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**EXHIBIT A**

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**FLORIDA POWER & LIGHT COMPANY**

**REBUTTAL TESTIMONY OF MANUEL B. MIRANDA**

**DOCKET NO. 20200172-EI**

**JANUARY 12, 2021**

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1 I. INTRODUCTION

2 Q. Please state your name and business address.

3 A. My name is Manuel B. Miranda. My business address is Florida Power & Light  
4 Company, 700 Universe Blvd., Juno Beach, Florida, 33408.

5 Q. Have you previously submitted prepared direct testimony in this proceeding?

6 A. Yes. I submitted direct testimony and accompanying Exhibits MBM-1 through  
7 MBM-4 on June 29, 2020.

8 Q. What is the purpose of your rebuttal testimony?

9 A. The purpose of my rebuttal testimony is to respond to the direct testimony submitted  
10 by Office of Public Counsel ("OPC") witness Lane Kollen. Mr. Kollen's flawed  
11 "process" conclusions reflect his misunderstanding of what is required to restore  
12 service safely and as quickly as possible. My testimony also elaborates on why Mr.  
13 Kollen's "process" recommendations are unrealistic, unsound and not in the best  
14 interests of customers.

15 Q. Please summarize your rebuttal testimony.

16 A. My testimony demonstrates that despite Mr. Kollen's benefit of hindsight in  
17 evaluating Florida Power & Light Company's ("FPL" or the "Company") response  
18 to Hurricane Dorian, he reached flawed conclusions regarding FPL's storm  
19 restoration preparations and procedures, perhaps reflecting his lack of qualifications  
20 in this area. He also completely ignored FPL's obligation to prepare for severe  
21 damage to the most heavily populated portion of FPL's service territory that would  
22 have occurred had Hurricane Dorian made landfall, as evidenced by the complete  
23 devastation it caused in the Bahamas. As Dorian approached Florida as a Category

1        5 hurricane, FPL took all prudent and reasonable steps to be prepared to safely and  
2        quickly restore service to FPL's customers. Mr. Kollen's conclusions and  
3        recommendations, even with the benefit of hindsight, fail to recognize the  
4        uncertainty associated with forecasting the path, timing, and intensity of a major  
5        storm and ignore FPL's valuable lessons learned and the excellent restoration results  
6        achieved in this and in previous storms by pre-staging restoration resources. If  
7        accepted, Mr. Kollen's proposed recommendations would be detrimental to FPL's  
8        customers and to the State as a whole, as they would result in longer restoration times  
9        and hamper FPL's flexibility and ability to "attempt to restore service within the  
10       shortest time practicable consistent with safety" (Rule 25-6.044(3), F.A.C.). Mr.  
11       Kollen's proposed recommendations ignore the real life and real time decisions with  
12       which FPL is faced as storms approach, ignore FPL's experience in successfully  
13       responding to hurricanes and restoring power safely and quickly, and should be  
14       rejected by this Commission.

15  
16                    **II.        FPL'S HURRICANE DORIAN RESPONSE**

17  
18       **Q.        Having reviewed Mr. Kollen's criticisms of FPL's storm response, do you see**  
19       **any overarching problems with his recommendations?**

20       **A.**        Yes. Mr. Kollen's testimony fails to recognize and appreciate the severity of  
21       conditions facing a utility as it prepares its service territory for the potential  
22       impending impacts of a major hurricane. Mr. Kollen's testimony and exhibits show  
23       that while he does have extensive regulatory accounting experience, he does not

1 appear to have operational or decision-making experience relevant to decisions  
2 required before, during, or after a storm threatens or impacts a utility's service  
3 territory. In addition, despite Mr. Kollen's benefit of hindsight, his retrospective  
4 opinions fail to recognize FPL's strategy to restore service to our customers safely  
5 and as quickly as possible.

