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**FPL's response to staff's second set of  
productions of documents No. 2**



**QUESTION:**

Please provide a copy of your response to the Office of Public Counsel's Third Set of Interrogatories, Interrogatory No. 16, served on FPL April 22, 2022, in Docket 20220051-EI.

**RESPONSE:**

Please see the attached responsive document.



QUESTION:

Confirm that the Company uses a construction authorization initiation and approval process to budget and authorize capital expenditures, including capital expenditures, for SPP programs and projects. If confirmed, then describe the related procedures and guidelines, all forms and required justification, and all economic analyses. If there are differences between the initiation and approval process to budget and authorize capital expenditures for non-SPP programs and projects compared to SPP programs and projects, then identify and describe all such differences and identify all documentation that addresses the differences.

RESPONSE:

Confirmed. The planning and budget process used for FPL's SPP programs is the same rigorous and long-standing process used by FPL for the development and approval of all its O&M and capital expenditures budgets, including for non-SPP projects. Below is a summary of the process used by FPL in the development and approval of its O&M and capital expenditures budgets.

The planning process includes development and approval of the Company's planning and budget assumptions. These assumptions are prepared by various subject matter experts, and ultimately evaluated and approved by the budget review committee. Once approved, these projections, together with detailed budget instructions, are issued to the operating and staff units of the Company in the FPL Planning and Budgeting Process Guidelines ("Planning Process Guidelines"). A copy of Planning Process Guidelines is provided as Attachment 1 to this response.

Using the assumptions and Planning Process Guidelines, the FPL business units develop their objectives and goals, key initiatives and assumptions, as well as a preliminary funds request to support those business objectives.

The FPL Power Delivery business unit enters its forecast for O&M and capital into FPL's SAP system at the work breakdown ("WBS") level. Each activity is required to have a unique WBS element that maps all activities and costs to the required Federal Energy Regulatory Commission ("FERC") Uniform System of Accounts. For purposes of SPP, FPL accounts for SPP costs and expenses in the appropriate O&M and Capital accounts in accordance with its capitalization policy and the requirements of the Uniform System of Accounts in the Code of Federal Regulations, Section 18, Part 101.