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FPL’s Response to Staff's First Set of Interrogatories Nos. 2-5, 8-9

(Nos. 2, 6 have attachments)

QUESTION:
Please refer to the direct testimony of FPL's witness Jarro, Exhibit MJ-1 for the following questions.

Please fill out the following table with the operation and maintenance (O&M) and capital amounts of the revenue requirements for each of the respective SPP programs.

	Actual		Estimated										
Capital	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Distribution Inspection Program													
Transmission Inspection Program													
Distribution Feeder Hardening Program													
Distribution Lateral Hardening Program													
Transmission Hardening Program													
Distribution Vegetation Management Program													
Transmission Vegetation Management Program													
Substation Storm Surge/Flood Mitigation Program													
Distribution Winterization program													
Transmission Winterization Program													
Transmission Access Enhancement Program													
O&M													
Distribution Inspection Program													
Transmission Inspection Program													
Distribution Feeder Hardening Program													
Distribution Lateral Hardening Program													
Transmission Hardening Program													
Distribution Vegetation Management Program													
Transmission Vegetation Management Program													
Substation Storm Surge/Flood Mitigation Program													
Distribution Winterization program													
Transmission Winterization Program													
Transmission Access Enhancement Program													

RESPONSE:
Please see completed table provided as Attachment 1 to this response.

QUESTION:
Distribution Inspection Program. Please refer to page 14 of 63. Besides the wooden pole inspections, does this program include Gulf's feeder patrols and infrared patrols program from Gulf's 2019-2021 storm hardening plan?

RESPONSE:
No. The Distribution Inspection Program in FPL's 2023-2032 Storm Protection Plan does not include feeder patrols and infrared patrols from the former Gulf 2020-2029 Storm Protection Plan approved by Commission Order PSC-2020-0293-AS-EI. Rather, the feeder patrol and infrared patrol programs throughout the consolidated FPL service area, including the former Gulf service area, have been incorporated within FPL's on-going reliability programs and the associated costs are being recorded to base rates and are not being included for cost recovery through Storm Protection Plan Cost Recovery Clause pending in Docket No. 20220010-EI.

QUESTION:
Distribution Feeder Hardening Program. Please refer to page 27 of 63. Will the Distribution Automation initiative that is being included in this program be applied only to the former Gulf service area since FPL's Distribution Automation is currently being recovered in base rates?

RESPONSE:
Yes. The Distribution Automation initiative included as part of the Distribution Feeder Hardening Program in FPL's 2023-2032 Storm Protection Plan is applicable only to the former Gulf service area. This is consistent with Gulf's 2020-2029 Storm Protection Plan approved by Commission Order PSC-2020-0293-AS-EI.

FPL also confirms that distribution automation/smart grid efforts in the pre-consolidated FPL service area are currently recovered through base rates.

QUESTION:
Distribution Lateral Hardening Program. Please refer to page 36 of 63.

a. FPL stated its intent to implement an additional selection methodology for this program. Please explain how this new methodology satisfies Section (F.S.), with respect to specifically rural areas.

a. Will this new methodology be applied to the Distribution Feeder Hardening program, since one of the lessons learned for the Distribution Lateral Hardening program included design and constructing at the feeder level (reference page 30 of 63) to improve efficiency?

RESPONSE:
a. Section 366.96(4), F.S., provides the factors to be considered by the Commission in its review of a storm protection plan including subsection (b) which states that "[t]he extent to which storm protection of transmission and distribution infrastructure is feasible, reasonable, or practical in certain areas of the utility's service territory, including, but not limited to, flood zones and *rural areas*." Rule 25-6.030(3)(c), F.A.C., requires the storm protection plan to include a description of "any areas where the utility has determined that enhancement of the utility's existing transmission and distribution facilities would not be feasible, reasonable, or practical." As explained in Section IV(D)(5) of FPL's 2023-2032 Storm Protection Plan, "[a]t this time, FPL has not identified any regions where the Distribution Lateral Hardening Program would not be feasible, reasonable, or practical."

