

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
In re: Petition for evaluation of Hurricane Isaias and Tropical Storm Eta storm costs, by Florida Power & Light Company.	DOCKET NO. 20210178-EI
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.	DOCKET NO. 20210179-EI ORDER NO. PSC-2022-0406-FOF-EI ISSUED: November 21, 2022

The following Commissioners participated in the disposition of this matter:

ANDREW GILES FAY, Chairman
ART GRAHAM
GARY F. CLARK
MIKE LA ROSA
GABRIELLA PASSIDOMO

FINAL ORDER APPROVING FINAL/ACTUAL STORM RESTORATION COSTS AND ASSOCIATED TRUE-UP PROCESS RELATED TO HURRICANE SALLY (20200241-EI), APPROVING EVALUATION OF HURRICANE ISAIAS AND TROPICAL STORM ETA STORM COSTS (20210178-EI), AND APPROVING RECOVERY OF INCREMENTAL STORM RESTORATION COSTS AND ASSOCIATED TRUE-UP PROCESS RELATED TO HURRICANE ZETA (20210179-EI)

APPEARANCES:

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On behalf of Florida Power & Light Company (FPL) and Gulf Power Company (Gulf).

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On behalf of the Citizens of the State of Florida (OPC).

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On behalf of the Florida Public Service Commission (Staff).

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Florida Public Service Commission General Counsel

BY THE COMMISSION:

BACKGROUND

On November 10, 2020, Gulf Power Company (Gulf) filed a petition for a limited proceeding seeking authority to implement an interim storm restoration recovery charge to recover incremental storm restoration costs related to Hurricane Sally. Gulf estimated a total of \$206.0 million for incremental restoration costs related to Hurricane Sally. The Office of Public Counsel (OPC) intervened in this docket, as acknowledged by Order No. PSC-2020-0484-PCO-EI, issued December 9, 2020. We approved the interim storm recovery surcharge as proposed by Gulf in Order No. PSC-2021-0112-PCO-EI, issued March 22, 2021.

On November 12, 2021, Gulf filed a petition for approval of final/actual storm restoration costs and associated true-up process related to Hurricane Sally in Docket No. 20200241-EI. In this petition, Gulf requests final reconciliation of actual recoverable costs with the amount it has collected pursuant to our previous approval of interim recovery in Order No. PSC-2021-0112-PCO-EI.

On November 11, 2021, Florida Power & Light Company (FPL) filed a petition for evaluation of Hurricane Isaias and Tropical Storm Eta storm costs in Docket No. 20210178-EI.¹ In its petition, FPL stated it is not seeking incremental recovery of Hurricane Isaias costs and Tropical Storm Eta costs, and instead recorded those costs to base operation and maintenance (O&M) expense as permitted under Rule 25-6.0143(2)(h), Florida Administrative Code (F.A.C.). As a result, FPL stated that it is seeking an evaluation of storm restoration activities, and the costs incurred by FPL related to Hurricane Isaias and Tropical Storm Eta. The OPC's intervention in this docket was acknowledged by Order No. PSC-2021-0432-PCO-EI, issued November 19, 2021.

¹ Gulf was acquired by NextEra Energy, Inc. (FPL's parent) on January 1, 2019, and merged into FPL on January 1, 2021. Rates were consolidated effective January 1, 2022.

On November 12, 2021, Gulf filed a petition for limited proceeding for recovery of incremental storm restoration costs and associated true-up process related to Hurricane Zeta in Docket No. 20210179-EI. Gulf estimated a total of \$10.1 million for incremental restoration costs related to Hurricane Zeta. The OPC's intervention in this docket was acknowledged by Order No. PSC-2021-0433-PCO-EI, issued November 19, 2021.

On January 26, 2022, Order No. PSC-2022-0042-PCO-EI was issued consolidating Docket Nos. 20200241-EI, 20210178-EI and 20210179-EI. A formal hearing was held on July 7, 2022, in which Gulf witnesses Paul Talley, Carmine Priore, III, Tiffany C. Cohen, FPL witnesses Manuel B. Miranda, Clare Gerard, David Hughes, and OPC witnesses Lane Kollen and Randy Futral testified. Post-hearing briefs were filed by the parties on August 16, 2022.

We have jurisdiction over this matter pursuant to Sections 366.04, 366.041, 366.05, 366.06, and 366.076, Florida Statutes (F.S.), Chapter 120, F.S., and Rules 25-6.0143, 25-6.0431, and 25-6.044, F.A.C.

DECISION

I. Incremental Cost and Capitalization Approach (ICCA)

A. Parties' Arguments

Gulf and FPL (the Companies) asserted that the applicable provisions of the ICCA methodology found in Rule 25-6.0143, F.A.C., (the Rule) should be used to calculate Gulf's incremental restoration costs for Hurricanes Sally and Zeta, along with applicable provisions from the Hurricane Irma Settlement Agreement, the Hurricane Michael Settlement Agreement, the Hurricane Matthew Settlement Agreement, and the 2006 Storm Order.²

Conversely, the Companies explained that pursuant to Rule 25-6.0143(1)(h), F.A.C., FPL opted to charge all non-capital storm costs associated with Hurricane Isaias and Tropical Storm Eta to base O&M expense. Thus, they maintained that certain provisions of the ICCA methodology related to incremental O&M costs are not applicable in calculating storm restoration costs for Hurricane Isaias and Tropical Storm Eta. The Companies further clarified this assertion by explaining that any non-capital storm costs considered non-incremental under the ICCA methodology would have been recorded to base O&M expense anyway.

² Order Nos. PSC-2019-0319-S-EI issued on August 1, 2019, and PSC-2020-0104-PAA-EI issued on April 14, 2020, in Docket No. 20180049-EI, *In re: Evaluation of storm restoration costs for Florida Power & Light Company related to Hurricane Irma* (Hurricane Irma Settlement Agreement); Order No. PSC-2020-0349-S-EI issued on October 8, 2020, in Docket No. 20190038-EI, *In re: Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricane Michael*, by Gulf Power Company (Hurricane Michael Settlement Agreement); Order No. PSC-2018-0359-FOF-EI issued on July 24, 2018, as amended by Order No. PSC-2018-0359A-FOF-EI issued on August 8, 2018, in Docket No. 20160251-EI, *In re: Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricane Matthew* by Florida Power & Light Company (Hurricane Matthew Settlement Agreement); and Order No. PSC-2006-0464-FOF-EI issued on May 30, 2006 in Docket No. 20060038-EI, *In re: Petition for issuance of a storm recovery financing order*, by Florida Power & Light Company (2006 Storm Order).

OPC stated the ICCA in Rule 25-6.0143, F.A.C., should be used in determining the costs to be charged to cover storm-related damages. OPC explained that under the ICCA methodology, utilities are allowed to charge to Account 228.1 those incremental costs for non-cost recovery clause operating expense incurred above the level that would ordinarily be incurred in the absence of a storm, with the expectation that these costs are subject to review for reasonableness and prudence.

OPC acknowledged that under Rule 25-6.0143(1)(h), a utility may choose to charge storm related costs to base O&M expense rather than charging them to Account 228.1. However, OPC maintained that despite the two forms of recovery provided for in the Rule, it only contains one set of storm related costs that may be recovered from customers and does not contain any exculpatory term that relieves a utility from compliance with the Rule if it opts to charge storm costs to base O&M expense.

B. Analysis

Both parties agreed that the ICCA methodology in Rule 25-6.0143, F.A.C., should be used to determine the costs used to cover storm related damages.³ As explained by FPL witness Hughes, when storm restoration costs are charged to the storm reserve, referenced by the Rule as Account 228.1, the ICCA methodology is used to identify and remove non-incremental costs. The non-incremental costs are then debited to base O&M expense. As Gulf charged storm restoration costs for Hurricanes Sally and Zeta to the storm reserve, the ICCA methodology is applied for determining the reasonable and prudent incremental storm restoration costs that were charged to Account 228.1 for those storms.

As permitted by Rule 25-6.0143(1)(a), F.A.C., FPL elected to forego seeking incremental recovery of Hurricane Isaias and Eta storm restoration costs through a surcharge or depletion of the storm reserve and opted to charge all non-capital storm restoration costs to base O&M expense. As such, FPL maintained that the ICCA methodology is not applicable for determining incremental O&M costs because it's not requesting any amounts be charged to the storm reserve. However, OPC contended that despite the two forms of recovery provided for in the Rule, through the storm reserve or charging to base O&M expense, it only contains one set of storm-related costs that may be recovered from customers and does not contain any exculpatory term that relieves a utility from compliance with the Rule if it opts to charge storm costs to base O&M expense.

