

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricane Sally, by Gulf Power Company.

Docket No: 20200241-EI
Docket No: 20210178-EI
Docket No: 20210179-EI

In re: Petition for evaluation of Hurricane Isaias and Tropical Storm Eta storm costs, by Florida Power & Light Company.

In re: Petition for limited proceeding for recovery of incremental storm restoration costs and associated true-up process related to Hurricane Zeta, by Gulf Power Company.

June 14, 2022

**FLORIDA POWER & LIGHT AND GULF POWER COMPANIES'
PREHEARING STATEMENT**

Florida Power & Light and Gulf Power Company (“FPL,” “Gulf” or the “Companies”), by and through its undersigned counsel, hereby submits this Prehearing Statement pursuant to Order Nos. PSC-2022-0042-PCO-EI and PSC-2022-0100-PCO-EI, and states:

1) FPL and GULF WITNESSES

Direct Testimony

<u>WITNESS</u>	<u>SUBJECT MATTER</u>	<u>ISSUE #</u>
Manuel B. Miranda	<u>Hurricane Isaias and Tropical Storm Eta (Docket 20210178-EI)</u> Describes FPL’s emergency preparedness plan and restoration process and provides an overview of Hurricane Isaias’s and Tropical Storm Eta’s paths, sizes, and intensities, including the significant uncertainty of the storms’ paths, intensity, and timing of forecasted impacts to FPL’s service territory and details of FPL’s response to each storm. Provides details of storm related Transmission and Distribution (“T&D”) costs and a summary of other FPL business units costs incurred for preparation, response and restoration efforts and follow-up work activities necessary to restore facilities to pre-storm conditions.	2,3,4,5,7,8,9

Paul Talley (formerly Michael Spoor)	<p><u>Hurricanes Sally and Zeta (Dockets 20200241-EI and 20210179-EI)</u></p> <p>Describes Gulf’s emergency preparedness plan and restoration process and provides an overview of the paths, sizes and intensities of Hurricanes Sally and Zeta, timing of forecasted impacts to Gulf’s service territory, and details of Gulf’s response to each storm. Provides details of Hurricane Sally’s and Zeta’s storm related T&D costs and a summary of other Gulf business units costs incurred for preparation, response and restoration efforts and follow-up work activities necessary to restore facilities to pre-storm conditions.</p>	2,3,4,5,7,8,9
Carmine Priore, III	<p><u>Hurricane Sally (Docket No. 20200241-EI)</u></p> <p>Provides an overview of the damage sustained by Plant Crist as a result of Hurricane Sally and the actions Gulf took to return the units to service. Explains why Gulf’s actions in response to the damage to Plant Crist from Hurricane Sally were prudent and how the restoration efforts resulted in the best outcome for customers.</p>	2,3,4,7,8,9,10
Clare Gerard	<p><u>Hurricanes Sally, Zeta, Isaias, and Tropical Storm Eta (Docket Nos. 20200241-EI, 20210179-EI, and 20210178-EI)</u></p> <p>Provides a detailed overview of FPL’s and Gulf’s deliberate and comprehensive process of reviewing, approving and where applicable, adjusting invoices for overhead line and vegetation contractors. Explains how the “iStormed App” for recording and approving or rejecting contractor costs was utilized and ways it facilitated FPL’s ability to produce supporting data for the 2020 storm costs in an electronic format consistent with the Irma and Michael Settlement Agreements.</p>	4,5
David Hughes	<p><u>Hurricanes Sally and Zeta (Dockets 20200241-EI and 20210179-EI)</u></p> <p>Presents Gulf’s Hurricane Sally final storm recoverable amount of \$146.3 million which includes \$186.8 million of retail recoverable incremental costs plus interest on the unrecovered deficit in the storm reserve of \$311 thousand for Hurricane Sally, reduced by the storm replenishment of Gulf’s storm reserve through the Hurricane Michael storm charge of \$40.8 million; and the Hurricane Zeta final storm recoverable amount of \$10.1 million. Demonstrates that Gulf’s storm related restoration and recovery accounting processes and controls are well established, documented, and implemented by personnel that are suitably trained to</p>	1-12

ensure proper storm accounting and ratemaking. Addresses certain provisions in Gulf’s Hurricane Michael Settlement Agreement and FPL’s Hurricane Irma Settlement Agreement (“Irma Settlement”) related to supporting documentation for storm expenses and methodology for capitalization of costs. Explains Gulf’s determination of non-incremental storm costs associated with Hurricanes Sally and Zeta pursuant to the Incremental Cost and Capitalization Approach (“ICCA”) methodology.

Hurricane Isaias and Tropical Storm Eta (Docket No. 20210178-EI)

Presents FPL’s Hurricane Isaias and Tropical Storm Eta total storm-related restoration costs of \$68.5 million and \$115.9 million, respectively, 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 personnel that are suitably trained to ensure proper storm accounting and ratemaking. Addresses certain provisions in FPL’s Irma Settlement related to supporting documentation for storm expenses and methodology for capitalization of costs. Explains FPL’s determination of non-incremental storm costs associated with Hurricane Isaias and Tropical Storm Eta pursuant to the ICCA methodology.

Hurricanes Sally and Zeta (Docket Nos. 20200241-EI and 20210179-EI)

12-13

Presents Proposed Hurricane Sally and Zeta Storm Restoration Recovery Surcharges for all rate classes which are based on cost allocations to reflect actual costs incurred by Gulf. In Order No. PSC-2021-0112-PCO-EI, the Commission approved Gulf’s proposal to establish an interim storm restoration recovery charge for Hurricane Sally of \$3.00/\$1,000 kWh until September 2023, at which time it is projected the current residential Hurricane Michael surcharge of \$8.00/\$1,000 kWh will terminate. Once the Hurricane Michael surcharge terminates, Gulf proposes to increase the \$3.00/1,000 kWh residential storm charge for Hurricane Sally to \$10.00/1,000 kWh, for a total of 44 months, inclusive of the interim surcharge period, through October 2024. Proposes to commence recovery of Hurricane Zeta Storm Charges from customers in Northwest Florida once recovery of Hurricane Sally Storm Charges are complete which is expected to be by October 2024. Proposes to commence recovery of the

proposed Hurricane Zeta surcharge of \$9.34/1,000 kWh for a total of 2 months, through December 31, 2024.

