

Docket No. 20210007-EI
Cross-Examination
Hearing Exhibit

Exhibit No.: OPC-1

Proffered by: Public Counsel

Short title: FPL's Response to Staff's 2nd Interrogatories Nos. 2-16

Witness(s): Sole

**Florida Power & Light Company
Docket No: 20210007-EI
Staff's 2nd Set of Interrogatories
Interrogatory No. 2
Page 1 of 1**

QUESTION:

For the following questions, please refer to FPL witness Deaton's direct testimony filed April 1, 2020, Exhibit RBD-1, page 4 of 74.

Project 19a – Substation Pollutant Discharge Prevention & Removal - Distribution. Please explain the 8.1 percent increase in Operational and Maintenance (O&M) expenses for Project 19a.

RESPONSE:

For responses to Interrogatories 2-10, FPL refers to FPL Witness Deaton's direct testimony filed April 1, 2021.

The 8.1%, an increase of \$289,307, was primarily due to a higher than projected number of transformer repairs, which occurred after the 2020 Actual/Estimated true-up was filed due to the availability of a mobile transformer at the Hyde Park Substation. While the mobile transformer was in the area, it was decided to move the mobile transformer to the substation location so leak repairs could be performed.

A mobile transformer or other backup source is required when a transformer cannot be de-energized for leak repairs due to the demand for electricity in the surrounding area. The mobile transformer/backup source provides the electricity required while a transformer is de-energized for leak repairs.

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Interrogatory No. 3
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QUESTION:

For the following questions, please refer to FPL witness Deaton's direct testimony filed April 1, 2020, Exhibit RBD-1, page 4 of 74.

Project 21 – St. Lucie Turtle Nets. Please explain the 9.0 percent increase in O&M expenses for Project 21.

RESPONSE:

The 9.0% or \$26,828 variance is primarily due to higher than projected costs associated with inspections and net cleaning of algae at the St. Lucie Plant.

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Interrogatory No. 4
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QUESTION:

For the following questions, please refer to FPL witness Deaton's direct testimony filed April 1, 2020, Exhibit RBD-1, page 4 of 74.

Project 24 – Manatee Reburn. Please explain the 10.2 percent increase in O&M expenses for Project 24.

RESPONSE:

The 10.2% or \$2,414 increase in O&M expenses was primarily due to the replacement of a failed transmitter that occurred subsequent to the Estimated/Actual true-up filing. The transmitter is required to operate Units 1 and 2 to support system demand.

**Florida Power & Light Company
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Interrogatory No. 5
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QUESTION:

For the following questions, please refer to FPL witness Deaton's direct testimony filed April 1, 2020, Exhibit RBD-1, page 4 of 74.

Project 35 – Martin Plant Drinking Water System Compliance. Please explain the 17.8 percent decrease in O&M expenses for Project 35.

RESPONSE:

The 17.8% or \$1,863 decrease was primarily due to costs associated with RO/Membrane cleaning, which were included in the actual/estimated true-up filing and incurred in 2020 but were incorrectly booked to a base O&M account. A correction to move these costs from base O&M to the appropriate ECRC recoverable account has been made.

**Florida Power & Light Company
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Interrogatory No. 6
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QUESTION:

For the following questions, please refer to FPL witness Deaton's direct testimony filed April 1, 2020, Exhibit RBD-1, page 4 of 74.

Project 41 – Manatee Temporary Heating System. Please explain the 21.1 percent decrease in O&M expenses for Project 41.

RESPONSE:

The 21.1% or \$32,032 decrease in O&M expenses was primarily due to less than projected maintenance on the heaters at Ft. Myers Plant and less than projected required environmental and biological monitoring at Dania Beach Energy Center.

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Interrogatory No. 7
Page 1 of 1**

QUESTION:

For the following questions, please refer to FPL witness Deaton's direct testimony filed April 1, 2020, Exhibit RBD-1, page 4 of 74.

Project 48 – Industrial Boiler MACT. Please explain the 94.5 percent decrease in O&M expenses for Project 48.

RESPONSE:

The 94.5%, or \$30,864 decrease in O&M expenses for Project 48 was primarily due to costs associated with the completion of Boiler MACT requirements, which have not yet been charged to the project due to a pending invoice correction to be provided by the vendor. The costs will be charged once a corrected invoice is received.

**Florida Power & Light Company
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Interrogatory No. 8
Page 1 of 1**

QUESTION:

For the following questions, please refer to FPL witness Deaton's direct testimony filed April 1, 2020, Exhibit RBD-1, page 4 of 74.

Project 50 – Steam Electric Effluent Guidelines Revised Rules. Please explain the 14.1 percent increase in the O&M expenses for Project 50.

RESPONSE:

The 14.1% or \$650 increase in O&M expenses was the result of the incorrect coding of an invoice to an internal order associated with this project. This error has been corrected.

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Staff's 2nd Set of Interrogatories
Interrogatory No. 9
Page 1 of 1**

QUESTION:

For the following questions, please refer to FPL witness Deaton's direct testimony filed April 1, 2020, Exhibit RBD-1, page 4 of 74.

Project 51 – Gopher Tortoise Relocations. Please explain the 9.2 percent increase in O&M expenses for Project 51.

RESPONSE:

The 9.2% or \$2,656 increase was due to more tortoise relocations than estimated at the Manatee Plant.

**Florida Power & Light Company
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Staffs 2nd Set of Interrogatories
Interrogatory No. 10
Page 1 of 1**

QUESTION:

For the following questions, please refer to FPL witness Deaton's direct testimony filed April 1, 2020, Exhibit RBD-1, page 4 of 74.

Project 123 – Protected Species Project. Please explain the 11.8 percent increase in the O&M expenses for Project 123.