We agree with FPL's interpretation of the Rule. The specific accounting instructions associated with Account 228.1 apply to costs that were not recorded or charged to that account. This interpretation is not relieving FPL from compliance with the Rule, as it is following subpart (1)(a) in its decision to charge the storm restoration costs to base O&M expense.

³ Because these consolidated dockets involve cost recovery requests arising from the impacts of four named storms that occurred in the 2020 season, the parties agree that the version of Rule 25-6.0143, F.A.C., as it existed prior to being amended in 2021 should be applied. We concur with the parties, and further note that the prefiled testimony from all parties tracks the 2007, not 2021, version of the Rule. Therefore, all references to Rule 25-6.0143, F.A.C., in this order are references to the 2007 version of the Rule, a copy of which was admitted into evidence as Hearing Exhibit 67.

C. Conclusion

The ICCA found in Rule 25-6.0143, F.A.C., shall 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., shall 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.

II. Regular Payroll Expense to be Included in Restoration Costs

A. Parties' Arguments

Gulf asserted that the total amount of storm restoration costs related to regular payroll and related overhead costs for Hurricane Sally is \$2.1 million. After the application of the ICCA methodology, \$1.1 million was deemed as non-incremental and \$968,000 was considered incremental. The \$1.1 million was charged to base O&M expenses pursuant to the 2006 Storm Order.⁴ Gulf determined the total non-incremental payroll by calculating the budgeted base O&M payroll percentage as compared to total budgeted payroll for the month in which the storm occurred, and then multiplied that percentage by the total actual payroll costs incurred for Gulf's employees directly supporting storm restoration. Gulf contended this is consistent with the intent and purpose of the ICCA methodology.

Gulf asserted that the total amount of storm restoration costs related to regular payroll and related overhead costs for Hurricane Zeta is \$304,000. Gulf identified \$37,000 as capital and \$135,000 as non-incremental with the remaining \$132,000 deemed incremental. The \$135,000 was charged to base O&M expenses pursuant to the 2006 Storm Order.⁵ Gulf determined the total non-incremental payroll by calculating the budgeted base O&M payroll percentage as compared to total budgeted payroll for the month in which the storm occurred, and then multiplied that percentage by the total actual payroll costs incurred for Gulf's employees directly supporting storm restoration. Gulf contended this is consistent with the intent and purpose of the ICCA methodology.

FPL asserted that the total amount of storm restoration costs related to regular payroll and related overhead for Hurricane Isaias is \$671,000. FPL determined the total non-incremental payroll by calculating the budgeted base O&M payroll percentage as compared to total budgeted payroll for the month in which the storm occurred, and then multiplied that percentage by the total actual payroll costs incurred for FPL's employees directly supporting storm restoration. FPL contended this is consistent with the intent and purpose of the ICCA methodology.

FPL asserted that the total amount of storm restoration costs related to regular payroll and related overhead for Tropical Storm Eta is \$2.3 million. FPL identified \$3,000 of this amount

⁴ Order No. PSC-2006-0464-FOF-EI.

⁵ Order No. PSC-2006-0464-FOF-EI.

that was charged to capital. FPL determined the total non-incremental payroll by calculating the budgeted base O&M payroll percentage as compared to total budgeted payroll for the month in which the storm occurred, and then multiplied that percentage by the total actual payroll costs incurred for FPL's employees directly supporting storm restoration. FPL contended this is consistent with the intent and purpose of the ICCA methodology.

OPC contended that the Companies failed to limit their costs charged to customers to only those incremental costs above the "costs that normally would be charged to non-cost recovery clause operating expenses in the absence of a storm." Gulf failed to exclude all straight-time labor and related loadings costs as required by the Rule. Gulf only excluded a portion of straight-time labor and related loadings for non-cost recovery clause operating expenses included in its 2020 budget. Witness Kollen recommended a reduction, on a retail jurisdictional basis, of \$0.957 million for Hurricane Sally, \$0.320 million for Hurricane Isaias, \$1.429 million for Tropical Storm Eta, and \$0.131 million for Hurricane Zeta.

B. Analysis

Rule 25-6.0143(1)(e)8, F.A.C., states that "overtime payroll and payroll related costs for utility personnel included in storm restoration activities" are allowed to be charged to the reserve under the ICCA methodology. The full amounts calculated by Gulf and FPL are allowable under Rule 25-6.0143, F.A.C.

OPC witness Kollen testified that the Companies failed to limit their costs charged to customers to only those incremental costs above the costs that normally would be charged to non-cost recovery clause operating expenses in the absence of a storm, and the Companies failed to exclude all straight-time labor and related loadings costs as required by the Rule. OPC argued that Gulf excluded only 45 percent of the distribution straight-time labor costs and 41 percent of the straight-time transmission labor costs related to Hurricane Sally and 40 percent of the distribution straight-time labor costs and 29 percent of the straight-time transmission labor costs for Hurricane Zeta. FPL excluded only 48 percent of the distribution straight-time labor costs and 34 percent of the straight-time transmission labor costs related to Hurricane Isaias and 37 percent of the distribution straight-time labor costs and 16 percent of the straight-time transmission labor costs for Tropical Storm Eta.

The Companies asserted that the total amounts of storm restoration costs related to regular payroll and related overhead costs are \$2.1 million for Hurricane Sally, \$671,000 for Hurricane Isaias, \$2.3 million for Tropical Storm Eta, and \$304,000 for Hurricane Zeta. FPL witness Hughes testified that the Companies' regular payroll costs recovered through base O&M expense are non-incremental. However, during a storm event, the Companies' regular payroll normally recovered through capital or cost recovery clauses can be charged to the storm reserve based on the 2006 Storm Order which stated, "otherwise, the costs would effectively be disallowed because there is no provision to recover those costs in base rate operation and maintenance costs..."⁶

⁶ Order No. PSC-2006-0464-FOF-EI.

The Companies determined the amount of non-incremental payroll by calculating the respective Company’s budgeted base O&M payroll percentage as compared to total budgeted payroll for the month in which the storm occurred, including cost recovery clauses and capital by cost center. That percentage was then multiplied by the total actual payroll costs incurred (excluding overtime) for the Companies’ employees directly supporting storm restoration. The Companies argued that while Rule 25-6.0143, F.A.C., does not expressly state how the ICCA methodology should be applied to regular payroll, the Rule does provide guidance on this issue. FPL witness Hughes testified that Rules 25-6.0143(1)(f)1. & 25-6.0143(1)(d), F.A.C., read in conjunction with Rule 25-6.0143(1)(f)7., F.A.C., shows that the Rule should be applied to exclude the normal regular base payroll O&M expense that would have been incurred in the absence of the storm.

We agree with witness Hughes’ application of the Rule. Therefore, the regular payroll and related overhead costs to be included in storm restoration costs are \$2.1 million for Hurricane Sally, \$671,000 for Hurricane Isaias, \$2.3 million for Tropical Storm Eta, and \$304,000 for Hurricane Zeta. These costs shall be recovered through a surcharge, charged to base O&M expense, or capitalized, as specified in Table 1 below.

C. Conclusion

The total amount of regular payroll expense approved to be included in storm restoration costs, as well as the separate portions of that total to be recovered through a surcharge, charged to base O&M expense, or capitalized, are as set forth in Table 1 below.

Table 1

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	\$968,000	\$-	\$-	\$1,100,000	\$2,068,000
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

III. Overtime Payroll Expense to be Included in Restoration Costs

A. Parties’ Arguments

The Companies stated that the accounting for overtime payroll storm restoration costs for Hurricane Sally is consistent with the ICCA methodology under Rule 25-6.0143, F.A.C. Gulf and FPL contended that the overtime payroll for the storm events was neither budgeted nor planned and is therefore incremental. The Companies asserted that the total amount of overtime

payroll and related overhead costs is \$3.2 million for Hurricane Sally, \$4.7 million for Hurricane Isaias, \$8.8 million for Tropical Storm Eta, and \$339,000 for Hurricane Zeta.

OPC argued that the Companies made no adjustments to remove storm costs that were non-incremental or capitalizable, thus failing to limit storm costs to those that are incremental. OPC also argued that the Companies failed to provide the amount of overtime payroll and related expenses that was included in Gulf's base rates. OPC recommended a 25-percent disallowance on all incremental amounts of overtime costs. Witness Kollen recommended a disallowance for claimed overtime payroll and related costs of \$0.802 million for Hurricane Sally, \$1.146 million for Hurricane Isaias, \$2.097 million for Tropical Storm Eta, and \$0.084 million for Hurricane Zeta.

B. Analysis

Rule 25-6.0143(1)(e)8., F.A.C., states "overtime payroll and payroll related costs for utility personnel included in storm restoration activities" are allowed to be charged to the reserve under the ICCA methodology. The full amount calculated by Gulf and FPL is allowable under Rule 25-6.0143, F.A.C.

