

Docket No. 20210007-EI
Cross-Examination
Hearing Exhibit

Exhibit No.: OPC-3

Proffered by: Public Counsel

Short title: FPL's Response to Staff's 4th Interrogatories Nos. 24-27

Witness(s): Renee Deaton

Florida Power & Light Company
Docket No. 20210007-EI
Staff's 4th Set of Interrogatories
Interrogatory No. 24
Page 1 of 1

QUESTION:

Please refer to FPL witness Deaton's direct testimony filed August 27, 2021, page 7, lines 3 through 8. Please fill out the following table indicating the amortization amounts for the identified ECRC projects.

RESPONSE:

Please see requested information below included in FPL's 2022 Projection Filing.

Project Number	Monthly Amortization Amount Per Project				
	Martin 1&2 (beginning 1/1/22)	Manatee 1&2 (beginning 2/1/22)	Lauderdale 4&5 (beginning 1/1/22)	Scherer 4 (beginning 2/1/22)	Gulf Clean Energy Center Units 4-7 (beginning 1/1/22)
3	\$1,880	\$1,763	\$759	\$338	
5	\$5,111	\$3,761			
8	\$29	\$355			
12				\$867	
20	\$2,215				
22		\$1,924			
23	\$2,113	\$3,915	\$18		\$21
24		\$65,742			
27					\$13,936
35	\$738				
54				\$438,467	
402					\$91,367
413					\$561
419					\$212,837
422					\$31,803
426	\$548,742	\$441,102		\$1,468,748	\$1,293,421
Total	\$560,828	\$518,562	\$776	\$1,908,420	\$1,643,948

Amortization amounts reflected above are based on projected remaining net book value of the retired assets as of May 31, 2021 and are slightly different from the unrecovered investment reflected on Exhibit D of FPL's proposed Settlement Agreement pending approval by the Commission in Docket No. 20210015-EI. Note, the actual amount of amortization recovered through ECRC will be based on the unrecovered investment on FPL's books and records at the time amortization begins.

**Florida Power & Light Company
Docket No. 20210007-EI
Staff's 4th Set of Interrogatories
Interrogatory No. 25
Page 1 of 1**

QUESTION:

Please refer to FPL witness Deaton's direct testimony filed August 27, 2021, page 7, lines 9 through 19. Please indicate the amount by which the following proposed adjustments from the proposed Settlement Agreement filed in Docket No. 20210015 will impact the ECRC projects. As part of your response, please use the project number to identify the ECRC project.

a. Dismantlement accrual

b. Scherer ash pond closure costs

c. Groundwater Contamination Investigation and Solid & Hazardous Waste Programs

RESPONSE:

Below are the amounts for the requested adjustments from the proposed Settlement Agreement filed in Docket No. 20210015-EI discussed on lines 9 through 19 on page 7 of FPL witness Deaton's testimony filed on August 27, 2021:

- a. – b. Please refer to Attachment I for the proposed dismantlement accrual reserve transfers between units impacting ECRC projects and the Scherer ash pond closure costs dismantlement reserve transfer from base to ECRC.
- c. The proposed adjustment for the Groundwater Contamination Investigation and Solid & Hazardous Waste Program O&M costs to be transferred from base to ECRC is \$496,836. This adjustment will increase the O&M reflected for ECRC project numbers 19 - Oil-filled Equipment and Hazardous Substance Remediation and 430 - General Solid & Hazardous Waste by \$408,036 and \$88,800, respectively.

Project	Project Description	Unit	Function	Reserve	Reserve	Current Accrual	Revised Accrual
				Transferred In ^{1,2}	Transferred Out ¹		Effective 1/1/2022
Project # 37	DE SOTO SOLAR PROJECT	Desoto Solar	Other Generation Plant	\$ -	\$ (1,240,160)	\$ 146,241	\$ 109,005
Project # 38	SPACE COAST SOLAR PROJECT	Space Coast Solar	Other Generation Plant	\$ -	\$ (499,367)	\$ 52,699	\$ 25,125
Project # 39	MARTIN SOLAR PROJECT	Martin Solar	Other Generation Plant	\$ -	\$ (5,079,140)	\$ 594,662	\$ 546,687
Project # 54	COAL COMBUSTION RESIDUALS	Scherer (FPL)	Steam Generation Plant	\$ 65,740,072	\$ -	\$ -	\$ 7,800,751
Project # 54	COAL COMBUSTION RESIDUALS	Crist Plant	Steam Generation Plant	\$ -	\$ (16,607,933)	\$ 307,876	\$ -
Project # 54	COAL COMBUSTION RESIDUALS	Daniel Plant	Steam Generation Plant	\$ 14,619,708	\$ -	\$ 317,179	\$ -
Project # 54	COAL COMBUSTION RESIDUALS	Scherer (Gulf)	Steam Generation Plant	\$ 24,159,836	\$ -	\$ 33,273	\$ 2,553,939
				\$ 104,519,616	\$ (23,426,600)	\$ 1,451,930	\$ 11,035,507

Notes:

¹ Amounts represent dismantlement reserve transfers related to the environmental cost recovery clause (ECRC) only. All other dismantlement reserve transfers relate to base rates and are not reflected herein.

