



**Christopher T. Wright**  
Senior Attorney – Regulatory  
**Florida Power & Light Company**  
700 Universe Blvd  
Juno Beach, FL 33408-0420  
Phone: (561) 691-7144  
E-mail: [Christopher.Wright@fpl.com](mailto:Christopher.Wright@fpl.com)  
Florida Authorized House Counsel;  
Admitted in Pennsylvania

August 1, 2022

*VIA ELECTRONIC FILING*

Mr. Adam Teitzman  
Division of the Commission Clerk and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

**Re: Docket No. 20220051-EI**  
**Second Correction to Florida Power & Light Company's**  
**Rebuttal Testimony of Michael Jarro**

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Dear Mr. Teitzman:

Enclosed for filing on behalf of Florida Power & Light Company ("FPL") are the following documents correcting the Rebuttal Testimony of Michael Jarro [DN 04177-2022] as previously corrected by FPL's first errata filed on July 27, 2022 [05031-2022]:


- Second Errata Sheet of FPL witness Michael Jarro
- Attachment 1 - a redline version of the Rebuttal Testimony of Michael Jarro
- Attachment 2 - a complete clean version of the Rebuttal Testimony of Michael Jarro, which includes the original Exhibit MJ-2 filed on June 21, 2022 [DN 04177-2022].

The above-referenced documents strike portions of FPL witness Jarro's Rebuttal Testimony that directly responded to and rebutted the portions of the Office of Public Counsel witness Lane Kollen's testimony that have been stricken by Commission Order No. PSC-2022-0292-PCO-EI issued on August 1, 2022.

For purposes of managing the existing record and ensuring earlier references to FPL witness Jarro's Rebuttal Testimony remain accurate, the pagination and line numbers for the clean version provided in Attachment 2 remain identical to the original version filed on June 21, 2022.

Copies of this filing will be provided as indicated on the enclosed Certificate of Service. If you or your staff have any questions regarding this filing, please contact me at (561) 691-7144.

Respectfully submitted,

  
\_\_\_\_\_  
Christopher T. Wright  
Authorized House Counsel No. 1007055

Enclosures

## **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Electronic Mail to the following parties of record this 1st day of August 2022:

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Walter Trierweiler, Esquire<br>Theresa Lee Eng Tan, Esquire<br>Jacob Imig, Esquire<br>Florida Public Service Commission<br>2540 Shumard Oak Boulevard<br>Tallahassee, FL 32399<br><a href="mailto:wtrierwe@psc.state.fl.us">wtrierwe@psc.state.fl.us</a><br><a href="mailto:jimig@psc.state.fl.us">jimig@psc.state.fl.us</a><br><a href="mailto:ltan@psc.state.fl.us">ltan@psc.state.fl.us</a><br><b><i>For Commission Staff</i></b>                                                                                                               | Office of Public Counsel<br>c/o The Florida Legislature<br>111 West Madison Street, Room 812<br>Tallahassee, FL 32399-1400<br><a href="mailto:Gentry.richard@leg.state.fl.us">Gentry.richard@leg.state.fl.us</a><br><a href="mailto:rehwinkel.charles@leg.state.fl.us">rehwinkel.charles@leg.state.fl.us</a><br><a href="mailto:morse.stephanie@leg.state.fl.us">morse.stephanie@leg.state.fl.us</a><br><a href="mailto:wessling.mary@leg.state.fl.us">wessling.mary@leg.state.fl.us</a><br><a href="mailto:christensen.patty@leg.state.fl.us">christensen.patty@leg.state.fl.us</a><br><b><i>For Office of Public Counsel</i></b>                                                                                                                                         |
| Stephanie U. Eaton<br>Florida Bar No.: 165610<br>SPILMAN THOMAS & BATTLE, PLLC<br>110 Oakwood Drive, Suite 500<br>Winston-Salem, NC 27103<br><a href="mailto:seaton@spilmanlaw.com">seaton@spilmanlaw.com</a><br><br>Derrick Price Williamson<br>Steven W. Lee<br>SPILMAN THOMAS & BATTLE, PLLC<br>1100 Bent Creek Boulevard, Suite 101<br>Mechanicsburg, PA 17050<br><a href="mailto:dwilliamson@spilmanlaw.com">dwilliamson@spilmanlaw.com</a><br><a href="mailto:slee@spilmanlaw.com">slee@spilmanlaw.com</a><br><b><i>For Walmart Inc.</i></b> | Dianne M. Triplett<br>Deputy General Counsel<br>Duke Energy Florida, LLC<br>299 First Avenue North<br>St. Petersburg, FL 33701<br><a href="mailto:Dianne.Triplett@Duke-Energy.com">Dianne.Triplett@Duke-Energy.com</a><br><br>Matthew R. Bernier<br>Robert L. Pickels<br>Stephanie A. Cuello<br>106 E. College Avenue, Suite 800<br>Tallahassee FL 32301<br><a href="mailto:FLRegulatoryLegal@duke-energy.com">FLRegulatoryLegal@duke-energy.com</a><br><a href="mailto:matthew.bernier@duke-energy.com">matthew.bernier@duke-energy.com</a><br><a href="mailto:robert.pickels@duke-energy.com">robert.pickels@duke-energy.com</a><br><a href="mailto:stephanie.cuello@duke-energy.com">stephanie.cuello@duke-energy.com</a><br><b><i>For Duke Energy Florida, LLC</i></b> |
| Beth Keating<br>Gunster, Yoakley & Stewart, P.A.<br>215 South Monroe St., Suite 601<br>Tallahassee, FL 32301<br><a href="mailto:BKeating@gunster.com">BKeating@gunster.com</a><br><br>Mr. Mike Cassel<br>208 Wildlight Ave.<br>Yulee FL 32097<br>(904) 491-4361<br><a href="mailto:mcassel@fpuc.com">mcassel@fpuc.com</a><br><b><i>For Florida Public Utilities Company</i></b>                                                                                                                                                                    | J. Jeffrey Wahlen<br>Malcolm M. Means<br>Ausley McMullen<br>Post Office Box 391<br>Tallahassee, Florida 32302<br><a href="mailto:jwahlen@ausley.com">jwahlen@ausley.com</a><br><a href="mailto:mmeans@ausley.com">mmeans@ausley.com</a><br><br>Ms. Paula K. Brown<br>Regulatory Affairs<br>P. O. Box 111<br>Tampa FL 33601-0111<br><a href="mailto:regdept@tecoenergy.com">regdept@tecoenergy.com</a><br><b><i>For Tampa Electric Company</i></b>                                                                                                                                                                                                                                                                                                                          |

|                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Jon C. Moyle, Jr.<br>Karen A. Putnal<br>Moyle Law Firm, P.A.<br>118 North Gadsden Street<br>Tallahassee, Florida 32301<br><a href="mailto:jmoyle@moylelaw.com">jmoyle@moylelaw.com</a><br><a href="mailto:kputnal@moylelaw.com">kputnal@moylelaw.com</a><br><a href="mailto:mqualls@moylelaw.com">mqualls@moylelaw.com</a><br><b><i>For Florida Industrial Power Users Group</i></b> | James W. Brew/Laura Wynn Baker<br>c/o Stone Law Firm<br>1025 Thomas Jefferson St., NW, Eighth Floor, W<br>Tower<br>Washington DC 20007<br>(202) 342-0800<br>(202) 342-0807<br><a href="mailto:jbrew@smxblaw.com">jbrew@smxblaw.com</a><br><a href="mailto:lwb@smxblaw.com">lwb@smxblaw.com</a><br><b><i>For PSC Phosphate – White Springs</i></b> |
| George Cavros<br>120 E. Oakland Park Blvd., Suite 105<br>Fort Lauderdale FL 33334<br><a href="mailto:george@cavros-law.com">george@cavros-law.com</a><br><b><i>For Southern Alliance for Clean Energy</i></b>                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                   |

s/ Christopher T. Wright

Christopher T. Wright

Fla. Auth. House Counsel No. 1007055

*Attorney for Florida Power & Light Company*

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

Review of Storm Protection Plan, pursuant to  
Rule 25-6.030, F.A.C., Florida Power & Light  
Company

Docket No. 20220051-EI

Filed: August 1, 2022

**FLORIDA POWER & LIGHT COMPANY**  
**SECOND ERRATA SHEET OF MICHAEL JARRO**

Florida Power & Light Company (“FPL”) hereby submits this second errata sheet to correct the **Rebuttal Testimony of Michael Jarro** filed in the above referenced docket on April 21, 2022.

Pursuant to Commission Order No. PSC-2022-0292-PCO-EI issued on August 1, 2022, certain portions of the direct testimony of Lane Kollen submitted on behalf of the Office of Public Counsel (“OPC”) were stricken and will not be admitted into the evidentiary record for this docket. Accordingly, it is necessary to make the following changes to those portions of the Rebuttal Testimony of FPL witness Jarro rebuttal testimony that directly responded to and rebutted the portions of the OPC witness Kollen’s testimony that have been stricken:

**Page and Line No.#**

**Changes/Corrections**

- |                                  |                                                                                                                                                                                                |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| P. 1, ln. 25                     | Revise: Corrected by [Second] Errata Filed <del>July</del> [August] 27[1], 2022                                                                                                                |
| P. 2, ln. 4-5                    | Strike: <del>OPC’s PROPOSED NEW COST BENEFIT AND COST EFFECTIVENESS STANDARDS ARE NOT APPROPRIATE OR NECESSARY</del>                                                                           |
| P. 2, ln. 8-9                    | Strike: <del>OPC’S CLAIM THAT ONLY NEW OR EXPANDED STORM HARDENING PROGRAMS QUALIFY FOR INCLUSION IN THE SPP IS INAPPROPRIATE</del>                                                            |
| P. 3, ln. 22 through p. 4, ln. 6 | Strike in its entirety.                                                                                                                                                                        |
| P. 4, ln. 16-24                  | Strike in its entirety.                                                                                                                                                                        |
| P. 5, ln. 10-11                  | Strike: <del>I note that FPL witness Liz Fuentes will also respond to OPC witness Kollen’s concerns regarding FPL’s calculation of the revenue requirements submitted with the 2023 SPP.</del> |
| P. 8, ln. 17 through p. 9, ln. 2 | Strike everything after “No.” on page 8, line 17.                                                                                                                                              |
| P. 9, ln. 12-25                  | Strike everything after “Yes” on page 9, line 12.                                                                                                                                              |

|                                     |                                                                                                                                                                                          |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| P. 10, ln. 2                        | Strike: <del>Second, and related to its first argument,</del> OPC contends that the benefits of the SPP                                                                                  |
| P. 10, ln. 4-5                      | Strike: SPP Rule. <del>OPC's proposal again attempts to add new requirements to the SPP Statute and SPP Rule that do not exist today.</del> As explained in my direct testimony, FPL has |
| P. 10, ln. 17-24                    | Strike in its entirety.                                                                                                                                                                  |
| P. 11, ln. 1 through p. 13, ln. 22  | Strike in its entirety.                                                                                                                                                                  |
| P. 14, ln. 19-24                    | Strike in its entirety.                                                                                                                                                                  |
| P. 20, ln. 13 through p. 23, ln. 15 | Strike in its entirety.                                                                                                                                                                  |
| P. 32, ln. 3-4                      | Strike: <del>Despite the many pages of OPC's testimony dedicated to recommending that the Commission adopt and apply a new cost-effectiveness test,</del>                                |

Provided as “**Attachment 1**” is a redline version of the Rebuttal Testimony of Michael Jarro that reflects the above referenced corrections. Provided as “**Attachment 2**” is a clean version of the Rebuttal Testimony of Michael Jarro that reflects the above-referenced corrections. For purposes of managing the existing record and ensuring earlier references to FPL witness Jarro’s Rebuttal Testimony remain accurate, the pagination and line numbers for the clean version provided in **Attachment 2** remain identical to the original version filed on June 21, 2022.

Please note, however, that FPL expressly reserves the right to offer the Rebuttal Testimony of Michael Jarro as originally filed on June 21, 2022, as corrected by the first errata filed on July 27, 2022, pending further action by the Commission related to Order No. PSC-2022-0292-PCO-EI.

Respectfully submitted this 1st day of August 2022,

By: s/Christopher T. Wright  
Christopher T. Wright  
Senior Attorney  
Fla. Auth. House Counsel No. 1007055  
Florida Power & Light Company  
700 Universe Boulevard  
Juno Beach, FL 33408-0420  
Phone: 561-691-7144  
Fax: 561-691-7135  
Email: [christopher.wright@fpl.com](mailto:christopher.wright@fpl.com)

# **ATTACHMENT 1**

**Florida Power & Light Company  
Docket No. 20220051-EI**

**Rebuttal Testimony of Michael Jarro  
Corrected by Second Errata Filed August 1, 2022 (*REDLINE*)**

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**DOCKET NO. 20220051-EI**

**FLORIDA POWER & LIGHT COMPANY**

## 2023-2032 STORM PROTECTION PLAN

## REBUTTAL TESTIMONY OF

**MICHAEL JARRO**

**Filed: June 21, 2022**

Corrected by **Second** Errata Filed **August**~~July~~ **127**, 2022



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**Exhibit MJ-2: FPL’s Response to OPC’s Fourth Set of Interrogatories No. 50**

1    **I.    INTRODUCTION**

2    **Q.    Please state your name and business address.**

3    A.    My name is Michael Jarro. My business address is Florida Power & Light Company  
4           (“FPL” or the “Company”), 15430 Endeavor Drive, Jupiter, FL, 33478.

5    **Q.    Did you previously submit direct testimony?**

6    A.    Yes. I submitted written direct testimony on April 11, 2022, together with Exhibit MJ-  
7           1 – FPL’s Storm Protection Plan 2023-2032. On May 6, 2022, FPL filed and served a  
8           Notice of Filing a Revised Appendix E to Exhibit MJ-1 to correct the completion dates,  
9           start dates, and amounts projected for certain Distribution Feeder Hardening Program  
10          projects included in the 2023 project level detail.

11   **Q.    What is the purpose of your rebuttal testimony?**

12   A.    The purpose of my rebuttal testimony is to respond to certain portions of the direct  
13          testimonies of Lane Kollen and Kevin J. Mara submitted on behalf of the Office of  
14          Public Counsel (“OPC”). My rebuttal testimony will respond to the concerns,  
15          questions, and recommendations raised by these witnesses in opposition to FPL’s 2023-  
16          2032 Storm Protection Plan (“2023 SPP”) submitted as Exhibit MJ-1 and as corrected  
17          by the Notice of Filing a Revised Appendix E to Exhibit MJ-1 filed on May 6, 2022.

18  
19          First, I will provide some context and general observations regarding OPC’s concerns  
20          and criticisms of FPL’s 2023 SPP.

