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FPL’s Response to Staff’s First Interrogatories Nos. 1–25

(Nos. 19, 25 have attachments)

QUESTION:
For Interrogatories 1-18, please refer to Schedule CT-2, Exhibit AS-1, Page 5 of 25, of FPL's May 3, 2021, filing in Docket No. 20210002-EG.

For the Residential Home Energy Survey program, please explain the principle drivers for the variance of ($306,158) in Payroll & Benefits for the period January 2020 -December 2020.

RESPONSE:
The variance is primarily driven by a shift in the allocation of payroll to other activities in the company. Due to the COVID-19 pandemic, there was a reduction in field visits for the Residential Home Energy Survey program resulting in changes to payroll allocation of the employees to other projects to mitigate the costs for the program.

QUESTION:
For Interrogatories 1-18, please refer to Schedule CT-2, Exhibit AS-1, Page 5 of 25, of FPL's May 3, 2021, filing in Docket No. 20210002-EG.

For the Residential Home Energy Survey program, please explain the principle drivers for the variance of ($261,400) in Outside Services for the period January 2020 -December 2020.

RESPONSE:
The primary driver for this variance is lower than expected expenses associated with development of advertising content for the Home Energy Survey and support of home shows that were suspended due to the COVID– 19 pandemic.

QUESTION:
For Interrogatories 1-18, please refer to Schedule CT-2, Exhibit AS-1, Page 5 of 25, of FPL's May 3, 2021, filing in Docket No. 20210002-EG.

For the Residential Home Energy Survey program, please explain the principle drivers for the variance of ($398,543) in Advertising for the period January 2020 - December 2020.

RESPONSE:

The primary driver for this variance is lower than projected expenses associated with advertising. As a result of the COVID- 19 pandemic, there was no new production for TV/Radio. The campaign was put together with existing assets that did not require bringing people together to do a new production shoot.

QUESTION:
For Interrogatories 1-18, please refer to Schedule CT-2, Exhibit AS-1, Page 5 of 25, of FPL's May 3, 2021, filing in Docket No. 20210002-EG.

For the Residential Ceiling Insulation program, please explain the principle drivers for the variance of ($174,940) in Rebates for the period January 2020 - December 2020.

RESPONSE:
The variance is primarily due to lower than projected participation. During the second half of the year, participation was significantly lower than projected as a result of the COVID– 19 pandemic. Participation in this program is mostly driven by Home Energy Survey field visits, which were reduced during this period.

QUESTION:
For Interrogatories 1-18, please refer to Schedule CT-2, Exhibit AS-1, Page 5 of 25, of FPL's May 3, 2021, filing in Docket No. 20210002-EG.

For the Residential Load Management ("On Call") program, please explain the principle drivers for the variance of ($210,365) in Depreciation & Return for the period January 2020 - December 2020.

RESPONSE:
The variance is primarily driven by lower than projected purchases of transponders for the Residential On-Call program. Additionally, due to COVID-19 impacts, customer participation and repair work was lower than projected.

QUESTION:
For Interrogatories 1-18, please refer to Schedule CT-2, Exhibit AS-1, Page 5 of 25, of FPL's May 3, 2021, filing in Docket No. 20210002-EG.

For the Residential Load Management ("On Call") program, please explain the principle drivers for the variance of ($548,923) in Payroll & Benefits for the period January 2020 - December 2020.

RESPONSE:
The reduction in payroll is primarily the result of two drivers:

1) The variance is the result of the way FPL's budget system reflects the pre-capitalized labor cost for FPL's Residential Load Management program. At the time of purchase, FPL pre-capitalizes the contractor labor cost associated with installing the load control transponders (LCTs) in customers' homes and FPL books a credit for the associated labor costs in the "Other" category. Once an LCT is removed from inventory and installed in a customer's home, this entry is reversed and recorded to Payroll & Benefits category. The 2020 actual amount reflects the pre-capitalized credit of $255,154.64 in payroll, whereas the 2020 projection reflects the credit in the "Other" category.

2) The overall payroll expenses related to support the program were lower than projected as a result of payroll reallocation to other activities due to the COVID – 19 pandemic.

QUESTION:
For Interrogatories 1-18, please refer to Schedule CT-2, Exhibit AS-1, Page 5 of 25, of FPL's May 3, 2021, filing in Docket No. 20210002-EG.

For the Residential Load Management ("On Call") program, please explain the principle drivers for the variance of ($318,539) in Outside Services for the period January 2020 - December 2020.

RESPONSE:
The 2020 projection was based on several planned activities, such as developing an advertising campaign, which were suspended. In addition, the plan to perform measurement and verification analysis has been postponed.

QUESTION:
For Interrogatories 1-18, please refer to Schedule CT-2, Exhibit AS-1, Page 5 of 25, of FPL's May 3, 2021, filing in Docket No. 20210002-EG.