Rebuttal Testimony

<u>WITNESS</u>	<u>SUBJECT MATTER</u>	<u>ISSUE #</u>
Manuel B. Miranda	Responds to Office of Public Counsel (“OPC”) witness Kollen’s flawed “process” conclusions and recommendations that reflect a fundamental lack of understanding of what is required to restore service safely and as quickly as possible. Elaborates on why witness Kollen’s “process” recommendations are unnecessary, inappropriate and not in the best interests of customers.	2,3,4,5,7,8,9
David Hughes	Responds to issues raised by Mr. Kollen regarding the accounting treatment of costs charged to base O&M, capital, or the storm reserve, and properly applied ICCA methodology, demonstrating that Mr. Kollen’s proposed adjustments are inappropriate, contrary to Rule 25-6.0143 in effect at the time the storm events took place. Addresses Mr. Kollen’s comments regarding FPL’s use of the reserve amortization mechanism to charge storm restoration costs to base O&M expense, as an issue that has no place in this proceeding. Provides an update on final storm related costs.	1-12

2) EXHIBITS

Witness	Proffered By	Exhibit No.	Description	Issue #
Direct				
Manuel B. Miranda	FPL	MBM-1	Hurricane Isaias – National Hurricane Center’s Forecast Track <i>Filed as Exhibit MBM-1 in Docket No. 20210178-EI</i>	8,9
Manuel B. Miranda	FPL	MBM-2	Hurricane Isaias – Satellite View <i>Filed as Exhibit MBM-2 in Docket No. 20210178-EI</i>	8,9
Manuel B. Miranda	FPL	MBM-3	Tropical Storm Eta – National Hurricane Center’s Forecast Track <i>Filed as Exhibit MBM-3 in Docket No. 20210178-EI</i>	8,9

Manuel B. Miranda	FPL	MBM-4	Tropical Storm Eta – Satellite View <i>Filed as Exhibit MBM-4 in Docket No. 20210178-EI</i>	8,9
Manuel B. Miranda	FPL	MBM-5	Tropical Storm Eta’s Path and Double Landfall in Florida <i>Filed as Exhibit MBM-5 in Docket No. 20210178-EI</i>	8,9
Manuel B. Miranda	FPL	MBM-6	FPL’s T&D Hurricane Isaias Restoration Costs <i>Filed as Exhibit MBM-6 in Docket No. 20210178-EI</i>	2,3,4,5,7,8,9
Manuel B. Miranda	FPL	MBM-7	FPL’s T&D Tropical Storm Eta Restoration Costs <i>Filed as Exhibit MBM-7 in Docket No. 20210178-EI</i>	2,3,4,5,7,8,9
Paul Talley (formerly Michael Spoor)	Gulf	MS-1	Hurricane Sally Forecast Track on September 13, 2020 <i>Filed as Exhibit MS-1 in Docket No. 20200241-EI</i>	8,9
Paul Talley (formerly Michael Spoor)	Gulf	MS-2	Hurricane Sally’s Path <i>Filed as Exhibit MS-2 in Docket No. 20200241-EI</i>	8,9
Paul Talley (formerly Michael Spoor)	Gulf	MS-3	National Hurricane Center’s Landfall Track for Hurricane Sally on September 16, 2020 <i>Filed as Exhibit MS-3 in Docket No. 20200241-EI</i>	8,9
Paul Talley (formerly Michael Spoor)	Gulf	MS-4	Hurricane Sally StormGeo Image on September 16, 2020 <i>Filed as Exhibit MS-4 in Docket No. 20200241-EI</i>	8,9
Paul Talley (formerly Michael Spoor)	Gulf	MS-5	Gulf’s T&D Hurricane Sally Restoration Costs <i>Filed as Exhibit MS-5 in Docket No. 20200241-EI</i>	2,3,4,5,7,8,9
Paul Talley (formerly Michael Spoor)	Gulf	MS-6	Hurricane Zeta Landfall and Track <i>Filed as Exhibit MS-1 in Docket No. 20200179-EI</i>	8,9

Paul Talley (formerly Michael Spoor)	Gulf	MS-7	Gulf's T&D Hurricane Zeta Restoration Costs <i>Filed as Exhibit. MS-2 in Docket No. 20200179-EI</i>	2,3,4,5,7,8,9
Carmine Priore, III	Gulf	CP-1	List of Equipment at Plant Crist that was Damaged as a Result of Hurricane Sally <i>Filed as Exhibit CP-1 in Docket No. 20200241-EI</i>	9
Carmine Priore, III	Gulf	CP-2	Pictures of Flooding and Damage at Plant Crist as a Result of Hurricane Sally <i>Filed as Exhibit CP-2 in Docket No. 20200241-EI</i>	9
Tiffany C. Cohen	Gulf	TCC-1	Calculation of Proposed Storm Restoration Recovery Surcharges <i>Filed as Exhibit TCC-1 in Docket No. 20200241-EI</i>	12,13
Tiffany C. Cohen	Gulf	TCC-2	Hurricane Sally Storm Restoration Recovery - First Revised Tariff Sheet No. 8.030.5 <i>Filed as Exhibit TCC-2 in Docket No. 20200241-EI</i>	12
Tiffany C. Cohen	Gulf	TCC-3	Hurricane Sally Storm Restoration Recovery – Second Revised Tariff Sheet No. 8.030.5 <i>Filed as Exhibit TCC-3 in Docket No. 20200241-EI</i>	12
Tiffany C. Cohen	Gulf	TCC-4	Calculation of Proposed Storm Restoration Recovery Charges (Hurricane Zeta) <i>Filed as Exhibit TCC-1 in Docket No. 20210179-EI</i>	12,13
Tiffany C. Cohen	Gulf	TCC-5	Hurricane Zeta Storm Restoration Recovery – Original Tariff Sheet No. 8.030.6 <i>Filed as Exhibit TCC-2 in Docket No. 20210179-EI</i>	12

David Hughes	Gulf	DH-1	Hurricane Sally Incremental Cost and Capitalization Approach Adjustments (Restoration Costs as of October 31, 2021) <i>Filed as Exhibit DH-1 in Docket No. 20200241-EI</i>	1-12
David Hughes	Gulf	DH-2	Hurricane Zeta Incremental Cost and Capitalization Approach Adjustments (Restoration Costs as of October 31, 2021) <i>Filed as Exhibit DH-1 in Docket No. 20210179-EI</i>	1-12
David Hughes	FPL	DH-3	Hurricane Isaias Incremental Cost and Capitalization Approach Adjustments (Restoration Costs as of July 31, 2021) <i>Filed as Exhibit DH-1 in Docket No. 20210178-EI</i>	1-12
David Hughes	FPL	DH-4	Tropical Storm Eta Incremental Cost and Capitalization Approach Adjustments (Restoration Costs as of July 31, 2021) <i>Filed as Exhibit DH-2 in Docket No. 20210178-EI</i>	1-12

Rebuttal				
David Hughes	Gulf	DH-5	Updated Hurricane Sally Costs as of April 30, 2022	1-11
David Hughes	Gulf	DH-6	Updated Hurricane Zeta Costs as of April 30, 2022	1-11
David Hughes	FPL	DH-7	Updated Hurricane Isaias Costs as of April 30, 2022	1-11
David Hughes	FPL	DH-8	Updated Tropical Storm Eta Costs as of April 30, 2022	1-11

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

3) STATEMENT OF BASIC POSITION

FPL and Gulf submitted its petitions, supporting testimony and a Notice of Filing to facilitate the Commission's evaluation of the Hurricanes Sally, Zeta, Isaias and Tropical Storm

Eta storm related costs, and to support a finding that the costs were reasonable and the Companies' activities in restoring power following the storms were prudent.