21  
22          ~~Second, I will address OPC’s recommendation that the Florida Public Service~~  
23          ~~Commission (the “Commission”) apply new cost-effectiveness criteria and standards~~  
24          ~~to review and approve the SPP programs and projects proposed in this proceeding. In~~  
25          ~~essence, OPC seeks to convert this matter into a rulemaking proceeding and asks the~~

1 ~~Commission to adopt and apply new criteria and standards that are not currently~~  
2 ~~required by Section 366.96, Florida Statutes (hereinafter referred to as the “SPP~~  
3 ~~Statute”), or Rule 25-6.030, Florida Administrative Code (hereinafter referred to as the~~  
4 ~~“SPP Rule”). As I will explain below, OPC’s attempt to amend the requirements of~~  
5 ~~the SPP Statute and SPP Rule as part of this proceeding is inappropriate and~~  
6 ~~unnecessary.~~

7  
8 Third, I will address OPC’s contention that FPL did not provide an estimate of how the  
9 programs and projects included in the 2023 SPP will reduce restoration costs and  
10 outage times as required by the SPP Rule. As explained below, OPC’s position is based  
11 on its incorrect interpretation of the SPP Statute and SPP Rule, and ignores the fact that  
12 SPP programs and projects provide both quantitative and qualitative benefits. I will  
13 further explain that FPL’s 2023 SPP complies with the requirements of the SPP Statute  
14 and SPP Rule.

15  
16 ~~Fourth, I will address the incorrect contention of OPC witness Kollen that only new or~~  
17 ~~expanded storm hardening programs are eligible to be included in the SPP. As~~  
18 ~~explained below, OPC witness Kollen ignores the language of the SPP Statute and Rule~~  
19 ~~25-6.031, Florida Administrative Code (hereinafter referred to as the “SPPCRC Rule”)~~  
20 ~~that limits double recovery, and misapplies the requirement for the Storm Protection~~  
21 ~~Plan Cost Recovery Clause (“SPPCRC”) to the SPP. Existing programs, together with~~  
22 ~~new or expanded programs, are all eligible for approval as SPP programs under the~~  
23 ~~SPP Statute. The issue of whether costs are recovered in base rates or the SPPCRC is~~  
24 ~~a matter to be addressed in the applicable SPPCRC proceeding.~~

1 Finally, I will address and rebut OPC witness Mara's recommendations and  
2 adjustments to five out of the nine programs included in FPL's 2023 SPP.  
3 Specifically, I will address the following recommendations by OPC: modify the  
4 Substation Storm Surge/Flood Mitigation Program; reduce the budget for the  
5 Distribution Lateral Hardening Program;

6 and reject the new Transmission Access  
7 Enhancement Program. As I explain below, each of these recommendations are  
8 inappropriate and unnecessary, and do not serve customers' best interests.

9  
10 ~~I note that FPL witness Liz Fuentes will also respond to OPC witness Kollen's concerns~~  
11 ~~regarding FPL's calculation of the revenue requirements submitted with the 2023 SPP.~~

12 **Q. Are you sponsoring any exhibits with your rebuttal testimony?**

13 A. Yes. I am sponsoring the following exhibits with my rebuttal testimony:

- 14 • Exhibit MJ-2, FPL's Response to OPC's Fourth Set of Interrogatories No.  
15 50.

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21 **II. GENERAL RESPONSE TO OPC'S CONCERNS**

22 **Q. Before addressing the specific issues and recommendations raised by OPC, do you**  
23 **have any general observations?**

24 A. Yes. The evaluation of FPL's 2023 SPP must be grounded in the fact that FPL has  
25 successfully been engaging in Commission-approved storm hardening for the last 16

1 years. During this time, the Commission has reviewed and had full transparency into  
2 all aspects of FPL's storm hardening activities, and interested parties and stakeholders  
3 had the opportunity to participate in these reviews. Indeed, in its report "Review of  
4 Florida's Electric Utility Hurricane Preparedness and Restoration Actions 2018", in  
5 Docket No. 20170215-EU, the Commission recognized the success of historical storm  
6 hardening efforts in Florida. Key findings by the Commission in that report included:

- 7 • Florida's aggressive storm hardening programs are working (Section V);
- 8 • The length of outages was reduced markedly from the 2004-2005 storm  
9 season (Section IV);
- 10 • The primary cause of power outages came from outside the utilities' rights  
11 of way including falling trees, displaced vegetation, and other debris  
12 (Section IV);
- 13 • Vegetation management outside the utilities' rights of way is typically not  
14 performed by utilities due to lack of legal access (Section IV);
- 15 • Hardened overhead distribution facilities performed better than non-  
16 hardened facilities (Section V);
- 17 • Very few transmission structure failures were reported (Section V); and
- 18 • Underground facilities performed much better compared to overhead  
19 facilities (Section V).

20 In response to Hurricanes Matthew and Irma, the Florida Legislature passed the SPP  
21 Statute "to mitigate restoration costs and outage times to utility customers" by  
22 "strengthen[ing] electric utility infrastructure to withstand extreme weather conditions  
23 by promoting the overhead hardening of electrical transmission and distribution  
24 facilities, the undergrounding of certain electrical distribution lines, and vegetation  
25 management." Section 366.96(1)(c)-(e), F.S. From these facts, one can logically and

1 reasonably conclude that the Legislature did not pass the SPP Statute to stop or limit  
2 storm hardening activity in Florida, nor can one assume that the passage of the SPP  
3 Statute was an indictment or criticism against storm hardening activity that has  
4 previously taken place in Florida. Rather, it is reasonable to assume that the Florida  
5 Legislature passed the SPP Statute to encourage, streamline, and advance storm  
6 hardening work in this state.

7

8 FPL's 2023 SPP outlines a comprehensive storm protection plan that meets the  
9 statutory objectives codified in the SPP Statute and complies with the requirements of  
10 the SPP Rule. The 2023 SPP is largely a continuation of the following programs  
11 included in the current 2020-2029 Storm Protection Plan (hereinafter, the "2020 SPP")  
12 that were agreed to by OPC in a Joint Motion for Approval of a Stipulation and  
13 Settlement Agreement ("2020 SPP Settlement"), approved by Commission Order No.  
14 PSC-2020-0293-AS-EI:

- 15 • Distribution Inspection Program
- 16 • Transmission Inspection Program
- 17 • Distribution Feeder Hardening Program
- 18 • Distribution Lateral Hardening Program
- 19 • Transmission Hardening Program
- 20 • Distribution Vegetation Management Program
- 21 • Transmission Vegetation Management Program
- 22 • Substation Storm Surge/Flood Mitigation Program

23 The majority of the existing SPP programs have been in place since 2007 and have  
24 already demonstrated that they have provided and will continue to provide increased  
25 T&D infrastructure resiliency, reduced restoration times, and reduced restoration costs

1 when FPL is impacted by extreme weather events. For certain existing SPP programs,  
2 FPL proposed limited modifications to further improve these programs and implement  
3 best practices as further described in my direct testimony and Exhibit MJ-1. Notably,  
4 OPC has not opposed or challenged any of these modifications to the existing SPP  
5 programs.

6

7 As part of the 2023 SPP, FPL also proposed to implement a new

8

9 Transmission Access Enhancement Program. As detailed in my direct testimony and  
10 Exhibit MJ-1, the new

11

12 Transmission Access Enhancement Program  
13 will help ensure that FPL and its contractors have reasonable access to FPL's  
14 transmission facilities for repair and restoration activities following an extreme weather  
15 event.

16 **Q. Does OPC challenge all of the programs included in FPL's 2023 SPP?**

17 A. No. ~~OPC submitted the direct testimony of OPC witness Kollen in all four SPP dockets~~  
18 ~~currently pending before the Commission. The vast majority of his direct testimony~~  
19 ~~(pages 6-21) is dedicated to proposing that the Commission adopt new criteria~~  
20 ~~standards that do not exist in the SPP Statute or SPP Rule today and apply those to~~  
21 ~~reject all of the SPPs submitted by all four investor-owned utilities ("IOU") that do not~~  
22 ~~meet his proposed new cost effectiveness threshold. Thus, OPC witness Kollen is~~  
23 ~~seeking to establish new standards, outside the SPP Statute and the SPP Rule, to review~~  
24 ~~the SPP and does not oppose or challenge any specific program included in FPL's 2023~~

1 ~~SPP. I will respond to OPC witness Kollen's proposed new criteria and standards later~~  
2 ~~in my testimony and explain that his proposal is inappropriate and unnecessary.~~

3

4 On pages 13, and 17-34, OPC witness Mara proposes adjustments to two of the existing  
5 SPP programs and opposes the new SPP program . Based on the testimony of  
6 OPC witness Mara, it appears that OPC essentially agrees with eight out of the nine  
7 programs included in FPL's 2023 SPP. I will respond to OPC's recommended  
8 adjustments to the existing SPP programs and criticisms of the new SPP programs later  
9 in my testimony.

10 **Q. Do you have any additional general observations about the testimonies of OPC**  
11 **witnesses Kollen and Mara?**

12 A. Yes. ~~Other than the proposed adjustments to the Substation Storm Surge/Flood~~  
13 ~~Mitigation Program and Distribution Lateral Hardening Program, and opposition to the~~  
14 ~~three new proposed SPP programs, the OPC witnesses primarily make four general~~  
15 ~~arguments in opposition to FPL's 2023 SPP.~~

16

17 ~~First, OPC argues that the Commission should adopt and apply new formulaic cost-~~  
18 ~~benefit and cost-effectiveness requirements for approval of SPP programs and projects.~~  
19 ~~As explained below, the Florida Legislature and this Commission, through the SPP~~  
20 ~~Rule, have already addressed the issue and declined to require either cost benefit~~  
21 ~~analysis or a cost-effectiveness threshold in the review and approval of a SPP. FPL's~~  
22 ~~2023 SPP has fully complied with all the requirements of what must be included in a~~  
23 ~~SPP pursuant to the SPP Statute and SPP Rule as explained in my direct testimony.~~  
24 ~~For the reasons explained later in my testimony, OPC's proposal is inappropriate and~~  
25 ~~unnecessary for several reasons.~~



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~~Second, and related to its first argument,~~ OPC contends that the benefits of the SPP programs must be quantified and monetized in order to meet the requirements of the SPP Rule. ~~OPC's proposal again attempts to add new requirements to the SPP Statute and SPP Rule that do not exist today.~~ As explained in my direct testimony, FPL has provided a description of how the 2023 SPP will reduce restoration costs and outage times associated with extreme weather events in compliance with express requirements of SPP Rule. As explained in greater detail below, storm hardening is not a simple cost-effective proposition and OPC's belief that outage times should be monetized ignores the very real and simple fact that the monetary value individual customers or communities place on reduced outage times cannot be accurately or uniformly estimated. Moreover, OPC's recommendation that FPL's SPP programs require further cost-justification before they can be approved is directly contrary to OPC's own testimony that requests the Commission reject only three of the nine programs included in FPL's 2023 SPP as further explained in my rebuttal testimony.

~~Third, OPC argues that projects which displace base rate costs that would have been incurred during the normal course of business and that are not incurred on an incremental basis specifically to achieve the objectives of the SPP Rule are not eligible to be included in the SPP. As explained below, OPC's argument misconstrues the language of the SPP Statute and SPPCRC Rule, misapplies the requirement for the SPPCRC to the SPP, and disregards that the issue of whether SPP costs are recovered in base rates or the SPPCRC is a matter to be addressed in the annual SPPCRC proceedings.~~

1 Finally, OPC raises questions regarding FPL's calculation of the SPP revenue  
2 requirements that were used to estimate the rate impacts of the programs included in  
3 FPL's 2023 SPP. FPL witness Liz Fuentes will respond to these criticisms.

4  
5 **III. OPC's PROPOSED NEW COST-BENEFIT AND COST-EFFECTIVENESS**  
6 **STANDARDS ARE NOT APPROPRIATE OR NECESSARY**

7 **~~Q. — OPC is proposing that the Commission apply new standards and criteria to review~~**  
8 **~~the IOUs' SPPs. Are these the same standards and criteria that FPL used to~~**  
9 **~~prepare its 2023 SPP?~~**

10 **~~A. — No. FPL designed its SPP programs and prepared the 2023 SPP based on the~~**  
11 **~~requirements and standards prescribed in the SPP Statute and SPP Rule that were in~~**  
12 **~~effect at the time FPL filed the 2023 SPP on April 11, 2022, and which remain in effect~~**  
13 **~~today. OPC, on the other hand, is asking the Commission to adopt new criteria and~~**  
14 **~~standards that, as I further explain below, are not currently in either the SPP Statute or~~**  
15 **~~SPP Rule and then retroactively apply those new requirements to the IOUs' SPPs that~~**  
16 **~~were filed on April 11, 2022 to determine if they should be approved.~~**

17 **~~Q. — Please summarize OPC's proposal to add new criteria and standards to the review~~**  
18 **~~of the IOUs' SPPs.~~**

19 **~~A. — OPC witness Kollen is proposing that the Commission adopt a new requirement for the~~**  
20 **~~SPP's to include a cost-benefit analysis and establish a new cost-effectiveness test to~~**  
21 **~~determine if the SPP programs should be approved. OPC witness Kollen then~~**  
22 **~~recommends on page 9 of his testimony that the "Commission reject all proposed SPP~~**  
23 **~~projects that are not economic, meaning that they do not have a benefit-to-cost ratio of~~**  
24 **~~at least 100%."~~** On page 14 of his direct testimony, OPC witness Kollen goes on to  
25 **~~conclude that "FPL's programs and costs are not prudent and reasonable unless they~~**

1 meet all of the requirements” proposed by OPC witness Kollen. Thus, OPC witness  
2 Kollen proposes that the Commission adopt a new cost-effectiveness threshold and  
3 apply that new standard to review and approve/reject the programs and projects  
4 included in FPL’s 2023 SPP.

5 **Q. — Do you have concerns with OPC’s proposal that the Commission adopt and apply**  
6 **a new cost-effectiveness test to review the IOUs’ SPPs?**

7 A. — Yes. First, the SPP Statute and SPP Rule do not prescribe or require a traditional cost-  
8 benefit analysis or cost-effectiveness test for projects or programs to be included in the  
9 SPP. The Statute makes no mention of any such analysis or test and, instead, the  
10 Florida Legislature left that determination to the discretion of the Commission by  
11 directing it to adopt rules necessary to implement the statute. In adopting the SPP Rule,  
12 the Commission could have prescribed specific metrics, standards, and formulas to  
13 require the SPP programs to meet a cost effective threshold, but it wisely did not  
14 because each program is different and, therefore, must be evaluated on its particular  
15 facts and merits. Indeed, Rule 25-6.030(3)(d)(4), F.A.C., requires the SPP to include a  
16 “comparison” of the estimated costs and described benefits for each SPP program,  
17 which is provided in the following portions of FPL’s 2023 SPP: Section II; the  
18 “Comparison of Costs and Benefits” included in each SPP program description in  
19 Section IV; and Appendix A of Exhibit MJ-1. As such, a cost benefit analysis or cost-  
20 effectiveness test for each major component of the SPP is not required under either the  
21 SPP Statute or SPP Rule. OPC is attempting to re-litigate the SPP Rule approved by  
22 this Commission.

