

FLORIDA PUBLIC SERVICE COMMISSION

Item 4

VOTE SHEET

November 1, 2022

FILED 11/1/2022  
DOCUMENT NO. 10833-2022  
FPSC - COMMISSION CLERK

**Docket No. 20200241-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricane Sally, by Gulf Power Company.

**Docket No. 20210178-EI** – Petition for evaluation of Hurricane Isaias and Tropical Storm Eta storm costs, by Florida Power & Light Company.

**Docket No. 20210179-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs and associated true-up process related to Hurricane Zeta, by Gulf Power Company.

**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?

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

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

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

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

**Recommendation:** Yes, in part. The ICCA found in Rule 25-6.0143, F.A.C., should be used, in part, to determine the reasonable and prudent incremental amounts to be included in the restoration costs. For Gulf, the ICCA in Rule 25-6.0143, F.A.C., should be used to determine the reasonable and prudent amounts to be included in the restoration costs that were charged to Account 228.1 for Hurricanes Sally and Zeta. For FPL, use of the ICCA methodology to determine incremental O&M costs is not applicable in evaluating storm restoration costs that were charged to base O&M expense for Hurricane Isaias and Tropical Storm Eta.

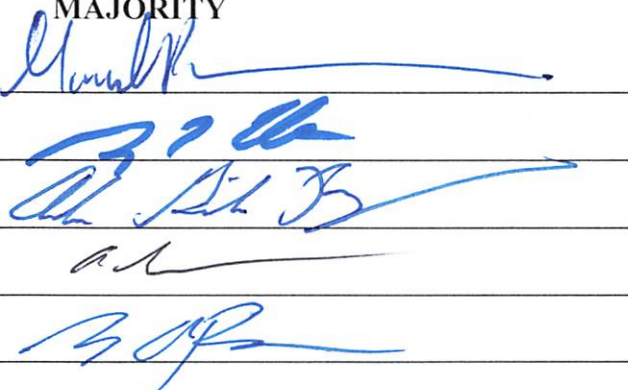
**APPROVED**

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS’ SIGNATURES

MAJORITY

DISSENTING



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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**REMARKS/DISSENTING COMMENTS:** Oral Modification, assigned DN 10513-2022, is attached.

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**Docket No. 20210178-EI** – Petition for evaluation of Hurricane Isaias and Tropical Storm Eta storm costs, by Florida Power & Light Company.

**Docket No. 20210179-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs and associated true-up process related to Hurricane Zeta, by Gulf Power Company.

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

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

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

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

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

**Recommendation:** Staff recommends the total amounts of regular payroll expense to be included in storm restoration costs, as reflected in the table below.

Utility/Storm	Incremental		Capitalized	Non-Incremental (Charged to Base O&M Expense)	Total
	Recovered through Storm Restoration Surcharge	Charged to Base O&M Expense			
Gulf—Sally	\$96886,000	\$-	\$-	\$1,100,000	\$2,06886,000
FPL—Isaias	\$-	\$255,000	\$-	\$416,000	\$671,000
FPL—Eta	\$-	\$1,480,000	\$3,000	\$846,000	\$2,329,000
Gulf—Zeta	\$132,000	\$-	\$37,000	\$135,000	\$304,000

**APPROVED** *as* **MODIFIED**

**Docket No. 20200241-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricane Sally, by Gulf Power Company.

**Docket No. 20210178-EI** – Petition for evaluation of Hurricane Isaias and Tropical Storm Eta storm costs, by Florida Power & Light Company.

**Docket No. 20210179-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs and associated true-up process related to Hurricane Zeta, by Gulf Power Company.

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

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

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

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

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

**Recommendation:** Staff recommends the total amounts of overtime payroll expense to be included in storm restoration costs, as reflected in the table below.

Utility/Storm	Incremental	
	Recovered through Storm Restoration Surcharge	Charged to Base O&M Expense
Gulf—Sally	\$3,200,000	\$-
FPL—Isaias	\$-	\$4,700,000
FPL—Eta	\$-	\$8,800,000
Gulf—Zeta	\$339,000	\$-

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**Docket No. 20200241-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricane Sally, by Gulf Power Company.

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

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

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

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

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

**Recommendation:** Staff recommends the total amounts of contractor costs to be included in storm restoration costs, as reflected in the table below.

