

State of Florida



# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

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

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**DATE:** June 3, 2025

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

**FROM:** Lynn Deamer, Bureau Chief, Office of Auditing & Performance Analysis *LD*

**RE:** Docket No.: 20250010-EI  
Company Name: Florida Power & Light Company  
Company Code: EI802  
Audit Purpose: A3g: Storm Protection Plan Cost Recovery Clause  
Audit Control No.: 2025-007-1-1

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Attached is the final audit report for the Utility stated above, I am sending the Utility a copy of this memo and the audit report. If the Utility desires to file a response to the audit report, it should send a response to the Office of the Commission Clerk. There are no confidential work papers associated with this audit.

Attachment: Audit Report

Cc: Office of Auditing & Performance Analysis

State of Florida



## Public Service Commission

Office of Auditing and Performance Analysis  
Bureau of Auditing

### Auditor's Report

Florida Power & Light Company  
Storm Protection Plan Cost Recovery Clause

**Twelve Months Ended December 31, 2024**

Docket No. 20250010-EI

Audit Control No. 2025-007-1-1

**June 2, 2025**

A handwritten signature in blue ink, appearing to read "K Guan", written above a horizontal line.

Kathryn Guan  
Audit Manager

A handwritten signature in blue ink, appearing to read "Lynn M Deamer", written above a horizontal line.

Lynn M. Deamer  
Reviewer

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## Purpose

To: Florida Public Service Commission

We have performed the procedures described later in this report to meet the objectives set forth by Office of Industry Development & Market Analysis in its audit service request dated January 7, 2025. We have applied these procedures to the attached summary exhibit and to several related schedules prepared by Florida Power & Light Company in support of its 2024 filing for the Storm Protection Plan Cost Recovery Clause in Docket No. 20250010-EI.

The report is intended only for internal Commission use.

## Objectives and Procedures

### **General**

#### Definition

FPL/Company refers to the Florida Power & Light Company.  
SPP refers to the Storm Protection Plan Cost Recovery Clause.

#### Background

On April 1, 2025 Florida Power & Light Company filed support for its Storm Protection Plan Cost Recovery factor, for the period January 2024 through December 2024, and the 2024 Storm Protection Plan Accomplishments.

### **Rate Base**

#### Plant

**Objectives:** The objective was to determine that the plant additions, retirements, and adjustments for the year ended December 31, 2024, related to the Storm Protection Plan Cost Recovery Clause (SPPCRC) programs.

**Procedures:** We obtained the plant additions and retirements of SPPCRC for 2024. We recalculated the total plant additions by program, and reconciled to Form 7A. We judgmentally selected plant transactions of each program for sample testing, and traced to the supporting documentation. We obtained the supporting documentation of plant additions and transfer adjustments, and traced to Form 7A. No exceptions were noted.

#### Capital Investment

**Objectives:** The objectives were to determine whether: 1) The capital investment for Feeder Hardening, Distribution Lateral Undergrounding, and Transmission Wooden Structure Hardening programs were properly booked and recorded, 2) The corresponding Plant-in-Service and Depreciation Base are appropriately recorded, 3) CWIP Non Interest Bearing Accounts are calculated correctly for the test year ended December 31, 2024.

**Procedures:** We recalculated the capital investment activities for each program, and reconciled to Forms 6A and 7A. We selected a judgmental sample from the Feeder Hardening, Distribution Lateral Undergrounding, and Transmission Wooden Structure Hardening programs and reconciled the transactions to supporting documentation. No exceptions were noted.

### **True-up**

**Objective:** The objective was to determine if the True-Up and Interest Provision, as filed, was properly calculated for SPPCRC.

**Procedures:** We traced the December 31, 2023, True-Up Provision to Order PSC-2024-0459-FOF-EI. We recalculated the True-Up and Interest Provision amounts as of December 31, 2024, using the Commission-approved beginning balance as of December 31, 2023, the applicable Commercial Paper rates, and the 2024 revenues and costs. No exceptions were noted.