23  
24 — Second, in the SPP Rule, the Commission prescribed specific information and data that  
25 must be included with each SPP, including, but not limited to, estimated costs,

1 description of the benefits, criteria to prioritize and select projects, and estimated rate  
2 impacts. As explained in my direct testimony, FPL provided this information in its  
3 2023 SPP consistent with SPP Rule. The Commission can use and “compare” all of  
4 the information it specifically required FPL to provide in the SPP to determine if,  
5 pursuant to the SPP Statute, the programs and projects included in the SPP are in the  
6 public interest and should be approved, or if the SPP programs should be modified or  
7 denied. Each program is different and, therefore, the comparison of costs and benefits  
8 must be evaluated on its particular facts and merits.

9  
10 ——— Third, the analysis of whether the benefits of a SPP program or project justify the  
11 estimated costs is not a one-size-fits-all proposition as suggested by OPC. This is  
12 clearly demonstrated by the fact that, as OPC witness Kollen acknowledges on page 14  
13 of his direct testimony, each of the electric utilities took very different approaches to  
14 comparing the estimated costs and benefits of their SPP programs. Further, such  
15 analyses are necessarily dependent on several highly variable factors that, in large part,  
16 are beyond the utility’s control and cannot be accurately predicted, including, but not  
17 limited to: the number of annual extreme weather events; the path of each storm; the  
18 intensity or category of each storm; the speed or duration of each storm; the availability  
19 of resources to respond to and provide storm restoration services for each storm; and  
20 the extent to which the infrastructure has been storm hardened at the time of each  
21 projected storm. Moreover, the benefits to be included in such analyses should not be  
22 limited to only avoided utility costs as I will explain further.

1 **IV. FPL'S 2023 SPP WILL REDUCE RESTORATION COSTS AND OUTAGE**  
2 **TIMES AS REQUIRED BY RULE 25-6.030, F.A.C.**

3 **Q. Both OPC witnesses Kollen and Mara argue that FPL's 2023 SPP did not meet**  
4 **the requirements of the SPP Rule because it did not quantify and monetize the**  
5 **benefits of the proposed SPP Programs. Do you have a response?**

6 A. Yes. I disagree with OPC witnesses Kollen and Mara that further cost-justification of  
7 FPL's 2023 SPP programs is needed or appropriate. On pages 17-19 of his testimony,  
8 OPC witness Kollen states that FPL did not provide any quantitative benefits for the  
9 proposed SPP programs and that it is not enough under the SPP Rule to simply say  
10 there will be benefits without quantifying those benefits. OPC witness Mara likewise  
11 states on pages 10-11 of his testimony that FPL only provided written descriptions of  
12 SPP program benefits and did not quantify the estimated cost reductions or monetize  
13 the reduction of outage times for each program. OPC witness Mara goes on to suggest  
14 on page 11 of his testimony that FPL should be required to file an amended SPP that  
15 provides this data. OPC's contention that FPL failed to comply with the SPP Rule  
16 because it did not quantify the benefits of the SPP programs is misplaced for several  
17 reasons.

18  
19 ~~First, OPC's contention that the SPP must include quantifiable and monetized benefits~~  
20 ~~for each SPP program is a fallout of OPC's proposal that the Commission adopt and~~  
21 ~~apply a new cost benefit analysis and new cost effectiveness threshold for the SPP~~  
22 ~~programs. As I explained above, OPC's proposed new criteria and standards to review~~  
23 ~~the SPPs are contrary to the requirements of both the SPP Statute and SPP Rule and~~  
24 ~~should be rejected.~~

1 Second, there is nothing in either the SPP Statute or SPP Rule that prescribes that the  
2 benefits of SPP programs must be quantified or monetized as suggested by the OPC  
3 witnesses. Rather, the SPP Rule expressly provides that the SPP must include a  
4 “description” of the benefits of the SPP programs. See Rule 25-6.030(3)(b), F.A.C.  
5 (“For each Storm Protection Plan, the following information must be included.... (b)  
6 *A description* of how the proposed Storm Protection Plan will reduce restoration costs  
7 and outage times associated with extreme weather conditions” (emphasis added)); see  
8 also Rule 25-6.030(3)(d)(1), F.A.C. (“*A description* of each proposed storm protection  
9 program that includes: (1) A description of how each proposed storm protection  
10 program is designed to enhance the utility’s existing transmission and distribution  
11 facilities including an estimate of the resulting reduction in outage times and restoration  
12 costs due to extreme weather events” (emphasis added)).

13  
14 Third, storm hardening is not a simple cost-effective proposition as suggested by OPC.  
15 OPC’s approach focuses only on program costs and savings in restoration costs  
16 associated with extreme weather conditions (*i.e.*, a strictly quantitative analysis), and  
17 completely ignores the qualitative component required by both the SPP Statute and SPP  
18 Rule. Stated differently, OPC’s proposed cost-benefit and cost-effectiveness approach  
19 ignores half of the benefits side of the equation. It cannot be reasonably disputed that  
20 customers want the extended outage times associated with extreme weather events to  
21 be reduced. Indeed, the Florida Legislature concluded that reducing outage times for  
22 utility customers, as well as restoration costs, is in the public interest. The Commission  
23 can and should compare these factors and determine whether the estimated benefits of  
24 the storm hardening programs are justified by the estimated rate impacts.

1 Fourth, OPC witness Mara's belief that outage times should be monetized, ignores the  
2 very real and simple fact that the monetary value individual customers or communities  
3 place on reduced outage times cannot be accurately or uniformly estimated. Indeed,  
4 some customers may be willing to pay a premium to never have a power outage, while  
5 others may be willing to tolerate a few short outages. Moreover, the SPP Rule does  
6 not require the outage times to be monetized as explained above, and there is no  
7 uniform Commission or industry method to do so. Such analyses are necessarily  
8 dependent on several highly variable factors (such as the intensity, path, and duration  
9 of the extreme weather event and extent that the system has been hardened) and could  
10 include a very wide range of subjective economic factors, including, but not limited to:  
11 individual and different customer value on reduced outage times, including comfort,  
12 health, and convenience; economic impact to individual customers due to spoilage, loss  
13 or disruption of business, and loss of equipment or supplies; and impact to the local  
14 and state economy. Thus, even if the SPP Statute and Rule did require the reduction in  
15 outage times to be monetized, which they do not, there is significant uncertainty and  
16 variability in how that should be done.

17  
18 Finally, OPC's recommendation that FPL's SPP programs require further cost-benefit  
19 analysis or cost-justification before they can be approved is directly contrary to OPC  
20 witness Mara's testimony on pages 13 and 17-34 that requests the Commission only  
21 reject three of the nine programs included in FPL's 2023 SPP. Stated differently,  
22 OPC witness Mara does not dispute that it would be reasonable for the Commission to  
23 allow FPL to implement the eight programs included in the 2023 SPP as further  
24 explained below. Either these SPP programs are in the public interest and should be  
25 approved, or they are not. The fact that OPC witness Mara has essentially agreed that

1 most of these programs should be approved without further cost-justification clearly  
2 suggests that OPC believes FPL has provided sufficient information about each of the  
3 SPP programs for the Commission to determine if they are in the public interest.

4 **Q. On page 18 of his direct testimony, OPC witness Kollen recommends that FPL**  
5 **should be directed to use its storm damage assessment model to model and**  
6 **quantify the estimated benefits and savings from the programs included in FPL’s**  
7 **2023 SPP. Please describe FPL’s Storm Damage Model.**

8 A. FPL’s Storm Damage Model is a very important proprietary tool developed by FPL to  
9 prepare for major storms that threaten FPL’s service area. The Storm Damage Model  
10 is used for major storms with a forecast track provided by the National Hurricane  
11 Center to estimate the number of construction man-hours (“CMH”) required to restore  
12 power to customers based on the forecasted intensity, speed, path of the storm, and the  
13 condition (hardened vs. non-hardened) of the infrastructure at the time of the storm.  
14 The Storm Damage Model is a planning tool used by the Company to estimate the  
15 extent of damage expected from a projected storm, and the number and location of  
16 resources that will be needed to quickly and safely restore power outages to the greatest  
17 number of customers in the shortest amount of time.

18 **Q. Do you agree with OPC witness Kollen’s recommendation that FPL should use**  
19 **the Storm Damage Model to model to quantify the benefits and savings associated**  
20 **with the programs included in FPL’s 2023 SPP?**

21 A. No, FPL’s Storm Damage Model was not intended to be used to quantify individual  
22 SPP programs or projects. As provided in Appendix A to Exhibit MJ-1, FPL used its  
23 Storm Damage Model to analyze Hurricanes Matthew and Irma and estimate the  
24 reduction in CMH, days to restore, and storm restoration costs that were attributable to  
25 the storm hardening projects that were completed and in place at the time of the



1 hurricanes. This analysis was based mainly on the feeders that FPL knew had been  
2 hardened versus non-hardened at the times Hurricanes Matthew and Irma occurred, and  
3 included the distribution inspection and vegetation management that had been  
4 completed at the times Hurricanes Matthew and Irma occurred. OPC witness Kollen  
5 proposes something different.

6  
7 OPC witness Kollen proposes that FPL use the Storm Damage Model to model the  
8 future system with the proposed 2023 SPP programs in place for the entire 2023-2032  
9 SPP period to quantify the costs that could be avoided due to the SPP programs. The  
10 problem with this approach is that, beyond year one of the SPP (2023), the project level  
11 detail has not been determined; meaning FPL does not at this time know which specific  
12 projects will be completed each year or where they will be located for the entire 2023-  
13 2032 SPP period. The scope and location of the storm hardening projects used in the  
14 Storm Damage Model for each year of the SPP will have a significant impact on the  
15 results of the analysis. For example, if FPL assumes a storm hardening project in a  
16 densely populated urban area as opposed to a rural area, or vice versa, this could change  
17 the damage estimated by the Storm Damage Model. Also illustrative is the fact that  
18 the estimated length, number of poles, location, and accessibility of the laterals used in  
19 the model would change the damage estimated by the Storm Damage Model. Each of  
20 these factors, which cannot be reasonably predicted for the entire 2023-2032 SPP  
21 period, would impact the estimated CMH, days to restore, and storm restoration costs  
22 predicted by the Storm Damage Model. For these reasons, the Storm Damage Model  
23 does not readily lend itself to model future SPP programs as proposed by OPC witness  
24 Kollen.

25

1 Even assuming the Storm Damage Model was appropriate to provide an estimate of  
2 CMH, days to restore, and storm restoration costs for future SPP programs, FPL's  
3 Storm Damage Model is only used for major storms with a forecast track provided by  
4 the National Hurricane Center. Thus, the Model would not account for any other types  
5 of extreme weather conditions, as well as any associated reductions in restoration costs  
6 and outage times. Florida remains the most hurricane-prone state in the nation and,  
7 with the significant coast-line exposure of FPL's system and the fact that the vast  
8 majority of FPL's customers live within 20 miles of the coast, FPL's service area has  
9 a high probability of being impacted by multiple extreme weather events every year.  
10 Although no one is in a position to know for sure how frequently FPL's service area  
11 will be impacted by extreme weather conditions, the Storm Damage Model estimate of  
12 cumulative reductions in restoration costs and outage times associated with the SPP  
13 programs will be directly affected by frequency, strength, speed, and path of storms  
14 that impact FPL's service area. As required by the SPP Rule, FPL has provided a  
15 description of the benefits and estimated cost for all the programs in FPL's 2023 SPP,  
16 in some cases these benefits are qualitative and in others they are quantitative, as  
17 provided in Sections II and IV and Appendix A to Exhibit MJ-1.

18 **Q. Has FPL provided descriptions of how the programs included in its 2023 SPP will**  
19 **reduce restoration costs and outage times associated with extreme weather**  
20 **conditions?**

21 A. Yes. In compliance with Rules 25-6.030(3)(b) and 25-6.030(3)(d)(1), F.A.C., the  
22 benefits expected from the proposed SPP programs were provided in the following  
23 portions of FPL's 2023 SPP: Section II; the "Description of the Program and Benefits"  
24 included in each SPP program description in Section IV; and Appendix A of Exhibit  
25 MJ-1. The existing SPP programs have already demonstrated that they will both reduce

1 restoration costs and outage times associated with extreme weather conditions, and  
2 were previously approved as part of the 2020 SPP. Although FPL has proposed limited  
3 modifications to certain of these existing SPP programs, these modifications will  
4 further improve these programs and implement best practices where applicable as  
5 explained in my direct testimony and Exhibit MJ-1. And, OPC has not opposed or  
6 challenged any of these limited modifications to the existing SPP programs.

7

8 The Commission can review the benefits of the SPP programs described in my direct  
9 testimony and Exhibit MJ-1, together with the prioritization, feasibility, estimated  
10 costs, and estimated rate impacts, and determine whether the programs included in the  
11 2023 SPP are in the public interest.

12

13 V. OPC'S CLAIM THAT ONLY NEW OR EXPANDED STORM HARDENING  
14 PROGRAMS QUALIFY FOR INCLUSION IN THE SPP IS INAPPROPRIATE

15 Q. ~~On pages 13-15 of his direct testimony, OPC witness Kollen asserts that FPL has~~  
16 ~~included programs and projects that are within the scope of its existing base rate~~  
17 ~~programs and base rate recoveries in the normal course of business, and he~~  
18 ~~recommends that these programs and projects should be excluded from the SPPs.~~  
19 ~~Do you have a response?~~

20 A. ~~Yes. It appears that OPC witness Kollen is recommending that only new or expanded~~  
21 ~~storm hardening programs qualify for inclusion in the SPP, and that any programs that~~  
22 ~~have previously been recovered in base rates are not eligible to be included in the SPP.~~  
23 ~~Indeed, on page 7 of his testimony, OPC witness Kollen states that to be included in~~  
24 ~~the SPP, "the projects and the costs of the projects must be incremental, not simply~~  
25 ~~displacements of base rate costs that would have been incurred during the normal~~

1 course of business.” OPC witness Kollen’s recommendation is misplaced for several  
2 reasons:

3  
4 ~~First, OPC witness Kollen is again attempting to re-litigate the Commission’s approval~~  
5 ~~of the SPP Rule and add a new requirement that is clearly not prescribed in either the~~  
6 ~~SPP Statute or SPP Rule. The SPP Statute and SPP Rule define the type of programs~~  
7 ~~eligible to be included in the SPP as programs for the overhead hardening and increased~~  
8 ~~resilience of T&D facilities, undergrounding of electric distribution facilities, and~~  
9 ~~vegetation management that will mitigate restoration costs and outage times due to~~  
10 ~~extreme weather events. Contrary to OPC witness Kollen’s assertion, there is nothing~~  
11 ~~in either the SPP Statute or SPP Rule that limit SPP programs to only new or expanded~~  
12 ~~storm hardening programs.~~