Utility/Storm	Incremental		Capitalized	Insurance	Total
	Recovered through Storm Restoration Surcharge	Charged to Base O&M Expense			
Gulf—Sally	\$93,100,000	\$-	\$16,400,000	\$16,100,000	\$125,600,000
FPL—Isaias	\$-	\$36,300,000	\$-	\$-	\$36,300,000
FPL—Eta	\$-	\$77,370,000	\$30,000	\$-	\$77,400,000
Gulf—Zeta	\$5,730,000	\$-	\$70,000	\$-	\$5,800,000

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

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

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

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

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

**Recommendation:** Staff recommends the total amounts of vegetation and line clearing costs to be included in storm restoration costs, as reflected in the table below.

Utility/Storm	Incremental		Non-Incremental (Charged to Base O&M Expense)	Total
	Recovered through Storm Restoration Surcharge	Charged to Base O&M Expense		
Gulf—Sally	\$26,600,000	\$-	\$700,000	\$27,300,000
FPL—Isaias	\$-	\$11,800,000	\$1,200,000	\$13,000,000
FPL—Eta	\$-	\$11,200,000	\$-	\$11,200,000
Gulf—Zeta	\$1,200,000	\$-	\$700,000	\$1,900,000

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**Docket No. 20210179-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs and associated true-up process related to Hurricane Zeta, by Gulf Power Company.

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

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

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

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

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

**Recommendation:** Staff recommends that the total amount of employee expenses to be included in storm restoration costs is \$278,000 for Hurricane Sally, \$14,000 for Hurricane Isaias, \$37,000 for Tropical Storm Eta, and \$53,000 for Hurricane Zeta. All employee expenses are non-incremental costs, are not recoverable under the ICCA methodology, and should be charged to base O&M expense.

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**Docket No. 20200241-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricane Sally, by Gulf Power Company.

**Docket No. 20210178-EI** – Petition for evaluation of Hurricane Isaias and Tropical Storm Eta storm costs, by Florida Power & Light Company.

**Docket No. 20210179-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs and associated true-up process related to Hurricane Zeta, by Gulf Power Company.

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

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

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

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

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

**Recommendation:** The Companies properly applied the ICCA methodology when expensing the cost of material and supplies and have removed all non-incremental costs. Staff recommends that the total amount of materials and supplies expense to be included in storm restoration costs, as reflected in the table below.

Utility/Storm	Incremental		Capitalized	Total
	Recovered through Storm Restoration Surcharge	Charged to Base O&M Expense		
Gulf—Sally	\$7,300,000	\$-	\$3,000,000	\$10,300,000
FPL—Isaias	\$-	\$39,000	\$3,000	\$42,000
FPL—Eta	\$-	\$185,000	\$347,000	\$532,000
Gulf—Zeta	\$75,000	\$-	\$104,000	\$179,000

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**Docket No. 20200241-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricane Sally, by Gulf Power Company.

**Docket No. 20210178-EI** – Petition for evaluation of Hurricane Isaias and Tropical Storm Eta storm costs, by Florida Power & Light Company.

**Docket No. 20210179-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs and associated true-up process related to Hurricane Zeta, by Gulf Power Company.

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

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

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

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

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

**Recommendation:** Staff recommends that the total amount of logistics costs to be included in storm restoration costs, as reflected in the table below.

Utility/Storm	Incremental	
	Recovered through Storm Restoration Surcharge	Charged to Base O&M Expense
Gulf—Sally	\$42,200,000	\$-
FPL—Isaias	\$-	\$9,300,000
FPL—Eta	\$-	\$9,100,000
Gulf—Zeta	\$1,300,000	\$-

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**Docket No. 20200241-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricane Sally, by Gulf Power Company.

**Docket No. 20210178-EI** – Petition for evaluation of Hurricane Isaias and Tropical Storm Eta storm costs, by Florida Power & Light Company.

**Docket No. 20210179-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs and associated true-up process related to Hurricane Zeta, by Gulf Power Company.