## **Net Operating Income**

### Operating Revenue

**Objectives:** The objectives were to determine whether the revenue filed by the Company is supported by Company documentation and agrees to the general ledger.

**Procedures:** We computed revenues using the factors in the Order PSC-2024-0459-FOF-EI and actual Kilowatt Hours (kWh) sales from the Revenue Reports and reconciled them to the general ledger and the SPPCRC. We selected a sample of residential and commercial customers' bills for the period and recalculated each to verify the use of the correct tariff rate. No exceptions were noted.

### Operation and Maintenance Expense

**Objectives:** The objectives were to determine the actual kWh sold for the period January 1, 2024, through December 31, 2024, and whether the Company applied the Commission approved cost recovery factor to actual kWh sales for the SPPCRC.

**Procedures:** We recalculated the Overhead Hardening, Vegetation Management, Undergrounding Laterals and Implementation O&M program expenses from the general ledger, and reconciled to Forms 4A and 5A. We performed a judgmental sample for Implementation costs - G&I, Overhead Hardening O&M Programs, Underground O&M Programs, Vegetation Management O&M Programs, and traced them to the supporting documentation. No exceptions were noted.

### Depreciation and Amortization Expenses

**Objectives:** The objective was to determine that the most recent Commission-approved depreciation rates and amortization periods were used in the Company's Storm Protection Plan schedules and the amounts were calculated correctly for the period ended December 31, 2024.

**Procedures:** We traced all depreciation rates used by project number from the Company's supporting documentation to the approved Depreciation Rates in Order No. PSC-2021-0446-S-EI. We obtained all depreciation rates used for Distribution Lateral Undergrounding Program, Transmission Asset Upgrades Program and Distribution Overhead Feeder Hardening Program, and traced to the Commission-approved depreciation rates. Audit staff determined that the Company has not performed a calculation to determine the amount of depreciation expense savings related to the retirement of existing plant resulting from its SPP programs. No exceptions were noted.

## **Accounting Practices**

**Objectives:** The objectives were to: 1) Substantiate if the Company changed any of its accounting practices, procedures, or guidelines for purposes of implementing cost recovery through the Storm Cost Recovery Clause, and 2) Determine if the Company changed any of its allocation practices, procedures, or guidelines for purposes of implementing cost recovery through the Storm Cost Recovery Clause.

**Procedures:** We requested and reviewed the accounting practices, procedures, or guidelines for purposes of implementing cost recovery through the Storm Protection Plan Cost Recovery Clause. We reviewed whether the Company changed any of its allocation practices, procedures, or guidelines for purposes of implementing cost recovery through the Storm Cost Recovery Clause. We confirmed that the Company has no change to its allocation method. No exceptions were noted.

Audit Findings

**None**

## Exhibit 2: Interest-Provision

FLORIDA POWER & LIGHT COMPANY  
Storm Protection Plan Recovery Clause (SPPCRC)  
Final True-Up  
Calculation of Interest Provision for True-Up Amount