6 **Q. Does operational and management experience matter when determining what**  
7 **actions a utility should take in preparing to respond to an impending storm?**

8 A. Yes. I have been involved with FPL's storm response efforts from 1992 to the  
9 present, including when Hurricane Andrew made landfall, through the 2004 and  
10 2005 storm seasons when seven storms impacted FPL's service territory, and most  
11 recently during Hurricanes Matthew, Irma, and Dorian. This includes being involved  
12 with or responsible for making decisions regarding when and how many resources  
13 FPL must acquire to respond to a storm, as well as whether to send resources to assist  
14 with other utilities' storm response efforts (e.g., Hurricane Maria in Puerto Rico and,  
15 most recently, Hurricane Michael in Northwest Florida, both at the request of former  
16 Florida Governor Scott). Actual storm operational and management experience  
17 informs and helps to guide a company's actions, activities, and response, considering  
18 the conditions and circumstances that are known when decisions must be made. For  
19 FPL, these storm decisions, made as Hurricane Dorian approached, centered around  
20 the key components of our emergency preparedness plan, which I provided in my  
21 direct testimony. For instance, pre-negotiating contractor rates at market rates in  
22 advance of a storm assists FPL in deciding what resources to bring onto its system,  
23 and when it is prudent to do so.

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Contrary to Mr. Kollen's fundamental misunderstanding of the storm preparedness and restoration process, pre-storm contractor negotiations do not guarantee that those contractor resources are going to be available when called upon to travel to assist FPL. For example, a contractor may be supporting another currently active restoration event, may be committed to assist another utility, or may have other business reasons preventing dispatch to FPL. Mr. Kollen's lack of operational and storm restoration experience is further illustrated by his misunderstanding of why and when FPL acquired and pre-staged resources for Hurricane Dorian in order to successfully implement its restoration process.

**Q. How would you characterize FPL's response to Hurricane Dorian?**

A. As I outlined in my direct testimony, FPL's primary goal is to safely restore critical infrastructure to the greatest number of customers in the least amount of time. FPL prudently prepared to respond to the very real threat posed by a dangerous Category 5 hurricane that caused devastating damage to the Bahamas, approximately 100 miles from FPL's most heavily populated area. And while Hurricane Dorian ultimately did not make landfall in FPL's service territory, it impacted more than 184,000 customers. FPL's preparations and rapid response resulted in an efficient and effective restoration, allowing the affected customers to return to normalcy soon after the storm passed.





1 to impact its service territory, assess the level of damage and customer interruptions,  
2 and then, and only then, proceed to procure external resources to commence  
3 restoration efforts in order to “minimize cost”. Mr. Kollen fails to acknowledge that  
4 FPL must prepare and make decisions in anticipation of the potential damage that a  
5 storm can cause in FPL’s territory based on the National Hurricane Center’s  
6 (“NHC”) forecasts, which are subject to significant degree of uncertainty in terms of  
7 path, timing of impact and level of storm intensity.

8 **Q. Mr. Kollen has testified that “the Company acknowledges that minimizing**  
9 **storm costs is not a planning or implementation objective.” What is your**  
10 **response to this statement?**

11 A. That assertion is simply not true. Mr. Kollen has focused on the discussion at page  
12 6 of my direct testimony describing the key components of FPL’s operational  
13 emergency preparedness plan, while ignoring portions of my testimony detailing  
14 FPL’s pre-storm negotiation of vendor rates at market prices, FPL’s practice of  
15 bringing in and releasing resources to mitigate costs wherever possible, and the  
16 overall efficiencies employed by FPL in the execution of its well planned and storm-  
17 tested processes. Each of these actions and practices serve to minimize the costs of  
18 restoration.