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

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

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

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

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

**Recommendation:** Based on staff's recommendations in Issues 2 through 8, the appropriate amounts of prudently incurred storm restoration costs are reflected on the table below, along with how the costs should be recovered. In addition to these costs, Gulf should be allowed recover ~~\$0.311 million and \$0.001 million in interest on the unamortized storm restoration costs for Hurricane Sally and Hurricane Zeta, respectively.~~

Utility/Storm	Incremental		Capitalized	Non-Incremental (Charged to Base O&M Expense)	Insurance	Total
	Recovered through Storm Restoration Surcharge	Charged to Base O&M Expense				
Gulf—Sally	\$187,800,000	\$-	\$21,200,000	\$2,300,000	\$16,100,000	\$227,400,000
FPL—Isaias	\$-	\$66,400,000	\$3,000	\$2,020,000	\$-	\$68,423,000
FPL—Eta	\$-	\$113,200,000	\$439,000	\$2,200,000	\$-	\$115,839,000
Gulf—Zeta	\$10,100,000	\$-	\$292,000	\$1,000,000	\$-	\$11,392,000

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**Docket No. 20210179-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs and associated true-up process related to Hurricane Zeta, by Gulf Power Company.

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

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

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

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

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

**Recommendation:** The total amounts of storm-related costs that should be capitalized are \$21.2 million for Hurricane Sally, \$3,000 for Hurricane Isaias, \$439,000 for Tropical Storm Eta, and \$292,000 for Hurricane Zeta.

## APPROVED

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

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

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

**Recommendation:** All storm costs found to have been imprudently incurred should be charged below-the-line with a corresponding reduction in capital costs or above-the-line base O&M expense.

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**Docket No. 20210178-EI** – Petition for evaluation of Hurricane Isaias and Tropical Storm Eta storm costs, by Florida Power & Light Company.

**Docket No. 20210179-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs and associated true-up process related to Hurricane Zeta, by Gulf Power Company.

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**Issue 12:** Should the Commission approve Gulf Power Company’s proposed tariffs and associated charges?

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

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

**Recommendation:** Gulf’s proposed First Revised Tariff Sheet No. 8.030.5 (Hurricane Sally), Second Revised Tariff Sheet No. 8.030.5 (Hurricane Sally), and Original Sheet No. 8.030.6 (Hurricane Zeta) and associated charges should be approved. If the Commission disallows any storm-related costs, FPL should file revised tariffs that reflect the Commission vote for administrative approval by staff.

First Revised Tariff Sheet No. 8.030.5 should be effective January 1, 2023, Second Revised Tariff Sheet No. 8.030.5 should be effective November 1, 2023, and Original Sheet No. 8.030.6 should be effective November 1, 2024.

**APPROVED**

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

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

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

**Recommendation:** At the end of the storm restoration surcharge period for the recovery of Hurricane Sally and Hurricane Zeta, the actual amount recovered through the surcharge should be compared to the appropriate amounts approved by the Commission for each of the storms, and a determination made whether any under/over recovery has occurred. The disposition of any under/over recovery, and associated interest, should be considered by the Commission at a later date.

**APPROVED**

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**Docket No. 20210178-EI** – Petition for evaluation of Hurricane Isaias and Tropical Storm Eta storm costs, by Florida Power & Light Company.

**Docket No. 20210179-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs and associated true-up process related to Hurricane Zeta, by Gulf Power Company.

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**Issue 14:** Should this docket be closed?

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

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

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

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

**Recommendation:** Yes. If the Commission approves staff's recommendations on Issues 1-10, 12 and 13 relating to Gulf's recovery for Hurricane Sally and Hurricane Zeta storm-related costs, this docket should be closed. If the Commission approves staff's recommendations that FPL's storm-related costs for Hurricane Isaias and Tropical Storm Eta were reasonable and prudent, this docket should be closed.

**APPROVED**

**Hiep Nguyen**

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**From:** Asha Maharaj-Lucas  
**Sent:** Friday, October 28, 2022 2:52 PM  
**To:** CLK - Agenda Staff; Adam Teitzman; Braulio Baez; Mark Futrell; Apryl Lynn; Keith Hetrick; Mary Anne Helton; Andrew Maurey; Paul Snyder; Justin Sowards; Bart Fletcher; Dale Buys; Amber Norris; Dylan Andrews; Lillie Kervin; Penny Buys; Donald Phillips; Emily Knoblauch; Holly Forrest; Laura King; Shaw Stiller; Jennifer Crawford; Ryan Sandy  
**Cc:** Kate Hamrick; Jacqueline Moore; Nancy Harrison  
**Subject:** FW: Request for approval to make an oral modification to Item 4 on the November 1, 2022 Commission Conference - Docket No. 20200241-EI - Petition for limited proceeding for recovery of incremental storm costs related to Hurricane Sally, by gulf Power C...

Hello:

Please see the email below approving the oral modification for Item 4 on the November 1, 2022 Commission Conference, Docket No. 20200241-EI -- Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricane Sally, by Gulf Power Company.