OPC witness Kollen testified that the Companies failed to provide the amount of overtime payroll and related expenses that was included in base rates and without the overtime payroll and related amounts in base rates, it is not possible to quantify the amount normally incurred. He asserted that because all overtime payroll and related costs were claimed by the Companies, without excluding the amount of overtime payroll and related costs normally included in base rates, the claimed overtime payroll and related costs amounts are overstated. Witness Kollen recommended a 25-percent disallowance for all overtime expenses in absence of the information to calculate the non-incremental amount more precisely.

The Companies stated the total amount of overtime payroll and related overhead costs is \$3.2 million for Hurricane Sally, \$4.7 million for Hurricane Isaias, \$8.8 million for Tropical Storm Eta, and \$339,000 for Hurricane Zeta. The Companies argued that they do not budget for overtime payroll expenses for qualifying storm events and thus these costs are unplanned and incremental as they relate to the ICCA methodology. FPL witness Hughes explained that base rates in effect during 2020 were the result of Commission-approved settlement agreements entered into by both Gulf and FPL in separate rate case dockets, and in these settlement agreements, overtime payroll for the storm events were neither budgeted nor planned. Thus, witness Hughes argued that any and all associated overtime payroll is incremental. We agree with FPL witness Hughes, as the overtime costs for storm events are not budgeted nor planned and are therefore incremental and are properly included in storm restoration costs. These costs are approved and shall be recovered through a surcharge or charged to base O&M expense, as specified in Table 2 below.

C. Conclusion

The total amount of overtime payroll expense approved to be included in storm restoration costs, as well as the separate portions of that total to be recovered through a surcharge or charged to base O&M expense, are as set forth in Table 2 below.

Table 2

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	\$-

IV. Contractor Costs to be Included in Restoration Costs

A. Parties' Arguments

The Companies argued that their accounting for contractor storm restoration costs for Hurricanes Sally, Zeta, and Isaias, and Tropical Storm Eta, was consistent with the ICCA methodology under Rule 25-6.0143, F.A.C., and prior Commission Orders. The Companies opined that OPC's recommendation to reduce the amount by 2 percent without detailed justification is unsupported and should be rejected.

In their brief, the Companies described the model used for estimating the amount of construction man-hours needed to restore service. Information such as travel distance, relative labor costs, and resource availability is considered when decisions are made regarding final contractor and mutual-aid resources. The Companies argued that each storm is different and that the cheapest restoration costs are not always equivalent to the safest and most timely restoration options.

In response to OPC's argument, the Companies opined that they are permitted to charge costs for additional contractor labor for storm restoration activities to the service reserve pursuant to Rule 25-6.0143(e)(1), F.A.C. Contractor costs are incremental in nature because if the storm event did not happen, the Companies would not need to hire additional contractor labor. Further, the Companies argued that any contractor costs not recovered through normal base rates are eligible to be recovered through the storm reserve. OPC alleges that the Companies refused to give a three-year historical average on the embedded line contractor costs; however, as the Companies argued, OPC ignored the fact that the 2007 version of Rule 25-6.0143, F.A.C., applies to these storms and that version does not require historical average data to be given to justify the costs. In addition, the Companies argued the base rates in effect during 2020 were the result of settlement agreements approved by this Commission, and did not specify an amount for

embedded line contractors and embedded line contractor costs because storm events are neither budgeted nor planned, and by definition, incremental.

OPC argued that the Companies failed to demonstrate that its line contractor costs are all incremental. As a result, OPC proposed a 2 percent disallowance for claimed line contractor costs. In support of its position, OPC cited Rule 25-6.0143, F.A.C., which describes the ICCA methodology, and states that utilities are only allowed to charge costs to the storm account if the costs are incremental. The Rule also allows for additional contract labor that complies with the ICCA methodology. Additionally, OPC believes FPL charged storm costs to its base O&M rather than its storm reserve, due to its reserve surplus amortization mechanism (RSAM).

OPC is concerned that the Companies will be permitted to recover their contractor costs twice, both through base rates and a storm surcharge or through the RSAM. OPC was unable to calculate the non-incremental amount of contractor costs because the Companies refused to provide historical data to quantify the embedded costs included in base rates. Not all contractor costs are incremental since some are budgeted and planned for through base rates; however, costs recovered through the storm account should all be incremental pursuant to the Rule. Therefore, OPC argued that the Companies failed to meet their burden of demonstrating that all contractor costs included in storm cost recovery are incremental. As a result, OPC argued a 2 percent disallowance should be applied.

B. Analysis

Pursuant to Rule 25-6.0143, F.A.C., the ICCA methodology is to be used to determine costs for storm-related damages. The Rule also lists types of storm related costs that are allowed, such as additional contractor labor and transportation of crews for storm restoration. Table 3 identifies the revised contractor costs that Gulf and FPL are requesting to be recovered for Hurricanes Sally, Zeta, and Isaias and Tropical Storm Eta.

**Table 3
Gulf and FPL Original and Revised Contractor Costs Per Storm (\$million)**

	Hurricane Sally (Gulf)		Hurricane Zeta (Gulf)		Hurricane Isaias (FPL)		Tropical Storm Eta (FPL)	
	Original Request	Revised Request	Original Request	Revised Request	Original Request	Revised Request	Original Request	Revised Request
Contractor Costs	\$126.6	\$125.6	\$5.8	\$5.8	\$36.4	\$36.3	\$78.2	\$77.4
Capital Cost	16.4	16.4	0.07	0.07	0.0	0.0	0.03	0.03
Insurance Receivable	<u>16.1</u>	<u>16.1</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	<u>\$94.1</u>	<u>\$93.1</u>	<u>\$5.7</u>	<u>\$5.7</u>	<u>\$36.4</u>	<u>\$36.3</u>	<u>\$78.2</u>	<u>\$77.4</u>

OPC witness Futral testified that certain amounts associated with various vendors were accrued as estimates and posted to the general ledger, but that the invoices were either double posted, not received and paid, or consisted of different amounts compared to the original estimates. In response, Gulf and FPL agreed to reduce the amounts of the contractors' costs as shown in Table 3 as the Revised Request.

OPC Witness Kollen testified that the Companies used embedded line contractors to respond to storms. He argued that the costs of embedded contractors are recovered in the Companies' base revenues. Witness Kollen further testified that neither FPL or Gulf reduced its contractor costs by "the costs that normally would be charged to non-cost recovery clause operating expenses in the absence of a storm" as required by Rule 25-6.0143(1)(d), F.A.C. He stated that as a result, the contractor costs are overstated. Witness Kollen argued that the Companies are not entitled to recover these costs twice, once in the base revenues and then again either through a storm surcharge or through a charge to base O&M expense under the RSAM. He stated that the Companies objected and refused to provide the historic information necessary to quantify the embedded contractor costs. Moreover, according to witness Kollen the historic information would be used to determine a three-year historic average similar to what is used to exclude vegetation management. Because he did not have the information at the time he filed his testimony, witness Kollen recommended a disallowance of 2 percent for the contractor costs in addition to the revisions already agreed to by Gulf and FPL. This recommended 2 percent adjustment results in the following disallowances to contractor costs: \$1.46 million for Hurricane Sally, \$0.612 million for Hurricane Isaias, \$1.325 million for Tropical Storm Eta, and \$0.109 million for Hurricane Zeta.

In rebuttal, FPL witness Hughes testified that witness Kollen's proposed adjustments are based entirely on his erroneous application of the ICCA methodology. Witness Hughes testified that the Companies followed Rule 25-6.0143(1)(e)1., F.A.C., which states "additional contractor labor hired for storm restoration activities" are allowed to be recovered. He further testified that the contractor costs are neither budgeted nor planned and that they are therefore incremental in nature. The Companies would not have incurred these contractor expenses if it were not for the storms.

Because the base rates in effect for 2020 were the result of settlement agreements, they did not fix or otherwise specify the amounts attributed to embedded line contractors. The Companies noted that the actual amount of embedded line contractor expense to be charged to base rates fluctuates from year to year, but the fluctuations do not alter the fixed base rates charged to customers under the settlement agreements. The Companies also stated that embedded contractors are paid for "day-to-day services" pursuant to their contracts for blue-sky work. When the embedded contractors are mobilized for storm restoration work, a storm rate goes into effect, which applies to both embedded and non-embedded contractors. In addition, as witness Hughes testified, Commission staff conducted an audit to determine if the storm costs were properly stated and recorded, and the final audit report reflected no findings regarding the costs incurred during the restoration of the storms.

