

State of Florida



# Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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

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**DATE:** October 24, 2019

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

**FROM:** Suzanne S. Brownless, Special Counsel, Office of the General Counsel

**RE:** Docket No. 20190001-EI - Fuel and purchased power cost recovery clause with generating performance incentive factor.

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Please place the attached article from the South Florida Sun-Sentinel in the above docket file as correspondence.

SBr/lms  
Attachment

## Lisa Smith

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**From:** Suzanne Brownless  
**Sent:** Wednesday, October 23, 2019 2:49 PM  
**To:** Lisa Smith  
**Subject:** FW: ongoing FPL issues  
**Attachments:** FPL customers could be stuck paying \$274 million for Hurricane Dorian - South Florida Sun-Sentinel.pdf

Please prepare a memo and send this down to the Clerk's office to put on the correspondence side of the docket.

Thanks,

S

Suzanne Brownless  
Senior Attorney  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850  
Phone: (850) 413-6218  
FAX: (850) 413-6219  
Email: [sbrownle@psc.state.fl.us](mailto:sbrownle@psc.state.fl.us)

**From:** Beatrice Balboa [<mailto:beatricebalboa@gmail.com>]  
**Sent:** Wednesday, October 23, 2019 2:07 PM  
**To:** Suzanne Brownless  
**Subject:** Re: ongoing FPL issues

Wednesday 23 October 2019

I was reading the latest news media regarding the alleged fee request activities by FPL (attached documentation). Please continue to keep an extremely close eye regarding FPL machinations with these issues as FPL ratepayers should NOT be "footing the bill" on FPL and/or NextEra out-of-state investment strategies, solar power "monopolization", "tax accounting sleight of hands", safety violations, little to no storm hardening and "pollution" activities. FPL should be devoting all their energies in meeting and/or exceeding the 2017 National Electrical Safety Code® (NESC®) standards (which sets the ground rules and guidelines for practical safeguarding of utility workers and the public during the installation, operation, and maintenance of electric supply, communication lines and associated equipment) for storm hardening of the State of Florida electrical infrastructure that should have already been completed after Hurricane Andrew (1992), Hurricane Irma (2017) and now Hurricane Dorian (2019) with fee requests in the millions/billions of dollars. FPL should NOT be devoting all their energies requesting and lobbying for more storm hardening fees and rate increases as well as other "accounting shenanigans" activities.

I look forward to your offices taking the necessary actions to address hardworking taxpayers citizens' concerns from the City of Pompano Beach, Broward County, State of Florida.

Thank you for your time in this matter.