Hurricane Sally (Docket No. 20200241-EI)

Hurricane Sally was the eighteenth named storm and seventh hurricane of an extremely active 2020 Atlantic hurricane season. Sally was monitored over the Bahamas on September 11 as a tropical depression, reaching the coast of southeastern Florida near Cutler Bay on September 12. As Sally crossed southern Florida and entered the Gulf of Mexico, it was not projected to impact Gulf's service area, but was forecasted to make landfall near the Texas/Louisiana state line as a tropical depression or a minimal tropical storm. On September 14, Sally intensified, becoming a Category 2 hurricane.

Late on September 15, while Hurricane Sally was still forecast to make landfall well west of Gulf's service area, the storm made a drastic shift to the east. During the early morning hours of September 16, Sally made landfall near the Alabama/Florida state line near Gulf Shores, Alabama as a strong Category 2 hurricane with maximum sustained winds of 110. The slow-moving hurricane then tracked northeast across the panhandle of Florida for most of the day on September 16, hampering early restoration activities. In some areas of the Florida Panhandle, in addition to the Category 2 hurricane winds and stronger gusts, heavy and sustained rainfall caused widespread flooding of creeks, rivers, bays, and low-lying areas resulting in numerous road closures. Incoming storm surge was measured at 5.6 feet, compounding coastal flooding. Additionally, the U.S. Highway 98 – Pensacola Bay Bridge, which is a major corridor between Escambia, Santa Rosa, and other counties in Gulf's coastal service area, was heavily damaged during the storm, causing it to be closed during restoration activities and remain closed for several months.

Specifically, Hurricane Sally caused significant damage to Gulf's service area and caused approximately 285,000 customer outages. Toppled trees, vegetation outside of Gulf's trim zone, and wind-blown debris were the leading causes of outages. Outages caused by Hurricane Sally impacted Gulf's service area from September 15 through September 22, resulting in widespread distribution outages. Hurricane Sally also damaged Gulf's Plant Crist (now known as the Gulf Clean Energy Center). Plant Crist prepared for Hurricane Sally by implementing its hurricane preparation procedure – an extensive list of items that are addressed whenever the facility becomes aware of a potential extreme weather event. However, due to the heavy rain and sustained wind from Hurricane Sally, Plant Crist experienced significant storm surge that flooded the sub-basements of the facility with up to 18 feet of water. The flooding of brackish river water into the facility damaged numerous pieces of equipment at the plant.

Gulf followed its well developed, systematic and well tested plan to respond to such a weather event, which includes obtaining resources in advance of the storm. However, the late shift in the actual storm track and the change in the storm's intensity presented early challenges for the team as it responded to ensure a successful restoration. The Gulf team was well prepared and trained with a proven plan; because of this, we were able to quickly pivot, engage additional resources, and respond in a timely manner to complete a safe and rapid restoration for our customers who could receive service in just 5 days, despite the increased challenges of road and bridge closures due to flooding and damage that limited crew movement and access to damaged areas, while at the same time maintaining COVID-19 protocols.

Gulf incurred a total of \$227.3 million in Hurricane Sally storm related costs, less \$2.3 million of ICCA adjustments, \$16.1 million in insurance receivables, and \$21.2 million of capital costs, resulting in \$186.6 million of incremental jurisdictionalized storm related costs.

Hurricane Isaias and Tropical Storm Eta (Docket No. 20210178-EI)

Hurricane Isaias was the ninth named storm and the second hurricane of the active 2020 hurricane season. Florida remained within the NHC forecasted cone of uncertainty (“forecasted cone”) for Hurricane Isaias from July 28, 2020 to August 2, 2020. The NHC began issuing public advisories on July 28 for the system which strengthened to Tropical Storm Isaias on July 29. On the evening of July 30, as Isaias approached the Florida peninsula, the NHC forecasted that the environment was “conducive enough for Isaias to become a hurricane in 24 to 36 hours” and issued a tropical storm watch for the east coast of Florida. Shortly before midnight on July 30, the NHC determined that Isaias had strengthened to a hurricane. On July 31, the NHC issued a hurricane watch for the east coast of Florida. The NHC’s afternoon forecast on July 31 acknowledged that the European and British hurricane models projected Isaias “making landfall in the 36-48 hours along the southeast Florida coast.” On the evening of July 31, the NHC’s forecast advisory upgraded the hurricane watch into a hurricane warning and storm surge for southeast Florida with the forecast of “hurricane conditions” expected along portions of the Florida east coast by the next day. Early on August 1, the NHC forecasted that Isaias was “expected to remain a hurricane as it passed near the Florida coast” and “hurricane conditions are expected along portions of Florida east coast.” The NHC’s afternoon forecast on August 1 showed that Isaias had weakened to a tropical storm. However, the NHC forecasted that Isaias would regain hurricane status later in the night as Isaias moved over the warm Gulfstream waters. The NHC forecast on August 1 continued “showing landfall along the east-central Florida coast in about 24 hours” and hurricane warning and storm surge watch remained in effect for portions of Florida’s east coast. On August 2, the NHC found that Isaias had not re-strengthened overnight. However, Isaias approached southeastern Florida with the center coming within 40 miles of West Palm Beach and Fort Lauderdale but remained off the coast of Florida as it traveled northward.

Tropical Storm Eta was the 28th named storm of the active 2020 hurricane season and one of several storms that was named using the Greek alphabet after the NHC exhausted its list of alphabetized storm names. Florida remained within the NHC’s forecasted cone for Tropical Storm Eta from November 3 to November 12, 2020. Tropical Storm Eta formed on October 31 from a tropical wave in the east-central Caribbean Sea and gradually strengthened as it moved westward, peaking at 150 mph sustained winds prior to making landfall in Nicaragua on November 3. After bringing days of devastating wind and rain, Tropical Storm Eta moved back into the warm waters south of Cuba. The NHC’s forecast advisory on November 6 highlighted the likelihood of an impact to the Florida Keys and South Florida by identifying the favorable conditions with the storm in “warm water, in a moist environment.” The NHC also advised that “wind field of Eta is expected to increase in size” and ultimately issued the first Tropical Storm Watches for Florida that evening. On November 7, the NHC issued a Hurricane Watch for the coast of Southern Florida and the hurricane hunter aircraft “found that Eta has continued to strengthen.” The NHC further predicted that the impact “will likely cover much of the southern and central Florida peninsula due to the expected growth of Eta.” On November 8, the NHC’s latest models forecasted a landfall in the Florida Keys, warning that it could become a hurricane and that the “strongest winds are occurring, and are expected to occur, well to the north and east of the center” potentially impacting the southern and central portions of the Florida peninsula. Eta made its first landfall on November 8 in Lower Matecumbe Key, Florida as a Tropical Storm. Eta weakened after making landfall;

however, the NHC advised that the storm could approach the Florida Gulf Coast later in the week. On the morning of November 11, the NHC issued Hurricane Watches for the west coast of Florida with a forecast that Eta could become a hurricane again offshore of Southwestern Florida. Eta made a second landfall near Cedar Key, Florida on November 12 with the center of the storm moving across North Florida by late afternoon.