13  
14 ~~Second, OPC witness Kollen’s recommendation misconstrues and seeks to expand the~~  
15 ~~limitation in the SPP Statute and SPPCRC Rule that SPP costs cannot be recovered in~~  
16 ~~both base and clause rates. The SPP Statute provides that the “annual transmission and~~  
17 ~~distribution storm protection plan costs may not include costs recovered through the~~  
18 ~~public utility’s base rates.” See Section 366.96(8), F.S. Similarly, the SPPCRC Rule~~  
19 ~~provides that costs recoverable through the SPPCRC “shall not include costs recovered~~  
20 ~~through the utility’s base rates or any other cost recovery mechanisms.” See Rule 25-~~  
21 ~~6.031(6)(b), F.A.C. Simply stated, the limitation proscribed in the SPP Statute and~~  
22 ~~SPPCRC Rule ensures that there is no double recovery of SPP costs in both base and~~  
23 ~~clause rates. It does not limit SPP programs to only new or expanded storm hardening~~  
24 ~~programs that have not previously been recovered in base rates as suggested by OPC~~  
25 ~~witness Kollen.~~

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~~Third, the issue of whether SPP costs are incremental or being recovered in base rates is irrelevant to this SPP proceeding. As stated in Commission Order No. PSC-2020-0162 PCO EI in Docket No. 20200071 EI, this is an issue to be addressed in the SPPCRC proceedings. Relatedly, OPC witness Kollen’s recommendation overlooks the fact that SPP costs can be recovered through either the SPPCRC or base rates—just not both. See Rule 25-6.031(8), F.A.C. (“Recovery of costs under this rule does not preclude a utility from proposing inclusion of unrecovered Storm Protection Plan implementation costs in base rates in a subsequent rate proceeding”).~~

~~Fourth, OPC witness Kollen’s recommendation would lead to nonsensical results. Under OPC witness Kollen’s approach, none of the pole inspection, vegetation management, transmission pole replacement, feeder hardening, or other long-standing storm hardening programs that existed prior to the effective date of the SPP Statute would be eligible to be included in the SPP unless they are expanded and, even then, only the costs associated with the expanded portion of those programs could be included in the SPP. See Direct Testimony of OPC witness Kollen, page 15. The flaw with this approach is that these programs have largely been in place since 2007 and approved as part of the Storm Hardening Plan, which has now been replaced with the SPP. Moreover, the existing eight SPP programs were approved in FPL’s and former Gulf Power Company’s (Gulf) 2020 SPPs. The purpose and policy of the SPP Statute is to mitigate restoration costs and outage times by encouraging the IOUs to continue and accelerate their storm hardening efforts by reducing regulatory lag and allowing the IOUs to recover the associated costs through an annual clause proceeding. OPC witness Kollen’s new proposal, however, would defeat this legislative objective by~~

1        ~~disallowing longstanding and proven storm-hardening measures from being included~~  
2        ~~in the SPP.~~

3  
4        ~~Finally, although OPC witness Kollen alleges on page 13 of his testimony that FPL~~  
5        ~~included programs and projects in its 2023 SPP that are base rate programs recovered~~  
6        ~~in base rates in the normal course of business, neither OPC witness identifies any~~  
7        ~~specific FPL program that they believe are currently in FPL's base rates. While OPC~~  
8        ~~may attempt to raise this as an issue in the SPPCRC proceeding, it is important to~~  
9        ~~remember that, effective January 1, 2022, all SPP operations and maintenance expenses~~  
10       ~~and capital expenditures, with the exception of the cost of removal for assets existing~~  
11       ~~prior to 2021, have been recovered or will be requested for recovery through the~~  
12       ~~SPPCRC and, therefore, are incremental to and not being recovered in base rates. See~~  
13       ~~Direct Testimony of FPL witness Liz Fuentes filed in Docket No. 20210015-EI on~~  
14       ~~March 12, 2021; see Direct Testimony of FPL witnesses Liz Fuentes and Michael Jarro~~  
15       ~~filed in Docket No. 20200092-EI on July 24, 2020.~~

16  
17       **VI. THE PROGRAMS AND PROJECTS INCLUDED IN FPL'S 2023 SPP ARE IN**  
18       **THE PUBLIC INTEREST AND SHOULD BE APPROVED**

19       **A. OPC Essentially Agrees with Eight of the Nine Programs Included in**  
20       **FPL's SPP**

21       **Q. You have stated that OPC essentially agrees with eight of the nine programs**  
22       **included in FPL's 2023 SPP. Can you please explain how you arrived at that**  
23       **conclusion?**

24       **A. Yes. As explained above, FPL's 2023 SPP includes a total of nine SPP programs:**  
25       **eight existing programs included in the 2020 SPP approved by Commission Order No.**

1 PSC-2020-0293-AS-EI, and three new programs. OPC witness Mara proposes  
2 adjustments to two of the existing SPP programs: the existing Substation Storm  
3 Surge/Flood Mitigation Program and the existing Distribution Lateral Hardening  
4 Program. OPC witness Mara also opposes the

5 Transmission Access  
6 Enhancement Program. Therefore, OPC witness Mara essentially agrees that six out  
7 of the nine programs included in FPL's 2023 SPP should be approved as submitted.

8  
9 Further, with respect to the Substation Storm Surge/Flood Mitigation Program, OPC  
10 witness Mara does not oppose the program but, rather, asserts on pages 16-17 of his  
11 direct testimony that the Storm Surge/Flood Mitigation Program should exclude  
12 substations that have alternate feeds available and do not have a history of flooding.  
13 Therefore, OPC essentially agrees with FPL's proposed Substation Storm Surge/Flood  
14 Mitigation Program but recommends additional selection criteria be considered, which  
15 I will further address later in my testimony.

16  
17 Similarly, OPC witness Mara does not oppose the Distribution Lateral Hardening  
18 Program. Rather, OPC witness Mara recommends on pages 33-34 of his direct  
19 testimony that the annual budget for the Distribution Lateral Hardening Program be  
20 capped at \$606 million for the years 2025-2032. Therefore, OPC essentially agrees  
21 with FPL's proposed Distribution Lateral Hardening Program but recommends a  
22 reduction in the number of laterals that may be completed each year, which will delay  
23 when customers will receive the direct benefits of the Distribution Lateral Hardening  
24 Program. I will respond to OPC witness Mara's recommended adjustment below.

25

1 Based on the testimony of OPC witness Mara, it appears that OPC essentially agrees  
2 with eight out of the nine programs included in FPL's 2023 SPP. It further  
3 appears that the only truly contested programs are the three new programs proposed in  
4 FPL's 2023 SPP. I will respond to OPC criticisms of these new SPP programs below.

5

6 **B. OPC's Recommended Adjustment to the Storm Surge/Flood Mitigation**  
7 **Program is not Reasonable or Appropriate**

8 **Q. OPC witness Mara recommends adjustments to the Storm Surge/Flood**  
9 **Mitigation Program. Before responding to his specific recommendations, do you**  
10 **have any general observations about his proposal?**

11 A. Yes. OPC witness Mara's recommendations regarding FPL's Storm Surge/Flood  
12 Mitigation Program are inconsistent. On page 13 of his testimony, OPC witness Mara  
13 appears to recommend that the entire budget for the Storm Surge/Flood Mitigation  
14 Program should be rejected. However, on pages 16-18 of his testimony, OPC witness  
15 Mara recommends that substations with alternate feeds or no history of flooding should  
16 be excluded from the Storm Surge/Flood Mitigation Program. Notably, OPC witness  
17 Mara does not identify any specific substation that would be excluded by his proposal,  
18 nor does he explain or demonstrate how such exclusions would result in the elimination  
19 of the entire budget for the Storm Surge/Flood Mitigation Program.

20 **Q. Do you have a response to OPC witness Mara's recommendation that the entire**  
21 **budget for the Storm Surge/Flood Mitigation Program should be rejected?**

22 A. Yes. OPC witness Mara's recommendation overlooks that the Storm Surge/Flood  
23 Mitigation Program included in FPL's 2023 SPP is the same program that was included  
24 in FPL's 2020 SPP previously approved by Commission Order No. PSC-2020-0293-  
25 AS-EI. In the 2020 SPP, FPL originally projected it would complete the Storm



1 Surge/Flood Mitigation Program by 2022. However, as explained in my direct  
2 testimony and in Exhibit MJ-1, due to field conditions and permitting delays that were  
3 largely beyond FPL's control, FPL was unable to complete the storm surge/mitigation  
4 measures at all of the identified substations by year-end 2022 as originally projected.  
5 As a result, FPL is proposing to continue the program to address the remaining four  
6 substations originally identified in the 2020 SPP, which are currently expected to be  
7 completed by year-end 2024. FPL has not added new or additional substations to the  
8 Storm Surge/Flood Mitigation Program approved as part of the 2020 SPP. The new  
9 exclusions proposed by OPC witness Mara were not part of either the 2020 SPP or the  
10 2020 SPP Settlement that OPC joined. OPC witness Mara has not offered any reason  
11 why it was in the public interest to complete the storm surge/mitigation measures at  
12 these substations as part of the 2020 SPP, but not as part of the 2023 SPP.

13 **Q. Do you agree with OPC witness Mara's recommendation that substations with**  
14 **alternate feeds should be excluded from the Storm Surge/Flood Mitigation**  
15 **Program?**

16 A. No. Rather than installing measures to mitigate the potential for storm surge and flood  
17 at these four substations, OPC witness Mara recommends that any of these substations  
18 that have an alternative feed should be de-energized and the load served by the de-  
19 energized substation should be transferred to an adjacent substation via the alternate  
20 feed. OPC witness Mara's recommendation is not practical.

21  
22 All of the four substations identified for the Storm Surge/Flood Mitigation Program  
23 have alternative feeder ties to nearby substations. However, de-energizing one  
24 substation due to storm surge or flooding does not mean an adjacently tied substation  
25 can necessarily pick up and support the entire electric load from the de-energized

1 substation. For example, the St. Augustine Substation, which has an alternate feed,  
2 was de-energized during Hurricanes Matthew and Irma and the majority of the  
3 customers served by this substation experienced outages. Similarly, the South Daytona  
4 Substation, which has an alternate feed, was de-energized during Hurricane Irma and  
5 the majority of the customers served by this substation experienced outages. Further,  
6 OPC witness Mara overlooks that the mitigation measures under the Storm  
7 Surge/Flood Mitigation Program will not only reduce outages but will reduce  
8 restoration costs associated with the need to repair and replace substation equipment  
9 that is damaged due to storm surge or flooding following an extreme weather event.

10 **Q. Do you have a response to OPC witness Mara's recommendation that substations**  
11 **with no history of flooding should be excluded from the Storm Surge/Flood**  
12 **Mitigation Program?**

13 A. Yes. All four substations remaining to be completed under the Storm Surge/Flood  
14 Mitigation Program have, in fact, experienced floods or storm surges in the past. Most  
15 recently, the flood alarm monitor went off at the Dumfoundling Substation during  
16 Tropical Cyclone One that impacted South Florida on June 2, 2022. With respect to  
17 future potential flooding at these substations, FPL explained in its response to OPC's  
18 Fourth Set of Interrogatories No. 50(d), which is attached to my rebuttal testimony as  
19 Exhibit MJ-2, that each of the four substations remaining to be completed under the  
20 program has projected flood levels that are higher than the current elevation of these  
21 substations. Therefore, all four substations included in the Substation Storm  
22 Surge/Flood Mitigation Program as part of the 2023 SPP have had a history of flooding  
23 and remain susceptible to flooding.

1           **C.     OPC's Recommended Adjustments to the Distribution Lateral**  
2                   **Hardening Program are not Reasonable or Appropriate**

3   **Q.     Does OPC oppose the Distribution Lateral Hardening Program included in FPL's**  
4   **2023 SPP?**

5   A.    No.   OPC witness Mara does not oppose FPL's Distribution Lateral Hardening  
6          Program. Rather, OPC witness Mara recommends a reduction in the annual budget for  
7          the Distribution Lateral Hardening Program, which will reduce the number of laterals  
8          to be completed each year and delay when customers will receive the direct benefits of  
9          the Distribution Lateral Hardening Program.

10 **Q.    In the 2023 SPP, FPL proposed to establish protocols for determining when a**  
11 **lateral may be evaluated for overhead hardening as opposed to being placed**  
12 **underground. Does OPC oppose these new overhead hardening protocols?**

13 A.    No. Although OPC witness Mara asserts on pages 29-30 of his testimony that the  
14          overhead program is vague and not well defined, he does not oppose any of the  
15          protocols proposed by FPL for evaluating when a lateral may be overhead hardened as  
16          opposed to being placed underground. Rather, OPC witness Mara simply notes that  
17          the overhead hardening protocols appear similar to the standards used in FPL's Feeder  
18          Hardening Program. Notably, OPC does not oppose, criticize, or otherwise take any  
19          issue with FPL's Feeder Hardening Program.

20 **Q.    On page 33 of his testimony, OPC witness Mara recommends that overhead**  
21 **hardened laterals and undergrounded laterals should be separated and tracked**  
22 **as two individual SPP programs. Do you agree with his recommendation?**

23 A.    I do not agree that there should be separate overhead and underground lateral SPP  
24          programs. The overhead protocols were established and incorporated into the  
25          Distribution Lateral Hardening Program pursuant to the 2020 SPP Settlement approved

1 by Commission Order No. PSC-2020-0293-AS-EI. FPL did not commit to create  
2 separate overhead and underground lateral programs. Moreover, the underground and  
3 overhead components of the Distribution Lateral Hardening Program are symbiotic,  
4 and the work will be part of the same overall lateral project. As explained in my direct  
5 testimony and Exhibit MJ-1, the selection and prioritization criteria for the Distribution  
6 Lateral Hardening Program ranks each feeder based on actual historical experience of  
7 all the overhead laterals on the feeder in order to address the worst performing circuits  
8 first. All laterals on the feeders are then hardened according to the ranking of each  
9 feeder. As explained in Exhibit MJ-1, constructing at the feeder level significantly  
10 improves the efficiency and timing of construction because all of the work takes place  
11 in the same location (feeder) on a set of laterals as opposed to being spread out over  
12 multiple individual laterals across the entire service area. It also allows for a more  
13 efficient design to reduce overall cable footage and the number of transformers needed  
14 to serve an area by interconnecting existing laterals and using alternate cable paths to  
15 reduce the total number of laterals in the area. When FPL performs the engineering  
16 evaluation of all laterals on a feeder, it will apply the overhead protocols to evaluate  
17 whether each lateral should be overhead hardened or converted to underground based  
18 on the actual field conditions and limitations at the time. Thus, the overhead and  
19 underground work is completed as part of a single conceptual design across all laterals  
20 on an entire feeder under the Distribution Lateral Hardening Program. To treat and  
21 separately manage the overhead hardening and underground lateral work as separate  
22 programs, as suggested by OPC witness Mara, would reduce efficiencies and increase  
23 costs. For these reasons, I believe it is appropriate and reasonable that the overhead  
24 protocols should be included and part of the overall Distribution Lateral Hardening  
25 Program and should not be a standalone SPP program.