Gulf and FPL followed the 2007 version of Rule 25-6.0143, F.A.C., which was in place during Hurricanes Sally, Isaias, and Zeta, and Tropical Storm Eta. The storms took place during

the 2020 hurricane season, which was prior to the 2021 revision of the Rule. We disagree with OPC that costs for the use of embedded contractors deployed for storm restoration are charged to base rates. During the hearing, FPL witness Hughes demonstrated that the costs for embedded line crews that are redeployed from normal operations to storm activities are not recovered in FPL’s base rates. He further explained that any contractor costs which are not recovered through normal base rates would be eligible to be recovered as part of the storm reserve, as they are incremental. Therefore, the Companies are not double-recovering these costs as OPC alleges. Further, OPC witness Futral testified that the Companies’ resulting “audit and verification processes for all overhead line and vegetation management contractor invoices were systematic, comprehensive, and effective in auditing all submitted costs elements.” The Companies’ adjustments are consistent with the ICCA methodology and therefore appropriate for recovery. Based on the above information, the reasonable and prudent contractor costs approved to be included in storm restoration costs are the Companies’ revised costs shown in Table 3, These costs shall be recovered through a surcharge, charged to base O&M expense, capitalized, or offset by an insurance receivable, as specified in Table 4 below.

C. Conclusion

The total amount of contractor costs approved to be included in storm restoration costs, as well as the separate portions of that total to be recovered through a surcharge, charged to base O&M expense, capitalized, or offset by an insurance receivable, are as set forth in Table 4 below.

Table 4

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

V. Vegetation and Line Clearing Costs to be Included in Restoration Costs

A. Parties’ Arguments

The Companies argued that their accounting for vegetation and line clearing costs is consistent with the ICCA methodology under Rule 25-6.0143, F.A.C., the Hurricane Irma Settlement Agreement, and the Hurricane Michael Settlement Agreement. The Companies opined that the costs were reasonable and prudent and noted that OPC praised their accounting, auditing and verification process. Further, the Companies argued that OPC’s recommendation to

reduce vegetation and line clearing costs for Hurricanes Sally, Zeta, and Isaias, and Tropical Storm Eta, is unsupported and should be rejected.

In 2019, FPL entered into the Hurricane Irma Settlement Agreement with OPC. In 2020, Gulf entered into the Hurricane Michael Settlement Agreement with OPC. Based on procedures implemented in both settlements, as approved by this Commission, the Companies provided OPC with records for overhead line and vegetation crews in “flat files” that are electronic and searchable. In addition, the Companies implemented their iStormed Application (the App), which contains electronic timesheets and expense information for overhead line and vegetation crews contractors. All of the contractor invoices were reviewed by FPL’s cost finalization team and any applicable adjustments and exceptions were documented in the flat files.

The Companies noted that OPC praised the App and its accounting processes. However, OPC alleged that certain amounts associated with various vendors were posted to the general ledger incorrectly. The Companies provided additional cost support, work papers, contracts, and invoices to support the payments, and also made the appropriate minor adjustments. The Companies argued these adjustments were reflected in witness Hughes’ rebuttal testimony and that the Commission should reject OPC’s recommendation to disallow these adjustments.

The Companies further argued that OPC made several recommendations that fall outside the scope of this proceeding. OPC recommended that the Companies expand the App to include underground crews, arborists, transmission storm restoration contractors, and damage assessors. OPC also recommended that the Commission direct the Companies to institute a binder file structure where a physical binder would be provided to OPC. The Companies argued that the Prehearing Officer determined this was beyond the scope of this proceeding and the appropriate relief is to disallow the disputed costs and not to impose new procedural requirements.⁷

OPC stated that Rule 25-6.0143, F.A.C., describes the ICCA methodology, which only allows utilities to charge costs to the storm account if the costs are incremental. The Rule also allows for additional vegetation management costs that comply with the ICCA methodology. OPC further stated that the Rule allows utilities to charge storm costs to base O&M expense instead of the storm reserve, and pointed out that FPL charged storm costs to its O&M expense because of its RSAM. OPC argued the Rule only has one description of storm-related damages or storm costs that may be recovered and that description is not dependent on the method of recovery, i.e., storm surcharge or O&M expense.

OPC stated that witness Futral’s audit team reviewed copies of all invoices over \$10,000 provided by the Companies and verified the timing of costs incurred, whether the costs were appropriate for storm cost recovery by storm, line item costs matching contract and purchase order pricing, and the total invoice levels matching the general ledger, and that there were no duplications of individual costs items. The audit results, as confirmed through discovery, showed that certain amounts were based on estimated amounts due, invoices that were not received, or

⁷ Pursuant to Order No. PSC-2022-0242-PHO-EI, the Prehearing Officer determined that OPC’s proposed issue, to evaluate what changes should be made to FPL’s hurricane processes, is beyond the scope of this proceeding and will not be included.

the amount paid differed from original estimates. Therefore, OPC recommends disallowing \$0.2229 million for Hurricane Sally, \$0.005 million for Hurricane Zeta, \$0.081 million for Hurricane Isaias, and \$0.116 million for Tropical Storm Eta.

OPC recommended that copies of all relevant invoice documentation related to all contractors and vendors that do not use the App be provided with the Notice of Filings to assist in the review process. OPC also recommended that the App be expanded to include underground line crews, arborists, transmission storm restoration contractors, and damage assessors. In addition, OPC recommended that the Companies provide a binder file structure where each vendor is assigned a binder in which all relative information (invoices, timesheets) is included. OPC argued that, currently, FPL puts each invoice in individual files and the individual files are not grouped or identified by vendor. OPC further opined that this existing process is unnecessarily burdensome, time consuming, and costly, and thus is neither reasonable nor prudent.

B. Analysis

Pursuant to Rule 25-6.0143, F.A.C., we use the ICCA methodology to determine costs to cover storm-related damages. Pursuant to the Rule, if tree trimming expenses are incurred in the same month as storm restoration, and are less than the actual monthly average for the same month in the three previous calendar years, then those tree trimming expenses are excluded from storm related costs. Table 5 identifies the revised vegetation and line clearing costs that Gulf and FPL are requesting to be recovered for Hurricanes Sally, Zeta, and Isaias, and Tropical Storm Eta.

**Table 5
 Gulf and FPL Original and Revised Vegetation and Line Clearing Costs Per Storm
 (\$million)**

	Hurricane Sally (Gulf)		Hurricane Zeta (Gulf)		Hurricane Isaias (FPL)		Tropical Storm Eta (FPL)	
	Original Request	Revised Request	Original Request	Revised Request	Original Request	Revised Request	Original Request	Revised Request
Vegetation and Line Clearing Costs	\$26.2	\$27.3	\$1.9	\$1.9	\$12.8	\$13.0	\$10.4	\$11.2
ICCA Adjustments	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>1.2</u>	<u>1.2</u>	<u>0.0</u>	<u>0.0</u>
Total	<u>\$25.5</u>	<u>\$26.6</u>	<u>\$1.2</u>	<u>\$1.2</u>	<u>\$11.6</u>	<u>\$11.8</u>	<u>\$10.4</u>	<u>\$11.2</u>

OPC witness Futral testified that his team found the Companies' iStormed App and resulting audit and verification process for all overhead line and vegetation management contractor invoices to be systematic, comprehensive, and effective in auditing all submitted costs elements. He further testified that the process was effective in auditing the vendor invoices,

documenting exceptions, making reductions where appropriate, and ultimately in authorizing payments. In addition, witness Futral testified that certain amounts associated with various vendors were accrued as estimates and posted to the general ledger. However, the invoices were either double posted, not received and paid, or the amounts differed when compared to the original estimate. As such, he recommended the following disallowances: \$0.229 million for Hurricane Sally, \$0.005 million for Hurricane Zeta, \$0.081 million for Hurricane Isaias, and \$0.116 million for Tropical Storm Eta. It is unclear if witness Futral's recommended adjustments apply to all categories (e.g., payroll, contractor costs, logistics) or just the vegetation and line clearing category. However, the Companies testified that they incorporated all adjustments to the final storm costs, which included adjustments identified by the Companies in their responses to discovery. Table 5 reflects the revised adjustments to the vegetation and line clearing costs and are shown as the Revised Request.

In addition, witness Futral recommended that the Companies provide copies of all contracts and invoices for overhead line and vegetation management contractors, as well as other vendors, with their Notice of Filings. Witness Futral testified this would avoid unnecessary delays for the reviewers. He also recommended that the Companies institute a Binder file structure to help streamline the auditing process. Witness Futral testified that currently the Companies provide an accounts payable detail list of all invoices. The details as well as the invoices are saved as individual pdf files with a document number as the file name. He further testified that a reviewer is required to first determine the document number for each vendor invoice, and then locate the associated pdf file. Finally, Witness Futral's final recommendation was for the Companies to expand the iStorm App to include underground line contractors, arborists, transmission storm restoration contractor, and damage assessors.