Amid a global COVID-19 pandemic, FPL prepared for and effectively and efficiently responded to Hurricane Isaias and Tropical Storm Eta. Although Hurricane Isaias did not make a landfall in Florida, it posed a direct threat to FPL's service area as it remained within NHC's forecasted cone from July 31 to August 2, 2020, and threatened Florida's east coast resulting in the NHC issuing Hurricane Warnings. Even a slight deviation by Isaias to the west of the actual track within the NHC forecasted cone could have resulted in a significant number of customers experiencing power outages. During this period, FPL actively prepared for any potential outcomes. As these severe storms approached our service areas, the Companies took all prudent and reasonable steps to be prepared to restore service safely and quickly to our customers.

FPL undertook reasonable, necessary, and prudent measures to prepare for and respond to the impacts of both Hurricane Isaias and Tropical Storm Eta. 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 including but not limited to restoration was not just prudent and reasonable, but was also highly successful in restoring service to its customers safely and as quickly as possible. FPL's preparation and ensuing coordinated response enabled the Company to restore service to more than 184,000 customers. On average, customers' outages were restored in approximately 2.5 hours. FPL's significant investments over the past decade in smart grid technology, undergrounding power lines and strengthening the energy grid enabled FPL to restore faster and avoid outages. For example, infrastructure storm-hardened and placed underground performed well. Also, more than 140,000 outages were avoided due to investments in smart grid technology (e.g., automated feeder switches).

It is important to note FPL is not seeking approval in this proceeding to recover, through a storm surcharge or due to depletion of the storm reserve, any of the Hurricane Isaias or Tropical Storm Eta storm related costs, because all non-capitalized storm-related costs were charged to base O&M expense as permitted under Part (1)(h) of Rule 25-6.0143, F.A.C. ("the Rule"). There is nothing in the Rule or FPL's 2016 Rate Case Settlement Agreement approved by the Commission in Order No. PSC-2016-0560-AS-EI in Docket No. 20160021-EI ("2016 Settlement Agreement") that requires FPL to file a petition for and obtain Commission approval to charge storm-related costs to base O&M expense. To the contrary, the Rule expressly allows a utility to do so "at its own option." Accordingly, although the Commission initiated this docket to evaluate the Hurricane Isaias and Tropical Storm Eta storm related costs incurred by FPL, the recovery of these costs, through a storm surcharge or due to depletion of the storm reserve, has not been requested by FPL and is not an issue in this proceeding.¹

FPL incurred a total of \$68.5 million in Hurricane Isaias storm related costs. FPL charged \$3 thousand as capitalized costs and \$2.0 million in ICCA adjustments to base O&M. This resulted

in \$66.3 million of incremental jurisdictionalized storm related costs which FPL charged to base O&M expense.

FPL incurred a total of \$115.8 million in Tropical Storm Eta storm related costs. FPL charged \$439 thousand as capitalized costs and \$2.2 million in ICCA adjustments to base O&M. This resulted in \$112.7 million of incremental jurisdictionalized storm related costs which FPL charged to base O&M expense.

OPC's proposed adjustments ignore the fact the rule in place at the time the storms took place. OPC witnesses do not assert that FPL's storm-related costs were unreasonable or imprudent. Moreover, OPC's proposed adjustments are contrary to the Rule, arbitrary and not factually supported. Therefore, OPC's proposed adjustments to FPL's prudent and reasonable storm restoration costs should be rejected by the Commission.

Hurricane Zeta (Docket No. 20210179-EI)

Hurricane Zeta was the 27th named storm of an extremely active 2020 Atlantic hurricane season and the seventh major (category 3 or higher) hurricane to make landfall in the calendar year, tying historical records. Zeta was also the latest-landfalling major hurricane on record to strike the continental United States. After forming over the western Caribbean Sea in mid-October, Hurricane Zeta made landfall in the Yucatan Peninsula on October 26, 2020. Zeta then moved back into the Gulf of Mexico and began reorganizing and re-strengthening. Zeta turned northeasterly, approaching the Gulf Coast as a Category 3 hurricane. The latest forecasts on October 28 and 29 from the National Hurricane Center ("NHC") projected Hurricane Zeta to make landfall in Louisiana, and as a result the western Florida Panhandle would be impacted with strong, sustained tropical storm force winds as Zeta's outer bands directly impacting Gulf's service area. Hurricane Zeta made landfall at Cocodrie, Louisiana on October 28 as a strong Category 3 Hurricane. While hurricane Zeta did not directly make landfall in Gulf's service area, it was impacted by severe weather and feeder bands as the large storm tracked toward the northeast. Wind gusts in excess of 50 mph were recorded in Pensacola, Gulf's western-most service area. Amid a global COVID-19 pandemic, Gulf prepared for and effectively and efficiently responded to Hurricane Zeta.

Gulf undertook reasonable, necessary, and prudent measures to prepare for and respond to the impacts of the storm. These preparations included complex and comprehensive logistical arrangements for mobilizing Gulf's 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.

Gulf's proactive approach to storm preparation, mobilization and pre-staging of resources, and execution of storm related activities including but not limited to restoration was not just prudent and reasonable but was also highly successful in restoring service to its customers safely and as quickly as possible. Gulf's preparation and ensuing coordinated response enabled the Company to restore service to approximately 52,000 customers, many of whom were still trying to recover from Hurricane Sally. Gulf's restoration plan and execution of the plan was effective in safely and quickly restoring power to our impacted customers.

Gulf incurred a total of \$11.4 million in Hurricane Zeta storm related costs, less \$1.0 million of ICCA adjustments and \$292 thousand of capital costs, resulting in \$10.1 million of incremental jurisdictionalized storm related costs.

4) ISSUE 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?

a. Docket No. 20200241-EI for Gulf's Hurricane Sally.

Gulf: The provisions of the ICCA methodology, as applicable when this storm event took place, should be used to calculate Gulf's Hurricane Sally storm costs and in calculating storm capital costs. (*Hughes*)

b. Docket No. 20210178-EI for FPL's Hurricane Isaias.

FPL: The provisions of the ICCA methodology, as applicable when this storm event took place, should be used to calculate FPL's Hurricane Isaias storm costs. However, as a result of FPL's decision to charge both the incremental and non-incremental Hurricane Isaias storm related costs to base O&M expense, as permitted by Part (1)(h) of the Rule, certain provisions of the ICCA methodology related to incremental O&M costs (*i.e.*, regular payroll, vegetation management, etc.) which might otherwise be charged to the storm reserve are not applicable because they make no difference to the total Hurricane Isaias storm related costs charged to base O&M. (*Hughes*)

c. Docket No. 20210178-EI for FPL's Tropical Storm Eta.

