

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

Date: June 4, 2024

**FLORIDA POWER & LIGHT COMPANY’S
PREHEARING STATEMENT**

Florida Power & Light Company (“FPL” or the “Company”), by and through its undersigned counsel, hereby submits this Prehearing Statement pursuant to Order No. PSC-2023-0372-PCO-EI, and states:

1) FPL WITNESSES

Witness	Subject Matter	<u>Issue No.</u>
Direct		
Michael Jarro	Describes FPL’s emergency preparedness plan and restoration process, provides an overview of Hurricanes Ian and Nicole and impacts to FPL’s service area, and describes FPL’s response to each storm. Describes details of the Transmission and Distribution (“T&D”) costs incurred for preparation, response and restoration efforts, and follow-up work activities necessary to restore facilities to pre-storm conditions.	3,4,5,6,8,9,10
Keith Ferguson	Presents FPL’s Hurricanes Ian and Nicole storm related costs and the accounting treatment for those costs. Demonstrates that FPL’s storm related restoration and recovery accounting processes and controls are well established, documented, and implemented by appropriate personnel to ensure proper storm accounting and ratemaking. Addresses compliance with FPL’s Hurricane Irma Settlement Agreement related to supporting documentation for storm expenses and methodology for capitalization of costs. Explains FPL’s compliance with the Incremental Cost and Capitalization Approach (“ICCA”). Presents PricewaterhouseCoopers’ (“PwC”) Attestation Report, which validated that FPL’s storm restoration costs were accurately presented, appropriately supported, and incurred within the time period allowed for recovery.	1-12

Amber De Lucenay	Provides a detailed overview of FPL’s deliberate and comprehensive process of reviewing, approving and, where applicable, adjusting invoices for Hurricanes Ian and Nicole line and vegetation contractors. Explains that the invoice review process was properly designed and administered. Addresses FPL’s compliance with applicable provisions of the Hurricane Irma Settlement Agreement.	2,5,6
Tiffany C. Cohen	Describes the Interim Storm Charge in relation to Hurricanes Ian and Nicole and outlines FPL’s proposal to calculate the final true-up amount and refund or charge customers for any excess or shortfall between the final actual storm costs approved and the amount collected under the Interim Storm Charge.	13,14,15

2) **EXHIBITS**

Witness	Proffered by	Exhibit No.	Description	Issue No.
Direct				
Michael Jarro	FPL	MJ-1	Hurricane Ian - National Hurricane Center’s Forecast Track	9,10
Michael Jarro	FPL	MJ-2	Hurricane Ian – Satellite View	9,10
Michael Jarro	FPL	MJ-3	Hurricane Nicole – National Hurricane Center’s Forecast Track	9,10
Michael Jarro	FPL	MJ-4	Hurricane Nicole – Satellite View	9,10
Michael Jarro	FPL	MJ-5	FPL’s T&D Hurricane Ian Restoration Costs	3,4,5,6, 8,9,10
Michael Jarro	FPL	MJ-6	FPL’s T&D Hurricane Nicole Restoration Costs	3,4,5,6, 8,9,10
Keith Ferguson	FPL	KF-1	Hurricane Ian Incremental Cost and Capitalization Approach Adjustments as of June 1, 2023	1-12
Keith Ferguson	FPL	KF-2	Hurricane Nicole Incremental Cost and Capitalization Approach Adjustments as of June 1, 2023	1-12
Keith Ferguson	FPL	KF-3	Total Storm Costs to be Recovered from Customers	1-12
Keith Ferguson	FPL	KF-4	PwC Engagement Letter	1-12
Keith Ferguson	FPL	KF-5	PwC Attestation Report	1-12
Tiffany C. Cohen	FPL	TCC-1	Consolidated Interim Storm Restoration Recovery Charge Revenues	13,14, 15

In addition to the above pre-filed exhibits, FPL reserves the right to utilize any exhibit introduced by any party.

3) STATEMENT OF BASIC POSITION

FPL's service area was impacted in 2022 by Hurricanes Ian and Nicole, both National Hurricane Center-classified storms that caused widespread devastation, flooding, and customer service outages. Hurricane Ian made landfall near Fort Myers Beach, Florida on September 28, 2022, as a catastrophic Category 4 storm with sustained winds of 150 miles per hour ("mph"). The storm required FPL to engage in extensive restoration efforts to restore service to more than 2.1 million affected customers. Hurricane Nicole made its first of three landfalls near Vero Beach, Florida on November 10, 2022, as a Category 1 storm with sustained winds of 75 mph, and likewise required FPL to engage in extensive restoration efforts to restore service to more than 480,000 customers.