In rebuttal, FPL witness Hughes testified that the Companies updated their costs as identified in responses to discovery requests and as shown in Table 5. While these updates slightly reduced vegetation and line clearing costs, FPL found that it inadvertently added some costs to contractor costs instead of vegetation and line clearing costs which resulted in a net increase to some vegetation and line clearing costs. The contractor costs were also adjusted accordingly as shown in Table 3, *supra*. Witness Hughes testified that instituting a Binder file structure is not required under the Storm Rule nor does it fall under the provisions of FPL's Hurricane Irma settlement. He testified that the Companies provided searchable electronic files for each of the storm events with their petitions for this proceeding. Witness Hughes further testified that searchable electronic files are more efficient when reviewing a large volume of data.

The Companies made adjustments that were identified by OPC and in discovery. We find the revised vegetation and line clearing costs, as shown in Table 5, to be reasonable and prudent. We disagree with OPC's process improvement recommendations, and agree with the Prehearing Officer's determination that this request is beyond the scope of this proceeding. As stated by the Prehearing Officer, the appropriate relief is to disallow the disputed costs and not to impose new procedural requirements.⁸ Based on the above, we find the reasonable and prudent vegetation and line clearing costs to be included in storm restoration costs are the Companies' revised costs

⁸ See Order No. PSC-2022-0242-PHO-EI, issued June 27, 2022, in Docket No. 20200241-EI.

shown as in Table 5; these costs shall be recovered through a surcharge or charged to base O&M expense, as specified in Table 6 below

C. Conclusion

The total amounts of vegetation and line clearing costs to be included in storm restoration costs are as reflected in Table 6 below.

Table 6

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

VI. Employee Expenses to be Included in Restoration Costs

A. Parties' Arguments

On behalf of the Companies, witness Hughes testified that employee assistance expenses are not recoverable under the ICCA methodology pursuant to Rule 25-6.0143(1)(f), F.A.C., and are considered non-incremental costs. However, the Companies disagreed with OPC's recommendation to completely disallow these costs because they are non-incremental. Gulf and FPL argued that a storm cost is not disallowed as a base O&M expense solely because it is non-incremental under the ICCA methodology; rather, the costs would have to be found imprudent or unreasonable to make such an adjustment. The Companies also noted that OPC did not characterize or claim that the employee assistance expenses were unreasonable or imprudent. The Companies maintained that the total amount of employee assistance expenses is \$278,000 for Hurricane Sally, \$14,000 for Hurricane Zeta, \$37,000 for Hurricane Isaias, and \$53,000 for Tropical Storm Eta. The entire amount is considered non-incremental.

OPC argued that employee expenses should be reduced consistent with OPC's positions on the disallowance of non-incremental regular payroll and overtime payroll.

B. Analysis

As testified by FPL witness Hughes, Rule 25-6.0143(1)(f)4., F.A.C., prohibits employee assistance costs from being charged to the reserve under the ICCA methodology, thus making them non-incremental. Gulf chose to seek recovery for Hurricane Sally and Hurricane Zeta storm restoration costs through separate storm recovery surcharges. As such, Gulf removed employee assistance expense from the total incremental amount of storm restoration costs for each storm

pursuant to ICCA methodology and charged them to base O&M expense. Although FPL is not seeking recovery of any incremental storm restoration costs for Hurricane Isaias or Tropical Storm Eta through a surcharge or depletion of the storm reserve, it identified the storm restoration costs charged to base O&M expense that would be considered non-incremental costs under the ICCA methodology and employee assistance expense was included. We agree with FPL witness Hughes regarding the amounts and treatment of employee assistance expenses for the four storms.

In its post-hearing brief, OPC recommended the disallowance of employee expense, consistent with its position on the disallowance of non-incremental regular payroll and overtime payroll. OPC relied on the same reasons discussed in other sections without explaining how they applied to this specific expense category, and cited the same summary of its interpretation of Rule 25.6-0143, F.A.C., that was included in each issue of its post-hearing brief. Employee assistance expense was not addressed as being imprudent or unreasonable in OPC's testimony, and the arguments in its post-hearing brief are not clear. Thus, we reject OPC's proposed disallowance.

C. Conclusion

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 shall be charged to base O&M expense.

VII. Materials and Supplies Expense to be Included in Restoration Costs

A. Parties' Arguments

The Companies stated that Rule 25-6.0143(1)(e), F.A.C., allows the cost of materials and supplies used to restore service to be charged to the storm reserve account for recovery except for those that would normally be charged to the non-cost recovery clause operating expenses in the absence of a storm. The Companies asserted that they increased inventory in preparation for storm season but do not expense those supplies as a cost until they are actually used. The Companies argued that since cost for materials and supplies related to recovery from each of the storm events were not considered when setting base rates, they are incremental, and as such are eligible to be recovered through the storm reserve. The Companies determined the total amount of material and supplies associated with each storm event, then after application of the ICCA methodology, made a determination of the capital and incremental costs.

OPC agreed that Rule 25-6.0143(1)(e)7., F.A.C., allows for the utilities to charge the costs for materials used to restore service to the storm account, except for those costs that would normally be charged to non-cost recovery clause operating expenses in the absence of a storm. OPC further noted that Rule 25-6.0143(1)(h), F.A.C., allows a utility to charge storm cost to base O&M instead of the storm reserve. OPC argued that while a typical utility would choose not to charge storm cost to base O&M expense unless the cost was minimal, FPL is unique due to the availability of the depreciation reserve under the RSAM, which would allow the utility to earn a

return on storm costs until the next base rates are set. OPC averred that the 2007 version of the Rule uses a three-year average to determine non-incremental costs that are not recoverable, and as such is the appropriate way to determine the cost that should be disallowed for storm cost recovery under Rule 25-6.0143(1)(h), F.A.C. OPC agreed that the Companies made appropriate reductions for capitalized costs related to materials and supplies. However, OPC argues that the Companies failed to remove costs that normally would be charged to non-cost recovery clause operating expenses in the absence of each storm event as the Rule requires. In order to calculate their proposed adjustment, OPC asserted that the three-year historic average amounts included in non-storm O&M expense for the month each storm event occurred must be subtracted.

Regarding the individual storms, Gulf asserted that the total amount of material and supplies expenses associated with Hurricane Sally is \$10.3 million, of which \$3.0 million is identified as capital and \$7.3 million is considered incremental. OPC recommended subtracting the three-year historic average amounts included in non-storm O&M expense for September, the month Hurricane Sally occurred, and disallowing an additional \$63,000. Gulf asserted that the total amount of material and supplies expenses associated with Hurricane Zeta is \$179,000, of which \$104,000 is identified as capital while the remaining \$75,000 is considered incremental. OPC recommended subtracting the three-year historic average amounts included in non-storm O&M expense or October, the month Hurricane Zeta occurred, and disallowing an additional \$63,000.

FPL asserted that the total amount of material and supplies expenses associated with Hurricane Isaias is \$42,000, of which \$3,000 is identified as capital. FPL chose to charge all materials and supplies expenses associated with Hurricane Isaias to base O&M expense. OPC recommended subtracting the three-year historic average amounts included in non-storm O&M expense for August, the month Hurricane Isaias occurred, and disallowing an additional \$38,000.

FPL asserted that the total amount of material and supplies expenses associated with Tropical Storm Eta is \$532,000, of which \$347,000 is identified as capital. FPL chose to charge all materials and supplies expenses associated with Tropical Storm Eta to base O&M expense. OPC recommended subtracting the three-year historic average amounts included in non-storm O&M expense for November, the month Tropical Storm Eta occurred, and disallowing an additional \$182,000.

B. Analysis

We reviewed the Companies' expenses associated with materials and supplies, as well as the relevant rule provisions to determine the material and supplies expense that should be included in restoration costs for each storm event. Rule 25-6.0143(1)(d), F.A.C., states that when a utility is determining the costs to be charged to cover storm-related damages, it shall use the ICCA methodology, under which costs charged to cover storm-related damages shall exclude those costs that normally would be charged to non-cost recovery clause operating expenses in the absence of a storm. Rule 25-6.0143(1)(e)7, F.A.C., allows for a utility to charge the costs of materials and supplies used to repair and restore service and facilities to pre-storm conditions to the storm reserve. Rule 25-6.0143(1)(f)10., F.A.C., also specifically prohibits the replenishment

of the utility’s materials and supplies inventories from being included in materials and supplies expense charged to the storm reserve.