FPL: The provisions of the ICCA methodology, as applicable when this storm event took place, should be used to calculate FPL's Tropical Storm Eta storm costs. However, as a result of FPL's decision to charge both the incremental and non-incremental Hurricane Isaias storm related costs to base O&M expense, as permitted by Part (1)(h) of the Rule, certain provisions of the ICCA methodology related to incremental O&M costs (*i.e.*, regular payroll, vegetation management, etc.) which might otherwise be charged to the storm reserve are not applicable because they make no difference to the total Tropical Storm Eta storm related costs charged to base O&M. (*Hughes*)

d. Docket No. 20210179-EI for Gulf's Hurricane Zeta.

Gulf: The provisions of the ICCA methodology, as applicable when this storm event took place, should be used to calculate Gulf's Hurricane Zeta storm costs and in calculating storm capital costs. (*Hughes*)

ISSUE 2: What is the reasonable and prudent amount of regular payroll expense to be included in the restoration costs?

a. Docket No. 20200241-EI for Gulf's Hurricane Sally.

Gulf: A total of \$2.1 million is the reasonable and prudent amount of regular payroll expense (both incremental and non-incremental) for employee time spent in direct support of storm related activities including but not limited to restoration, which excludes bonuses and incentive compensation. OPC does not claim that any of these costs are unreasonable or imprudent. OPC's proposed adjustment to reclassify the entire regular payroll expense as non-incremental and disallow these costs is unsupported. Gulf relied upon the Rule and Commission Orders which support the appropriateness of the calculations of non-incremental costs, including Paragraphs 21 and 22 of Order No. PSC-2006-0464-FOF-EI, Docket No. 20060038-EI, which allowed recovery of regular payroll which would otherwise normally be recovered through capital or cost recovery clauses; and Part (1)(f)7 of the Rule which specifically refers to the use of non-budgeted overtime or other non-budgeted incremental call center and customer service costs when calculating incremental costs for those functions. (*Talley, Priore, Hughes*)

- b. Docket No. 20210178-EI for FPL's Hurricane Isaias.

FPL: A total of \$671 thousand is the reasonable and prudent amount of regular payroll expense (both incremental and non-incremental) that FPL charged to base O&M expense for employee time spent in direct support of storm related activities including but not limited to restoration, which excludes bonuses and incentive compensation. OPC does not claim that any of these costs are unreasonable or imprudent. OPC's proposed adjustment to reclassify the entire regular payroll expense as non-incremental and disallow these costs fails to recognize that all of the regular payroll expense associated with Hurricane Isaias was charged to base O&M expense or capital and, unless the non-incremental regular payroll expense is found to be unreasonable or imprudent, it will be charged to base O&M expense. (*Miranda, Hughes*)

- c. Docket No. 20210178-EI for FPL's Tropical Storm Eta.

FPL: A total of \$2.3 million is the reasonable and prudent amount of regular payroll expense (both incremental and non-incremental) that FPL charged to base O&M expense for employee time spent in direct support of storm related activities including but not limited to restoration, which excludes bonuses and incentive compensation. OPC does not claim that any of these costs are unreasonable or imprudent. OPC's proposed adjustment to reclassify the entire regular payroll expense as non-incremental and disallow these costs fails to recognize that all of the regular payroll expense associated with Tropical Storm Eta was charged to base O&M expense or capital and, unless the non-incremental regular payroll expense is found to be unreasonable or imprudent, it will be charged to base O&M expense. (*Miranda, Hughes*)

- d. Docket No. 20210179-EI for Gulf's Hurricane Zeta.

Gulf: A total of \$0.3 million is the reasonable and prudent amount of regular payroll expense (both incremental and non-incremental) for employee time spent in direct support of storm related activities including but not limited to restoration, which excludes bonuses and incentive compensation. OPC does not claim that any of these costs are unreasonable or imprudent. OPC's proposed adjustment to reclassify the entire regular payroll expense as non-incremental and disallow these costs is unsupported. Gulf relied upon the Rule and Commission Orders which support the appropriateness of the calculations of non-

incremental costs, including Paragraphs 21 and 22 of Order No. PSC-2006-0464-FOF-EI, Docket No. 20060038-EI, which allowed recovery of regular payroll which would otherwise normally be recovered through capital or cost recovery clauses; and Part (1)(f)7 of the Rule which specifically refers to the use of non-budgeted overtime or other non-budgeted incremental call center and customer service costs when calculating incremental costs for those functions. (*Talley, Hughes*)

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

- a. Docket No. 20200241-EI for Gulf's Hurricane Sally.

Gulf: A total of \$3.2 million is the reasonable and prudent amount of overtime payroll expense for employee time spent in direct support of storm related activities including but not limited to restoration, which excludes bonuses and incentive compensation. OPC does not claim that any of these costs are unreasonable or imprudent. OPC's adjustment fails to recognize that qualifying storm events and the associated overtime payroll expense are neither budgeted nor planned – they are, by definition, incremental in nature. (*Talley, Priore, Hughes*)

- b. Docket No. 20210178-EI for FPL's Hurricane Isaias.

FPL: A total of \$4.7 million is the reasonable and prudent amount of overtime payroll expense that FPL charged to base O&M expense for employee time spent in direct support of storm related activities including but not limited to restoration, which excludes bonuses and incentive compensation. OPC does not claim that any of these costs are unreasonable or imprudent. Further, OPC's proposal to reduce the overtime payroll expense by the non-incremental overtime payroll expense fails to recognize that all of the overtime payroll expense associated with Hurricane Isaias was charged to base O&M expense and, unless the non-incremental overtime payroll expense is found to be unreasonable or imprudent, it will be charged to base O&M expense. Moreover, OPC's adjustment fails to recognize that qualifying storm events and the associated overtime payroll expense are neither budgeted nor planned – they are, by definition, incremental in nature. (*Hughes, Miranda*)

- c. Docket No. 20210178-EI for FPL's Tropical Storm Eta.

FPL: A total of \$8.8 million is the reasonable and prudent amount of overtime payroll expense that FPL charged to base O&M expense for employee time spent in direct support of storm related activities including but not limited to restoration, which excludes bonuses and incentive compensation. OPC does not claim that any of these costs are unreasonable or imprudent. Further, OPC's proposal to reduce the overtime payroll expense by the non-incremental overtime payroll expense fails to recognize that all of the overtime payroll expense associated with Tropical Storm Eta was charged to base O&M expense and, unless the non-incremental overtime payroll expense is found to be unreasonable or imprudent, it will be charged to base O&M expense. Moreover, OPC's adjustment fails to recognize that qualifying storm events and the associated overtime payroll expense are neither budgeted nor planned – they are, by definition, incremental in nature. (*Hughes, Miranda*)

- d. Docket No. 20210179-EI for Gulf's Hurricane Zeta.