FPL undertook reasonable, necessary, and prudent measures to prepare for and respond to the impacts of both Hurricanes Ian and Nicole. These preparations included complex and comprehensive logistical arrangements for mobilizing FPL employees, external contractors, and mutual aid utilities to support the restoration effort. Logistical arrangements and coordination of resources included, but were not limited to, staging sites, lodging, food, communications, and fuel delivery. FPL's proactive approach to storm preparation, mobilization and pre-staging of resources, and execution of storm related activities was highly successful in restoring service to its customers safely and as quickly as reasonably practicable.

In total, FPL restored service to more than 2.1 million customers impacted by Hurricane Ian. Approximately 66% of these customers were restored within the first full day of restoration and 95% of these customers were restored within the first six full days of restoration. By October 7, 2022 (*i.e.*, within eight full days of restoration), FPL restored power to 99% of the affected customers, essentially completing the restoration effort for all customers that could feasibly receive power. FPL restored power to essentially all of its more than 480,000 customers impacted by Hurricane Nicole in less than 24 hours after the storm exited Florida.

FPL's investments over the past decade in smart grid technology, undergrounding power lines, and strengthening the energy grid enabled FPL to avoid outages and restore power faster where outages occurred. There was no significant structural damage to FPL's power generating facilities, including the 38 solar energy centers exposed to storm conditions, and not a single transmission structure failed during Hurricane Ian. Similarly, for Hurricane Nicole, there was no significant structural damage to FPL's power generating facilities, and not a single transmission structure failed. In both storms, FPL's storm-hardened and underground facilities performed well. Smart investments in FPL's energy grid also helped the Company restore service to customers before it was safe to send crews into the field, and helped to avoid more than 400,000 outages during Hurricane Ian and more than 150,000 during Hurricane Nicole.

FPL followed a detailed, deliberate, and comprehensive process to review contractor invoices associated with Hurricanes Ian and Nicole in accordance with the Stipulation and Settlement of FPL's Hurricane Irma storm restoration costs approved by Commission Order No. PSC-2019-0319-S-EI in Docket No. 20180049-EI ("Irma Settlement"). This process included invoice receipt, individual invoice review, and follow-up analysis to ensure that invoices were paid in conformance with the applicable contract terms.

In total, FPL incurred actual retail incremental storm restoration costs of \$1,023.393 million associated with Hurricane Ian and actual retail incremental storm restoration costs of \$118.423 million associated with Hurricane Nicole. Pursuant to Section 18 of the Irma Settlement, FPL engaged an outside independent audit firm to examine FPL's storm restoration costs and processes associated with Hurricane Ian. This audit validated that FPL's storm restoration costs were accurately presented, appropriately supported, and incurred within the time period allowed for recovery.

FPL's total Recoverable Storm Amount¹ is \$1,298.027 million, as shown on Exhibit KF-3. FPL petitioned for recovery of these costs consistent with the Stipulation and Settlement approved in Order No. PSC-2021-0446-S-EI and has collected those costs through the Interim Storm Charge approved by Order Nos. PSC-2023-0110-PCO-EI and PSC-2023-0354-PCO-EI.

After the Commission has made its final determination of the final actual Recoverable Storm Amount in this proceeding, FPL will compare the approved Recoverable Storm Amount to the actual total revenues collected from the Interim Storm Charge, as set forth in Exhibit TCC-1, in order to determine any excess or shortfall in recovery. FPL will make a compliance filing with the Commission that sets forth the calculation of the appropriate true-up rates to apply to customer bills for a one-month period in order to refund the excess to or collect the shortfall from customers. The true-up rates will be designed consistent with the cost allocation used for the Interim Storm Charge rates approved in Order Nos. PSC-2023-0110-PCO-EI and PSC-2023-0354-PCO-EI.

4) STATEMENT OF ISSUES AND POSITIONS

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?**

FPL: Yes. The Incremental Cost and Capitalization Approach prescribed in Rule 25-6.0143, Florida Administrative Code, should be used to calculate FPL's Hurricanes

¹ FPL's total Recoverable Storm Amount, upon which the Consolidated Interim Storm Restoration Recovery Charge was based, includes: (i) the actual retail incremental storm restoration costs associated with Hurricane Ian; (ii) the actual retail incremental storm restoration costs associated with Hurricane Nicole; (iii) the replenishment of FPL's storm reserve in accordance with Paragraph 10 of the Stipulation and Settlement approved in Order No. PSC-2021-0446-S-EI; and (iv) the remaining amounts to be collected for Hurricanes Michael, Sally, and Zeta, which have been previously approved by the Commission Order Nos. PSC-2020-0349-S-EI and PSC-2022-0406-FOF-EI.