As testified by the Companies’ witness Hughes, inventory is only expensed once it is actually used. In addition, the materials and supplies expensed for specific named storms are not included in the materials and supplies expense included in base rates. This practice is consistent with the requirements of Rule 25-6.0143(1)(f)10., F.A.C. OPC witness Kollen argued that the Companies did not properly remove all costs that would normally be charged to non-cost recovery clause operating expenses because they failed to remove the three-year historic average of monthly materials and supplies expenses from their requests. Witness Kollen testified that materials and supplies should be treated the same as vegetation management costs. We find this proposed treatment to be inconsistent with our Rule, as the requirement to remove a three-year average of historic expenses is specific to tree trimming expenses in Rule 25-6.0143(1)(f)8., F.A.C., and does not apply to materials and supplies. The Companies have appropriately excluded non-incremental materials and supplies expenses. We agree with witness Hughes, who argued in rebuttal testimony that tree trimming expenses and materials and supplies expenses are different, and therefore a three-year standard is not an appropriate benchmark for materials and supplies.

C. Conclusion

The Companies have demonstrated that materials and supplies were expensed based on incremental usage associated with the named storm events and not normal operations or replenishment of inventory. The Companies properly applied the ICCA methodology when expensing the cost of material and supplies and have removed all non-incremental costs. We approve the total amount of materials and supplies expense to be included in storm restoration costs reflected in Table 7 below. These costs shall be recovered through a surcharge, charged to base O&M expense, or capitalized, as specified in Table 7 below.

Table 7

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

VIII. Logistics Costs to be Included in Restoration Costs

A. Parties' Arguments

The Companies argued that their logistics costs for Hurricanes Sally, Zeta, and Isaias and Tropical Storm Eta were reasonable and prudent. The Companies argued that per Rule 25-6.0143(1)(e)2.-3., and 6., F.A.C., the ICCA methodology allows the incremental costs charged related to logistics, transportation of crews, and rental equipment for storm restoration activities to be charged to the storm reserve. The Companies incurred logistics costs for staging and processing sites, meals, lodging, buses, and transportation used by employees and contractors in support of storm restoration. As further argued, logistics functions serve a key role in the restoration effort by ensuring that basic needs and supplies are adequately available and provided to restoration personnel. In addition, agreements with primary vendors are also in place prior to the storm season as part of the Companies' storm-planning process.

The Companies noted that OPC did not recommend any adjustments to the logistics costs and the record demonstrated that the Companies have appropriately accounted for the costs consistent with ICCA methodology. The Companies argued that we should determine the logistics costs to be prudently incurred and reasonable.

OPC stated that Rule 25-6.0143, F.A.C., describes the ICCA methodology, which only allows utilities to charge costs to the storm reserve if the costs are incremental. The Rule also allows for additional logistics costs that comply with the ICCA methodology. OPC further stated that the Rule allows utilities to charge storm costs to base O&M expense instead of the storm reserve and pointed out that FPL charged storm costs to its O&M expense because of its RSAM. OPC argued the Rule only has one description of storm-related damages or storm costs that may be recovered and that description is not dependent on the method of recovery, i.e., storm surcharge or O&M expense.

OPC stated that witness Futral's audit team reviewed copies of all invoices over \$10,000 provided by the Companies and verified the timing of costs incurred, the costs being appropriate for storm costs recognition by storm, line item costs matching contract and purchase order pricing, and the total invoice levels matching the general ledger, and that there were no duplications of individual costs items. The audit confirmed through discovery that certain amounts were based on estimated amounts due, invoices that were not received, or the amount paid differed from original estimates. However, OPC does not recommend an adjustment to the logistics costs.

B. Analysis

Pursuant to Rule 25-6.0143, F.A.C., the ICCA methodology is to be used to determine costs to cover storm-related damages. The Rule also lists types of storm related costs that are allowed, such as logistics and costs of providing meals and lodging for crews performing storm restoration. Table 8 identifies the revised logistics costs that Gulf and FPL requested to be recovered for Hurricanes Sally, Zeta, and Isaias, and Tropical Storm Eta.

Table 8
Gulf and FPL Original and Revised Logistics Costs Per Storm (\$million)

	Hurricane Sally (Gulf)		Hurricane Zeta (Gulf)		Hurricane Isaias (FPL)		Tropical Storm Eta (FPL)	
	Original Request	Revised Request	Original Request	Revised Request	Original Request	Revised Request	Original Request	Revised Request
Logistics Costs	\$42.6	\$42.2	\$1.4	\$1.3	\$9.4	\$9.3	\$9.1	\$9.1

OPC witness Futral testified that certain amounts associated with various vendors were accrued as estimates and posted to the general ledger, but that the invoices were either double posted, not received and paid, or consisted of different amounts compared to the original estimates. In response, Gulf and FPL agreed to adjust the amounts of the logistics costs as shown in Table 8 as the Revised Request. FPL witness Hughes testified that the Companies updated their costs as identified in responses to discovery requests and as shown in Table 8. Gulf found that it inadvertently added some vendor costs to logistics costs instead of contractor costs.

We agree with the Companies and OPC that the revised logistics costs as shown in Table 8 are reasonable and prudent. OPC did not provide any testimony on this issue, and stated in its brief that it is not recommending an adjustment to the logistics costs included in the storm restoration costs. The Companies’ adjustments are consistent with the ICCA methodology and therefore appropriate for recovery. Based on the above information, we approve the reasonable and prudent logistic costs to be included in storm restoration costs are the Companies’ revised costs shown in Table 8. These costs shall be recovered through a surcharge or charged to base O&M, as specified in Table 9 below.

C. Conclusion

We approve the total amount of logistics costs to be included in storm restoration costs reflected in Table 9 below.

Table 9

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	\$-

IX. Total Amount of Costs to be Included in Restoration Costs

A. Parties' Arguments

Gulf stated that the total amount of Hurricane Sally storm-related costs was \$227.3 million. After the application of the ICCA methodology, Gulf identified approximately \$21.2 million as capital, \$16.1 million as recoverable under insurance, \$2.3 million as non-incremental, and \$187.8 million was identified as incremental. Gulf also maintained that the interest on unamortized storm costs should be included in storm-related costs, based on previous Commission approval in the 2006 Order and the Commission's approval of the Hurricane Matthew and Hurricane Michael Settlement Agreements.⁹

Gulf stated that the total amount of Hurricane Zeta storm-related costs was \$11.4 million. After the application of the ICCA methodology, Gulf identified approximately \$292,000 as capital, \$1.0 million as non-incremental, and \$10.1 million as incremental. Gulf also maintained that the interest on unamortized storm costs should be included in storm-related costs, based on our previous approval in the 2006 Order and our approval of the Hurricane Matthew and Hurricane Michael Settlement Agreements.¹⁰

FPL stated that the total amount of Hurricane Isaias storm-related costs was \$68.5 million. FPL asserted that it charged all storm restoration costs associated with Hurricane Isaias to base O&M expense, except for \$3,000 that was charged to capital. FPL maintained that this was permissible based on its application of Rule 25-6.0143(1)(h), F.A.C., and Section 6 of its 2016 Settlement Agreement.¹¹

FPL stated that the total amount of Tropical Storm Eta storm-related costs was \$115.8 million. FPL asserted that it charged all storm restoration costs associated with Tropical Storm Eta to base O&M expense except for \$439,000, which was charged to capital. FPL maintained that this was permissible based on its application of Rule 25-6.0143(1)(h), F.A.C., and Section 6 of its 2016 Settlement Agreement.¹²

OPC asserted that the total amount of costs to be included in restoration costs should be reduced by all of its disallowance recommendations for Hurricane Sally, Hurricane Isaias, Tropical Storm Eta, and Hurricane Zeta. Further, OPC argued that the amount included by Gulf of \$0.311 million and \$0.001 million in interest on the unamortized storm cost for Hurricanes Sally and Zeta, respectively, should also be disallowed. OPC witness Kollen maintained that interest is not identified as a recoverable cost in Rule 25-6.0143, F.A.C.

⁹ Order No. PSC-2006-0464-FOF-EI; Order No. PSC-2020-0349-S-EI; and Order No. PSC-2018-0359-FOF-EI issued on July 24, 2018, as amended by Order No. PSC-2018-0359A-FOF-EI

¹⁰ *Id.*

¹¹ Order No. PSC-2016-0560-AS-EI, issued on 10 December 15, 2016, Docket No. 20160021-EI, *In re: Petition for rate increase by Florida Power & Light Company.*

¹² *Id.*

B. Analysis

Based on our rulings on Sections 2 through 8 *supra*, we find the appropriate amounts of prudently incurred storm restoration costs, by cost category, are those reflected in the following tables. Table 9 below reflects the major costs categories from the previous issues for Hurricane Sally, Gulf’s requested amounts, and the amounts we find appropriate.

