

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Storm Protection Plan Cost Recovery  
Clause

Docket No. 20240010-EI

Filed: July 31, 2024

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

Florida Power & Light Company (“FPL”), by and through its undersigned counsel, hereby submits this Prehearing Statement pursuant to Order Nos. PSC-2024-0032-PCO-EI, PSC-2024-110-PCO-EI, and PSC-2024-0216-PCO-EI, and states:

**1. FPL WITNESSES**

**A. Direct Testimony**

<u>Witness</u>	<u>Subject Matter - Direct</u>	<u>Issue #</u>
Michael Jarro	<ul style="list-style-type: none"> <li>• Presents and supports FPL’s 2023 actual Storm Protection Plan (“SPP”) costs associated with the programs and projects included in the 2023-2032 (“2023 SPP”), and explains the variances for the 2023 SPP costs approved in Docket No. 20230010-EI. <i>(Filed April 1, 2024)</i></li> <li>• Presents and supports FPL’s 2024 actual/estimated SPP costs associated with the programs and projects included in FPL’s 2023 SPP, and explains the variances for the 2024 SPP costs approved in Docket No. 20230010-EI. <i>(Filed May 1, 2024)</i></li> <li>• Describes FPL’s 2025 SPP programs and explains how those activities and costs are consistent with the 2023 SPP. <i>(Filed May 1, 2024)</i></li> </ul>	1-4
Richard L. Hume	<ul style="list-style-type: none"> <li>• Presents and supports FPL’s 2023 final SPPCRC true-up amounts. <i>(Filed April 1, 2024)</i></li> <li>• Presents and supports FPL’s 2024 actual/estimated SPPCRC true-up amount. <i>(Filed May 1, 2024)</i></li> <li>• Presents and supports the 2025 projected amounts and 2025 SPPCRC Factors to be applied to bills issued during the projected period of January 1, 2025 through December 31, 2025. <i>(Filed May 1, 2024)</i></li> </ul>	1-10

**B. Rebuttal Testimony**

None.<sup>1</sup>

**2. EXHIBITS**

<u>Witness</u>	<u>Proffered By</u>	<u>Exhibit #</u>	<u>Description</u>	<u>Issue #</u>
<b>Direct Testimony</b>				
Michael Jarro	FPL	MJ-1	FPL Actual Storm Protection Plan Work Completed in 2023 (Project Level Detail)	1
Michael Jarro	FPL	MJ-2	List of Explanations of Drivers for Variances in Storm Protection Plan Programs and Projects	1, 2
Michael Jarro	FPL	MJ-3	Form 6P – Program Description and Progress Report	2-4
Michael Jarro	FPL	MJ-4	FPL Actual/Estimated Storm Protection Plan Work to be Completed in 2024 (Project Level Detail)	2
Michael Jarro	FPL	MJ-5	FPL Storm Protection Plan Work Projected to be Completed in 2025 (Project Level Detail)	3, 4
Richard L. Hume	FPL	RLH-1 (corrected by Errata filed on May 17, 2024)	Forms 1A through 8A for the FPL 2023 SPPCRC Final True-Up	1
Richard L. Hume	FPL	RLH-2	Forms 1E through 8E for the FPL 2024 SPPCRC Actual/Estimated True-Up	2
Richard L. Hume	FPL	RLH-3	Forms 1P through 5P and 7P for FPL’s Proposed 2025 SPPCRC Factors	3-7
Richard L. Hume	FPL	RLH-4	Retail Separation Factors	6

In addition to the above pre-filed exhibits, FPL reserves the right to utilize any exhibit introduced by any other party. FPL additionally reserves the right to introduce any additional exhibit necessary for cross-examination or impeachment at the final hearing.

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<sup>1</sup> Although Staff served testimony supporting Staff’s audit of the SPPCRC costs, there is nothing in Staff’s testimony to rebut. No other parties served any discovery, testimony, or exhibits related to FPL’s SPPCRC projects, costs, and revenue requirements.

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

FPL's final true-up of its 2023 SPP costs is consistent with the actual/estimated 2023 SPP costs approved by Commission Order No. PSC-2023-0364-FOF-EI in Docket No. 20230010-EI, consistent with the 2023 SPP approved by Commission Order No. PSC-2022-0389-FOF-EI in Docket No. 20220051-EI, applies the methodology and prescribed schedules contained in Commission Forms 1A through 8A, and meets the requirements of Section 366.96, Florida Statutes, and Rule 25-6.031(7)(a), Florida Administrative Code. No parties challenged or made any recommended adjustments to any of the SPP projects, costs, or revenue requirements included in FPL's 2023 SPPCRC final true-up. Therefore, the Commission should approve FPL's net final true-up under-recovery amount of \$5,648,042, including interest, for the period of January 2023 through December 2023.