Ian and Nicole storm costs, including removing below-the-line expenses and calculating storm capital costs. (*Ferguson*)

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?**

FPL: Yes. FPL has complied with the terms of the 2019 Stipulation and Settlement, approved by Order No. PSC-2019-0319-S-EI, issued August 1, 2019. (*Ferguson, De Lucenay*)

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

FPL: The reasonable and prudent regular payroll expense to be included in storm restoration costs for Hurricane Ian and Hurricane Nicole is \$6.001 million and \$2.342 million, respectively, as set forth in the table below and as shown on Exhibits KF-1 and KF-2. These are the costs FPL incurred for employee time spent in direct support of storm related activities including but not limited to restoration, which excludes bonuses and incentive compensation.

Reasonable and Prudent Amount of Regular Payroll Expense
(\$000s)

Storm	Total Storm Restoration Costs Incurred	Less Capitalized Costs	Less ICCA Adjustments	Recoverable Incremental Storm Costs
Ian	\$15,263	\$3,789	\$5,472	\$6,001
Nicole	\$3,075	\$112	\$621	\$2,342

(*Jarro, Ferguson*)

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

FPL: The reasonable and prudent amount of overtime payroll expense to be included in storm restoration costs for Hurricane Ian and Hurricane Nicole is \$28.715 million and \$6.135 million, respectively, as set forth in the table below and as shown on Exhibits KF-1 and KF-2. These are the costs FPL incurred for employee time spent in direct support of storm related activities including but not limited to restoration, which excludes bonuses and incentive compensation.

Reasonable and Prudent Amount of Overtime Payroll Expense
(\$000s)

Storm	Total Storm Restoration Costs Incurred	Less ICCA Adjustments	Recoverable Incremental Storm Costs
Ian	\$29,277	\$562	\$28,715
Nicole	\$6,222	\$87	\$6,135

(Jarro, Ferguson)

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

FPL: The reasonable and prudent amount of contractor costs to be included in storm restoration costs for Hurricane Ian and Hurricane Nicole is \$564.784 million and \$64.083 million, respectively, as forth in the table below and as shown on Exhibits KF-1 and KF-2. These are the costs FPL incurred for line crews and mutual aid utilities that were necessary to support FPL’s storm restoration effort.

Reasonable and Prudent Amount of Contractor Costs
(\$000s)

Storm	Total Storm Restoration Costs Incurred	Less Capitalized Costs	Less ICCA Adjustments	Recoverable Incremental Storm Costs
Ian	\$621,490	\$55,511	\$1,195	\$564,784
Nicole	\$65,138	\$661	\$393	\$64,083

(Jarro, Ferguson, De Lucenay)

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

FPL: The reasonable and prudent amount of vegetation and line clearing costs to be included in the restoration costs for Hurricane Ian and Hurricane Nicole is \$165.704 million and \$23.451 million, respectively, as shown on Exhibits KF-1 and KF-2. Since FPL recovers all actual vegetation costs incurred through the storm charge or the Storm Protection Plan Cost Recovery Clause, there is no ICCA adjustment applicable. *(Jarro, Ferguson, De Lucenay)*

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

FPL: The reasonable and prudent amount of employee expenses to be included in the restoration costs for Hurricane Ian and Hurricane Nicole is \$0.614 million and \$0.028 million, respectively, as shown on Exhibits KF-1 and KF-2. (*Ferguson*)

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

FPL: The reasonable and prudent amount of materials and supplies expense to be included in storm restoration costs for Hurricane Ian and Hurricane Nicole is \$16.024 million and \$0.959 million, respectively, as forth in the table below and as shown on Exhibits KF-1 and KF-2.