Table 9
Gulf’s Storm Restoration Costs for Hurricane Sally

Major Cost Category	Gulf Requested	Commission Approved
Payroll	\$2,100,000	\$2,100,000
Overtime Payroll	3,237,000	3,237,000
Contractor Costs	125,609,000	125,609,000
Line Clearing Costs	27,346,000	27,346,000
Vehicle & Fuel	3,171,000	3,171,000
Materials & Supplies	10,292,000	10,292,000
Logistics	42,230,000	42,230,000
Other	<u>13,316,000</u>	<u>13,316,000</u>
Total Costs	<u>\$227,303,000</u>	<u>\$227,303,000</u>

Table 10 below reflects the major costs categories from the previous issues for Hurricane Isaias, FPL’s requested amounts, the amounts we find appropriate.

Table 10
FPL’s Storm Restoration Costs for Hurricane Isaias

Major Cost Category	FPL Requested	Commission Approved
Payroll	\$671,000	\$671,000
Overtime Payroll	4,694,000	4,694,000
Contractors	36,270,000	36,270,000
Line Clearing Costs	13,027,000	13,027,000
Vehicle & Fuel	2,752,000	2,752,000
Materials & Supplies	42,000	42,000
Logistics	9,332,000	9,332,000
Other	<u>1,677,000</u>	<u>1,677,000</u>
Total Costs	<u>\$68,464,000</u>	<u>\$68,464,000</u>

Table 11 below reflects the major costs categories from the previous issues for Tropical Storm Eta, FPL’s requested amounts, and the amounts we find appropriate.

Table 11
FPL’s Storm Restoration Costs for Tropical Storm Eta

Major Cost Category	FPL Requested	Commission Approved
Payroll	\$2,327,000	\$2,327,000
Overtime Payroll	8,750,000	8,750,000
Contractors	77,423,000	77,423,000
Line Clearing Costs	11,204,000	11,204,000
Vehicle & Fuel	4,747,000	4,747,000
Material & Supplies	532,000	532,000
Logistics	9,076,000	9,076,000
Other	<u>1,764,000</u>	<u>1,764,000</u>
Total Costs	<u>\$115,822,000</u>	<u>\$115,822,000</u>

Table 12 below reflects the major costs categories from the previous issues for Hurricane Sally, Gulf’s requested amounts, and the amounts we find appropriate.

Table 12
Gulf’s Storm Restoration Costs for Hurricane Zeta

Major Cost Category	Gulf Requested	Commission Approved
Payroll	\$304,000	\$304,000
Overtime Payroll	339,000	309,000
Contractors	5,803,000	5,803,000
Line Clearing Costs	1,864,000	1,864,000
Vehicle & Fuel	327,000	327,000
Materials & Supplies	179,000	179,000
Logistics	1,370,000	1,370,000
Other Costs	<u>1,198,000</u>	<u>1,198,000</u>
Total Costs	<u>\$11,384,000</u>	<u>\$11,384,000</u>

In addition to seeking recovery of storm restoration costs, Gulf’s total Retail Recoverable Storm Amount includes \$0.311 million in interest on the unamortized storm costs for Hurricane Sally and \$0.001 million in interest on the unamortized storm cost for Hurricane Zeta. The interest was calculated using the average commercial paper rate and applied to the average balance of unrecovered eligible storm restoration costs over the timeframe the surcharge is

collected. As such, the interest for Hurricane Zeta was calculated to only reflect the two months it is collected in 2024.

OPC witness Kollen testified that the Rule does not include interest as a recoverable cost and recommended that the interest be disallowed. FPL witness Hughes countered that although there was nothing in the Storm Rule addressing interest on unamortized storm costs, the Commission had addressed the issue in its approval of the Hurricane Michael and Hurricane Matthew Settlement Agreements. He testified that Gulf should be able to earn interest on the amount of unrecovered incremental storm costs until they are fully recovered from customers based on its inclusion in those prior settlement agreements.

While Rule 25-6.0143, F.A.C., does not address the recovery of interest on unrecovered storm costs, we have previously addressed this issue. As OPC emphasized in its brief, both settlements state in their agreements that nothing in the agreement will have precedential value. However, we also previously approved the inclusion of interest on unamortized storm costs in the 2006 Storm Order. Accordingly, the interest on unamortized storm costs for Hurricane Sally and Hurricane Zeta shall be included in Gulf’s total Retail Recoverable Storm Amount for each storm.

C. Conclusion

We approve the appropriate amounts of prudently incurred storm restoration costs reflected on Table 13 below. These costs shall be recovered through a surcharge, charged to base O&M expense, offset by an insurance receivable, or capitalized, as specified in the table below. In addition to these costs, Gulf shall be allowed to recover interest on the unamortized storm restoration costs for Hurricane Sally and Hurricane Zeta.

Table 13

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

X. Amount of Storm-Related Costs to be Capitalized

A. Parties’ Arguments

Gulf and FPL argued that the capitalized costs for Hurricanes Sally, Zeta, and Isaias, and Tropical Storm Eta were reasonable and prudent. The Companies used Rule 25-6.0143(1)(d), F.A.C., to determine the amounts that should be capitalized. In addition, the Companies adhered

to the provisions of the Hurricane Irma and Hurricane Michael settlements regarding how to determine amounts to be capitalized. The Companies argued that based on their analysis and the fact that OPC is not disputing these costs, the capitalized costs should be determined prudent and reasonable.

OPC stated that Rule 25-6.0143(1)(d), F.A.C., requires that capital expenditures for the removal, retirement, and replacement of damaged facilities charged to cover storm-related damages shall exclude the normal cost for the removal, retirement, and replacement of those facilities in the absence of a storm. OPC stated that witness Futral’s audit team reviewed copies of all invoices over \$10,000 provided by the Companies and verified the timing of costs incurred, the costs being appropriate for storm cost recognition by storm, line item costs matching contract and purchase order pricing, and the total invoice levels matching the general ledger, and that there were no duplications of individual costs items. The audit confirmed that the invoice documentation and detailed general ledger were sufficient to justify the costs included in the storm cost summaries, with exception of specific adjustments for reconciling amounts. Therefore, OPC is not recommending an adjustment to the capitalized cost.

B. Analysis

Rule 25-6.0143(1)(d), F.A.C., requires the ICCA methodology be used to determine the costs to be charged to cover storm-related damages. In addition, the Rule requires that capital expenditures charged to cover storm related damages shall exclude the normal cost of those expenditures in the absence of a storm.

Gulf requested \$21.2 million in capitalized costs for Hurricane Sally and \$292,000 for Hurricane Zeta. FPL requested \$3,000 in capitalized costs for Hurricane Isaias and \$439,000 for Tropical Storm Eta. OPC witness Futral testified that certain amounts associated with various vendors were accrued as estimates and posted to the general ledger, but that the invoices were either double posted, not received or paid, or differed compared to the original estimates. Even though there were changes to different costs, the capitalized costs did not change. Table 14 shows a breakdown of the capitalized costs per storm.

Table 14
Gulf and FPL’s Capitalized Costs per Category per Storm (\$000)

Categories	Hurricane Sally (Gulf)	Hurricane Zeta (Gulf)	Hurricane Isaias (FPL)	Tropical Storm Eta (FPL)
Payroll & Related Costs	\$-	\$37	\$-	\$3
Contractors	16,369	71	-	28
Materials & Supplies	2,976	104	3	347
Other	<u>1,847</u>	<u>80</u>	<u>-</u>	<u>61</u>
Total	<u>\$21,191</u>	<u>\$292</u>	<u>\$3</u>	<u>\$439</u>

FPL witness Hughes testified that the Companies determined the amount of capital costs for each storm event by applying Rule 25-6.0143(1)(d), F.A.C.,¹³ which states that “the normal cost for removal, retirement and replacement of those facilities in the absence of a storm” should be the basis for calculating storm restoration capital. In addition, consistent with the Hurricane Irma Settlement, a blended simple average of internal employee and contractor hourly rate, under non-storm conditions, were used to calculate capital costs.

OPC did not provide any testimony on this issue, and stated in its brief that it is not recommending an adjustment to the capitalized cost included in the storm restoration costs. It appears that the Companies’ calculations are consistent with the ICCA methodology and, therefore, the costs are appropriate for recovery. Based on the evidence in the record and information above, we find that the total capital costs shown in Table 14 are reasonable and prudent.

C. Conclusion

The total amounts of storm-related costs that shall 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.