FOR THE PERIOD OF: JANUARY 2024 - DECEMBER 2024												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Line	a-Jan - 2024	a-Feb - 2024	a-Mar - 2024	a-Apr - 2024	a-May - 2024	a-Jun - 2024	a-Jul - 2024	a-Aug - 2024	a-Sep - 2024	a-Oct - 2024	a-Nov - 2024	a-Dec - 2024
1. Beginning True-Up Amount (SPPCRC Form 2A, Line 7+7a+10)	(\$25,680,257)	(\$27,663,349)	(\$32,026,691)	(\$39,866,434)	(\$39,653,871)	(\$38,400,698)	(\$30,632,818)	(\$21,839,074)	(\$18,146,500)	(\$16,809,834)	(\$11,974,260)	(\$25,873,545)
2. Ending True-Up Amount Before Interest	(\$27,544,923)	(\$31,894,794)	(\$39,707,722)	(\$39,477,496)	(\$38,227,898)	(\$30,480,562)	(\$21,723,345)	(\$18,059,057)	(\$16,735,291)	(\$11,916,470)	(\$25,800,121)	(\$43,285,034)
3. Total of Beginning & Ending True-Up (Lines 1 + 2)	(\$53,225,180)	(\$59,558,143)	(\$71,734,413)	(\$79,343,930)	(\$77,881,769)	(\$68,881,260)	(\$52,356,163)	(\$39,898,130)	(\$34,881,782)	(\$28,725,304)	(\$37,774,401)	(\$69,158,579)
4. Average True-Up Amount (Line 3 x 1/2)	(\$26,612,590)	(\$29,779,072)	(\$35,867,206)	(\$39,671,965)	(\$38,940,884)	(\$34,440,630)	(\$26,178,081)	(\$19,949,065)	(\$17,440,896)	(\$14,362,652)	(\$18,887,201)	(\$34,579,290)
5. Interest Rate (First Day of Reporting Business Month)	5.34%	5.34%	5.29%	5.33%	5.34%	5.31%	5.30%	5.31%	5.21%	4.91%	4.75%	4.58%
6. Interest Rate (First Day of Subsequent Business Month)	5.34%	5.29%	5.33%	5.34%	5.31%	5.30%	5.31%	5.21%	4.91%	4.75%	4.58%	4.36%
7. Total of Beginning & Ending Interest Rates (Lines 5 + 6)	10.68%	10.63%	10.62%	10.67%	10.65%	10.61%	10.61%	10.52%	10.12%	9.66%	9.33%	8.94%
8. Average Interest Rate (Line 7 x 1/2) - Annual	5.340%	5.315%	5.310%	5.335%	5.325%	5.305%	5.305%	5.260%	5.060%	4.830%	4.665%	4.470%
9. Monthly Average Interest Rate (Line 8 x 1/12)	0.445%	0.443%	0.443%	0.445%	0.444%	0.442%	0.442%	0.438%	0.422%	0.403%	0.389%	0.373%
10. Interest Provision for the Month (Line 4 x Line 9)	(\$118,426)	(\$131,896)	(\$158,712)	(\$176,375)	(\$172,800)	(\$162,256)	(\$115,729)	(\$87,443)	(\$73,542)	(\$57,810)	(\$73,424)	(\$128,808)

## Exhibits

### Exhibit 1: True-up

FLORIDA POWER & LIGHT COMPANY  
Storm Protection Plan Recovery Clause (SPPCRC)  
Final True-Up  
Calculation of True-Up Amount