Reasonable and Prudent Amount of Materials and Supplies Expense
((\$000s))

Storm	Total Storm Restoration Costs Incurred	Less Capitalized Costs	Recoverable Incremental Storm Costs
Ian	\$47,790	\$31,766	\$16,024
Nicole	\$2,010	\$1,051	\$959

(*Jarro, Ferguson*)

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

FPL: The reasonable and prudent amount of logistic costs to be included in the restoration costs for Hurricanes Ian and Nicole are \$204.781 million and \$16.841 million, respectively, as shown on Exhibits KF-1 and KF-2. (*Jarro, Ferguson*)

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

FPL: The reasonable and prudent total amount of retail incremental costs to be included in the restoration costs for Hurricane Ian and Hurricane Nicole is \$1,023.393 million and \$118.423 million, respectively, which excludes capital costs, ICCA adjustments, and below-the-line expenses, as shown on Exhibits KF-1 and KF-2. FPL's total Recoverable Storm Amount, which includes the actual retail incremental storm restoration costs associated with Hurricane Ian, the actual retail incremental storm restoration costs associated with Hurricane Nicole, the replenishment of FPL's storm reserve in accordance with Paragraph 10 of the Stipulation and Settlement approved in Order No. PSC-2021-0446-S-EI, and the remaining amounts to be collected for Hurricanes Michael, Sally, and Zeta, which

were previously approved by the Commission, is \$1,298.027 million as shown on Exhibit KF-3. (*Jarro, Ferguson*)

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

FPL: The reasonable and prudent amount of storm-related costs that should be capitalized for Hurricane Ian and Hurricane Nicole is \$95.642 million and \$1.945 million, respectively, as shown on Exhibits KF-1 and KF-2. To determine the amount of capitalized costs, FPL used Part (1)(d) of Rule 25-6.0143, which states that "...the normal cost for the removal, retirement and replacement of those facilities in the absence of a storm, is the basis for calculating storm restoration capital." (*Ferguson*)

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

FPL: In the event that the Commission were to find that any of FPL's Hurricane Ian or Hurricane Nicole storm related costs were imprudently incurred based on the actual conditions and circumstances at the time decisions were made, such costs would be charged below-the-line, with a corresponding adjustment to the applicable total Recoverable Storm Amount, capital, or above-the-line base O&M, and would not be recovered from customers. (*Ferguson*)

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

FPL: FPL's Interim Storm Charge has been fully recovered and terminated as of March 31, 2024. The Commission should approve FPL's proposed one-time true-up methodology of the revenues collected through the Interim Storm Charge as set forth in Issue 14 below. Staff should be authorized to review and verify the final true-up rates contained in FPL's compliance filing referenced in Issue 14 below. (*Cohen*)

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

FPL: After the Commission has made its final determination of the final actual Recoverable Storm Amount in this proceeding, FPL will compare the approved Recoverable Storm Amount to the actual total revenues collected from the Interim Storm Charge, as set forth in Exhibit TCC-1, in order to determine any excess or shortfall in recovery. Interest will be applied to any excess or shortfall at the thirty-day commercial paper rate consistent with Rule 25-6.109, Florida Administrative Code. FPL will make a compliance filing with the Commission that sets forth the calculation of the appropriate true-up rates to apply to customer bills for a one-month period in order to refund the excess or collect the shortfall. The true-up rates will be designed in a manner that is consistent with the cost allocation used for the Interim Storm Charge rates filed and approved in Order Nos. PSC-2023-0110-

PCO-EI and PSC-2023-0354-PCO-EI. FPL will apply the true-up rates through the non-fuel energy charge on customers' bills starting on Cycle Day 1 of the first month that is more than thirty days after Commission approval. FPL will notify customers of the change in their rates due to the one-time true-up at least thirty days in advance in the form of a message on their bill, with more detailed information regarding the revised Interim Storm Charge tariff provided on FPL's website, www.FPL.com/rates. (Cohen)

ISSUE 15: Should this docket be closed?

FPL: Upon FPL's submission of the compliance filing set forth in Issue 14 above, this docket should be closed. (Cohen)

CONTESTED ISSUES

FPL is not aware of any contested issues among the Parties to this docket.

5) STIPULATED ISSUES

FPL and the Office of Public Counsel have entered into a set of stipulations attached to this Prehearing Statement as Attachment A. If approved by the Florida Public Service Commission, these stipulations will fully resolve the Parties' respective issues in Docket No. 20230017-EI.