FPL's actual/estimated true-up of its 2024 SPP costs is consistent with the projected 2024 SPP costs approved by Commission Order No. PSC-2023-0364-FOF-EI in Docket No. 20230010-EI, consistent with the 2023 SPP approved by Commission Order No. PSC-2022-0389-FOF-EI in Docket No. 20220051-EI, applies the methodology and prescribed schedules contained in Commission Forms 1E through 8E, and meets the requirements of Section 366.96, Florida Statutes, and Rule 25-6.031(7)(b), Florida Administrative Code. No parties challenged or made any recommended adjustments to any of the SPP projects, costs, or revenue requirements included in FPL's 2024 SPPCRC actual/estimated true-up. Therefore, the Commission should approve FPL's actual/estimated true-up under-recovery amount of \$59,670,684, including interest, for the period of January 2024 through December 2024.

FPL's projected 2025 SPP costs are consistent with the 2023 SPP approved Commission Order No. PSC-2022-0389-FOF-EI in Docket No. 20220051-EI, apply the methodology and prescribed schedules contained in Commission Forms 1P through 7P, and meet the requirements

of Section 366.96, Florida Statutes, and Rule 25-6.031(2) and (7)(c), Florida Administrative Code. No parties challenged or made any recommended adjustments to any of the individual 2025 SPP projects or associated costs. Therefore, the Commission should approve the \$721,264,550 of revenue requirements associated with the SPP programs projected to be incurred between January 1, 2025 and December 31, 2025.

For these reasons, as further explained in FPL’s direct, supplemental, and rebuttal testimonies, the Commission should approve the total jurisdictional revenue requirement of \$ 786,583,276, including true-up amounts, for recovery through FPL’s 2025 SPPCRC Factors for the period of January 2025 through December 2025.

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

##### **A. STAFF’S ISSUES<sup>2</sup>**

Issue No. 1A: What jurisdictional amounts should the Commission approve as FPL’s final 2023 prudently incurred costs and final true-up revenue requirement amounts for the Storm Protection Plan Cost Recovery Clause?

**FPL Position:** FPL’s final total SPPCRC cost incurred for 2023 is \$1,371,442,934, which includes a total operations and maintenance (“O&M”) expense of \$96,591,030 (Line 5 of Form 5A, Exhibit RLH-1, p. 5) and a total capital expenditure of \$1,274,851,904 (sum of Line 1a of Form 7A, Exhibit RLH-1, pp. 10-17).<sup>3</sup> FPL’s SPPCRC final jurisdictional revenue requirement true-up for the period January 2023 through December 2023, including interest, is an under-recovery of \$5,648,042 (Line 10 of Form 1A, Exhibit RLH-1, p. 1). (*FPL witnesses Jarro and Hume*)

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<sup>2</sup> Subparts B through D of Staff Issue Nos. 1-9 do not apply to FPL and are not addressed herein.

<sup>3</sup> The jurisdictional separation factors are applied to the revenue requirements and not the costs incurred. Therefore, the total jurisdictional cost incurred for the applicable calendar year is not available.

Issue No. 2A: What jurisdictional amounts should the Commission approve as the FPL’s reasonably estimated 2024 costs and estimated true-up revenue requirement amounts for the Storm Protection Plan Cost Recovery Clause?

**FPL Position:** FPL’s total SPPCRC cost estimated for 2024 is \$1,540,725,072, which includes a total O&M expense of \$126,982,092 (Line 5 of Form 5E, Exhibit RLH-2, p. 5) and a total capital expenditure of \$1,413,742,980 (sum of Line 1a of Form 7E, Exhibit RLH-2, pp. 10-17).<sup>4</sup> FPL’s SPPCRC actual/estimated jurisdictional revenue requirement true-up for the period January 2024 through December 2024, including interest, is an under-recovery of \$59,670,684 (Line 4 of Form 1E of Exhibit RLH-2, p. 1). (*FPL witnesses Jarro and Hume*)

Issue No. 3A: What jurisdictional amounts should the Commission approve as FPL’s reasonably projected 2025 costs and projected revenue requirement amounts for the Storm Protection Plan Cost Recovery Clause?

**FPL Position:** FPL’s total SPPCRC cost projected for 2025 is \$1,471,820,854, which includes a total O&M expense of \$134,563,013 (Line 5 of Form 2P, Exhibit RLH-3, p. 2) and a total capital expenditure of \$1,337,257,841 (sum of Line 1a of Form 3P, Exhibit RLH-3, pp. 6-13).<sup>5</sup> FPL’s projected SPPCRC jurisdictional revenue requirement for the period January 2025 through December 2025 is \$721,264,550 (Line 1e of Form 1P, Exhibit RLH-3, p. 1). (*FPL witnesses Jarro and Hume*)

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<sup>4</sup> See Footnote 3.

<sup>5</sup> See Footnote 3.

Issue No. 4A: What are the Storm Protection Plan Cost Recovery Clause total jurisdictional cost recovery amounts, including true-ups, to be included in establishing 2025 Storm Protection Plan Cost Recovery factors for FPL?