19 **Q. Please explain how FPL acquires additional external restoration resources in**  
20 **response to a storm that is approaching FPL’s service territory?**

21 A. As described more extensively in my direct testimony, an important component of  
22 each restoration effort is FPL’s ability to scale up its resources to match the increased  
23 volume of the projected restoration workload, which includes engaging our FPL

1 team, sister company (Gulf Power), and embedded contractors. This “scaling-up”  
2 effort includes acquiring external contractors and mutual assistance resources from  
3 other utilities through industry organizations (e.g., the Southeastern Electric  
4 Exchange (“SEE”) and Edison Electric Institute (“EEI”)), as well as other restoration  
5 power line contractors, which FPL independently acquires. While FPL is mindful of  
6 costs when acquiring additional external resources (e.g., acquiring resources based  
7 on a low-to-high cost ranking where possible), a storm’s path, intensity and size, if  
8 significant enough, can substantially limit the availability of external resources, as  
9 the demand for available resources can exceed the available supply. In such  
10 instances, FPL has limited alternatives and may be required to acquire external  
11 restoration resources that are at the higher end of the low-to-high cost ranking.

12 **Q. Was this the case with Hurricane Dorian?**

13 **A.** Yes. With Hurricane Dorian’s forecasted path, intensity and size, most of the utilities  
14 within the Southeastern U.S. were forced to hold on to their own resources  
15 (employees and contractors) in order to respond to their own specific restoration  
16 needs. Additionally, based on forecasted damage and outage estimates, these same  
17 utilities were also competing with FPL to acquire additional line restoration  
18 resources through the SEE and other organizations, as well as through individual  
19 independent restoration contractors.

20 **Q. On page 19, lines 22-24, Mr. Kollen makes a recommendation that “Systematic**  
21 **Assessments of Risk Exposures At Least Annually Are Necessary in Order to**  
22 **Optimize Resources and Minimize Cost of Storm Response and Customer**  
23 **Interruptions.” Please provide your view of this recommendation.**

1 A. It is apparent that Mr. Kollen chose to ignore parts of my direct testimony in this  
2 docket, where I describe the extensive preparations that FPL undertakes annually to  
3 get ready for storm season. Perhaps that is why Mr. Kollen makes a recommendation  
4 that presumes that FPL can forecast the total number of storms that will impact FPL's  
5 system during the coming year, with certain knowledge of potential paths, level of  
6 intensity and resulting customer interruptions, and that the information can be  
7 entered into a linear programming algorithm in order to optimize the number of  
8 resources and to minimize cost of storm response efforts. Such a restoration effort  
9 would be contrary to FPL's well tested processes and all industry practices and  
10 procedures, would significantly delay recovery after a storm, and would result in  
11 harm to FPL's customers and to Florida's economy.

12 **Q. Did FPL assess the need for resources and mitigate contractor labor costs by**  
13 **utilizing its contractor workforce effectively and diligently for Hurricane**  
14 **Dorian?**

15 A. Yes. As explained in more detail in my direct testimony, FPL responds to storms by  
16 taking specified and well-rehearsed actions at specified intervals prior to a storm's  
17 impact. These actions include activating the FPL Command Center based on the  
18 storm's NHC-forecasted track and timing; forecasting resource requirements;  
19 developing initial restoration plans; activating contingency resources; preparing  
20 communications to inform and prepare customers; and identifying available  
21 resources from mutual assistance utilities. FPL endeavors to acquire resources based  
22 on a low-to-high cost ranking and release resources in reverse order, subject to the  
23 overriding objective of quickest restoration time and related considerations.

1   **Q.    On page 21, line 8 of his testimony, Mr. Kollen asserts that FPL has not**  
2       **performed any assessment and/or study that documents, analyzes, or estimates**  
3       **the amount of storm cost savings that the Company was able to achieve because**  
4       **of the storm hardening and protection activities performed prior to Hurricane**  
5       **Dorian. Please comment.**

6   **A.    Because FPL's service territory was ultimately spared the most severe impacts of the**  
7       **storm, the Company did not find it necessary to undertake such a study. However,**  
8       **FPL did perform a comprehensive forensic analysis, a copy of which was produced**  
9       **to OPC and attached as an exhibit to Mr. Kollen's testimony.**

10   **Q.    On page 23, lines 5-21 and page 24, lines 1-2 of his testimony, Mr. Kollen alleges**  
11       **that the Company has not provided evidence that it assigns and/or acquires**  
12       **resources through a prudent and reasonable mix of its own employees, affiliate**  
13       **company contractors, mutual assistance contractors, and third party**  
14       **contractors in a manner that minimizes storm costs. Please comment on Mr.**  
15       **Kollen's opinion.**