6) PENDING MOTIONS

On May 8, 2024, Jet Blast, Inc. ("Jet Blast") filed a Petition to Intervene claiming it has unpaid storm restoration invoices and alleging it is owed payment from FPL and other unnamed parties. On May 15, 2024, FPL filed a Response in Opposition to the Jet Blast Petition to Intervene, demonstrating that Jet Blast failed to allege facts sufficient to establish standing in this proceeding and, further, that Jet Blast's claims and requests for relief are beyond the subject matter jurisdiction of this Commission and Chapter 366 of the Florida Statutes. As of the time this Prehearing Statement was prepared, the Jet Blast Petition to Intervene remains pending. For the many reasons detailed in FPL's Response in Opposition, the Jet Blast Petition should be denied.

FPL is not aware of any other outstanding motions or petitions in this docket.

7) PENDING REQUESTS FOR CONFIDENTIALITY

As of the time this Prehearing Statement was prepared, FPL is aware of the following outstanding requests for confidentiality:²

- DN 06136-2023 - Request for confidential classification of [DN 06137-2023] information provided with notice of filing confidential materials in support of petition for approval of the actual incremental storm restoration costs associated with Hurricanes Ian and Nicole and associated true-up process, which was filed on November 20, 2023.
- DN 00075-2024 – Motion for Temporary Protective Order to preserve the confidentiality of the PwC workpapers, while allowing OPC to review and use these confidential materials in the preparation of their case, which was filed on January 5, 2024.
- DN 00333-2024 - Request for confidential classification of [DN 00336-2024] information provided in responses to OPC’s 1st request for PODs (Nos. 6 and 25), which was filed on January 25, 2024.

8) OBJECTIONS TO WITNESS QUALIFICATIONS AS AN EXPERT

None at this time.

9) REQUEST FOR SEQUESTRATION OF WITNESSES

None at this time.

10) STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE

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

Respectfully submitted this 4th day of June 2024.

By: s/ Joel T. Baker

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² On January 5, 2024, FPL filed a Notice of Intent to Request Confidential Classification [00038-2024], which was subsequently withdrawn on February 2, 2024 [00540-2024].

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copies of the foregoing have been furnished by Electronic Mail to the following parties of record this 4th day of June 2024:

<p>Shaw Stiller Daniel Dose Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 ddose@psc.state.fl.us sstiller@psc.state.fl.us <i>For Commission Staff</i></p>	<p>Office of Public Counsel Patricia A. Christensen c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 rehwinkel.charles@leg.state.fl.us christensen.patty@leg.state.fl.us <i>For the Office of Public Counsel</i></p>
<p>Stephanie U. Eaton Florida Bar No.: 165610 SPILMAN THOMAS & BATTLE, PLLC 110 Oakwood Drive, Suite 500 Winston-Salem, NC 27103 seaton@spilmanlaw.com <i>For Walmart Inc.</i></p>	<p>Derrick Price Williamson Steven W. Lee SPILMAN THOMAS & BATTLE, PLLC 1100 Bent Creek Boulevard, Suite 101 Mechanicsburg, PA 17050 dwilliamson@spilmanlaw.com slee@spilmanlaw.com <i>For Walmart Inc.</i></p>

s/ Joel T. Baker

Joel T. Baker
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Attorney for Florida Power & Light Company

Attachment A

In re: 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

STIPULATIONS

Florida Power & Light Company (“FPL” or the “Company”) and the Office of Public Counsel (“OPC”) (hereinafter referred to individually as “Party” or collectively as “Parties”) herby agree to submit for approval by the Florida Public Service Commission (“Commission”) the following stipulations to fully resolve the Parties’ respective issues in Docket No. 20230017-EI on the following terms and conditions:

1. The Parties stipulate to having all pre-filed testimony and exhibits filed in this docket entered into the record; specifically the following:
 - a. The direct testimony of FPL witnesses Michael Jarro, along with Exhibits MJ-1 through MJ-6;
 - b. The direct testimony of FPL witness Amber De Lucenay;
 - c. The direct testimony of FPL witness Keith Ferguson, along with Exhibits KF-1 through KF-5;
 - d. The direct testimony of Tiffany C. Cohen, along with Exhibit TCC-1; and
 - e. The direct testimony of Staff witness Yen Ngo, along with Exhibit YN-1.
2. The Parties agree to waive cross-examination of all witnesses and, upon Commission approval, have no objection witnesses being excused from appearing at the hearing.
3. The Parties stipulate to having all FPL’s responses to Staff’s data requests entered into the record.

