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VIA ELECTRONIC FILING

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

Re: Docket No. 20210178-EI
In re: Evaluation of Storm Costs for Florida Power & Light Company
Related to Hurricane Isaias and Tropical Storm Eta

Dear Mr. Teitzman:

On November 12, 2021, Florida Power & Light Company (“FPL”) submitted to the Florida Public Service Commission (“Commission”) FPL’s Petition for Evaluation of Hurricane Isaias and Tropical Storm Eta Storm Costs. As described in its Petition, FPL is not requesting recovery of the Hurricane Isaias and Tropical Storm Eta Storm Costs. Instead, FPL has recorded costs for both storms as base Operations & Maintenance expenses, and therefore, is requesting that the Commission find that the costs for those storms were prudently incurred. FPL’s November 12 filing included, among other things, the pre-filed written direct testimony of David Hughes and Exhibits DH-1(Isaias) and DH-2(Eta), which, respectively, present the amount of Hurricane Isaias and Tropical Storm Eta storm restoration costs incurred by FPL and the accounting treatment for those costs.

On November 12, 2021, FPL also provided to the Commission’s Staff (“Staff”) and the Office of Public Counsel Exhibits DH-1(Isaias) and DH-2(Eta) Support Files, which provide confidential information supporting the storm costs for both storms. On November 12, 2021, FPL also filed with the Commission a Request for Confidential Classification of the information contained in Exhibits DH-1(Isaias) and DH-2(Eta) Support Files.

On November 29, 2021, Staff initiated an audit of several storm cost dockets filed by FPL and Gulf Power Company, including FPL’s Petition for Evaluation of Hurricane Isaias and Tropical Storm Eta Storm Costs. In the course of responding to Staff’s audit requests, FPL discovered the following two errors in Exhibit DH-2(Eta) Support File:

1. Due to a formula error on line 41 of tab “DH-2(Eta)”, “Other” incremental losses are incorrectly reflected for each function. The result of correcting this error is an increase in total “Other” Incremental Storm Losses of approximately \$28,000.
2. An invoice in the amount of \$105,860 was incorrectly reflected twice in the general ledger (“GL”) tab, thereby overstating “Other” contractor costs in Exhibit DH-2(Eta). The result of correcting this error is a decrease in distribution contractor costs of \$105,860.

The above-described corrections result in an approximate \$77,860 **net reduction** of the total recoverable storm amount (\$105,860 less \$28,000). Additionally, as noted, FPL is not seeking recovery of storm costs for Hurricane Isaias and Tropical Storm Eta.

FPL has attached to this letter and will serve upon all parties of record a revised Exhibit DH-2(Eta), which reflects the above-described corrections in redline and clean formats. If necessary, FPL will submit errata in this docket at a later date.

Please contact me at (561) 691-7108 if you or your Staff has any questions regarding this filing.

Sincerely,

/s/ Jason A. Higginbotham

Jason A. Higginbotham

Fla. Auth. House Counsel No. 1017875

Attorney for Florida Power & Light Company

Enclosure

cc:

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Richard Gentry (gentry.richard@leg.state.fl.us)

Patricia A. Christensen (christensen.patty@leg.state.fl.us)

Tropical Storm Eta Incremental Cost and Capitalization Approach Adjustments Exhibit DH-2(Eta), Page 1 of 1

Florida Power & Light Company
Tropical Storm Eta Incremental Cost and Capitalization Approach Adjustments through July 31, 2021 (\$000s)