Gulf: A total of \$0.3 million is the reasonable and prudent amount of overtime payroll expense for employee time spent in direct support of storm related activities including but not limited to restoration, which excludes bonuses and incentive compensation OPC does not claim that any of these costs are unreasonable or imprudent. OPC's adjustment fails to recognize that qualifying storm events and the associated overtime payroll expense are neither budgeted nor planned – they are, by definition, incremental in nature. (*Talley, Hughes*)

ISSUE 4: What is the reasonable and prudent amount of contractor costs to be included in the restoration costs?

- a. Docket No. 20200241-EI for Gulf's Hurricane Sally.

Gulf: A total of \$125.6 million is the reasonable and prudent amount of contractor costs for line crews and mutual aid utilities that were necessary to support Gulf's Hurricane Sally storm restoration effort. Gulf's decision to acquire storm restoration line contractor resources prior to and during Hurricane Sally were reasonable and prudent. OPC does not claim that any of these costs are unreasonable or imprudent. OPC's proposed adjustment to Gulf's contractor costs fails to recognize that all line contractor costs related to supporting storm-related activities are by definition incremental. (*Talley, Priore, Hughes, Gerard*)

- b. Docket No. 20210178-EI for FPL's Hurricane Isaias.

FPL: A total of \$36.3 million is the reasonable and prudent amount of contractor costs that FPL charged to base O&M expense for line crews and mutual aid utilities that were necessary to support FPL's Hurricane Isaias storm restoration effort. FPL's decision to acquire storm restoration line contractor resources prior to and during Hurricane Isaias were reasonable and prudent. OPC does not claim that any of these costs are unreasonable or imprudent. OPC's proposed adjustment to FPL's contractor costs fails to recognize that all line contractor costs related to supporting storm-related activities are by definition incremental. OPC's proposed adjustment further fails to recognize that all of these expenses associated with Hurricane Isaias were charged to base O&M expense or capital and, unless the contractor expense is found to be unreasonable or imprudent, it will be charged to base O&M expense. (*Miranda, Hughes, Gerard*)

- c. Docket No. 20210178-EI for FPL's Tropical Storm Eta.

FPL: A total of \$77.4 million is the reasonable and prudent amount of contractor costs that FPL charged to base O&M expense for line crews and mutual aid utilities that were necessary to support FPL's Tropical Storm Eta storm restoration effort. FPL's decision to acquire storm restoration line contractor resources prior to and during Tropical Storm Eta were reasonable and prudent. OPC does not claim that any of these costs are unreasonable or imprudent. OPC's proposed adjustment to FPL's contractor costs fails to recognize that all line contractor costs related to supporting storm-related activities are by definition incremental. OPC's proposed adjustment further fails to recognize that all of these expenses associated with Tropical Storm Eta were charged to base O&M expense or capital

and, unless the contractor expense is found to be unreasonable or imprudent, it will be charged to base O&M expense. (*Miranda, Hughes, Gerard*)

d. Docket No. 20210179-EI for Gulf's Hurricane Zeta.

Gulf: A total of \$5.8 million is the reasonable and prudent amount of contractor costs for line crews and mutual aid utilities that were necessary to support Gulf's Hurricane Zeta storm restoration effort. Gulf's decision to acquire storm restoration line contractor resources prior to and during Hurricane Zeta were reasonable and prudent. OPC does not claim that any of these costs are unreasonable or imprudent. OPC's proposed adjustment to Gulf's contractor costs fails to recognize that all line contractor costs related to supporting storm-related activities are by definition incremental. (*Talley, Hughes, Gerard*)

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

a. Docket No. 20200241-EI for Gulf's Hurricane Sally.

Gulf: A total of \$27.3 million is the reasonable and prudent amount of vegetation and line clearing costs associated with Hurricane Sally. OPC does not claim that any of these costs are unreasonable or imprudent. (*Talley, Hughes, Gerard*)

b. Docket No. 20210178-EI for FPL's Hurricane Isaias.

FPL: A total of \$13.0 million is the reasonable and prudent amount of vegetation and line clearing costs associated with Hurricane Isaias that FPL charged to base O&M expense. OPC does not claim that any of these costs are unreasonable or imprudent. (*Miranda, Hughes, Gerard*)

c. Docket No. 20210178-EI for FPL's Tropical Storm Eta.

FPL: A total of \$11.2 million is the reasonable and prudent amount of vegetation and line clearing costs associated with Tropical Storm Eta that FPL charged to base O&M expense. OPC does not claim that any of these costs are unreasonable or imprudent. (*Miranda, Hughes, Gerard*)

d. Docket No. 20210179-EI for Gulf's Hurricane Zeta.

Gulf: A total of \$1.9 million is the reasonable and prudent amount of vegetation and line clearing costs associated with Hurricane Zeta. OPC does not claim that any of these costs are unreasonable or imprudent. (*Talley, Hughes, Gerard*)

ISSUE 6: What is the reasonable and prudent amount of employee expenses to be included in the restoration costs?

a. Docket No. 20200241-EI for Gulf's Hurricane Sally.

Gulf: A total of \$0.3 million is the reasonable and prudent amount of employee expenses associated with Hurricane Sally. OPC does not claim that any of these costs are unreasonable or imprudent, nor does OPC recommend any related disallowance. (*Hughes*)

- b. Docket No. 20210178-EI for FPL’s Hurricane Isaias.

FPL: A total of \$14 thousand is the reasonable and prudent amount of employee expenses associated with Hurricane Isaias that FPL charged to base O&M expense. OPC does not claim that any of these costs are unreasonable or imprudent, nor does OPC recommend any related disallowance. (*Hughes*)

- c. Docket No. 20210178-EI for FPL’s Tropical Storm Eta.

FPL: A total of \$37 thousand is the reasonable and prudent amount of employee expenses associated with Tropical Storm Eta that FPL charged to base O&M expense. OPC does not claim that any of these costs are unreasonable or imprudent, nor does OPC recommend any related disallowance. (*Hughes*)

- d. Docket No. 20210179-EI for Gulf’s Hurricane Zeta.

Gulf: A total of \$53 thousand is the reasonable and prudent amount of employee expenses associated with Hurricane Zeta. OPC does not claim that any of these costs are unreasonable or imprudent, nor does OPC recommend any related disallowance. (*Hughes*)

ISSUE 7: What is the reasonable and prudent amount of materials and supplies expense to be included in the restoration costs?

- a. Docket No. 20200241-EI for Gulf’s Hurricane Sally.

Gulf: A total of \$10.3 million is the reasonable and prudent amount of material and supplies expenses associated with Hurricane Sally. OPC does not claim that any of these costs are unreasonable or imprudent. (*Talley, Priore, Hughes*)

- b. Docket No. 20210178-EI for FPL’s Hurricane Isaias.