XI. Appropriate Accounting Treatment for Imprudently-Incurred Storm Costs

A. Parties’ Arguments

FPL stated that all of its costs associated with Hurricane Isaias and Tropical Storm Eta have been charged as either capital costs or base O&M expenses. FPL also acknowledged that should the Commission find that any of FPL’s storm related costs were imprudently incurred, such costs would be charged below-the-line with a corresponding reduction in capital or above-the-line base O&M expense. FPL further clarified that an adjustment to above-the-line base O&M expense would also adjust the balance of its RSAM.

OPC contended that costs improperly charged by FPL to base O&M expense and recovered through the depreciation reserve should be restored to the depreciation reserve. OPC specified that this should be done in a manner that ensures the non-incremental costs remain available to customers, but are not available to FPL to increase earnings using the RSAM in the future.

B. Analysis

We have found all storm restoration costs associated with Hurricane Isaias and Tropical Storm Eta to have been prudently incurred.

¹³ The 2007 version of Rule 25-6.0143, F.A.C., applied to Hurricanes Sally, Isaias, and Zeta and Tropical Storm Eta, as these storms occurred during the 2020 hurricane season and the 2021 version of the Rule was not adopted at that time.

C. Conclusion

Because we have found all storm restoration costs associated with Hurricane Isaias and Tropical Storm Eta to have been prudently incurred, we need not address how to treat storm costs that were imprudently incurred.

XII. Approval of Gulf Power Company's Proposed Tariffs and Associated Charges

A. Parties' Arguments

In Order No. PSC-2021-0112-PCO-EI, we approved an interim storm recovery charge for Hurricane Sally applicable to all customers within the service area previously served by Gulf, or Northwest Florida. The interim charge for a residential customer using 1,000 kilowatt-hours is \$3 and has been in effect since March 2, 2021. Witness Cohen presented revised Hurricane Sally charges to reflect the cost allocations to the various rate classes approved in FPL's recent rate case, Docket No. 20210015-EI. The Hurricane Sally charge for a residential customer remains at \$3/1,000 kWhs until October 2023. The proposed revised Hurricane Sally charges for the non-residential rate classes reflect cost allocations we previously approved in the rate case docket. The revised Hurricane Sally surcharges are shown on First Revised Tariff Sheet No. 8.030.5.

Witness Cohen explained that once the current Commission-approved Hurricane Michael surcharge (\$8/1,000 kWhs) terminates in October 2023, FPL proposed to increase the \$3/1,000 kWh residential Hurricane Sally charge to \$10/1,000 kWhs. The increased Hurricane Sally surcharges for all rate classes are shown on Second Revised Tariff Sheet No. 8.030.5. The Second Revised Tariff Sheet No. 8.030.5 should be effective November 1, 2023. Witness Cohen testified that FPL proposed to stage the surcharges to customers in order to provide a fair balance between mitigating bill impacts to customers and timely recovery of costs that have already been spent.

Once recovery of Hurricane Sally storm charges is complete in October 2024 from customers in Northwest Florida, FPL proposed to commence recovery of Hurricane Zeta storm charges. Witness Cohen testified that the proposed recovery period for the Hurricane Zeta costs is two months: November 1, 2024 through December 31, 2024. Witness Cohen testified that the Hurricane Zeta recoverable storm amount has been allocated to each retail rate class based upon cost allocations presented in Exhibit TCC-1 to the direct testimony. The proposed Hurricane Zeta Original Tariff Sheet No. 8.030.6 should be effective November 1, 2024. The proposed Hurricane Zeta surcharge is \$9.34/1,000 kWhs for a residential customer.

OPC stated that Gulf should be required to file new tariffs that reflect the disallowances recommended in OPC's positions and approved by us.

B. Analysis

OPC did not address the timing of the implementation of the proposed storm charges in Section 12. However, in its post-hearing brief for Section 13, OPC stated that the cost for Hurricane Zeta should not be delayed until October 2024. OPC further stated that charges should

be collected closer in time when the costs were incurred. Finally, OPC in its post-hearing brief for Section 13 stated that the combined charge for Gulf's residential customers should not be increased above \$11/1,000 kWh and that the charge should be used to collect \$8/1,000 kWhs for Hurricane Michael, \$2/1,000 kWhs for Hurricane Sally and \$1/1,000 kWh for Hurricane Zeta. Once Hurricane Michael costs are fully recovered, then the surcharge for Hurricane Sally should increase by an amount equivalent to the Hurricane Michael surcharge plus the current Hurricane Sally surcharge until fully recovered. Upon cross examination by OPC, witness Cohen testified that Gulf could start recovery of Hurricane Zeta costs in 2022; however, the way FPL proposed to stagger the surcharges was a thoughtful approach in trying to mitigate bill impacts to customers.

C. Conclusion

Based on the evidence in the record, we find that the proposed tariffs and the timing of cost recovery proposed by the Companies is appropriate and balances the interests of recovery and customer impacts. While OPC's argument that hurricane costs should be recovered closer in time when the costs occurred has merit, due to the number of hurricanes (Michael, Sally, and Zeta) and associated storm restoration costs, FPL's proposed timing of cost recovery is reasonable. 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 are approved.

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

XII. Handling of Any Under- or Over-Recovery

A. Parties' Arguments

Gulf stated that it will make a compliance filing with us to provide notice of its intent to terminate its proposed storm charges no fewer than 90 days prior to the date it expects to fully recover its final recoverable storm amounts for Hurricanes Sally and Zeta. Gulf affirmed that within 45 days of the charges, it will compare the approved recovery amount to actual revenues received from the storm charges, determine any excess or shortfalls, calculate final true-up rates, and file them with us for approval.

In the event of an over-recovery, OPC proposed that it be reflected as a one-time credit on Gulf's customers' bills. OPC also recommended the disallowance of interest on any variance associated with Hurricane Zeta. OPC asserted that the storm surcharge should reflect all disallowances if the approved storm costs have yet to be collected. Additionally, OPC contended that the combined surcharge for Gulf residential customers should not be increased above the current \$11/1,000 kWh and used to collect \$8/1,000 kWh for Hurricane Michael, \$2/kWh for Hurricane Sally and \$1/1,000 kWh for Hurricane Zeta. OPC further specified that once Hurricane Michael costs are fully recovered, then the surcharge for Hurricane Sally should

increase by an amount equivalent to the Hurricane Michael surcharge plus the current Hurricane Sally surcharge until fully recovered.

B. Analysis

As explained by Gulf witness Cohen, the final Recoverable Storm Amount we approve for Hurricanes Sally and Zeta will be compared to the actual received from the approved surcharges in order to determine whether any over/under recovery has occurred and interest would be applied to the variance at the 30-day commercial paper rate. Within 45 days after the expiration of the proposed storm charges, Gulf would make a compliance filing with us that sets forth the calculation of the appropriate final true-up rates to apply to customer bills for a one-month period in order to refund the excess or collect the shortfall.

In its post-hearing brief, OPC recommended the disallowance of interest on any variance associated with Hurricane Zeta. OPC's argument against the inclusion of interest was limited to its post-hearing brief and appeared to reference the interest associated with unamortized storm costs, as it made reference to the timing of the Hurricane Zeta surcharge and interest being collected during the timeframe that costs are not collected from customers and cited the same interpretations of Rule 25-6.0143, F.A.C., that it raised in its post-hearing brief on Section 9. The interest associated with unamortized storm costs addressed in Section 9 is not the same concept as the interest included in the calculation of an excess or shortfall from the storm surcharges. Gulf's final true-up methodology was not addressed elsewhere in OPC's testimony, and the arguments in its post-hearing brief are not clear. We do not agree with the proposed disallowance of interest on any variance associated with Hurricane Zeta.

C. Conclusion

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 shall be compared to the appropriate amounts approved by us for each of the storms, and a determination made whether any under/over recovery has occurred. The disposition of any under- or over-recovery, and associated interest, shall be considered by us at a later date.

Based on the foregoing, it is


ORDERED by the Florida Public Service Commission that Gulf Power Company's Final/Actual Storm Restoration Costs and Associated True-Up Process Related to Hurricane Sally in Docket No. 20200241-EI are approved as set forth herein. It is further

ORDERED that Florida Power & Light Company's Evaluation of Hurricane Isaias and Tropical Storm Eta Storm Costs in Docket No. 20210178-EI is approved as set forth herein. It is further

ORDERED that Gulf Power Company's Recovery of Incremental Storm Restoration Costs and Associated True-Up Process Related to Hurricane Zeta in Docket No. 20210179-EI are approved as set forth herein. It is further

ORDERED that Docket Nos. 20200241-EI, 20210178-EI, and 20210179-EI shall be closed.

By ORDER of the Florida Public Service Commission this 21st day of November, 2022.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

SPS

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request:

- 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or
- 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.