1   **Q.    On page 31 of his testimony, OPC witness Mara claims that the Distribution**  
2       **Lateral Hardening Program does not meet the requirements of the SPP Rule**  
3       **because FPL did not provide any estimate of the cost reductions to be realized**  
4       **from the program. Do you have a response?**

5    A.   I disagree with OPC witness Mara. First, his claim that FPL did not provide cost  
6       reductions associated with the Distribution Lateral Hardening Program is a fallout of  
7       OPC's proposal that the Commission should adopt and apply a new cost benefit  
8       analysis requirement and new cost-effectiveness threshold for the SPP programs. As I  
9       explained above, OPC's proposed cost benefit analysis and new cost-effectiveness  
10      threshold should be rejected.

11  
12      Second, as I explained above, there is nothing in either the SPP Statute or SPP Rule  
13      that prescribes that the benefits of SPP programs must be quantified, and storm  
14      hardening is not a simple cost-effective calculation as suggested by OPC.

15  
16      Third, in compliance with Rules 25-6.030(3)(b) and 25-6.030(3)(d)(1), F.A.C., the  
17      benefits expected from the Distribution Lateral Hardening Program were provided in  
18      the following portions of FPL's 2023 SPP: Section II; Section IV(D)(1)(b); and  
19      Appendix A of Exhibit MJ-1. In fact, on page 31 of his testimony, OPC witness Mara  
20      relies on the 40-year net present value analysis of the reduction in storm restoration  
21      costs provided by FPL in Appendix A of Exhibit MJ-1. Further, on page 34 of his  
22      testimony, OPC witness Mara acknowledges that "[i]t is apparent from experiences in  
23      Florida that undergrounding and hardening poles will reduce outage costs and outage  
24      times."

1 Finally, OPC witness Mara does not propose that the Distribution Lateral Hardening  
2 Program be rejected; rather, he proposes an adjustment to the annual budget beginning  
3 in 2025. Either the Distribution Lateral Hardening Program meets the requirements of  
4 the SPP Rule and is eligible to be included in the SPP or it does not. OPC witness Mara  
5 cannot have it both ways.

6 **Q. Does OPC agree with FPL's prioritization and selection criteria for the**  
7 **Distribution Lateral Hardening Program?**

8 A. No. Although OPC does not take issue with any specific selection and prioritization  
9 criteria for the Distribution Lateral Hardening Program, OPC witness Mara nonetheless  
10 states on page 32 of his testimony that he does not agree with FPL's selection and  
11 prioritization methodology. Apparently, OPC witness Mara believes that FPL needs to  
12 do more so that lateral hardening and undergrounding and their associated benefits are  
13 spread to more customers and communities:

14 My point is that the dollars are concentrated such that only a few  
15 customers will see a reduction in customer outage minutes and enjoy  
16 the aesthetics and other benefits of an undergrounded system. The  
17 remaining customers only see a benefit cost ratio that is upside down  
18 meaning more costs than benefits.

19 This is a significant investment in a small portion of the system (one  
20 feeder) and in a single community. *There needs to be a mechanism*  
21 *to help spread the undergrounding and hardening to more*  
22 *communities*, which is important since all customers will be  
23 contributing to the cost of undergrounding.

24 See Direct Testimony of OPC witness Mara, pp. 32-33 (emphasis added). As I address  
25 later in my testimony, this statement is at odds with his recommendation of reducing  
26 the budget for the Distribution Lateral Hardening Program.

27

1 **Q. Please describe OPC's proposed adjustment to the Distribution Lateral**  
2 **Hardening Program.**

3 A. ~~Despite the many pages of OPC's testimony dedicated to recommending that the~~  
4 ~~Commission adopt and apply a new cost effectiveness test,~~ on pages 33-34 of his  
5 testimony OPC witness Mara recommends a qualitative adjustment to the annual  
6 budget for the Distribution Lateral Hardening Program starting in 2025 and continuing  
7 through 2032. Specifically, OPC witness Mara recommends that the annual budget for  
8 the Distribution Lateral Hardening Program be capped at \$606 million per year for the  
9 years 2025 to 2032, which results in a total ten-year budget reduction of approximately  
10 \$3.4 billion.

11 **Q. Does OPC witness Mara describe how he calculated his proposed reduction to the**  
12 **Distribution Lateral Hardening Program budget?**

13 A. No. His adjustment appears to be completely qualitative and, together with his other  
14 proposed adjustments, is simply intended to reduce the ten-year capital cost per  
15 customer to remain similar to the ten-year capital cost per customer for the combined  
16 FPL and Gulf's 2020 SPPs. See Direct Testimony of OPC witness Mara, pp. 13 and  
17 34.

18 **Q. Do you agree with OPC witness Mara's proposed adjustment to the Distribution**  
19 **Lateral Hardening Program budget?**

20 A. No, I disagree for multiple reasons. It is important to understand OPC witness Mara's  
21 proposed adjustment will reduce the number of laterals to be completed each year and  
22 delay when customers will receive the direct benefits of the Distribution Lateral  
23 Hardening Program. This adjustment directly contradicts his position on pages 32-33  
24 that FPL needs to expand its efforts so that lateral hardening and undergrounding, and  
25 their associated benefits, are spread to more customers and communities.

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Although OPC witness Mara apparently seeks to simply maintain the status quo, he overlooks that the Distribution Lateral Hardening Program was initially deployed as a limited pilot, which was continued through 2022 as OPC agreed in the 2020 SPP Settlement. As part of the 2023 SPP, FPL is seeking to deploy the Distribution Lateral Hardening Program as a full-scale permanent SPP program and, as such, is ramping up the program in order to provide the benefits of underground lateral hardening throughout its system, including in the former Gulf service area. I note that OPC does not object to the Distribution Lateral Hardening Program becoming a permanent SPP program.

FPL's Distribution Lateral Hardening Program was designed to achieve the objectives and goals of the SPP Statute. Therein, the Florida Legislature expressly found that "[i]t is in the state's interest to strengthen electric utility infrastructure to withstand extreme weather conditions by promoting the overhead hardening of electrical transmission and distribution facilities, the undergrounding of certain electrical distribution lines, and vegetation management" and "[p]rotecting and strengthening transmission and distribution electric utility infrastructure from extreme weather conditions can effectively reduce restoration costs and outage times to customers." See Sections 366.96(1)(c), (d), F.S. FPL's underground lateral program is an impactful and crucial tool to achieve these legislative objectives and is appropriately designed to address the worst performing circuits and areas first based on actual historical experience. Indeed,



1 as shown in FPL's Hurricane Irma Forensic Report, underground laterals performed  
2 6.6 times (85%) better during Hurricane Irma than overhead laterals.<sup>1</sup>  
3

4 The ramp up in the number of laterals to be completed each year under the Distribution  
5 Lateral Hardening Program is due primarily to the inclusion of the former Gulf service  
6 area and the significant number of laterals that remain to be hardened, the strong local  
7 support and interest in the program, as well as the addition of the Management Region  
8 selection approach in 2025 as explained in my direct testimony and Exhibit MJ-1.  
9 Notably, the OPC does not criticize or challenge the proposed addition of the  
10 Management Region selection approach.  
11

12 The annual budget for the Distribution Lateral Hardening Program is a product of the  
13 number of estimated projects to be completed throughout FPL's system as provided in  
14 Appendix C to Exhibit MJ-1. Although all customers indirectly benefit from overhead  
15 hardened and underground laterals through reduced restoration costs, the direct benefits  
16 for customers of overhead hardened and underground laterals, including both reduced  
17 outage times and aesthetics (as recognized by OPC witness Mara on page 32 of his  
18 testimony), will be facilitated and realized more quickly through the expanded number  
19 of underground projects contemplated by FPL's SPP. How fast and how many lateral  
20 projects are completed under the Distribution Lateral Hardening Program, and how  
21 quickly customers realize the direct and indirect benefits therefrom, is ultimately a  
22 regulatory decision for the Commission to be made in the context of the policy and  
23 objectives of the SPP Statute.

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<sup>1</sup> Refer to Page 7 of FPL's Hurricane Irma Forensic Report in Docket No. 20180049, which is available at:  
<http://www.psc.state.fl.us/library/filings/2019/05615-2019/Support/Exhibit%2036/POD%20No.%202/20180049%20-%20OPC's%201st%20POD%20No.%202%20-%20Attachment%20No.%201.pdf>

1           **D.     FPL’s New Transmission Access Enhancement Program is Consistent**  
2                           **with the Objectives of the SPP Statute and Should be Approved**

3   **Q.     Does the OPC agree with FPL’s proposal to add the new Transmission Access**  
4   **Enhancement Program to the 2023 SPP?**

5   A.    No. On pages 26-29 of his testimony, OPC witness Mara contends that maintenance  
6          of bridges, roads, and culverts are ordinary base rate activities and FPL failed to  
7          demonstrate how its proposed Transmission Access Enhancement Program will meet  
8          the objectives of the SPP statute to reduce restoration costs and outage times associated  
9          with extreme weather events.

10 **Q.    Do you agree that projects to be completed under the Transmission Access**  
11 **Enhancement Program should be maintained as part of FPL’s ordinary base rate**  
12 **activities?**

13 A.    No. OPC witness Mara appears to misunderstand the scope and purpose of the  
14          Transmission Access Enhancement Program. FPL is not proposing to simply maintain  
15          roads, rights of way, bridges, and culverts for purposes of accessing transmission  
16          facilities for day-to-day maintenance and vegetation management activities, which  
17          activities are typically scheduled and conducted during drier times of the year and  
18          within the existing transmission rights-of-way. Rather, as explained in my direct  
19          testimony and Exhibit MJ-1, the purpose of the Transmission Access Enhancement  
20          Program is to ensure that FPL has access to its transmission facilities following an  
21          extreme weather event by targeting and addressing areas that become inaccessible due  
22          to flooding or saturated soils. Notably, the peak of the Atlantic Hurricane Season  
23          coincides with Florida’s wet season when increased rainfall will exacerbate the  
24          inaccessibility of many of these low-lying, saturated, and wetland areas. As explained  
25          in my direct testimony and Exhibit MJ-1, and as acknowledged by OPC witness Mara

1 on page 27 of his testimony, these low-lying areas may not be accessible following an  
2 extreme weather event without specialized equipment and vehicles, which has limited  
3 availability during and immediately following storm events.

4 **Q. Do you have a response to OPC witness Mara's contention on pages 27-28 of his**  
5 **testimony that FPL did not demonstrate that the Transmission Access**  
6 **Enhancement Program will reduce restoration costs and outage times associated**  
7 **with extreme weather events?**

8 A. Yes. OPC witness Mara's argument is, again, a fallout of OPC's proposal that the  
9 Commission should adopt and apply a new cost benefit analysis requirement and new  
10 cost-effectiveness threshold for the SPP programs. As I explained above, OPC's  
11 proposed new criteria and standards to review the SPPs are contrary to the requirements  
12 of both the SPP Statute and SPP Rule and should be rejected.

13

14 My direct testimony and Section IV(K)(1) of Exhibit MJ-1 explained that the  
15 Transmission Access Enhancement Program will ensure that FPL and its contractors  
16 have access to FPL's transmission facilities following an extreme weather event, which  
17 will reduce the need and associated costs for specialized equipment and will help  
18 expedite restoration activities and thereby reduce customer outage times. Importantly,  
19 a transmission-related outage can result in an outage affecting tens of thousands of  
20 customers and may cause a cascading event that could result in loss of service for  
21 hundreds of thousands of customers. The Transmission Access Enhancement Program  
22 will allow FPL and its contractors to quickly address such outages following an extreme  
23 weather event, which would result in a reduction of outage times for tens of thousands  
24 to hundreds of thousands of customers following an extreme weather event.

1 **Q. Do you have any other observations regarding OPC's opposition to the**  
2 **Transmission Access Enhancement Program?**

3 A. Yes. OPC witness Mara appears to overlook that the Commission's SPP Rule defines  
4 a storm protection project to include enhancement of T&D areas and not just the T&D  
5 facilities themselves: "a specific activity within a storm protection program designed  
6 for the enhancement of an identified portion *or area of existing electric or distribution*  
7 *facilities* for the purpose of reduction restoration costs and reduction outage times  
8 associated with extreme weather conditions therefore improving overall service  
9 reliability." See Rule 25-6.030(2)(b), F.A.C. (emphasis added). I also note that FPL's  
10 proposed program was modeled after the Transmission Access Enhancement Program  
11 included in Tampa Electric Company's ("TECO") 2020-2029 SPP that was previously  
12 agreed to in a Stipulation and Settlement Agreement, which OPC joined, that was  
13 approved by Commission Order No. PSC-2020-0293-AS-EI.<sup>2</sup>

14 **Q. On page 27 of his testimony, OPC witness Mara states that, as an alternative, FPL**  
15 **should consider simply purchasing the specialized equipment necessary to access**  
16 **its transmission facilities located in low-lying and saturated areas following an**  
17 **extreme weather event. Do you have a response to his alternative proposal?**

18 A. Yes. FPL has evaluated large tire equipment used in other industries. However, FPL  
19 has not been able to locate large tire vehicles readily available for purchase that are  
20 capable of working within Florida's unique topography, terrain, and hydrology while  
21 still meeting the necessary technical loading and reach specifications required to  
22 perform transmission line restoration work following an extreme weather event.  
23 Although floating equipment, such as barges, are utilized for construction of

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<sup>2</sup> FPL acknowledges that, despite agreeing to the program in the TECO 2020-2029 SPP, OPC witness Mara filed testimony in Docket No. 20220048-EI opposing the continuation of TECO's previously approved Transmission Enhancement Program.

1 transmission line river crossings, this floating equipment cannot be used to access the  
2 low-lying and saturated areas to be addressed by the Transmission Access  
3 Enhancement Program.

4

5 Even if this specialized equipment was readily available on the market for purchase,  
6 FPL would need a large fleet of specialized equipment because the Company's service  
7 area encompasses more than 35,000 square miles across 43 counties with more than  
8 9,000 miles of transmission lines. Purchasing a large fleet of specialty vehicles would  
9 also require ongoing specialized maintenance and specialized resources trained and  
10 familiar with operating and maintaining the specialized equipment. Lastly, external  
11 resources that perform restoration work following an extreme weather event may not  
12 be able to utilize the specialized equipment, resulting in potential delays to restoration  
13 of transmission structures and equipment.

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15 **E.**

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**Q. Does this conclude your rebuttal testimony?**

**A. Yes.**

## **ATTACHMENT 2**

**Florida Power & Light Company  
Docket No. 20220051-EI**

**Rebuttal Testimony of Michael Jarro  
Corrected by Second Errata Filed August 1, 2022 (CLEAN)**

Includes the original Exhibit MJ-2 filed on June 21, 2022

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **DOCKET NO. 20220051-EI**

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4 **FLORIDA POWER & LIGHT COMPANY**

5 **2023-2032 STORM PROTECTION PLAN**

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9 **REBUTTAL TESTIMONY OF**

10 **MICHAEL JARRO**

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24 **Filed: June 21, 2022**

25 **Corrected by Second Errata Filed August 1, 2022**

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**Exhibit MJ-2: FPL’s Response to OPC’s Fourth Set of Interogatories No. 50**

1   **I.   INTRODUCTION**

2   **Q.   Please state your name and business address.**

3   A.   My name is Michael Jarro. My business address is Florida Power & Light Company  
4       (“FPL” or the “Company”), 15430 Endeavor Drive, Jupiter, FL, 33478.