To be clear, under the 2023-2032 Storm Protection Plan, FPL will continue the existing feeder-based selection and prioritization method from the 2020-2029 Storm Protection Plan approved by Commission Order No. PSC-2020-0293-AS-EI throughout the entire FPL service area, including rural areas. Beginning in 2025, FPL's proposed Management Region approach is an addition to this current selection and prioritization methodology.

b. No, this new selection and prioritization methodology only applies to the Distribution Lateral Hardening Program.

FPL's Distribution Feeder Hardening Program began in 2006 and utilized a targeted methodology to harden all of FPL's critical infrastructure feeders ("CIF") that served acute care facilities, hospitals, 911 centers, police and fire stations, water treatment facilities, county emergency operation centers, and Community Project feeders (e.g., gas stations, grocery stores, pharmacies, etc.) throughout FPL's service area. FPL's 2020-2029 Storm Protection Plan approved by Commission Order No. PSC-2020-0293-AS-EI implemented a plan to harden the remaining feeders in the former FPL service area. FPL's 2023-2032 Storm Protection Plan filed on April 11, 2022 (Docket No. Docket No. 20220051-EI) continued this approach of targeting the approximately 1,000 feeders remaining to be hardened throughout the consolidated FPL service area, including the former Gulf service area.

QUESTION:
Transmission Access Enhancement Program. Please refer to pages 57 and 58 of 63.

a. Will any of these projects overlap with any Department of Transportation projects? If so, please identify and explain the overlapping projects in detail.

b. Will these roads and bridges be only for private utility use or will they be accessible by the public as well?

c. What would be the rate impact for this new program?

RESPONSE:
a. FPL has not identified any projects included in its Transmission Access Enhancement Program which would overlap with any Department of Transportation projects.

b. FPL and vendors performing work on behalf of FPL will use the roads, bridges and culverts included in the Transmission Access Enhancement Program. FPL typically has easement rights and, as such, the underlying property owner of the property will also have rights for associated facilities on their property. However, whether the public will be permitted to use these same roads and bridges will be dependent on the location and conditions of those roads and bridges, as well as the underlying property rights associated with the applicable easements and rights-of-way.

c. Please see requested information below:

Revenue Requirement			
	2023	**2024**	**2025**
Total Rev Req.	$ 42,883	$ 236,384	$ 1,230,689

Factor			
	2023	**2024**	**2025**
RS-1 ($/kWh)	$ -	$ -	$ 0.00001
GSD-1 ($/kW)	$ -	$ -	$ -
GSLDT-3 ($/kW)	$ -	$ -	$ -

QUESTION:
Please refer to Appendix C, page 2 of 2.

a. Distribution Inspection Program. Why does the number of pole inspections decrease from 180,000 to 160,000 for 2029 to 2030?

b. Transmission Inspection Program. Please explain why the number of transmission structures to be inspected increases each year for 2023 through 2032.

c. Distribution Feeder Hardening Program. FPL anticipates hardening 300 to 350 feeders in 2023, 250 to 350 feeders in 2024, 100 to 200 feeders in 2025, and 25 to 75 feeders in 2026 through 2030. Please explain the reasoning for the decrease in feeders from 2023 to 2030.

d. Distribution Lateral Hardening Program. Why is the number of laterals to be hardened increasing per year for the ten years listed?

e. Distribution Vegetation Management. Why is there capital expenditures for vegetation management?

f. Distribution Winterization Program. Would it be feasible to extend the Winterization program for ten years and spread out the components to be replaced?

   i. If no, please explain why?

   ii. If yes, please explain why FPL did not propose to do it in this manner.

RESPONSE:
a. In 2022, FPL began its third 8-year inspection cycle. The inspection cycle is determined by looking at the number of distribution poles as of year-end 2021 in the former FPL and former Gulf service areas. As such, 1.4 million distribution poles divided by 8 years results in the annual inspection plan of 180,000 poles. FPL would begin its fourth 8-year inspection cycle in 2030.