4. The Parties stipulate to having all FPL responses to interrogatories and requests for production of documents entered into the record.
5. The Parties stipulate and agree that the Incremental Cost and Capitalization Approach prescribed in Rule 25-6.0143, Florida Administrative Code, is applicable to determining the reasonable and prudent amounts to be included in FPL's final Recoverable Storm Amount¹ to be approved in this docket.
6. The Parties stipulate and agree that the record supports a Commission finding that the terms of the Stipulation and Settlement of FPL's Hurricane Irma storm restoration costs approved by Commission Order No. PSC-2019-0319-S-EI in Docket No. 20180049-EI ("Irma Settlement") have been satisfied and met.
7. The Parties stipulate and agree that the record supports a Commission finding that the actual retail incremental storm restoration costs of \$1,023.393 million associated with Hurricane Ian, as shown in Exhibit KF-1, were reasonable and prudent.
8. The Parties stipulate and agree that the record supports a Commission finding that the actual retail incremental storm restoration costs of \$118.423 million associated with Hurricane Nicole, as shown in Exhibit KF-2, were reasonable and prudent.
9. The Parties stipulate and agree that the record supports a Commission finding that FPL's total Recoverable Storm Amount is \$1,298.027 million, as shown on Exhibit KF-3.

¹ The Recoverable Storm Amount, upon which the Consolidated Interim Storm Restoration Recovery Charge ("Interim Storm Charge") was based, includes: (i) the actual retail incremental storm restoration costs associated with Hurricane Ian; (ii) the actual retail incremental storm restoration costs associated with Hurricane Nicole; (iii) the replenishment of FPL's storm reserve in accordance with Paragraph 10 of the Stipulation and Settlement approved in Order No. PSC-2021-0446-S-EI; and (iv) the remaining amounts to be collected for Hurricanes Michael, Sally, and Zeta, which have been previously approved by the Commission Order Nos. PSC-2020-0349-S-EI and PSC-2022-0406-FOF-EI.

10. The Parties stipulate and agree that the record supports a Commission finding that FPL's final Recoverable Storm Amount was calculated in compliance with the Incremental Cost and Capitalization Approach prescribed in Rule 25-6.0143, Florida Administrative Code.
11. The Parties stipulate and agree that the record supports a Commission finding that the actual revenues collected under the Interim Storm Charge was \$1,313.764 million, as shown on Exhibit TCC-1.
12. The Parties stipulate and agree that the record supports a Commission finding that the one-time true-up methodology for the actual revenues collected under the Interim Storm Charge, as proposed in the direct testimony of FPL witness Tiffany C. Cohen, is reasonable and appropriate. Specifically, the Parties agree that once the Commission has made its final determination of the final actual Recoverable Storm Amount in this proceeding, FPL shall compare the approved Recoverable Storm Amount to the actual total revenues collected from the Interim Storm Charge, as shown on Exhibit TCC-1, in order to determine any excess or shortfall in recovery. The Parties also agree that interest shall be applied to any excess or shortfall at the thirty-day commercial paper rate consistent with Rule 25-6.109, Florida Administrative Code.
13. The Parties stipulate and agree that the record supports a Commission finding that FPL's proposal to make a compliance filing with the Commission that sets forth the calculation of the appropriate true-up rates to apply to customer bills for a one-month period in order to refund the excess or collect the shortfall is reasonable and appropriate. Specifically, the Parties agree that the true-up rates shall be designed in a manner that is consistent with the cost allocation used for the Interim Storm Charge rates filed and approved in Order Nos. PSC-2023-0110-PCO-EI and PSC-2023-0354-PCO-EI, and that FPL shall apply the true-

up rates through the non-fuel energy charge on customers' bills starting on Cycle Day 1 of the first month that is more than thirty days after Commission approval.

14. The Parties stipulate and agree that the Commission should authorize its Staff to review and verify the final true-up rates contained in FPL's proposed compliance filing referenced in Paragraph 13 above.
15. The Parties stipulate and agree that the record supports a Commission finding that FPL's proposal to notify customers of the change in their rates, due to the one-time true-up, at least thirty days in advance in the form of a message on their bill, with more detailed information regarding the revised Interim Storm Charge tariff provided on FPL's website, www.FPL.com/rates, is reasonable and appropriate.
16. The Parties stipulate and agree that FPL will continue to implement and update the process provisions set forth in Sections 5 through 17 of the Irma Settlement.

In Witness Whereof, FPL and OPC evidence their acceptance and agreement with all provisions of these Stipulations by their signature.

FLORIDA POWER & LIGHT COMPANY

OFFICE OF PUBLIC COUNSEL

By: _____

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