LINE NO.	Storm Costs By Function (A)						Total (7)		
	Steam & Other (1)	Nuclear (2)	Transmission (3)	Distribution (4)	General (B) (5)	Customer Service (6)			
1	Storm Restoration Costs								
2		\$8	\$101	\$568	\$1,496	\$118	\$36	\$2,327	
3		37	293	3,362	4,555	373	129	8,750	
4		9	231	33	77,262	618	55	78,208	
5		0	0	0	10,426	0	0	10,426	
6		0	0	843	3,886	18	0	4,747	
7		33	11	7	426	0	54	532	
8		0	213	7	8,832	26	0	9,078	
9		1	4	13	1,571	169	6	1,764	
10	Total Storm Related Restoration Costs	\$88	\$853	\$4,832	\$108,453	\$108,559	\$1,323	\$281	\$115,831
11								\$115,936	
12	Less: Capitalizable Costs								
13		0	0	0	\$3	0	0	\$3	
14		0	0	0	28	0	0	28	
15		0	0	0	292	0	54	347	
16		0	0	0	61	0	0	61	
17	Total Capitalizable Costs	\$0	\$0	\$0	\$384	\$0	\$4	\$439	
18									
19	Total Storm Restoration Costs Charged to Base O&M	\$88	\$853	\$4,832	\$108,069	\$108,175	\$1,323	\$227	\$115,392
20								\$115,498	
21	Less: ICCA Adjustments								
22		\$6	\$90	\$93	\$552	\$75	\$30	\$846	
23	Line Clearing:								
24	Vegetation Management	0	0	0	0	0	0	0	
25	Vehicle & Fuel:								
26	Vehicle Utilization	0	0	0	1,082	0	0	1,082	
27	Fuel	0	0	0	196	0	0	196	
28	Other								
29	Legal Claims	0	0	0	0	0	0	0	
30	Employee Assistance and Childcare	0	0	0	0	37	0	37	
31	Total ICCA Adjustments	\$6	\$90	\$93	\$1,830	\$112	\$30	\$2,161	
32									
33	Incremental Storm Losses								
34	Regular Payroll and Related Costs	\$2	\$11	\$474	\$941	\$43	\$6	\$1,478	
35	Overtime Payroll and Related Costs	37	293	3,362	4,555	373	129	8,750	
36	Contractors	9	231	33	77,234	618	55	78,180	
37	Line Clearing	0	0	0	10,426	0	0	10,426	
38	Vehicle & Fuel	0	0	843	2,607	18	0	3,468	
39	Materials & Supplies	33	11	7	133	0	0	185	
40	Logistics	0	213	7	8,832	26	0	9,078	
41	Other (G)	1	4	13	1,510	132	6	1,666	
42	Total Incremental Storm Losses	\$83	\$763	\$4,739	\$106,239	\$106,084	\$1,211	\$197	\$113,231
43			\$801	\$4,782	\$106,084	\$1,364	\$495	\$113,309	
44	Jurisdictional Factor (H)	0.9513	0.9335	0.9028	0.9999	0.9682	1.0000		
45									
46	Retail Recoverable Incremental Costs	\$79	\$713	\$748	\$4,278	\$4,317	\$106,070	\$1,172	\$112,662
47								\$112,729	

Notes:

(A) Storm costs are as of July 31, 2021. Totals may not add due to rounding.

(B) General plant function reflects restoration costs associated with FPL's Human Resources, External Affairs, Information Technology, Real Estate, and Marketing and Communications departments.

(C) Represents total payroll charged to the business unit (function) being supported. For example, an employee that works in Legal but is supporting Distribution during storm restoration would charge their time to Distribution.

(D) Includes other miscellaneous costs, including payroll and related overheads from affiliate personnel directly supporting storm restoration. Corrected for invoice document reference No. 5006383178 which was reflected twice in the general ledger; removed from Line 4, Column 4. Correction made in December 2021.

(E) Includes other miscellaneous costs, including payroll and related overheads from affiliate personnel directly supporting storm restoration.

(E)(F) Represents regular payroll normally recovered through base rate O&M and not charged to the Storm Reserve. The amounts are charged to the employee's normal business unit, which may not be the business unit that the employee supported during the storm. Therefore, in the example in Note C above, if the Legal employee had payroll which cannot be charged to the Storm Reserve, that amount would be charged to Legal (General) whereas the recoverable portion of their time would remain in Distribution.

(G) Corrected for formula error.

(H) Jurisdictional Factors are based on factors approved in Docket No. 160021-EI.