For the Residential Load Management ("On Call") program, please explain the principle drivers for the variance of ($570,815) in Rebates for the period January 2020 - December 2020.

RESPONSE:
The variance of $570,815 is primarily due to lower than projected program participation in the second half of 2020.

QUESTION:
For Interrogatories 1-18, please refer to Schedule CT-2, Exhibit AS-1, Page 5 of 25, of FPL's May 3, 2021, filing in Docket No. 20210002-EG.

For the Residential Load Management ("On Call") program, please explain the principle drivers for the variance of $131,726 in the "Other" expense category for the period January 2020 - December 2020.

RESPONSE:
This variance amount is a result of the way FPL's budget system reflects the pre-capitalized labor cost for FPL's Residential Load Management program. At the time of purchase, FPL pre-capitalizes the contractor labor cost associated with installing the load control transponders in customers' homes and FPL books a credit for the associated labor costs in the "Other" category. The 2020 projection included six months of projected credit of $425,290.60 resulting in a lower expense in this category. This variance is partially offset by lower than projected expenses such as software and telecommunications.

QUESTION:
For Interrogatories 1-18, please refer to Schedule CT-2, Exhibit AS-1, Page 5 of 25, of FPL's May 3, 2021, filing in Docket No. 20210002-EG.

For the Residential Air Conditioning program, please explain the principle drivers for the variance of ($52,639) in the "Other" expense category for the period January 2020 - December 2020.

RESPONSE:
The variance is primarily the result of lower than projected costs associated with printed material for promoting the program. The variance in this category is partially offset by advertising costs associated with a digital media campaign for the program.

QUESTION:
For Interrogatories 1-18, please refer to Schedule CT-2, Exhibit AS-1, Page 5 of 25, of FPL's May 3, 2021, filing in Docket No. 20210002-EG.

For the Residential Low Income Weatherization program, please explain the principle drivers for the variance of ($96,423) in Payroll & Benefits for the period January 2020 - December 2020.

RESPONSE:
The variance is primarily driven by a reduction in the work performed by FPL field representatives for installations for the Residential Low Income program. Due to the COVID– 19 pandemic there was a significant reduction in participation in the program.

QUESTION:
For Interrogatories 1-18, please refer to Schedule CT-2, Exhibit AS-1, Page 5 of 25, of FPL's May 3, 2021, filing in Docket No. 20210002-EG.

For the Residential Low Income Weatherization program, please explain the principle drivers for the variance of ($68,773) in Rebates for the period January 2020 - December 2020.

RESPONSE:
The variance is primarily driven by lower than projected participation. There was a reduction in installs for the Low-Income Programs due to the COVID-19 pandemic

QUESTION:
For Interrogatories 1-18, please refer to Schedule CT-2, Exhibit AS-1, Page 5 of 25, of FPL's May 3, 2021, filing in Docket No. 20210002-EG.

For the Cogeneration and Small Power Production program, please explain the principle drivers for the variance of $37,213 in Payroll & Benefits for the period January 2020 - December 2020.

RESPONSE:
The variance is due to higher than projected payroll allocation for employees supporting the Cogeneration and Small Power Production program.

QUESTION:
For Interrogatories 1-18, please refer to Schedule CT-2, Exhibit AS-1, Page 5 of 25, of FPL's May 3, 2021, filing in Docket No. 20210002-EG.

For the Business Efficient Lighting program, please explain the principle drivers for the variance of $74,743 in Rebates for the period January 2020 - December 2020.

RESPONSE:
The primary reason for the variance in rebates is higher than projected participation.

QUESTION:
For Interrogatories 1-18, please refer to Schedule CT-2, Exhibit AS-1, Page 5 of 25, of FPL's May 3, 2021, filing in Docket No. 20210002-EG.

For the Commercial/Industrial Load Control program, please explain the principle drivers for the variance of ($529,232) in Rebates for the period January 2020 - December 2020.

RESPONSE:
The primary reason for the variance in Rebates is a reduction in program participation as well as lower than projected demand.

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QUESTION:
For Interrogatories 1-18, please refer to Schedule CT-2, Exhibit AS-1, Page 5 of 25, of FPL's May 3, 2021, filing in Docket No. 20210002-EG.

For the Commercial/Industrial Demand Reduction program, please explain the principle drivers for the variance of $487,803 in Rebates for the period January 2020 - December 2020.

RESPONSE:
The variance in Rebates is primarily driven by higher than projected demand since the rebates are based on the controllable demand.

QUESTION:
For Interrogatories 1-18, please refer to Schedule CT-2, Exhibit AS-1, Page 5 of 25, of FPL's May 3, 2021, filing in Docket No. 20210002-EG.

For the Business Heating, Ventilating & A/C program, please explain the principle drivers for the variance of $2,032,263 in Rebates for the period January 2020 - December 2020.