Sincerely,

Beatrice Balboa

1010 South Ocean Boulevard, Unit. 1008  
Pompano Beach, FL 33062-6631

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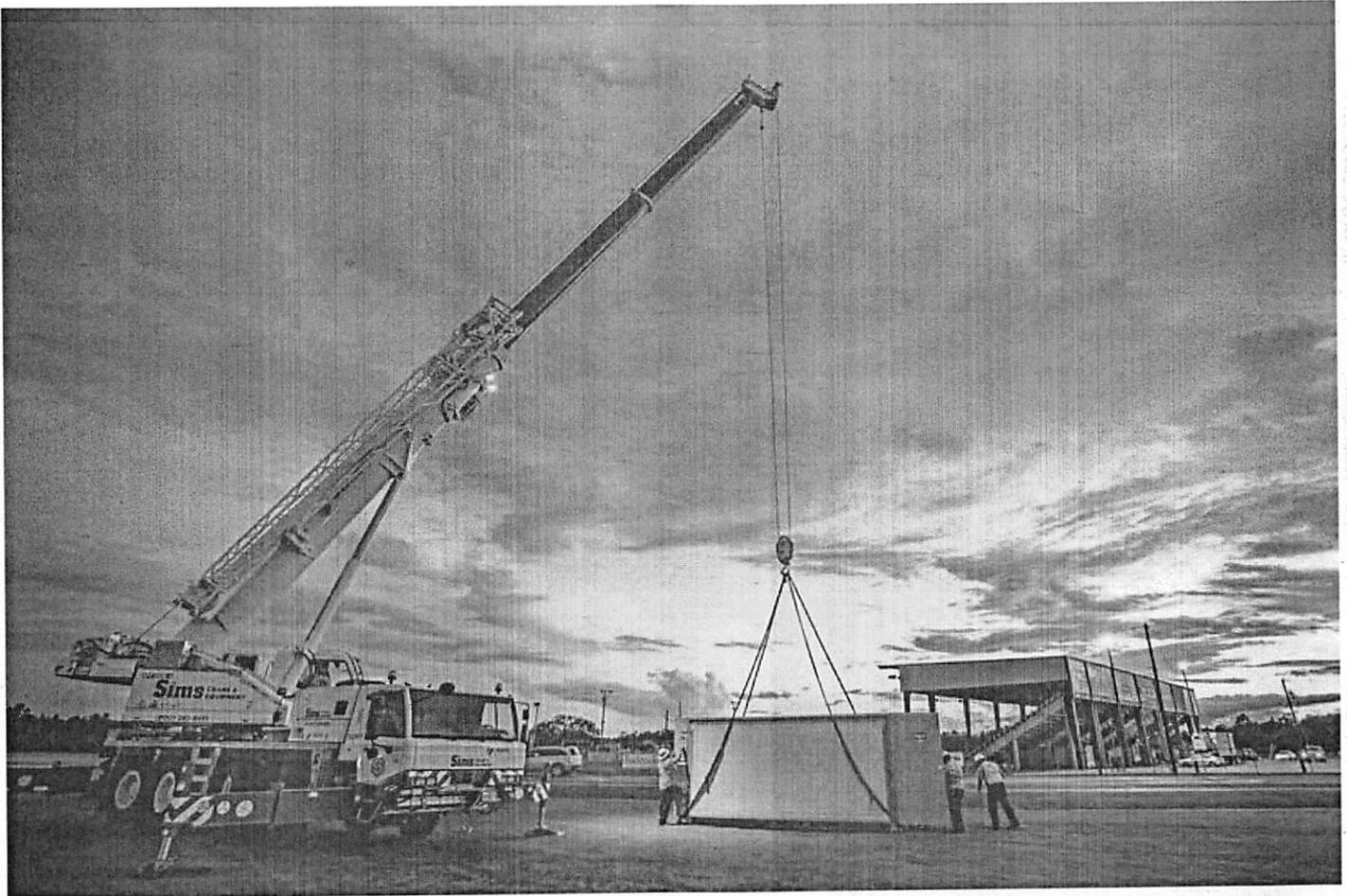
BUSINESS

# FPL customers could be stuck paying \$274 million for Hurricane Dorian



By MARCIA HEROUX POUNDS  
SOUTH FLORIDA SUN SENTINEL | OCT 22, 2019





Florida Power & Light Co. prepared restoration sites in Lake City and elsewhere in Florida for September 2019's Hurricane Dorian. (Colin Hackley / Courtesy)

Florida Power & Light Co. could file for recovery of about \$274 million in its expenses for restoring power related to early September's **Hurricane Dorian**, which threatened South Florida over Labor Day weekend.

How much of that customers could have to pay on their monthly electric bills was unclear Tuesday, as FPL didn't respond to questions about the estimated surcharge.

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“This seems like an extraordinary amount when the hurricane did not even hit Florida,” said J.R. Kelly, Florida’s Public Counsel, the state’s consumer watchdog who has challenged FPL on storm recovery expenses in the past. Kelly noted that FPL hasn’t yet filed the storm expenses with the Florida Public Service Commission for review.