FPL: A total of \$42 thousand is the reasonable and prudent amount of material and supplies expenses associated with Hurricane Isaias that FPL charged to base O&M expense. OPC does not claim that any of these costs are unreasonable or imprudent. (*Miranda, Hughes*)

- c. Docket No. 20210178-EI for FPL’s Tropical Storm Eta.

FPL: A total of \$532 thousand is the reasonable and prudent amount of material and supplies expenses associated with Tropical Storm Eta that FPL charged to base O&M expense. OPC does not claim that any of these costs are unreasonable or imprudent. (*Miranda, Hughes*)

- d. Docket No. 20210179-EI for Gulf’s Hurricane Zeta.

Gulf: A total of \$179 thousand is the reasonable and prudent amount of material and supplies expenses associated with Hurricane Zeta. OPC does not claim that any of these costs are unreasonable or imprudent. (*Talley, Hughes*)

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

- a. Docket No. 20200241-EI for Gulf's Hurricane Sally.

Gulf: A total of \$42.2 million is the reasonable and prudent amount of logistic costs associated with Hurricane Sally. OPC does not claim that any of these costs are unreasonable or imprudent, nor does OPC recommend any related disallowance. (*Talley, Priore, Hughes*)

- b. Docket No. 20210178-EI for FPL's Hurricane Isaias.

FPL: A total of \$9.3 million is the reasonable and prudent amount of logistic costs associated with Hurricane Isaias that FPL charged to base O&M expense. OPC does not claim that any of these costs are unreasonable or imprudent, nor does OPC recommend any related disallowance. (*Miranda, Hughes*)

- c. Docket No. 20210178-EI for FPL's Tropical Storm Eta.

FPL: A total of \$9.1 million is the reasonable and prudent amount of logistic costs associated with Tropical Storm Eta that FPL charged to base O&M expense. OPC does not claim that any of these costs are unreasonable or imprudent, nor does OPC recommend any related disallowance. (*Miranda, Hughes*)

- d. Docket No. 20210179-EI for Gulf's Hurricane Zeta.

Gulf: A total of \$1.4 million is the reasonable and prudent amount of logistic costs associated with Hurricane Zeta. OPC does not claim that any of these costs are unreasonable or imprudent, nor does OPC recommend any related disallowance. (*Talley, Hughes*)

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

- a. Docket No. 20200241-EI for Gulf's Hurricane Sally.

Gulf: A total of \$190.0 million is the reasonable and prudent amount of Hurricane Sally storm related costs. (*Talley, Priore, Hughes*)

- b. Docket No. 20210178-EI for FPL's Hurricane Isaias.

FPL: A total of \$68.5 million is the reasonable and prudent amount of Hurricane Isaias storm related costs that FPL charged to base O&M expense as permitted by Part(1)(h) of

the Rule and Section 6 of the 2016 Settlement Agreement approved by the Commission in Order No. PSC-2016-0560-AS-EI in Docket No. 20160021-EI. (*Miranda, Hughes*)

- c. Docket No. 20210178-EI for FPL’s Tropical Storm Eta.

FPL: A total of \$115.4 million is the reasonable and prudent amount of Tropical Storm Eta storm related costs that FPL charged to base O&M expense as permitted by Part(1)(h) of the Rule and Section 6 of the 2016 Settlement Agreement approved by the Commission in Order No. PSC-2016-0560-AS-EI in Docket No. 20160021-EI. (*Miranda, Hughes*)

- d. Docket No. 20210179-EI for Gulf’s Hurricane Zeta.

Gulf: A total of \$11.1 million is the reasonable and prudent amount of Hurricane Zeta storm related costs. (*Talley, Hughes*)

ISSUE 10: What is the reasonable and prudent amount of storm-related costs that should be capitalized?

- a. Docket No. 20200241-EI for Gulf’s Hurricane Sally.

Gulf: A total of \$21.2 million is the reasonable and prudent amount of Hurricane Sally storm related costs that should be and were capitalized, which includes \$16.4 million for contractor costs, \$3.0 million for materials and supplies, and \$1.8 million for other. To determine the amount of capitalized costs, Gulf used Part (1)(d) of the Rule, 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.” (*Priore, Hughes*)

- b. Docket No. 20210178-EI for FPL’s Hurricane Isaias.

FPL: A total of \$3 thousand is the reasonable and prudent amount of Hurricane Isaias storm related costs that should be and were capitalized, which includes \$3 thousand for materials and supplies. To determine the amount of capitalized costs, FPL used Part (1)(d) of the Rule, 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.” (*Hughes*)

- c. Docket No. 20210178-EI for FPL’s Tropical Storm Eta.

FPL: A total of \$439 thousand is the reasonable and prudent amount of Tropical Storm Eta storm related costs that should be and were capitalized, which includes \$3 thousand for regular payroll costs, \$28 thousand for contractor costs, \$347 thousand for materials and supplies, and \$61 thousand for other. To determine the amount of capitalized costs, FPL used Part (1)(d) of the Rule, 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.” (*Hughes*)

- d. Docket No. 20210179-EI for Gulf’s Hurricane Zeta.

Gulf: A total of \$292 thousand is the reasonable and prudent amount of Hurricane Sally storm related costs that should be and were capitalized, which includes \$37 thousand for regular payroll costs, \$71 thousand for contractor costs, \$104 thousand for materials and supplies, and \$80 thousand for other. To determine the amount of capitalized costs, Gulf used Part (1)(d) of the Rule, 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." (*Hughes*)

ISSUE 11: What is the appropriate accounting treatment associated with any storm costs found to have been imprudently incurred?

- a. Docket No. 20210178-EI for FPL's Hurricane Isaias.

FPL: All of FPL's Hurricane Isaias storm related costs have been charged as either capital costs or base O&M expense. In the event that the Commission were to find that any of FPL's Hurricane Isaias storm related costs charged as either capital or base O&M expense 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 reduction in capital or above-the-line base O&M. For above-the-line base O&M, this would effectively increase the balance in FPL's amortization reserve mechanism. (*Hughes*)

- b. Docket No. 20210178-EI for FPL's Tropical Storm Eta.

FPL: All of FPL's Tropical Storm Eta related costs have been charged as either capital costs or base O&M expense. In the event that the Commission were to find that any of FPL's Tropical Storm Eta related costs charged as either capital or base O&M expense 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 reduction in capital or above-the-line base O&M. For above-the-line base O&M, this would effectively increase the balance in FPL's amortization reserve mechanism. (*Hughes*)

ISSUE 12: Should the Commission approve Gulf Power Company's proposed tariffs and associated charges?

- a. Docket No. 20200241-EI for Gulf's Hurricane Sally.
b. Docket No. 20210179-EI for Gulf's Hurricane Zeta.

Gulf: Yes. Gulf's proposed tariff and associated charge will allow Gulf to recover the reasonable and prudent storm-related costs, in incurrence and amount. (*Hughes, Cohen*)

ISSUE 13: If applicable, how should any under-recovery or over-recovery be handled?

- a. Docket No. 20200241-EI for Gulf's Hurricane Sally.
b. Docket No. 20210179-EI for Gulf's Hurricane Zeta.