5   **Q.   Did you previously submit direct testimony?**

6   A.   Yes. I submitted written direct testimony on April 11, 2022, together with Exhibit MJ-  
7       1 – FPL’s Storm Protection Plan 2023-2032. On May 6, 2022, FPL filed and served a  
8       Notice of Filing a Revised Appendix E to Exhibit MJ-1 to correct the completion dates,  
9       start dates, and amounts projected for certain Distribution Feeder Hardening Program  
10      projects included in the 2023 project level detail.

11   **Q.   What is the purpose of your rebuttal testimony?**

12   A.   The purpose of my rebuttal testimony is to respond to certain portions of the direct  
13      testimonies of Lane Kollen and Kevin J. Mara submitted on behalf of the Office of  
14      Public Counsel (“OPC”). My rebuttal testimony will respond to the concerns,  
15      questions, and recommendations raised by these witnesses in opposition to FPL’s 2023-  
16      2032 Storm Protection Plan (“2023 SPP”) submitted as Exhibit MJ-1 and as corrected  
17      by the Notice of Filing a Revised Appendix E to Exhibit MJ-1 filed on May 6, 2022.

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19      First, I will provide some context and general observations regarding OPC’s concerns  
20      and criticisms of FPL’s 2023 SPP.

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Third, I will address OPC’s contention that FPL did not provide an estimate of how the programs and projects included in the 2023 SPP will reduce restoration costs and outage times as required by the SPP Rule. As explained below, OPC’s position is based on its incorrect interpretation of the SPP Statute and SPP Rule, and ignores the fact that SPP programs and projects provide both quantitative and qualitative benefits. I will further explain that FPL’s 2023 SPP complies with the requirements of the SPP Statute and SPP Rule.

1 Finally, I will address and rebut OPC witness Mara's recommendations and  
2 adjustments to five out of the nine programs included in FPL's 2023 SPP.  
3 Specifically, I will address the following recommendations by OPC: modify the  
4 Substation Storm Surge/Flood Mitigation Program; reduce the budget for the  
5 Distribution Lateral Hardening Program;  
6 and reject the new Transmission Access  
7 Enhancement Program. As I explain below, each of these recommendations are  
8 inappropriate and unnecessary, and do not serve customers' best interests.  
9  
10  
11

12 **Q. Are you sponsoring any exhibits with your rebuttal testimony?**

13 A. Yes. I am sponsoring the following exhibits with my rebuttal testimony:

- 14 • Exhibit MJ-2, FPL's Response to OPC's Fourth Set of Interrogatories No.  
15 50.

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21 **II. GENERAL RESPONSE TO OPC'S CONCERNS**

22 **Q. Before addressing the specific issues and recommendations raised by OPC, do you**  
23 **have any general observations?**

24 A. Yes. The evaluation of FPL's 2023 SPP must be grounded in the fact that FPL has  
25 successfully been engaging in Commission-approved storm hardening for the last 16

1 years. During this time, the Commission has reviewed and had full transparency into  
2 all aspects of FPL’s storm hardening activities, and interested parties and stakeholders  
3 had the opportunity to participate in these reviews. Indeed, in its report “Review of  
4 Florida’s Electric Utility Hurricane Preparedness and Restoration Actions 2018”, in  
5 Docket No. 20170215-EU, the Commission recognized the success of historical storm  
6 hardening efforts in Florida. Key findings by the Commission in that report included:

- 7 • Florida’s aggressive storm hardening programs are working (Section V);
- 8 • The length of outages was reduced markedly from the 2004-2005 storm  
9 season (Section IV);
- 10 • The primary cause of power outages came from outside the utilities’ rights  
11 of way including falling trees, displaced vegetation, and other debris  
12 (Section IV);
- 13 • Vegetation management outside the utilities’ rights of way is typically not  
14 performed by utilities due to lack of legal access (Section IV);
- 15 • Hardened overhead distribution facilities performed better than non-  
16 hardened facilities (Section V);
- 17 • Very few transmission structure failures were reported (Section V); and
- 18 • Underground facilities performed much better compared to overhead  
19 facilities (Section V).

20 In response to Hurricanes Matthew and Irma, the Florida Legislature passed the SPP  
21 Statute “to mitigate restoration costs and outage times to utility customers” by  
22 “strengthen[ing] electric utility infrastructure to withstand extreme weather conditions  
23 by promoting the overhead hardening of electrical transmission and distribution  
24 facilities, the undergrounding of certain electrical distribution lines, and vegetation  
25 management.” Section 366.96(1)(c)-(e), F.S. From these facts, one can logically and

1 reasonably conclude that the Legislature did not pass the SPP Statute to stop or limit  
2 storm hardening activity in Florida, nor can one assume that the passage of the SPP  
3 Statute was an indictment or criticism against storm hardening activity that has  
4 previously taken place in Florida. Rather, it is reasonable to assume that the Florida  
5 Legislature passed the SPP Statute to encourage, streamline, and advance storm  
6 hardening work in this state.

7

8 FPL's 2023 SPP outlines a comprehensive storm protection plan that meets the  
9 statutory objectives codified in the SPP Statute and complies with the requirements of  
10 the SPP Rule. The 2023 SPP is largely a continuation of the following programs  
11 included in the current 2020-2029 Storm Protection Plan (hereinafter, the "2020 SPP")  
12 that were agreed to by OPC in a Joint Motion for Approval of a Stipulation and  
13 Settlement Agreement ("2020 SPP Settlement"), approved by Commission Order No.  
14 PSC-2020-0293-AS-EI:

- 15 • Distribution Inspection Program
- 16 • Transmission Inspection Program
- 17 • Distribution Feeder Hardening Program
- 18 • Distribution Lateral Hardening Program
- 19 • Transmission Hardening Program
- 20 • Distribution Vegetation Management Program
- 21 • Transmission Vegetation Management Program
- 22 • Substation Storm Surge/Flood Mitigation Program

23 The majority of the existing SPP programs have been in place since 2007 and have  
24 already demonstrated that they have provided and will continue to provide increased  
25 T&D infrastructure resiliency, reduced restoration times, and reduced restoration costs

1 when FPL is impacted by extreme weather events. For certain existing SPP programs,  
2 FPL proposed limited modifications to further improve these programs and implement  
3 best practices as further described in my direct testimony and Exhibit MJ-1. Notably,  
4 OPC has not opposed or challenged any of these modifications to the existing SPP  
5 programs.

6

7 As part of the 2023 SPP, FPL also proposed to implement a new

8

9 Transmission Access Enhancement Program. As detailed in my direct testimony and  
10 Exhibit MJ-1, the new

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12 Transmission Access Enhancement Program  
13 will help ensure that FPL and its contractors have reasonable access to FPL's  
14 transmission facilities for repair and restoration activities following an extreme weather  
15 event.

16 **Q. Does OPC challenge all of the programs included in FPL's 2023 SPP?**

17 A. No.

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On pages 13, and 17-34, OPC witness Mara proposes adjustments to two of the existing SPP programs and opposes the new SPP program . Based on the testimony of OPC witness Mara, it appears that OPC essentially agrees with eight out of the nine programs included in FPL’s 2023 SPP. I will respond to OPC’s recommended adjustments to the existing SPP programs and criticisms of the new SPP programs later in my testimony.

**Q. Do you have any additional general observations about the testimonies of OPC witnesses Kollen and Mara?**

A. Yes.

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OPC contends that the benefits of the SPP programs must be quantified and monetized in order to meet the requirements of the SPP Rule.

As explained in my direct testimony, FPL has provided a description of how the 2023 SPP will reduce restoration costs and outage times associated with extreme weather events in compliance with express requirements of SPP Rule. As explained in greater detail below, storm hardening is not a simple cost-effective proposition and OPC’s belief that outage times should be monetized ignores the very real and simple fact that the monetary value individual customers or communities place on reduced outage times cannot be accurately or uniformly estimated. Moreover, OPC’s recommendation that FPL’s SPP programs require further cost-justification before they can be approved is directly contrary to OPC’s own testimony that requests the Commission reject only three of the nine programs included in FPL’s 2023 SPP as further explained in my rebuttal testimony.

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1 **IV. FPL'S 2023 SPP WILL REDUCE RESTORATION COSTS AND OUTAGE**  
2 **TIMES AS REQUIRED BY RULE 25-6.030, F.A.C.**

3 **Q. Both OPC witnesses Kollen and Mara argue that FPL's 2023 SPP did not meet**  
4 **the requirements of the SPP Rule because it did not quantify and monetize the**  
5 **benefits of the proposed SPP Programs. Do you have a response?**

6 **A.** Yes. I disagree with OPC witnesses Kollen and Mara that further cost-justification of  
7 FPL's 2023 SPP programs is needed or appropriate. On pages 17-19 of his testimony,  
8 OPC witness Kollen states that FPL did not provide any quantitative benefits for the  
9 proposed SPP programs and that it is not enough under the SPP Rule to simply say  
10 there will be benefits without quantifying those benefits. OPC witness Mara likewise  
11 states on pages 10-11 of his testimony that FPL only provided written descriptions of  
12 SPP program benefits and did not quantify the estimated cost reductions or monetize  
13 the reduction of outage times for each program. OPC witness Mara goes on to suggest  
14 on page 11 of his testimony that FPL should be required to file an amended SPP that  
15 provides this data. OPC's contention that FPL failed to comply with the SPP Rule  
16 because it did not quantify the benefits of the SPP programs is misplaced for several  
17 reasons.

1 Second, there is nothing in either the SPP Statute or SPP Rule that prescribes that the  
2 benefits of SPP programs must be quantified or monetized as suggested by the OPC  
3 witnesses. Rather, the SPP Rule expressly provides that the SPP must include a  
4 “description” of the benefits of the SPP programs. See Rule 25-6.030(3)(b), F.A.C.  
5 (“For each Storm Protection Plan, the following information must be included.... (b)  
6 *A description* of how the proposed Storm Protection Plan will reduce restoration costs  
7 and outage times associated with extreme weather conditions” (emphasis added)); see  
8 also Rule 25-6.030(3)(d)(1), F.A.C. (“*A description* of each proposed storm protection  
9 program that includes: (1) A description of how each proposed storm protection  
10 program is designed to enhance the utility’s existing transmission and distribution  
11 facilities including an estimate of the resulting reduction in outage times and restoration  
12 costs due to extreme weather events” (emphasis added)).

13  
14 Third, storm hardening is not a simple cost-effective proposition as suggested by OPC.  
15 OPC’s approach focuses only on program costs and savings in restoration costs  
16 associated with extreme weather conditions (*i.e.*, a strictly quantitative analysis), and  
17 completely ignores the qualitative component required by both the SPP Statute and SPP  
18 Rule. Stated differently, OPC’s proposed cost-benefit and cost-effectiveness approach  
19 ignores half of the benefits side of the equation. It cannot be reasonably disputed that  
20 customers want the extended outage times associated with extreme weather events to  
21 be reduced. Indeed, the Florida Legislature concluded that reducing outage times for  
22 utility customers, as well as restoration costs, is in the public interest. The Commission  
23 can and should compare these factors and determine whether the estimated benefits of  
24 the storm hardening programs are justified by the estimated rate impacts.

1 Fourth, OPC witness Mara's belief that outage times should be monetized, ignores the  
2 very real and simple fact that the monetary value individual customers or communities  
3 place on reduced outage times cannot be accurately or uniformly estimated. Indeed,  
4 some customers may be willing to pay a premium to never have a power outage, while  
5 others may be willing to tolerate a few short outages. Moreover, the SPP Rule does  
6 not require the outage times to be monetized as explained above, and there is no  
7 uniform Commission or industry method to do so. Such analyses are necessarily  
8 dependent on several highly variable factors (such as the intensity, path, and duration  
9 of the extreme weather event and extent that the system has been hardened) and could  
10 include a very wide range of subjective economic factors, including, but not limited to:  
11 individual and different customer value on reduced outage times, including comfort,  
12 health, and convenience; economic impact to individual customers due to spoilage, loss  
13 or disruption of business, and loss of equipment or supplies; and impact to the local  
14 and state economy. Thus, even if the SPP Statute and Rule did require the reduction in  
15 outage times to be monetized, which they do not, there is significant uncertainty and  
16 variability in how that should be done.

17  
18 Finally, OPC's recommendation that FPL's SPP programs require further cost-benefit  
19 analysis or cost-justification before they can be approved is directly contrary to OPC  
20 witness Mara's testimony on pages 13 and 17-34 that requests the Commission only  
21 reject three of the nine programs included in FPL's 2023 SPP. Stated differently,  
22 OPC witness Mara does not dispute that it would be reasonable for the Commission to  
23 allow FPL to implement the eight programs included in the 2023 SPP as further  
24 explained below. Either these SPP programs are in the public interest and should be  
25 approved, or they are not. The fact that OPC witness Mara has essentially agreed that

1 most of these programs should be approved without further cost-justification clearly  
2 suggests that OPC believes FPL has provided sufficient information about each of the  
3 SPP programs for the Commission to determine if they are in the public interest.

4 **Q. On page 18 of his direct testimony, OPC witness Kollen recommends that FPL**  
5 **should be directed to use its storm damage assessment model to model and**  
6 **quantify the estimated benefits and savings from the programs included in FPL’s**  
7 **2023 SPP. Please describe FPL’s Storm Damage Model.**

8 A. FPL’s Storm Damage Model is a very important proprietary tool developed by FPL to  
9 prepare for major storms that threaten FPL’s service area. The Storm Damage Model  
10 is used for major storms with a forecast track provided by the National Hurricane  
11 Center to estimate the number of construction man-hours (“CMH”) required to restore  
12 power to customers based on the forecasted intensity, speed, path of the storm, and the  
13 condition (hardened vs. non-hardened) of the infrastructure at the time of the storm.  
14 The Storm Damage Model is a planning tool used by the Company to estimate the  
15 extent of damage expected from a projected storm, and the number and location of  
16 resources that will be needed to quickly and safely restore power outages to the greatest  
17 number of customers in the shortest amount of time.

18 **Q. Do you agree with OPC witness Kollen’s recommendation that FPL should use**  
19 **the Storm Damage Model to model to quantify the benefits and savings associated**  
20 **with the programs included in FPL’s 2023 SPP?**

21 A. No, FPL’s Storm Damage Model was not intended to be used to quantify individual  
22 SPP programs or projects. As provided in Appendix A to Exhibit MJ-1, FPL used its  
23 Storm Damage Model to analyze Hurricanes Matthew and Irma and estimate the  
24 reduction in CMH, days to restore, and storm restoration costs that were attributable to  
25 the storm hardening projects that were completed and in place at the time of the

1 hurricanes. This analysis was based mainly on the feeders that FPL knew had been  
2 hardened versus non-hardened at the times Hurricanes Matthew and Irma occurred, and  
3 included the distribution inspection and vegetation management that had been  
4 completed at the times Hurricanes Matthew and Irma occurred. OPC witness Kollen  
5 proposes something different.