Rebecca Kujawa, chief financial officer of FPL’s parent company NextEra Energy, noted on Tuesday’s third-quarter earnings conference call that FPL is authorized to recover storm restoration costs on an interim basis from customers through a surcharge. She said FPL was still in the accounting process, but the current estimate was \$274 million.

RELATED: Our power lines will be buried for storm safety. It could cost FPL up to \$35 billion. »

Kujawa noted that the Juno Beach-based electric utility can begin charging customers a storm surcharge 60 days after its regulatory filing. That provision was part of FPL’s 2016 rate settlement agreement.

Expenses initially claimed for a storm by a utility are later compared with the actual receipts submitted to the Public Service Commission.

While Hurricane Dorian spared South Florida and much of FPL's service territory, the utility had about 17,000 crews — including several thousand from out-of-state — staged throughout the state to be ready to restore power after Dorian.

In an interview, FPL's president and CEO Eric Silagy has said there also was the extra cost of paying overtime to crews since preparation for the storm was over Labor Day weekend.

As Hurricane Dorian threatened South Florida and areas north, FPL warned that millions of customers could be without power, some for weeks. An estimated 4 million customers were in the forecast path of Dorian, FPL said.

[RELATED: President Trump OKs disaster declaration for Florida in wake of Dorian »](#)

"We missed a huge bullet [with Hurricane Dorian]. It would have been horrific," said Silagy in an Editorial Board meeting with the South Florida Sun Sentinel on Oct. 16. The high-force winds could snap concrete power poles and there could have been many deaths, he said.

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In the end, about 160,000 out of FPL's 5 million households and businesses in Florida lost power due to Dorian. Powerful wind gusts from feeder bands from the storm, as well as fallen trees, branches and debris took down some power lines along coastal areas.

FPL said it was able to remotely restore power to many customers in Florida before **Hurricane Dorian** veered north. After devastating parts of the Bahamas, Dorian turned

away from Florida's coast and headed north toward the Carolinas.

The last time FPL customers had a storm-related surcharge on their bills was for 2016's Hurricane Matthew. The utility collected \$322.45 million from customers, which amounted to \$3.36 a month on the typical residential electric bill.

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But the Office of Public Counsel, the consumer watchdog for the state's utilities, challenged some expenses, which led to a nearly \$28 million refund for customers.

Kelly said FPL could opt to recover storm expenses the same way it did after 2017's Hurricane Irma, which avoided a surcharge on customer bills but allowed the utility to keep tax savings.

In 2018, FPL used its windfall corporate tax savings due to the new tax law to cover \$1.3 billion in claimed costs from Irma. The unusual move was challenged by the Office of Public Counsel and others that said the tax savings should be refunded to customers, but the Public Service Commission ruled that FPL could keep the **\$772 million** in annual tax savings.

On its conference call Tuesday, parent company NextEra Energy also said FPL is earning its top allowed profit of 11.6 percent.

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**Marcia Heroux Pounds**  
South Florida Sun Sentinel



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Marcia Heroux Pounds is a business writer for the Sun Sentinel. She writes about the job market, entrepreneurs, technology and the workplace. She's the author of *I Found a Job!*, a book about how some people found jobs during the worst years of the recession.

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Tropical Storm Nestor has formed in the southwestern Gulf of Mexico and has the potential to bring life-threatening storm surge to parts of Florida's Gulf Coast, the National Hurricane Center says.

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## When will Tropical Storm Nestor hit Florida? Here's the latest forecast path | Map

Tropical Storm Nestor is forecast to form today and could bring heavy rains, winds and storm surge to Florida's panhandle, including the area devastated in 2018 by Hurricane Michael.

Sun Sentinel

## Up to \$1,300 in electric bill savings could be available to 10,000 FPL low-income customers

Florida Power & Light Co. settled with solar and clean energy organizations to support its proposed "SolarTogether" program by agreeing to create 37.5 megawatts of community solar for low-income communities, a lifetime value of \$1,300 to 10,000

Sun Sentinel

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