   However, as a result of the Distribution Lateral Hardening Program included in FPL's 2023-2032 Storm Protection Plan field on April 11, 2022 (Docket No 20220051-EI), FPL estimates that approximately 600-1,500 lateral projects will be undergrounded annually between 2023-2032. Undergrounding of the laterals will reduce the overhead distribution pole population, which is reflected in the decrease in the number of pole inspections required.

b. FPL expects the transmission system to increase over time as a result of customer growth and increases in demand. As the transmissions system grows the number of structures will naturally increase, which will result in FPL needing to inspect additional transmission structures in the future. This is reflected in the forecast for transmission structures to be inspected each year. Unlike in FPL's response to subpart (a) of this response, the Distribution Lateral Hardening Program will not reduce the number of transmission structures.

c. In FPL's Commission approved 2020-2029 Storm Protection Plan (Docket No. 20200071-EI), FPL was targeting to complete the hardening and undergrounding of the remaining feeders in the former FPL service area by the mid-2020s. In FPL's 2023-2032 Storm Protection Plan, FPL is continuing that plan but is adding and targeting to complete the hardening all feeders in the former Gulf service area by 2030. In Appendix C (2023 Project Level Detail), more than 45 projects are targeted for the former Gulf service area (denoted as 'Region: Northwest'). The decrease in number of feeders, represents the completion of the feeders in the former FPL service areas.

d. FPL first implemented the program as a Commission-approved three-year pilot in 2018. As part of the Settlement of the 2020-2029 Storm Protection Plan, the pilot was expanded and continued as a Distribution Lateral Hardening Program pilot through the end of 2022. As part of the 2023-2032 Storm Protection Plan, FPL is proposing to continue the existing Distribution Lateral Hardening Program as a permanent SPP program.
The increase in the estimated annual number of lateral projects is due primarily to the inclusion of the former Gulf service area in the program, the significant number of laterals that remain to be hardened throughout the consolidated FPL service area, the strong support and interest in the program, and the addition of the new Management Region selection approach beginning in 2025 as described in Section IV(D)(5) of FPL's 2023-2032 Storm Protection Plan.

   The ramp up reflects a realistic growth rate for the lateral hardening program. The acquisition of the proper material, equipment, labor, & engineering support will be on a 5-year incremental growth horizon as this program builds up to a peak execution by 2027.

e. The capital expenditures associated with FPL's Distribution Vegetation Management Program are due to the cost to acquire equipment and capability to perform advanced analytics and imageries to complement FPL's vegetation maintenance cycles on distribution feeders. As explained in FPL's 2023-2032 Storm Protection Plan filed on April 11, 2022 (Docket No 20220051-EI.), Section IV(F)(1)(a):

"As part of the 2023 SPP, FPL will use advanced analytics from a variety of sources (such as, but not limited to, satellite imagery, and ground-based LiDAR imaging) to develop predictive analytics that may be used to complement FPL's vegetation maintenance cycles on feeders. The use of advanced predictive analytics has the potential benefit of further reducing vegetation-related outages during extreme weather events."

f. Yes. It would be feasible to spread out the actions that will be taken over 10 years. However, FPL does not believe such an action would be in the best interests of its customers. Please see FPL's response to part (ii) of this question below.

i. N/A

ii. FPL determined that the most prudent course of action is to make these capacity upgrades in its existing Transmission and Distribution infrastructure in the near-term to help mitigate customer outages in FPL's service area should an extreme winter event occur in the near term.

Florida, while known for its comparatively mild winters, periodically receives extreme cold weather fronts that have historically impacted electric service. Moreover, the Texas February 2021 winter event was a region-wide reminder for all utilities in the Southeast more familiar with summer peaking events, such as FPL, that extreme winter weather should now be an every year concern. As explained in FPL's Ten Year Site Plan 2022-2031, the 2021 Texas experience prompted FPL to take a company-wide examination of how well its generation, transmission, distribution systems, fuel supply, and procurement strategies were positioned should an extreme winter event occurred in Florida. As a result of this analysis, FPL determined that 3.5 million rotation eligible customers on FPL's system could be subject to rolling blackouts over a three-day period should FPL's service area experience cold temperatures similar to the 1989 winter event.
Based on the foregoing, FPL determined that the most prudent course of action is to make these capacity upgrades in our existing Transmission and Distribution infrastructure in the near term to help mitigate customer outages in FPL's service area should an extreme winter event occur in the near term. As a result, FPL is currently targeting to begin these SPP winterization efforts in 2023, complete its Transmission Winterization Program in two years (in 2024), and complete its Distribution Winterization Program in four years (in 2026).