RESPONSE:

The 11.8% or \$4,000 increase was primarily associated with consultant fees for conceptual designs and options for permanent barriers at the Cape Canaveral Energy Center, which were not included in the 2020 Actual/Estimated true-up filing and incurred in December 2020. At the time of the Actual/Estimated true-up filing, the interim option was FPL's primary concern, which did not require any outside consulting services. That interim option was installed in the third quarter of 2020. Since the wildlife agencies asked FPL to continue exploring a permanent option, consulting services were requested to provide additional solutions in the fourth quarter of 2020.

**Florida Power & Light Company
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Interrogatory No. 11
Page 1 of 1**

QUESTION:

For the following questions, please refer to FPL's witness Deaton's direct testimony filed April 1, 2020, Exhibit RBD-1, page 9 of 74.

Project 35 – Martin Plant Drinking Water System Compliance. Please explain the 6.07 percent decrease in Capital investment for this project.

RESPONSE:

For responses to Interrogatories 11-12, FPL refers to FPL Witness Deaton's direct testimony filed April 1, 2021.

The 6.07% or \$1,225 decrease in capital revenue requirements was due to the retirement of the Martin Plant Drinking Water System in October 2020. This caused the average net investment of the plant to be less than forecasted, thus reducing the recoverable costs attributable to the project.

**Florida Power & Light Company
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Interrogatory No. 12
Page 1 of 1**

QUESTION:

For the following questions, please refer to FPL's witness Deaton's direct testimony filed April 1, 2020, Exhibit RBD-1, page 9 of 74.

Project 47 – NPDES Permit Renewal Requirements. Please explain the 18.23 percent decrease in Capital investment for this project.

RESPONSE:

The 18.23% or \$9,671 decrease in capital revenue requirements was primarily due to the timing of expenditures associated with the St. Lucie Nuclear Plant's Chlorine Dioxide system, which occurred later in the year than forecasted. This resulted in a lower than estimated return on investment.

**Florida Power & Light Company
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Interrogatory No. 13
Page 1 of 1**

QUESTION:

For the following question, please refer to FPL's witness Sole's direct testimony filed April 1, 2020.

Please refer to page 4, lines 9 through 11. Project 3 – Continuous Emissions Monitoring Systems (CEMS). Why were the CEMS maintenance costs at the Manatee and Sanford plants lower than projected?

RESPONSE:

For responses to Interrogatories 13-16, FPL refers to FPL Witness Sole's direct testimony filed April 1, 2021.

CEMS maintenance costs at the Manatee and Sanford plants were lower than projected due to better than expected equipment reliability and a decrease in maintenance frequency.

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Interrogatory No. 14
Page 1 of 1**

QUESTION:

For the following question, please refer to FPL's witness Sole's direct testimony filed April 1, 2020.

Please refer to page 5, lines 3 through 8. Project 22 – Pipeline Integrity Management. Please explain the differences between the inline inspection and the alternate test with respect to the Manatee Plant pipeline integrity inspection.

RESPONSE:

In-Line-Inspection ("ILI"): ILI tool or tools capable of detecting corrosion and deformation anomalies, including dents, gouges, and grooves. For pipeline segments that are susceptible to cracks (pipe body and weld seams), an operator must use an in-line inspection tool or tools capable of detecting crack anomalies. Although this is the preferred inspection method, which is done by pushing a smart tool inside the pipe, there are situations when we cannot stop the flow of product in the pipeline to perform the inspection.

Pressure or Hydrotest: When the ILI method cannot be performed, we can pressure up the pipeline using product or water to the pipeline maximum allowable pressure x 1.1 and hold for 8 hours to ensure no leaks. The Pressure or Hydrotest method was the alternate assessment used to perform the Manatee Plant pipeline inspection that is the subject of this interrogatory.

**Florida Power & Light Company
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Interrogatory No. 15
Page 1 of 1**

QUESTION:

For the following question, please refer to FPL's witness Sole's direct testimony filed April 1, 2020.

Please refer to page 5, lines 11 through 13. Project 23 – Spill Prevention, Control and Countermeasures (SPCC). Please explain the type of repairs and costs for the SPCC oil diversionary structure repairs at the 40 sites.

RESPONSE:

Oil diversionary structures (curbing) are installed in FPL substations to ensure oil containment from potential mineral oil releases to the environment from transformers that remain inside the perimeter of substations. During 2020, repairs were made to broken oil diversionary structures to ensure the integrity of the structures could not be breached by a mineral oil release.

Repairs consisted of removing any crushed concrete due to adjacent construction activities or cracked concrete deteriorated due to age. The damaged area of concrete is removed, prepared with wood framing and rebar and new concrete is poured.

In 2020, repairs were made at 40 FPL substations in the amount of \$288,722.

**Florida Power & Light Company
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Staff's 2nd Set of Interrogatories
Interrogatory No. 16
Page 1 of 1**

QUESTION:

For the following question, please refer to FPL's witness Sole's direct testimony filed April 1, 2020.

Please refer to page 20, lines 22 through 23. Project 42 – Turkey Point Cooling Canal. Please provide a breakdown of what is included in the \$800,000 in O&M costs related to the NPDES/IWW permit litigation.

RESPONSE:

The \$800,000 in O&M costs related to the NPDES/IWW permit litigation was estimated as follows: FPL outside counsel - 54%, travel expenses - 21%, FPL staff resources - 17%, and expert consulting services - 8%.

DECLARATION

I sponsored the answer to Interrogatory Nos. 2 through 16 from **STAFF'S SECOND SET OF INTERROGATORIES (NOS. 2-16)** to Florida Power & Light Company in Docket No. 20210007-EI. The responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.



Michael W. Sole

Date: June 1/2021