Florida Power & Light Company
Tropical Storm Eta Incremental Cost and Capitalization Approach Adjustments - Revised
through July 31th, 2021
(\$000s)

LINE NO.	Storm Costs By Function(A)						Total (7)			
	Steam & Other (1)	Nuclear (2)	Transmission (3)	Distribution (4)	General (B) (5)	Customer Service (6)				
1	<u>Storm Restoration Costs</u>									
2		8	101	568	1,496	118	36	\$2,327		
3		37	293	3,362	4,555	373	129	8,750		
4		9	231	33	77,262	618	55	78,208		
5		0	0	0	10,426	0	0	10,426		
6		0	0	843	3,886	18	0	4,747		
7		33	11	7	426	0	54	532		
8		0	213	7	8,832	26	0	9,078		
9		1	4	13	1,571	169	6	1,764		
10	Total Storm Related Restoration Costs	Sum of Lines 2 - 9		\$88	\$853	\$4,832	\$108,453	\$1,323	\$281	\$115,831
11	<u>Less: Capitalizable Costs</u>									
13	Payroll and Related Costs	\$0	\$0	\$0	\$3	\$0	\$0	\$0	\$3	
14	Contractors	0	0	0	28	0	0	0	28	
15	Materials & Supplies	0	0	0	292	0	54	0	347	
16	Other	0	0	0	61	0	0	0	61	
17	Total Capitalizable Costs	Sum of Lines 13 - 16		\$0	\$0	\$0	\$384	\$0	\$54	\$439
19	Total Storm Restoration Costs Charged to Base O&M	Lines 10 - 17		\$88	\$853	\$4,832	\$108,069	\$1,323	\$227	\$115,392
20	<u>Less: ICCA Adjustments</u>									
22	Regular Payroll and Related Costs (F)	\$6	\$90	\$93	\$552	\$75	\$30	\$0	\$846	
23	Line Clearing:									
24	Vegetation Management	0	0	0	0	0	0	0	0	
25	Vehicle & Fuel:									
26	Vehicle Utilization	0	0	0	1,082	0	0	0	1,082	
27	Fuel	0	0	0	196	0	0	0	196	
28	Other									
29	Legal Claims	0	0	0	0	0	0	0	0	
30	Employee Assistance and Childcare	0	0	0	0	37	0	0	37	
31	Total ICCA Adjustments	Sum of Lines 22 - 30		\$6	\$90	\$93	\$1,830	\$112	\$30	\$2,161
32	<u>Incremental Storm Losses</u>									
34	Regular Payroll and Related Costs	Lines 2 - 13 - 22		\$2	\$11	\$474	\$941	\$43	\$6	\$1,478
35	Overtime Payroll and Related Costs	Line 3		37	293	3,362	4,555	373	129	8,750
36	Contractors	Lines 4 - 14		9	231	33	77,234	618	55	78,180
37	Line Clearing	Lines 5 - 24		0	0	0	10,426	0	0	10,426
38	Vehicle & Fuel	Lines 6 - 26 - 27		0	0	843	2,607	18	0	3,468
39	Materials & Supplies	Lines 7 - 15		33	11	7	133	0	0	185
40	Logistics	Line 8		0	213	7	8,832	26	0	9,078
41	Other (G)	Line 9 - 16 - 29 - 30		1	4	13	1,510	132	6	1,666
42	Total Incremental Storm Losses	Sum of Lines 34 - 41		\$83	\$763	\$4,739	\$106,239	\$1,211	\$197	\$113,231
44	Jurisdictional Factor (H)	0.9513	0.9335	0.9028	0.9999	0.9682	1.0000			
46	Retail Recoverable Incremental Costs	Line 42 * 44		\$79	\$713	\$4,278	\$106,225	\$1,172	\$197	\$112,662

Notes:

- (A) Storm costs are as of July 31, 2021. Totals may not add due to rounding.
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- (C) Represents total payroll charged to the business unit (function) being supported. For example, an employee that works in Legal but is supporting Distribution during storm restoration would charge their time to Distribution.
- (D) Corrected for invoice document reference No. 5006383178 which was reflected twice in the general ledger; removed from Line 4, Column 4. Correction made in December 2021.
- (E) Includes other miscellaneous costs, including payroll and related overheads from affiliate personnel directly supporting storm restoration.
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