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July 10, 2024

VIA ELECTRONIC FILING

Mr. Adam J. Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 20240000-OT
Florida Power & Light Company 2023 Annual Status Report on Storm
Protection Plan Programs and Projects
Responses to Staff's First Data Requests

Dear Mr. Teitzman:

Enclosed for filing in the above-referenced docket are the responses of Florida Power & Light Company (FPL) to the Florida Public Service Commission Staff's First Set of Data Requests regarding FPL's 2023 Annual Status Report on its Storm Protection Plan Programs and Projects.

If you or your staff have any question regarding this filing, please contact me at (561) 691-7144.

Respectfully submitted,

/s/Christopher T. Wright

Christopher T. Wright
Fla. Auth. House Counsel No. 1007055

Enclosures

cc: Penelope D. Buys (pbuys@psc.state.fl.us)

**Florida Power & Light Company
Docket No. 20240000-OT
2023 Storm Protection Plan - ASR
Staff's First Data Request
Request No. 1
Page 1 of 1**

QUESTION:

Please provide the number of wood transmission structures as of year-end 2023?

RESPONSE:

As of year-end 2023, approximately 96% of FPL's transmission structures are concrete or steel. FPL has approximately 3,600 wood transmission structures remaining in the Northwest Florida (former Gulf Power) service area.

**Florida Power & Light Company
Docket No. 20240000-OT
2023 Storm Protection Plan - ASR
Staff's First Data Request
Request No. 2
Page 1 of 2**

QUESTION:

Please explain why the costs of the following projects are increasing when FPL is planning to complete less projects in 2024 compared to 2023.

- a. Distribution Inspection Program
- b. Distribution Feeder Hardening Program
- c. Substation Storm Surge/Flood Mitigation Program

RESPONSE:

The costs included in FPL's SPP Annual Report filed on May 31, 2024, are reflective of all costs incurred for projects as part of each program, it is not limited to completed projects, but includes ongoing projects that may be multi-year due to their complexity.

As explained in the direct testimony of FPL Witness Michael Jarro in FPL's Storm Protection Plan Cost Recovery Clause (SPPCRC) Docket No. 20240010-EI filed on April 1, 2024, "FPL saw an increase in the costs of materials and supplies due to inflation and supply chain constraints that impacted the costs associated with many of the SPP projects as well as contractor labor. For example, the cost of conduit utilized for lateral undergrounding and poles utilized by both distribution and transmission hardening programs has significantly increased. These inflationary pressures have the effect of increasing the overall cost of SPP projects. To help mitigate these impacts, our supply chain organization has negotiated long-term contracts with multiple manufacturers to help secure more inventory at lower average costs."

Additionally, as explained in the direct testimony of FPL Witness Jarro in the same docket, filed on May 1, 2024, "FPL expects these inflationary pressures will continue to impact the 2024 SPP projects and associated costs. As such, FPL's actual/estimated 2024 SPP projects and costs reflect the estimated impact of these inflationary pressures." FPL is continuously seeking opportunities to reduce cost through process efficiency, material alternatives, and competitive bidding. FPL material and services contracts range up to three years in duration to provide price stability. Our primary goal is to provide safe, reliable, low-cost service to our customers.

As explained in FPL Witness Jarro's testimonies filed in Docket No. 20240010-EI, FPL manages the SPP projects at the program level in order to maximize efficiency while still achieving the overall objectives of the SPP programs. As a result, project schedules and completion dates may change based on the actual circumstances and conditions encountered or required for a specific work site to ensure that resources were being efficiently used. Please refer to Exhibit MJ-2 filed in Docket No. 20240010-EI for the list of explanations of drivers for variances in SPP programs and projects.

**Florida Power & Light Company
Docket No. 20240000-OT
2023 Storm Protection Plan - ASR
Staff's First Data Request
Request No. 2
Page 2 of 2**

- a. As seen on Section 2(B) of FPL's 2023 SPP Annual Report, the total number of Distribution poles to be inspected in 2024 is 180,000, which is the same number that was planned for inspection in 2023. The cost to execute the Distribution Inspection Program depends on various factors, such as, but not limited to, the local region of inspection, the pole composition (i.e. concrete or wood), and if trussing is a reasonable and appropriate option to reinforce the pole.
- b. Due to the complexity and multi-year nature of the remaining feeder hardening projects, FPL is simultaneously working on a greater quantity of projects in 2024 compared to 2023 (refer to Exhibit MJ-1 and Exhibit MJ-4 in FPL's SPPCRC Docket No. 20240010-EI). Furthermore, the costs to harden a feeder depends on various factors including the region where the work is being done, type of work, field conditions, construction time restrictions (e.g., DOT permitting) and other factors. For example, in some parts of the Miami-Dade Region, the cost to perform work is approximately double the cost of work in the North Region.
- c. Each flood mitigation project is unique and looked at individually to determine the appropriate solution based on the site elevation, location, and an understanding of prior flood events. The 2023 Substation Storm Surge/Flood Mitigation projects that were completed were part of a multi-year construction and engineering effort. Please refer to Exhibit MJ-4 in FPL's SPPCRC Docket No. 20240010-EI filed on May 1, 2024, that provides project details for two substations (Gracewood and South Daytona) that will incur project costs in 2024, with South Daytona substation currently expected to be completed the same year.