16   **A.    Mr. Kollen once again chose to ignore parts of my direct testimony, specifically**  
17       **pages 13 through 15 where I describe the formalized industry processes to request**  
18       **mutual assistance resources for storm restoration. Mr. Kollen also ignored answers**  
19       **to interrogatories in this docket describing pre-established contracts with line**  
20       **contractors that are competitively bid for three-year terms to lock-in pricing. In Mr.**  
21       **Kollen's view of storm restoration, the allocation of all these resources can be**  
22       **optimized to "minimize storm costs." Mr. Kollen's view, however, presumes that**

1 all those resources will be available to FPL and only to FPL in the event of a storm,  
2 which they are not.

3 **Q. On page 27 of his testimony, Mr. Kollen makes a recommendation that the**  
4 **Commission adopt a ratemaking incentive to ensure that FPL is focused on**  
5 **continuous improvement in planning and implementation and other processes**  
6 **to minimize costs before costs for a specific storm are incurred, contractors are**  
7 **mobilized, and invoices are issued by the contractors and paid by the**  
8 **Company. What is your view of this recommendation?**

9 A. Mr. Kollen's recommendation is both unnecessary and inappropriate for this  
10 proceeding. FPL does not need to receive a ratemaking incentive to do what the  
11 Company has been doing and performing as an industry leader for years: preparing  
12 for and responding to hurricanes and other weather events. Time and again the  
13 Company has demonstrated to the Commission that its actions in preparing for and  
14 responding to major weather events including hurricanes were prudent and the  
15 associated costs were reasonable. Continuous improvement in planning,  
16 implementation, and all aspects of our operations is firmly instilled as part of the  
17 Company's practices and culture. Moreover, the Commission always has the final  
18 say on prudence and reasonableness issues.

19 **Q. On page 25-26 of his testimony, Mr. Kollen expresses his opinion that the**  
20 **Company "unnecessarily delayed the demobilization of numerous contractors."**  
21 **What is your view of this statement?**

22 A. As detailed in FPL's response to Staff's 1<sup>st</sup> Set of Interrogatories, No. 7, FPL began  
23 the crew release process on September 3, 2019, with additional releases occurring on

1 September 4, 2019 and September 5, 2019. As noted in that response, a Hurricane  
2 Warning issued by the NHC was in effect for portions of Florida from September 1  
3 into September 4, which along with the path of the storm, factored into FPL's  
4 decision to release contractor crews in multiple phases as the storm's potential impact  
5 to FPL's service territory evolved. Staggering demobilization in this manner ensured  
6 that sufficient crews remained to handle any potential threats posed by the hurricane,  
7 while also ensuring that crews were being maneuvered and demobilized safely and  
8 efficiently.

9  
10 **IV. MUTUAL ASSISTANCE**

11  
12 **Q. Mr. Kollen claims in his testimony that FPL did not appropriately exercise its**  
13 **use of mutual assistance utilities in responding to Hurricane Dorian. Do you**  
14 **agree?**

15 **A.** No. To summarize and expand on my direct testimony pertaining to mutual  
16 assistance storm restoration support, the ability to scale up resources to match the  
17 increased volume of workload is an important component of each storm restoration.  
18 The use of mutual aid support is therefore a critical and instrumental component of  
19 any large electric utility restoration effort, and that support was engaged and utilized  
20 appropriately in responding to Hurricane Dorian.

21  
22 It is important to note that restoration support from mutual assistance utilities is  
23 provided by members of the SEE and/or the Regional Mutual Assistance Groups

1 (“RMAG”) within EEI. The SEE and EEI provide procedures, guidelines and  
2 principles for its members, for both requests and responding to requests for mutual  
3 assistance resulting from emergency restoration events. This includes guidelines for  
4 responding utilities to keep and maintain cost support and for requesting utilities to  
5 reimburse responding utilities for costs incurred.

