed testimony as of the present date.

9. **SEQUESTRATION OF WITNESSES**

OPC does not request the sequestration of any witness at this time.

10. **STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE**

There are no requirements of the Order Establishing Procedure with which OPC cannot comply.

Dated this 4<sup>th</sup> day of June, 2024

Respectfully Submitted,

Walt Trierweiler  
Public Counsel

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**CERTIFICATE OF SERVICE**  
**DOCKET NO. 20230017-EI**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail on this 4<sup>th</sup> day of June, 2024, to the following:

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