Thanks,  
Asha

**From:** Braulio Baez <BBaez@PSC.STATE.FL.US>  
**Sent:** Friday, October 28, 2022 2:43 PM  
**To:** Andrew Maurey <AMaurey@PSC.STATE.FL.US>; Mark Futrell <MFutrell@PSC.STATE.FL.US>  
**Cc:** Asha Maharaj-Lucas <AMaharaj@psc.state.fl.us>; Kate Hamrick <KHamrick@psc.state.fl.us>; Mary Anne Helton <MHelton@PSC.STATE.FL.US>  
**Subject:** RE: Request for approval to make an oral modification to Item 4 on the November 1, 2022 Commission Conference – Docket No. 20200241-EI - Petition for limited proceeding for recovery of incremental storm costs related to Hurricane Sally, by gulf Power C...

Approved. Thanks

Sent from my T-Mobile 4G LTE Device

----- Original message -----

**From:** Andrew Maurey <[AMaurey@PSC.STATE.FL.US](mailto:AMaurey@PSC.STATE.FL.US)>  
**Date:** 10/28/22 2:38 PM (GMT-05:00)  
**To:** Braulio Baez <[BBaez@PSC.STATE.FL.US](mailto:BBaez@PSC.STATE.FL.US)>, Mark Futrell <[MFutrell@PSC.STATE.FL.US](mailto:MFutrell@PSC.STATE.FL.US)>  
**Cc:** Asha Maharaj-Lucas <[AMaharaj@psc.state.fl.us](mailto:AMaharaj@psc.state.fl.us)>, Kate Hamrick <[KHamrick@psc.state.fl.us](mailto:KHamrick@psc.state.fl.us)>, Mary Anne Helton <[MHelton@PSC.STATE.FL.US](mailto:MHelton@PSC.STATE.FL.US)>  
**Subject:** Request for approval to make an oral modification to Item 4 on the November 1, 2022 Commission Conference – Docket No. 20200241-EI - Petition for limited proceeding for recovery of incremental storm costs related to Hurricane Sally, by gulf Power Company

Staff requests approval to make an oral modification to Item 4 on the November 1, 2022 Commission Conference, Docket No. 20200241-EI -- Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricane Sally, by Gulf Power Company.

A modification is required to Issue 2 to correct for a number transposition error. For Issue 9, a modification is required to remove estimated interest amounts from the recommendation statement. The interest amounts are subject to change and the actual interest amounts recovered will ultimately be handled in the true-up filing discussed in Issue 13.

Issue 2, Page 7, Recommendation Paragraph Table

Utility/Storm	Incremental		Capitalized	Non-Incremental (Charged to Base O&M Expense)	Total
	Recovered through Storm Restoration Surcharge	Charged to Base O&M Expense			
Gulf—Sally	\$96886,000	\$-	\$-	\$1,100,000	\$2,06886,000
FPL—Isaias	\$-	\$255,000	\$-	\$416,000	\$671,000
FPL—Eta	\$-	\$1,480,000	\$3,000	\$846,000	\$2,329,000
Gulf—Zeta	\$132,000	\$-	\$37,000	\$135,000	\$304,000

Issue 2, Page 11, Conclusion Paragraph Table

Utility/Storm	Incremental		Capitalized	Non-Incremental (Charged to Base O&M Expense)	Total
	Recovered through Storm Restoration Surcharge	Charged to Base O&M Expense			
Gulf—Sally	\$96886,000	\$-	\$-	\$1,100,000	\$2,06886,000
FPL—Isaias	\$-	\$255,000	\$-	\$416,000	\$671,000
FPL—Eta	\$-	\$1,480,000	\$3,000	\$846,000	\$2,329,000
Gulf—Zeta	\$132,000	\$-	\$37,000	\$135,000	\$304,000

Issue 9, Page 39, Second Sentence in Recommendation Paragraph

In addition to these costs, Gulf should be allowed to recover ~~\$0.311 million and \$0.001 million~~ in interest on the unamortized storm restoration costs for Hurricane Sally and Hurricane Zeta, respectively.

Issue 9, Page 44, Second Sentence in Conclusion Paragraph

In addition to these costs, Gulf should be allowed to recover ~~\$0.311 million and \$0.001 million in~~ interest on the unamortized storm restoration costs for Hurricane Sally and Hurricane Zeta, ~~respectively.~~

With these changes, there are no other impacts to staff's recommendation or calculations.