6  
7 An overriding principle for providing restoration support is that, unlike non-mutual  
8 assistance utility contractors that have negotiated rates, restoration support from SEE  
9 and EEI members is provided on a not-for-profit basis (i.e., utilities charge only their  
10 actual costs incurred). Therefore, mutual assistance costs reflect the actual expenses  
11 incurred by the mutual assistance utilities’ support of FPL’s restoration. This ensures  
12 that the responding mutual assistance utility’s customers are not paying for the costs  
13 to restore service to the requesting utility’s customers (in this case, FPL) and that the  
14 requesting utility’s customers are not subsidizing the responding mutual assistance  
15 utility’s customers.

16 **Q. On page 24 of his testimony, Mr. Kollen states that “most of the costs incurred**  
17 **for line contractors from the mutual assistance companies were from**  
18 **geographically distant companies.” What is your view of this statement?**

19 **A.** Mr. Kollen’s statement reflects a lack of understanding about how mutual assistance  
20 works. FPL of course would prefer to receive mutual aid from utilities in closer  
21 proximity to FPL’s territory, but that is not always an option, as those utilities are  
22 most likely to be impacted by the same event. In the case of Hurricane Dorian,  
23 mutual assistance resources were not readily available since many of the SEE



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1 member utilities had decided to hold their resources and/or were requesting resources  
2 themselves in anticipation of a potentially impactful storm. Given the limited  
3 available resources in the SEE, FPL was required to reach out to other RMAGs. As  
4 a result, mutual assistance utilities such as National Grid provided support to our  
5 customers as a potentially catastrophic hurricane approached the State of Florida.  
6 FPL's decisions in this regard were prudent inasmuch as they balanced the needs of  
7 timely and efficiently restoring power to our customers with the costs of bringing in  
8 available external resources based on the expected forecast and intensity of the  
9 hurricane at the time the acquisition decisions were made.

10 **Q. Also on page 24 of his testimony, Mr. Kollen states that "Sixty percent of the**  
11 **Company's costs incurred for line contractors from mutual assistance**  
12 **companies were charged by these two companies alone." What is your view of**  
13 **this statement?**

14 **A.** The fact that a significant proportion of the mutual assistance costs were charged by  
15 only two utilities simply reflects the level of work that those utilities performed. Of  
16 the seven mutual assistance utilities that charged costs to FPL and traveled to FPL's  
17 service territory to perform restoration work, Commonwealth Edison and National  
18 Grid were amongst the ones that provided the most support. So, it is logical that  
19 those utilities would comprise the greatest portion of costs for mutual assistance  
20 companies.

21 **Q. On pages 47 of his testimony, Mr. Kollen makes a recommendation that FPL**  
22 **inform the mutual assistance company that they will need to justify costs in**

1        **future invoices that are unreasonable. What is your view of this**  
2        **recommendation?**

3        A.    As previously explained, the costs referenced by Mr. Kollen are not unreasonable.  
4        The utilities providing assistance are charging FPL only their actual costs incurred,  
5        and their assistance is provided on a not-for-profit basis.

6        **Q.    What is your conclusion regarding Mr. Kollen's comments pertaining to mutual**  
7        **assistance utility costs and storm restoration?**

8        A.    Mr. Kollen's testimony reflects a lack of understanding about how mutual assistance  
9        between electric utilities works, and his proposal would disallow valid expenses  
10       prudently incurred by these utilities in preparation for and in support of FPL's  
11       restoration efforts.

12

13       As quoted in my direct testimony, Florida Governor DeSantis thanked FPL for its  
14       efforts associated with Hurricane Dorian by stating, "But that was really great  
15       preparation and I think that's not always the case anytime there's a storm in any part  
16       of the country...". FPL successfully executed on its emergency preparedness plan  
17       and the restoration process, relying on its own management and employees,  
18       contractors, and mutual assistance to safely restore critical infrastructure and the  
19       greatest number of customers in the least amount of time.

20       **Q.    Does this conclude your rebuttal testimony?**

21       A.    Yes.