Gulf: No fewer than 90 days prior to the date Gulf expects to fully recover its final/actual recoverable storm amounts for Hurricane Sally and Zeta, Gulf will make a compliance filing with the Commission to provide notice of its intent to terminate the Proposed Storm Charges. Within 45 days after the Proposed Storm Charges expire, the Company will compare the final Recoverable Storm Amount approved for recovery by the Commission to actual revenues received from the Interim Storm Charge and Proposed Storm Charges in order to determine any excess or shortfall in recovery. Gulf will calculate final true-up rates and file with the Commission for approval to apply final true-up rates to customer bills for a one-month period in order to refund the excess or collect the shortfall. The final true-up rates will be designed in a manner that is consistent with methods ultimately approved by the Commission in this docket. Gulf will apply the true-up rates to customer bills starting on Cycle 1 of the first month that is more than 30 days after the date of Commission approval. (*Cohen*)

ISSUE 14: Should this docket be closed?

- a. Docket No. 20200241-EI for Gulf's Hurricane Sally.

Gulf: The docket should be closed following the establishment of a final Recoverable Storm Amount and the approval of final true-up rates to be applied to customer bills for a one-month period starting on Cycle 1 of the first month that is more than 30 days after the date of Commission approval.

- b. Docket No. 20210178-EI for FPL's Hurricane Isaias.

FPL: Yes. FPL is not seeking approval in this proceeding to recover any of the Hurricane Isaias storm related costs through depletion of the storm reserve or through a storm surcharge, because all non-capitalized storm-related costs were charged to base O&M expense as permitted under Part (1)(h) of the Rule. Upon the issuance of an order finding that FPL's costs were reasonable and FPL's activities in restoring power following Hurricane Isaias were prudent, this docket should be closed.

- c. Docket No. 20210178-EI for FPL's Tropical Storm Eta.

FPL: Yes. FPL is not seeking approval in this proceeding to recover any of the Tropical Storm Eta storm related costs through depletion of the storm reserve or through a storm surcharge, because all non-capitalized storm-related costs were charged to base O&M expense as permitted under Part (1)(h) of the Rule. Upon the issuance of an order finding that FPL's costs were reasonable and FPL's activities in restoring power following Tropical Storm Eta were prudent, this docket should be closed.

- d. Docket No. 20210179-EI for Gulf's Hurricane Zeta.

Gulf: The docket should be closed following the establishment of a final Recoverable Storm Amount and the approval of final true-up rates to be applied to customer bills for a one-month period starting on Cycle 1 of the first month that is more than 30 days after the date of Commission approval.

CONTESTED ISSUES

OPC ISSUE 1: What changes, if any, should be made by FPL to their hurricane processes?

FPL: FPL objects to the inclusion of OPC's Contested Issue 1 in this proceeding as vague and overbroad. OPC's Contested Issue 1 has never been considered by the Commission to be within the scope of a storm cost recovery docket, the subject of which is the assessment of the prudence and reasonableness of a utility's storm related costs.

Further, FPL objects to OPC Contested Issue 1 to the extent that it attempts to introduce into a storm cost recovery docket, again the subject of which is the assessment of the prudence and reasonableness of FPL and Gulf's storm related costs, requirements that equate to the management or micromanagement of the utility's operations. The Commission's legal obligation and duty is to make a determination on those legal issues (i.e., prudence and reasonableness), not to micromanage the way in which utilities conduct their day-to-day business.

For the foregoing reasons, FPL objects to OPC Contested Issue 1 and submits that it is not an appropriate issue to be decided in this proceeding.

5) STIPULATED ISSUES

FPL: None at this time.

6) PENDING MOTIONS

FPL: None at this time.

7) PENDING REQUESTS FOR CONFIDENTIALITY

1. Gulf's request for confidential classification of [DN 12676-2021] information provided in support of notice of filing confidential supporting materials in support of petition for evaluation of Hurricane Sally storm costs.
2. Gulf's request for confidential classification of [DN 13152-2021] information provided in provided in response to OPC's 1 set of interrogatories (Nos. 9 and 15) and 1st request for POD (No.40). (Sally)
3. Gulf's request for confidential classification of [DN 00236-2022] information provided in provided in response to OPC's 2nd request for PODs (Nos. 10, 11, 34). (Sally)
4. Gulf's request for confidential classification of [DN 00506-2022] information provided in provided in response to OPC's 2nd request for PODs (No. 32). (Sally)
5. FPL's and Gulf's request for confidential classification of [DN 02035-2022] information provided in provided in response to OPC's 2nd set of interrogatories (No 41), and 3rd PODs (Nos.47-48) (Sally). OPC's 2nd set of interrogatories (Nos. 40-42) and for 2nd request for PODs (Nos. 38, 39, 42). (Isaias/Eta). OPC's 2nd set of interrogatories (Nos. 38, 39, 41) and for 2nd request for PODs (Nos. 36, 38, 42, 43, 45). (Zeta).

6. FPL's and Gulf's request for confidential classification of [DN 02248-2022] information provided in provided in response to OPC's 3rd set of interrogatories (No 44-47), and 4th PODs (Nos.52-56) (Sally). OPC's 3rd set of interrogatories (Nos. 47-48) and for 3rd request for PODs (Nos. 44-47). (Isaias/Eta).
7. Gulf's request for confidential classification of [DN 02547-2022] information provided in provided in response to OPC's 5th set of interrogatories (Nos. 51, 52, 54, 57-59, 66-68). (Sally)
8. Gulf's request for confidential classification of [DN 02616-2022] information provided in provided in response to OPC's 4th set of interrogatories (Nos. 48-49) (Sally), OPC's 4th set of interrogatories (Nos. 49, 51-52) (Isaias/Eta), OPC's 3rd set of interrogatories (No. 42) (Zeta).
9. FPL's and Gulf's request for confidential classification of [DN 03060-2022] information included in the direct testimony of OPC witnesses Lane Kollen and Randy Futral.
10. FPL's request for confidential classification of [DN 00321-2022] information provided in response to OPC's 1 request for PODs (Nos. 4-5). (Isaias/Eta).
11. FPL's request for confidential classification of [DN 00502-2022] information provided in response to OPC's 1 request for PODs (Nos. 8, 13, 26, 28). (Isaias/Eta).
12. Gulf's request for confidential classification of [DN 00323-2021] information provided in provided in response to OPC's 2nd request for PODs (Nos. 4, 5, 7, 27). (Zeta).

8) OBJECTIONS TO WITNESS QUALIFICATIONS AS AN EXPERT

FPL: None at this time.

9) REQUEST FOR SEQUESTRATION OF WITNESSES

FPL: None at this time.

10) STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE

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

Respectfully submitted this 14th day of June 2022.

By: s/ Russell A. Badders
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CERTIFICATE OF SERVICE

Docket No. 20200241-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic service on this 14th of June, 2022 to the following:

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