**FPL Position:** The projected total SPPCRC jurisdictional revenue requirement for the period January 2025 through December 2025, including true-up amounts, is \$786,583,276 (Line 4 of Form 1P, Exhibit RLH-3, p. 1). (*FPL witnesses Jarro and Hume*)

Issue No. 5A: What depreciation rates should be used to develop the depreciation expense included in the total 2025 Storm Protection Plan Cost Recovery Clause amounts for FPL?

**FPL Position:** The depreciation rates used to calculate the depreciation expense should be the Commission-approved depreciation rates that are in effect during the period the allowed capital investment is in service. For the period January 2025 through December 2025, FPL’s depreciation rates are those approved by Commission Order Nos. PSC-2021-0446-S-EI and PSC-2021-0446A-S-EI in Docket No. 20210015-EI. (*FPL witness Hume*)

Issue No. 6A: What are the appropriate 2025 jurisdictional separation factors for FPL?

**FPL Position:** As shown on page 1 of Exhibit RLH-4, FPL’s retail jurisdictional separation factors for the period January 2025 through December 2025 are:

DEMAND

Transmission	0.887807
Non-Stratified Production	0.960110
Intermediate Strata Production	0.954157
Peaking Strata Production	0.949428
Distribution	1.000000

ENERGY

Total Sales	0.938401
Non-Stratified Sales	0.957062

Intermediate Strata Sales 0.939405  
 Peaking Strata Sales 0.956020

GENERAL PLANT

Labor 0.969425

*(FPL witness Hume)*

Issue No. 7A: What are the appropriate 2025 Storm Protection Plan Cost Recovery Clause factors for each rate class for FPL?

**FPL Position:** As shown on Form 5P of Exhibit RLH-3, p. 15, the appropriate FPL 2025 SPPCRC factors for each rate class are as follows:

Rate Class	SPP Factor (\$/kW)	SPP Factor (\$/kWh)	RDC (\$/KW)	SDD (\$/KW)
RS1/RTR1		0.00810		
GS1/GST1		0.00730		
GSD1/GSDT1/HLFT1/GSD1-EV	1.42			
OS2		0.02199		
GSLD1/GSLDT1/CS1/CST1/HLFT2/GSLD1-EV	1.44			
GSLD2/GSLDT2/CS2/CST2/HLFT3	1.32			
GSLD3/GSLDT3/CS3/CST3	0.16			
SST1T			0.02	0.01
SST1D1/SST1D2/SST1D3			0.23	0.10
CILC D/CILC G	1.34			
CILC T	0.17			
MET	1.60			
OL1/SL1/SL1M/PL1/OSI/II		0.00558		
SL2/SL2M/GSCU1		0.00683		

*(FPL witness Hume)*

Issue No. 8A: What should be the effective date of the 2025 Storm Protection Plan Cost Recovery Clause factors for billing purposes for FPL?

**FPL Position:** The 2025 SPPCRC Factors should become effective for application to bills beginning the first billing cycle in January 2025 through the last billing cycle December

2025 and continuing until modified by subsequent order of this Commission. (*FPL witness Hume*)

Issue No. 9A: Should the Commission approve revised tariffs reflecting the 2025 Storm Protection Plan Cost Recovery Clause factors determined to be appropriate in this proceeding for FPL?

**FPL Position:** Yes. FPL will submit to Staff for administrative approval revised tariffs reflecting the SPPCRC amounts and SPPCRC Factors approved in this proceeding. (*FPL witness Hume*)

Issue No. 10: Should this docket be closed?

**FPL Position:** No. While a separate docket number is assigned each year for administrative convenience, this is a continuing docket and should remain open. (*FPL witness Hume*)

## **B. CONTESTED ISSUES**

None known at this time. In the event that any parties propose any modifications to the issues listed above and/or propose any additional issues, FPL reserves the right to object and oppose any such proposals if necessary and appropriate.

## **5. STIPULATED ISSUES**

FPL is not currently aware of any stipulations. However, FPL remains willing and available to discuss settlement and/or stipulated facts and issues with the parties, including but not limited to stipulation of testimony and exhibits and waiver of cross-examination. Given there is no testimony or exhibits submitted in opposition to FPL's proposed true-up amounts and SPPCRC



Factors, FPL submits that appropriately tailored stipulations could avoid the unnecessary waste of time and resources for all parties, Staff, and the Commission.

**6. PENDING MOTIONS**

As of the date of this filing, FPL is not aware of any motions that remain pending.

**7. PENDING REQUESTS FOR CONFIDENTIALITY**

As of the date of this filing, FPL is not aware of any Requests for Confidential Classification that remain pending.

**8. OBJECTIONS TO WITNESS QUALIFICATIONS AS AN EXPERT**

FPL has no objections to the qualifications of any witness.

**9. REQUEST FOR SEQUESTRATION OF WITNESSES**

None.

**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 31st day of July 2024,

By: *s/Christopher T. Wright* \_\_\_\_\_

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Electronic Mail to the following parties of record this 31st day of July 2024:

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