² Amount reflected for Scherer (FPL) represents the Scherer Ash Pond Closure Costs dismantlement reserve transfer from base to ECRC.

**Florida Power & Light Company
Docket No. 20210007-EI
Staff's 4th Set of Interrogatories
Interrogatory No. 26
Page 1 of 1**

QUESTION:

Please refer to FPL witness Deaton's direct testimony filed August 27, 2021, Exhibit RBD-3, pages 22 and 23 of 171, Project 8 – Oil Spill Cleanup/Response Equipment Project – Intermediate and Peaking. Please explain why Construction Work In Progress (CWIP) (line 4) does not change when there are Expenditures/Additions (line 1a).

RESPONSE:

The Construction Work In Progress ("CWIP") amounts on line 4 of pages 22 and 23 show a balance of \$1,316 for the intermediate strata and an offsetting (\$1,316) for the peaking strata. This is due to an error made in May 2021 when reclassifying CWIP between the intermediate and peaking strata. The 2021 Final True-Up will reflect corrected CWIP balances for these two strata.

The CWIP (line 4) amounts reflected for the intermediate strata and peaking strata (pages 22 and 23 of filing) do not change because 100% of the expenditures are projected to be closed to plant in service each month in 2022.

Florida Power & Light Company
Docket No. 20210007-EI
Staff's 4th Set of Interrogatories
Interrogatory No. 27
Page 1 of 1

QUESTION:

Please refer to FPL witness Deaton's direct testimony filed August 27, 2021, Exhibit RBD-3, page 143 of 171, Project 124 – Miami-Dade Clean Water Recovery Center.

a. Please explain how cost-effectiveness was determined. As part of your response, explain whether the cost-effectiveness of each alternative compliance method was determined.

b. For each year the project is in service, please provide the estimated residential annual bill impact for a customer using 1,000 kWh per month. As part of your response, please complete the table below.

RESPONSE:

a. As noted in Michael W. Sole's July 29, 2021 testimony, the CWRC project stems from an agreement between FPL and Miami-Dade County to construct and operate a wastewater reuse system and to further compliance with environmental and reclaimed water reuse requirements ("the Agreement"). In meeting FPL's obligations in the Agreement, FPL did design the project in a manner that reduced costs and minimized environmental impacts. The location of the CWRC and route of the waterline were sited to maximize existing resources and reduce costs. The CWRC was sited in an upland location adjacent to Unit 5 to minimize infrastructure needs and avoid wetland impacts and associated mitigation costs. The corridor for the CWRC waterline utilizes existing infrastructure, including an FPL power transmission corridor, to the greatest extent practicable in order to maximize use of FPL-owned property and minimize environmental impacts. Approximately 78% of the corridor is located within the existing FPL transmission line right-of-way. Furthermore, FPL will competitively bid the engineering, procurement and construction of the project. FPL benefits from strong market presence allowing it to leverage corporate-wide procurement activities to the specific benefit of individual procurement activities. FPL's Project Controls group maintains the project scope, budget, and schedule and tracks project costs through various approval processes, procedures, and databases. These measures will ensure the CWRC project costs are reasonable and prudently incurred.

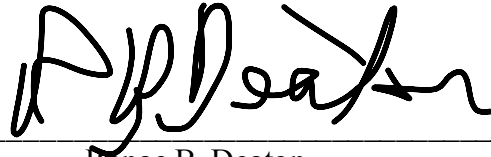
b.

Year	Average Monthly Impact	Annual Impact	Cumulative Impact
2022	\$0.01	\$0.12	\$0.12
2023	\$0.09	\$1.08	\$1.20
2024	\$0.18	\$2.16	\$3.36
2025	\$0.25	\$3.00	\$6.36
2026	\$0.25	\$3.00	\$9.36

DECLARATION

I sponsored the answer to Interrogatory Nos. 24-26 and co-sponsored Interrogatory No. 27 from **STAFF'S FOURTH SET OF INTERROGATORIES (NOS. 24-27)** 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.

A handwritten signature in black ink, appearing to read "R. B. Deaton", is written over a horizontal line.

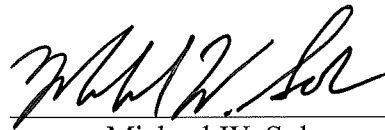
Renae B. Deaton

Date: _____

DECLARATION

I co-sponsored the answer to Interrogatory No. 27 from **STAFF'S FOURTH SET OF INTERROGATORIES (NOS. 24-27)** 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:

9/30/2021