6  
7 OPC witness Kollen proposes that FPL use the Storm Damage Model to model the  
8 future system with the proposed 2023 SPP programs in place for the entire 2023-2032  
9 SPP period to quantify the costs that could be avoided due to the SPP programs. The  
10 problem with this approach is that, beyond year one of the SPP (2023), the project level  
11 detail has not been determined; meaning FPL does not at this time know which specific  
12 projects will be completed each year or where they will be located for the entire 2023-  
13 2032 SPP period. The scope and location of the storm hardening projects used in the  
14 Storm Damage Model for each year of the SPP will have a significant impact on the  
15 results of the analysis. For example, if FPL assumes a storm hardening project in a  
16 densely populated urban area as opposed to a rural area, or vice versa, this could change  
17 the damage estimated by the Storm Damage Model. Also illustrative is the fact that  
18 the estimated length, number of poles, location, and accessibility of the laterals used in  
19 the model would change the damage estimated by the Storm Damage Model. Each of  
20 these factors, which cannot be reasonably predicted for the entire 2023-2032 SPP  
21 period, would impact the estimated CMH, days to restore, and storm restoration costs  
22 predicted by the Storm Damage Model. For these reasons, the Storm Damage Model  
23 does not readily lend itself to model future SPP programs as proposed by OPC witness  
24 Kollen.

25

1 Even assuming the Storm Damage Model was appropriate to provide an estimate of  
2 CMH, days to restore, and storm restoration costs for future SPP programs, FPL's  
3 Storm Damage Model is only used for major storms with a forecast track provided by  
4 the National Hurricane Center. Thus, the Model would not account for any other types  
5 of extreme weather conditions, as well as any associated reductions in restoration costs  
6 and outage times. Florida remains the most hurricane-prone state in the nation and,  
7 with the significant coast-line exposure of FPL's system and the fact that the vast  
8 majority of FPL's customers live within 20 miles of the coast, FPL's service area has  
9 a high probability of being impacted by multiple extreme weather events every year.  
10 Although no one is in a position to know for sure how frequently FPL's service area  
11 will be impacted by extreme weather conditions, the Storm Damage Model estimate of  
12 cumulative reductions in restoration costs and outage times associated with the SPP  
13 programs will be directly affected by frequency, strength, speed, and path of storms  
14 that impact FPL's service area. As required by the SPP Rule, FPL has provided a  
15 description of the benefits and estimated cost for all the programs in FPL's 2023 SPP,  
16 in some cases these benefits are qualitative and in others they are quantitative, as  
17 provided in Sections II and IV and Appendix A to Exhibit MJ-1.

18 **Q. Has FPL provided descriptions of how the programs included in its 2023 SPP will**  
19 **reduce restoration costs and outage times associated with extreme weather**  
20 **conditions?**

21 A. Yes. In compliance with Rules 25-6.030(3)(b) and 25-6.030(3)(d)(1), F.A.C., the  
22 benefits expected from the proposed SPP programs were provided in the following  
23 portions of FPL's 2023 SPP: Section II; the "Description of the Program and Benefits"  
24 included in each SPP program description in Section IV; and Appendix A of Exhibit  
25 MJ-1. The existing SPP programs have already demonstrated that they will both reduce



1 restoration costs and outage times associated with extreme weather conditions, and  
2 were previously approved as part of the 2020 SPP. Although FPL has proposed limited  
3 modifications to certain of these existing SPP programs, these modifications will  
4 further improve these programs and implement best practices where applicable as  
5 explained in my direct testimony and Exhibit MJ-1. And, OPC has not opposed or  
6 challenged any of these limited modifications to the existing SPP programs.

7

8 The Commission can review the benefits of the SPP programs described in my direct  
9 testimony and Exhibit MJ-1, together with the prioritization, feasibility, estimated  
10 costs, and estimated rate impacts, and determine whether the programs included in the  
11 2023 SPP are in the public interest.

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13 **V.**

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**VI. THE PROGRAMS AND PROJECTS INCLUDED IN FPL’S 2023 SPP ARE IN THE PUBLIC INTEREST AND SHOULD BE APPROVED**

**A. OPC Essentially Agrees with Eight of the Nine Programs Included in FPL’s SPP**

**Q. You have stated that OPC essentially agrees with eight of the nine programs included in FPL’s 2023 SPP. Can you please explain how you arrived at that conclusion?**

**A. Yes. As explained above, FPL’s 2023 SPP includes a total of nine SPP programs: eight existing programs included in the 2020 SPP approved by Commission Order No.**

1 PSC-2020-0293-AS-EI, and three new programs. OPC witness Mara proposes  
2 adjustments to two of the existing SPP programs: the existing Substation Storm  
3 Surge/Flood Mitigation Program and the existing Distribution Lateral Hardening  
4 Program. OPC witness Mara also opposes the

5 Transmission Access  
6 Enhancement Program. Therefore, OPC witness Mara essentially agrees that six out  
7 of the nine programs included in FPL's 2023 SPP should be approved as submitted.

8  
9 Further, with respect to the Substation Storm Surge/Flood Mitigation Program, OPC  
10 witness Mara does not oppose the program but, rather, asserts on pages 16-17 of his  
11 direct testimony that the Storm Surge/Flood Mitigation Program should exclude  
12 substations that have alternate feeds available and do not have a history of flooding.  
13 Therefore, OPC essentially agrees with FPL's proposed Substation Storm Surge/Flood  
14 Mitigation Program but recommends additional selection criteria be considered, which  
15 I will further address later in my testimony.

16  
17 Similarly, OPC witness Mara does not oppose the Distribution Lateral Hardening  
18 Program. Rather, OPC witness Mara recommends on pages 33-34 of his direct  
19 testimony that the annual budget for the Distribution Lateral Hardening Program be  
20 capped at \$606 million for the years 2025-2032. Therefore, OPC essentially agrees  
21 with FPL's proposed Distribution Lateral Hardening Program but recommends a  
22 reduction in the number of laterals that may be completed each year, which will delay  
23 when customers will receive the direct benefits of the Distribution Lateral Hardening  
24 Program. I will respond to OPC witness Mara's recommended adjustment below.

25

1 Based on the testimony of OPC witness Mara, it appears that OPC essentially agrees  
2 with eight out of the nine programs included in FPL's 2023 SPP. It further  
3 appears that the only truly contested programs are the three new programs proposed in  
4 FPL's 2023 SPP. I will respond to OPC criticisms of these new SPP programs below.

5

6 **B. OPC's Recommended Adjustment to the Storm Surge/Flood Mitigation**  
7 **Program is not Reasonable or Appropriate**

8 **Q. OPC witness Mara recommends adjustments to the Storm Surge/Flood**  
9 **Mitigation Program. Before responding to his specific recommendations, do you**  
10 **have any general observations about his proposal?**

11 A. Yes. OPC witness Mara's recommendations regarding FPL's Storm Surge/Flood  
12 Mitigation Program are inconsistent. On page 13 of his testimony, OPC witness Mara  
13 appears to recommend that the entire budget for the Storm Surge/Flood Mitigation  
14 Program should be rejected. However, on pages 16-18 of his testimony, OPC witness  
15 Mara recommends that substations with alternate feeds or no history of flooding should  
16 be excluded from the Storm Surge/Flood Mitigation Program. Notably, OPC witness  
17 Mara does not identify any specific substation that would be excluded by his proposal,  
18 nor does he explain or demonstrate how such exclusions would result in the elimination  
19 of the entire budget for the Storm Surge/Flood Mitigation Program.

20 **Q. Do you have a response to OPC witness Mara's recommendation that the entire**  
21 **budget for the Storm Surge/Flood Mitigation Program should be rejected?**

22 A. Yes. OPC witness Mara's recommendation overlooks that the Storm Surge/Flood  
23 Mitigation Program included in FPL's 2023 SPP is the same program that was included  
24 in FPL's 2020 SPP previously approved by Commission Order No. PSC-2020-0293-  
25 AS-EI. In the 2020 SPP, FPL originally projected it would complete the Storm

1 Surge/Flood Mitigation Program by 2022. However, as explained in my direct  
2 testimony and in Exhibit MJ-1, due to field conditions and permitting delays that were  
3 largely beyond FPL's control, FPL was unable to complete the storm surge/mitigation  
4 measures at all of the identified substations by year-end 2022 as originally projected.  
5 As a result, FPL is proposing to continue the program to address the remaining four  
6 substations originally identified in the 2020 SPP, which are currently expected to be  
7 completed by year-end 2024. FPL has not added new or additional substations to the  
8 Storm Surge/Flood Mitigation Program approved as part of the 2020 SPP. The new  
9 exclusions proposed by OPC witness Mara were not part of either the 2020 SPP or the  
10 2020 SPP Settlement that OPC joined. OPC witness Mara has not offered any reason  
11 why it was in the public interest to complete the storm surge/mitigation measures at  
12 these substations as part of the 2020 SPP, but not as part of the 2023 SPP.

13 **Q. Do you agree with OPC witness Mara's recommendation that substations with**  
14 **alternate feeds should be excluded from the Storm Surge/Flood Mitigation**  
15 **Program?**

16 A. No. Rather than installing measures to mitigate the potential for storm surge and flood  
17 at these four substations, OPC witness Mara recommends that any of these substations  
18 that have an alternative feed should be de-energized and the load served by the de-  
19 energized substation should be transferred to an adjacent substation via the alternate  
20 feed. OPC witness Mara's recommendation is not practical.

21  
22 All of the four substations identified for the Storm Surge/Flood Mitigation Program  
23 have alternative feeder ties to nearby substations. However, de-energizing one  
24 substation due to storm surge or flooding does not mean an adjacently tied substation  
25 can necessarily pick up and support the entire electric load from the de-energized

1 substation. For example, the St. Augustine Substation, which has an alternate feed,  
2 was de-energized during Hurricanes Matthew and Irma and the majority of the  
3 customers served by this substation experienced outages. Similarly, the South Daytona  
4 Substation, which has an alternate feed, was de-energized during Hurricane Irma and  
5 the majority of the customers served by this substation experienced outages. Further,  
6 OPC witness Mara overlooks that the mitigation measures under the Storm  
7 Surge/Flood Mitigation Program will not only reduce outages but will reduce  
8 restoration costs associated with the need to repair and replace substation equipment  
9 that is damaged due to storm surge or flooding following an extreme weather event.

10 **Q. Do you have a response to OPC witness Mara's recommendation that substations**  
11 **with no history of flooding should be excluded from the Storm Surge/Flood**  
12 **Mitigation Program?**

13 A. Yes. All four substations remaining to be completed under the Storm Surge/Flood  
14 Mitigation Program have, in fact, experienced floods or storm surges in the past. Most  
15 recently, the flood alarm monitor went off at the Dumfoundling Substation during  
16 Tropical Cyclone One that impacted South Florida on June 2, 2022. With respect to  
17 future potential flooding at these substations, FPL explained in its response to OPC's  
18 Fourth Set of Interrogatories No. 50(d), which is attached to my rebuttal testimony as  
19 Exhibit MJ-2, that each of the four substations remaining to be completed under the  
20 program has projected flood levels that are higher than the current elevation of these  
21 substations. Therefore, all four substations included in the Substation Storm  
22 Surge/Flood Mitigation Program as part of the 2023 SPP have had a history of flooding  
23 and remain susceptible to flooding.



1           **C.     OPC's Recommended Adjustments to the Distribution Lateral**  
2                   **Hardening Program are not Reasonable or Appropriate**

3   **Q.     Does OPC oppose the Distribution Lateral Hardening Program included in FPL's**  
4   **2023 SPP?**

5   A.    No.   OPC witness Mara does not oppose FPL's Distribution Lateral Hardening  
6          Program. Rather, OPC witness Mara recommends a reduction in the annual budget for  
7          the Distribution Lateral Hardening Program, which will reduce the number of laterals  
8          to be completed each year and delay when customers will receive the direct benefits of  
9          the Distribution Lateral Hardening Program.

10 **Q.    In the 2023 SPP, FPL proposed to establish protocols for determining when a**  
11 **lateral may be evaluated for overhead hardening as opposed to being placed**  
12 **underground. Does OPC oppose these new overhead hardening protocols?**

13 A.    No. Although OPC witness Mara asserts on pages 29-30 of his testimony that the  
14          overhead program is vague and not well defined, he does not oppose any of the  
15          protocols proposed by FPL for evaluating when a lateral may be overhead hardened as  
16          opposed to being placed underground. Rather, OPC witness Mara simply notes that  
17          the overhead hardening protocols appear similar to the standards used in FPL's Feeder  
18          Hardening Program. Notably, OPC does not oppose, criticize, or otherwise take any  
19          issue with FPL's Feeder Hardening Program.

20 **Q.    On page 33 of his testimony, OPC witness Mara recommends that overhead**  
21 **hardened laterals and undergrounded laterals should be separated and tracked**  
22 **as two individual SPP programs. Do you agree with his recommendation?**

23 A.    I do not agree that there should be separate overhead and underground lateral SPP  
24          programs. The overhead protocols were established and incorporated into the  
25          Distribution Lateral Hardening Program pursuant to the 2020 SPP Settlement approved

1 by Commission Order No. PSC-2020-0293-AS-EI. FPL did not commit to create  
2 separate overhead and underground lateral programs. Moreover, the underground and  
3 overhead components of the Distribution Lateral Hardening Program are symbiotic,  
4 and the work will be part of the same overall lateral project. As explained in my direct  
5 testimony and Exhibit MJ-1, the selection and prioritization criteria for the Distribution  
6 Lateral Hardening Program ranks each feeder based on actual historical experience of  
7 all the overhead laterals on the feeder in order to address the worst performing circuits  
8 first. All laterals on the feeders are then hardened according to the ranking of each  
9 feeder. As explained in Exhibit MJ-1, constructing at the feeder level significantly  
10 improves the efficiency and timing of construction because all of the work takes place  
11 in the same location (feeder) on a set of laterals as opposed to being spread out over  
12 multiple individual laterals across the entire service area. It also allows for a more  
13 efficient design to reduce overall cable footage and the number of transformers needed  
14 to serve an area by interconnecting existing laterals and using alternate cable paths to  
15 reduce the total number of laterals in the area. When FPL performs the engineering  
16 evaluation of all laterals on a feeder, it will apply the overhead protocols to evaluate  
17 whether each lateral should be overhead hardened or converted to underground based  
18 on the actual field conditions and limitations at the time. Thus, the overhead and  
19 underground work is completed as part of a single conceptual design across all laterals  
20 on an entire feeder under the Distribution Lateral Hardening Program. To treat and  
21 separately manage the overhead hardening and underground lateral work as separate  
22 programs, as suggested by OPC witness Mara, would reduce efficiencies and increase  
23 costs. For these reasons, I believe it is appropriate and reasonable that the overhead  
24 protocols should be included and part of the overall Distribution Lateral Hardening  
25 Program and should not be a standalone SPP program.