RESPONSE:
The variance is primarily driven by significantly higher than projected participation in the Business Heating, Ventilating & A/C program.

QUESTION:
For Interrogatories 1-18, please refer to Schedule CT-2, Exhibit AS-1, Page 5 of 25, of FPL's May 3, 2021, filing in Docket No. 20210002-EG.

For the Business Energy Evaluation program, please explain the principle drivers for the variance of $719,298 in Advertising for the period January 2020 - December 2020.

RESPONSE:
The variance is primarily driven by significantly higher than projected advertising the Business Energy Evaluation (BEE) program. FPL launched a new business energy analyzer for this program. FPL's advertising campaign is designed to create customer awareness of a broad array of energy efficiency opportunities, tools and services that can help lower our customers' energy usage and bills. It achieves this by promoting participation in the Business Energy Evaluation program. FPL focuses its advertising on this program because it acts as a gateway to FPL's other DSM programs, as well as providing information on low or no-cost energy-saving options.

QUESTION:
As presented in Schedule CT-2, the expenses for Advertising are allocated to four programs. In the May 3, 2021, filing, witness Anita Sharma states at Page 2, Line 8 that she is sponsoring Appendix A. By program, please indicate which portions of Appendix A support the expenses shown in Schedule CT-2.

RESPONSE:
Please see Attachment I to this Interrogatory.

QUESTION:

For Conservation Program Common Expenses (Line 17, Exhibit AS-1, Page 5), please answer the following:

a. Please explain the principle drivers for the variance of ($59,818) in Payroll & Benefits for the period January 2020 - December 2020.

b. Please explain the principle drivers for the variance of ($20,670) in Materials & Supplies for the period January 2020 - December 2020.

c. Please explain the principle drivers for the variance of ($99,251) in the "Other" expense category for the period January 2020 - December 2020.

RESPONSE:

a. The variance in Payroll & Benefits is primarily due to lower payroll allocation.
b. The variance in Materials & Supplies is primarily due to lower than projected uniform purchases for the field representatives.
c. The variance in "Other" is primarily driven by lower than projected travel expenses as a result of the COVID - 19 pandemic.

QUESTION:
As a result of suspending conservation programs in 2020 due to COVID-related concerns, please describe the actions the Company took (e.g. reallocation of assignments, etc.) regarding the employees that normally perform administrative functions to support such programs. As part of your response, please address how the payroll-related costs for such employees were allocated during 2020.

RESPONSE:
There was no payroll reallocation for administrative staff as a result of the COVID-19 pandemic. The payroll allocation for the administrative employees is based on their support of DSM programs. During 2020, Demand Side Management administrative activities such as regulatory filings, program management, budgets continued. The only conservation programs that were suspended were related to field visits such as surveys, Low Income, Residential & Business On-Call.

QUESTION:
In 2020, the Commission approved a change in FPL's DSM Plan that permitted the suspension of enrollments in the Company's conservation programs under specified conditions.

a. By program, please specify which Conservation programs, if any, had enrollments suspended in 2020.

b. Please identify the additional (or incremental) costs that were incurred to implement the changes to FPL's DSM Plan. As part of your response, please address where such costs are reflected in the May 3, 2021, true up filing.

RESPONSE:

a. The only conservation programs that were suspended were related to field visits, such as surveys, Low Income, Residential & Business On-Call.

b. No additional costs resulted from the changes to FPL's DSM Plan.

QUESTION:
For Interrogatories 23-24, please refer to Schedule CT-4, Exhibit AS-1, Page 13 of 25, of FPL's May 3, 2021, filing in Docket No. 20210002-EG to answer the following questions.

Please explain in detail the ($3,924,020) amount shown for Common Expenses on Line 2 of this schedule.

RESPONSE:
The variance is primarily due to the transfer of $3.3 million to the Business Energy Evaluation Program, which were incorrectly included in Common Expenses.

QUESTION:
For Interrogatories 23-24, please refer to Schedule CT-4, Exhibit AS-1, Page 13 of 25, of FPL's May 3, 2021, filing in Docket No. 20210002-EG to answer the following questions.

Please explain in detail the items included in the Depreciation Base amounts considered in the development of Common Expenses on Line 3 of this schedule.

RESPONSE:
The amounts reflected in depreciation base on line 3 of Common Expenses relate to capitalized software and computer equipment related to DSM programs.

QUESTION:
Please refer to Schedule CT-4, Exhibit AS-1, Page 15 of 25, of FPL's May 3, 2021, filing in Docket No. 20210002-EG. Please explain in detail the ($6,688,888) Investment (Net of Retirements) amount recorded in April 2020, on Line 2 of this schedule for the Residential Load Management ("On Call") program.

RESPONSE:
The $6.7 million represents $7.1 million of retirements and $0.074 million of additions associated with the Residential Load Management Program.

Please see Attachment I to this Interrogatory.