FOR THE PERIOD OF: JANUARY 2024 - DECEMBER 2024													
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Line	a-Jan - 2024	a-Feb - 2024	a-Mar - 2024	a-Apr - 2024	a-May - 2024	a-Jun - 2024	a-Jul - 2024	a-Aug - 2024	a-Sep - 2024	a-Oct - 2024	a-Nov - 2024	a-Dec - 2024	End of Period Total
1. Clause Revenues (net of Revenue Taxes)	\$37,471,508	\$37,471,632	\$37,074,597	\$40,688,648	\$47,529,257	\$54,371,403	\$56,780,888	\$56,283,968	\$55,378,370	\$50,331,148	\$43,608,703	\$38,783,814	\$555,775,133
2. True-Up Provision - Prior Period (a)	(\$1,669,351)	(\$1,669,351)	(\$1,669,351)	(\$1,669,351)	(\$1,669,351)	(\$1,669,351)	(\$1,669,351)	(\$1,669,351)	(\$1,669,351)	(\$1,669,351)	(\$1,669,351)	(\$1,669,351)	(\$20,032,215)
3. Clause Revenues Applicable to Period (Lines 1 + 2)	\$35,802,157	\$35,802,280	\$35,405,245	\$39,019,297	\$45,859,906	\$52,702,052	\$55,111,835	\$54,614,617	\$53,710,019	\$48,661,795	\$41,939,352	\$37,114,563	\$535,742,918
4. Jurisdictional Rev. Req.													
a. Overhead Hardening	\$21,886,815	\$22,888,331	\$23,759,843	\$23,909,813	\$25,727,245	\$23,814,706	\$26,784,414	\$27,511,121	\$26,102,328	\$27,635,607	\$29,178,817	\$29,885,782	\$311,204,922
b. Undergrounding	\$9,223,328	\$9,743,896	\$10,108,796	\$10,577,002	\$11,090,848	\$11,544,341	\$11,893,184	\$12,445,815	\$12,834,824	\$13,058,429	\$13,277,585	\$13,687,005	\$139,582,854
c. Vegetation Management	\$8,017,543	\$9,022,568	\$10,848,365	\$5,717,861	\$9,265,080	\$11,041,380	\$9,059,266	\$12,514,962	\$12,995,660	\$4,720,469	\$14,960,119	\$12,585,843	\$120,748,196
d. Implementation Costs	\$106,487	\$38,281	\$40,823	\$94,934	\$20,110	\$50,880	\$34,850	\$32,254	\$35,350	\$24,277	\$20,024	\$28,873	\$524,523
4. Total Jurisdictional Revenue Requirements (b)	\$39,336,174	\$41,703,077	\$44,755,828	\$40,286,710	\$46,103,284	\$46,451,267	\$47,871,513	\$52,503,951	\$53,968,181	\$45,438,782	\$57,434,544	\$56,195,403	\$572,061,495
5. Over/(Under) Recovery (Line 3 - Line 4e)	(\$3,534,017)	(\$5,900,797)	(\$9,350,382)	(\$1,280,413)	(\$243,378)	\$6,250,785	\$7,240,122	\$2,110,666	(\$258,143)	\$3,223,012	(\$15,485,182)	(\$19,080,840)	(\$36,318,577)
6. Interest Provision (SPPCRC Form 3A, Line 10)	(\$118,426)	(\$131,898)	(\$158,712)	(\$176,375)	(\$172,800)	(\$152,256)	(\$115,729)	(\$87,443)	(\$73,542)	(\$57,810)	(\$73,424)	(\$128,808)	(\$1,447,223)
7. Beginning Balance True-Up & Interest Provision	(\$20,032,215)	(\$22,015,307)	(\$26,378,849)	(\$34,218,392)	(\$34,005,829)	(\$32,752,656)	(\$24,984,778)	(\$16,181,031)	(\$12,488,458)	(\$11,180,792)	(\$6,326,238)	(\$20,225,503)	(\$20,032,215)
a. Deferred True-Up - Beginning of Period (c)	(\$5,648,042)	(\$5,648,042)	(\$5,648,042)	(\$5,648,042)	(\$5,648,042)	(\$5,648,042)	(\$5,648,042)	(\$5,648,042)	(\$5,648,042)	(\$5,648,042)	(\$5,648,042)	(\$5,648,042)	\$0
8. True-Up Collected/(Refunded) (see Line 2)	\$1,669,351	\$1,669,351	\$1,669,351	\$1,669,351	\$1,669,351	\$1,669,351	\$1,669,351	\$1,669,351	\$1,669,351	\$1,669,351	\$1,669,351	\$1,669,351	\$20,032,215
9. End of Period Total True-Up (Lines 5+6+7+8+9)	(\$27,863,349)	(\$32,026,691)	(\$39,866,434)	(\$39,653,871)	(\$38,400,888)	(\$30,832,818)	(\$21,839,074)	(\$18,146,500)	(\$18,808,834)	(\$11,974,280)	(\$25,873,545)	(\$43,413,842)	(\$37,765,800)
10. Adjustment to Period True-Up Including Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11. End of Period Total True-Up (Lines 9 + 10)	(\$27,863,349)	(\$32,026,691)	(\$39,866,434)	(\$39,653,871)	(\$38,400,888)	(\$30,832,818)	(\$21,839,074)	(\$18,146,500)	(\$18,808,834)	(\$11,974,280)	(\$25,873,545)	(\$43,413,842)	(\$37,765,800)

**Notes:**

- (a) Approved in Order No. PSC-2023-0364-FOF-EI.
- (b) Form 5A, Line 13 + Form 7A, Line 13.
- (c) FPL's 2023 Final True-up as approved in Order No. PSC-2024-0459-FOF-EI.