1   **Q.    On page 31 of his testimony, OPC witness Mara claims that the Distribution**  
2       **Lateral Hardening Program does not meet the requirements of the SPP Rule**  
3       **because FPL did not provide any estimate of the cost reductions to be realized**  
4       **from the program. Do you have a response?**

5    A.    I disagree with OPC witness Mara. First, his claim that FPL did not provide cost  
6       reductions associated with the Distribution Lateral Hardening Program is a fallout of  
7       OPC's proposal that the Commission should adopt and apply a new cost benefit  
8       analysis requirement and new cost-effectiveness threshold for the SPP programs. As I  
9       explained above, OPC's proposed cost benefit analysis and new cost-effectiveness  
10      threshold should be rejected.

11  
12      Second, as I explained above, there is nothing in either the SPP Statute or SPP Rule  
13      that prescribes that the benefits of SPP programs must be quantified, and storm  
14      hardening is not a simple cost-effective calculation as suggested by OPC.

15  
16      Third, in compliance with Rules 25-6.030(3)(b) and 25-6.030(3)(d)(1), F.A.C., the  
17      benefits expected from the Distribution Lateral Hardening Program were provided in  
18      the following portions of FPL's 2023 SPP: Section II; Section IV(D)(1)(b); and  
19      Appendix A of Exhibit MJ-1. In fact, on page 31 of his testimony, OPC witness Mara  
20      relies on the 40-year net present value analysis of the reduction in storm restoration  
21      costs provided by FPL in Appendix A of Exhibit MJ-1. Further, on page 34 of his  
22      testimony, OPC witness Mara acknowledges that "[i]t is apparent from experiences in  
23      Florida that undergrounding and hardening poles will reduce outage costs and outage  
24      times."

1 Finally, OPC witness Mara does not propose that the Distribution Lateral Hardening  
2 Program be rejected; rather, he proposes an adjustment to the annual budget beginning  
3 in 2025. Either the Distribution Lateral Hardening Program meets the requirements of  
4 the SPP Rule and is eligible to be included in the SPP or it does not. OPC witness Mara  
5 cannot have it both ways.

6 **Q. Does OPC agree with FPL's prioritization and selection criteria for the**  
7 **Distribution Lateral Hardening Program?**

8 A. No. Although OPC does not take issue with any specific selection and prioritization  
9 criteria for the Distribution Lateral Hardening Program, OPC witness Mara nonetheless  
10 states on page 32 of his testimony that he does not agree with FPL's selection and  
11 prioritization methodology. Apparently, OPC witness Mara believes that FPL needs to  
12 do more so that lateral hardening and undergrounding and their associated benefits are  
13 spread to more customers and communities:

14 My point is that the dollars are concentrated such that only a few  
15 customers will see a reduction in customer outage minutes and enjoy  
16 the aesthetics and other benefits of an undergrounded system. The  
17 remaining customers only see a benefit cost ratio that is upside down  
18 meaning more costs than benefits.

19 This is a significant investment in a small portion of the system (one  
20 feeder) and in a single community. *There needs to be a mechanism*  
21 *to help spread the undergrounding and hardening to more*  
22 *communities*, which is important since all customers will be  
23 contributing to the cost of undergrounding.

24 See Direct Testimony of OPC witness Mara, pp. 32-33 (emphasis added). As I address  
25 later in my testimony, this statement is at odds with his recommendation of reducing  
26 the budget for the Distribution Lateral Hardening Program.

27

1 **Q. Please describe OPC's proposed adjustment to the Distribution Lateral**  
2 **Hardening Program.**

3 A.

4 on pages 33-34 of his  
5 testimony OPC witness Mara recommends a qualitative adjustment to the annual  
6 budget for the Distribution Lateral Hardening Program starting in 2025 and continuing  
7 through 2032. Specifically, OPC witness Mara recommends that the annual budget for  
8 the Distribution Lateral Hardening Program be capped at \$606 million per year for the  
9 years 2025 to 2032, which results in a total ten-year budget reduction of approximately  
10 \$3.4 billion.

11 **Q. Does OPC witness Mara describe how he calculated his proposed reduction to the**  
12 **Distribution Lateral Hardening Program budget?**

13 A. No. His adjustment appears to be completely qualitative and, together with his other  
14 proposed adjustments, is simply intended to reduce the ten-year capital cost per  
15 customer to remain similar to the ten-year capital cost per customer for the combined  
16 FPL and Gulf's 2020 SPPs. See Direct Testimony of OPC witness Mara, pp. 13 and  
17 34.

18 **Q. Do you agree with OPC witness Mara's proposed adjustment to the Distribution**  
19 **Lateral Hardening Program budget?**

20 A. No, I disagree for multiple reasons. It is important to understand OPC witness Mara's  
21 proposed adjustment will reduce the number of laterals to be completed each year and  
22 delay when customers will receive the direct benefits of the Distribution Lateral  
23 Hardening Program. This adjustment directly contradicts his position on pages 32-33  
24 that FPL needs to expand its efforts so that lateral hardening and undergrounding, and  
25 their associated benefits, are spread to more customers and communities.

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Although OPC witness Mara apparently seeks to simply maintain the status quo, he overlooks that the Distribution Lateral Hardening Program was initially deployed as a limited pilot, which was continued through 2022 as OPC agreed in the 2020 SPP Settlement. As part of the 2023 SPP, FPL is seeking to deploy the Distribution Lateral Hardening Program as a full-scale permanent SPP program and, as such, is ramping up the program in order to provide the benefits of underground lateral hardening throughout its system, including in the former Gulf service area. I note that OPC does not object to the Distribution Lateral Hardening Program becoming a permanent SPP program.

FPL's Distribution Lateral Hardening Program was designed to achieve the objectives and goals of the SPP Statute. Therein, the Florida Legislature expressly found that "[i]t is in the state's interest to strengthen electric utility infrastructure to withstand extreme weather conditions by promoting the overhead hardening of electrical transmission and distribution facilities, the undergrounding of certain electrical distribution lines, and vegetation management" and "[p]rotecting and strengthening transmission and distribution electric utility infrastructure from extreme weather conditions can effectively reduce restoration costs and outage times to customers." See Sections 366.96(1)(c), (d), F.S. FPL's underground lateral program is an impactful and crucial tool to achieve these legislative objectives and is appropriately designed to address the worst performing circuits and areas first based on actual historical experience. Indeed,

1 as shown in FPL's Hurricane Irma Forensic Report, underground laterals performed  
2 6.6 times (85%) better during Hurricane Irma than overhead laterals.<sup>1</sup>  
3

4 The ramp up in the number of laterals to be completed each year under the Distribution  
5 Lateral Hardening Program is due primarily to the inclusion of the former Gulf service  
6 area and the significant number of laterals that remain to be hardened, the strong local  
7 support and interest in the program, as well as the addition of the Management Region  
8 selection approach in 2025 as explained in my direct testimony and Exhibit MJ-1.  
9 Notably, the OPC does not criticize or challenge the proposed addition of the  
10 Management Region selection approach.  
11

12 The annual budget for the Distribution Lateral Hardening Program is a product of the  
13 number of estimated projects to be completed throughout FPL's system as provided in  
14 Appendix C to Exhibit MJ-1. Although all customers indirectly benefit from overhead  
15 hardened and underground laterals through reduced restoration costs, the direct benefits  
16 for customers of overhead hardened and underground laterals, including both reduced  
17 outage times and aesthetics (as recognized by OPC witness Mara on page 32 of his  
18 testimony), will be facilitated and realized more quickly through the expanded number  
19 of underground projects contemplated by FPL's SPP. How fast and how many lateral  
20 projects are completed under the Distribution Lateral Hardening Program, and how  
21 quickly customers realize the direct and indirect benefits therefrom, is ultimately a  
22 regulatory decision for the Commission to be made in the context of the policy and  
23 objectives of the SPP Statute.

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<sup>1</sup> Refer to Page 7 of FPL's Hurricane Irma Forensic Report in Docket No. 20180049, which is available at:  
<http://www.psc.state.fl.us/library/filings/2019/05615-2019/Support/Exhibit%2036/POD%20No.%202/20180049%20-%20OPC's%201st%20POD%20No.%202%20-%20Attachment%20No.%201.pdf>

1           **D.     FPL’s New Transmission Access Enhancement Program is Consistent**  
2                           **with the Objectives of the SPP Statute and Should be Approved**

3       **Q.     Does the OPC agree with FPL’s proposal to add the new Transmission Access**  
4       **Enhancement Program to the 2023 SPP?**

5       A.     No. On pages 26-29 of his testimony, OPC witness Mara contends that maintenance  
6           of bridges, roads, and culverts are ordinary base rate activities and FPL failed to  
7           demonstrate how its proposed Transmission Access Enhancement Program will meet  
8           the objectives of the SPP statute to reduce restoration costs and outage times associated  
9           with extreme weather events.

10      **Q.     Do you agree that projects to be completed under the Transmission Access**  
11      **Enhancement Program should be maintained as part of FPL’s ordinary base rate**  
12      **activities?**

13      A.     No. OPC witness Mara appears to misunderstand the scope and purpose of the  
14           Transmission Access Enhancement Program. FPL is not proposing to simply maintain  
15           roads, rights of way, bridges, and culverts for purposes of accessing transmission  
16           facilities for day-to-day maintenance and vegetation management activities, which  
17           activities are typically scheduled and conducted during drier times of the year and  
18           within the existing transmission rights-of-way. Rather, as explained in my direct  
19           testimony and Exhibit MJ-1, the purpose of the Transmission Access Enhancement  
20           Program is to ensure that FPL has access to its transmission facilities following an  
21           extreme weather event by targeting and addressing areas that become inaccessible due  
22           to flooding or saturated soils. Notably, the peak of the Atlantic Hurricane Season  
23           coincides with Florida’s wet season when increased rainfall will exacerbate the  
24           inaccessibility of many of these low-lying, saturated, and wetland areas. As explained  
25           in my direct testimony and Exhibit MJ-1, and as acknowledged by OPC witness Mara



1 on page 27 of his testimony, these low-lying areas may not be accessible following an  
2 extreme weather event without specialized equipment and vehicles, which has limited  
3 availability during and immediately following storm events.

4 **Q. Do you have a response to OPC witness Mara's contention on pages 27-28 of his**  
5 **testimony that FPL did not demonstrate that the Transmission Access**  
6 **Enhancement Program will reduce restoration costs and outage times associated**  
7 **with extreme weather events?**

8 A. Yes. OPC witness Mara's argument is, again, a fallout of OPC's proposal that the  
9 Commission should adopt and apply a new cost benefit analysis requirement and new  
10 cost-effectiveness threshold for the SPP programs. As I explained above, OPC's  
11 proposed new criteria and standards to review the SPPs are contrary to the requirements  
12 of both the SPP Statute and SPP Rule and should be rejected.

13

14 My direct testimony and Section IV(K)(1) of Exhibit MJ-1 explained that the  
15 Transmission Access Enhancement Program will ensure that FPL and its contractors  
16 have access to FPL's transmission facilities following an extreme weather event, which  
17 will reduce the need and associated costs for specialized equipment and will help  
18 expedite restoration activities and thereby reduce customer outage times. Importantly,  
19 a transmission-related outage can result in an outage affecting tens of thousands of  
20 customers and may cause a cascading event that could result in loss of service for  
21 hundreds of thousands of customers. The Transmission Access Enhancement Program  
22 will allow FPL and its contractors to quickly address such outages following an extreme  
23 weather event, which would result in a reduction of outage times for tens of thousands  
24 to hundreds of thousands of customers following an extreme weather event.

1 **Q. Do you have any other observations regarding OPC's opposition to the**  
2 **Transmission Access Enhancement Program?**

3 A. Yes. OPC witness Mara appears to overlook that the Commission's SPP Rule defines  
4 a storm protection project to include enhancement of T&D areas and not just the T&D  
5 facilities themselves: "a specific activity within a storm protection program designed  
6 for the enhancement of an identified portion *or area of existing electric or distribution*  
7 *facilities* for the purpose of reduction restoration costs and reduction outage times  
8 associated with extreme weather conditions therefore improving overall service  
9 reliability." See Rule 25-6.030(2)(b), F.A.C. (emphasis added). I also note that FPL's  
10 proposed program was modeled after the Transmission Access Enhancement Program  
11 included in Tampa Electric Company's ("TECO") 2020-2029 SPP that was previously  
12 agreed to in a Stipulation and Settlement Agreement, which OPC joined, that was  
13 approved by Commission Order No. PSC-2020-0293-AS-EI.<sup>2</sup>

14 **Q. On page 27 of his testimony, OPC witness Mara states that, as an alternative, FPL**  
15 **should consider simply purchasing the specialized equipment necessary to access**  
16 **its transmission facilities located in low-lying and saturated areas following an**  
17 **extreme weather event. Do you have a response to his alternative proposal?**

18 A. Yes. FPL has evaluated large tire equipment used in other industries. However, FPL  
19 has not been able to locate large tire vehicles readily available for purchase that are  
20 capable of working within Florida's unique topography, terrain, and hydrology while  
21 still meeting the necessary technical loading and reach specifications required to  
22 perform transmission line restoration work following an extreme weather event.  
23 Although floating equipment, such as barges, are utilized for construction of

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<sup>2</sup> FPL acknowledges that, despite agreeing to the program in the TECO 2020-2029 SPP, OPC witness Mara filed testimony in Docket No. 20220048-EI opposing the continuation of TECO's previously approved Transmission Enhancement Program.

1 transmission line river crossings, this floating equipment cannot be used to access the  
2 low-lying and saturated areas to be addressed by the Transmission Access  
3 Enhancement Program.

4

5 Even if this specialized equipment was readily available on the market for purchase,  
6 FPL would need a large fleet of specialized equipment because the Company's service  
7 area encompasses more than 35,000 square miles across 43 counties with more than  
8 9,000 miles of transmission lines. Purchasing a large fleet of specialty vehicles would  
9 also require ongoing specialized maintenance and specialized resources trained and  
10 familiar with operating and maintaining the specialized equipment. Lastly, external  
11 resources that perform restoration work following an extreme weather event may not  
12 be able to utilize the specialized equipment, resulting in potential delays to restoration  
13 of transmission structures and equipment.

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15 **E.**

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**Q. Does this conclude your rebuttal testimony?**

**A. Yes.**

## Exhibit MJ-2

**Florida Power & Light Company  
Docket No. 20220051-EI  
OPC's Fourth Set of Interrogatories  
Interrogatory No. 50  
Page 1 of 2**

QUESTION:

For the last 10 years, for each substation slated for modification by the substation flood mitigation program, list the following:

- a. Provide the dates each of the substation had to be de-energized due to high water.
- b. For each date of de-energization, provide the duration that the substation was de-energized.
- c. Provide the number of customers served by each substation at the time of de-energization.
- d. Describe the elevation of the substation and FPL's projected elevation of the flood water

RESPONSE:

- a. Please refer to FPL's response to OPC's 4th Set of Interrogatories, No. 39.
- b. Please refer to FPL's response to OPC's 4th Set of Interrogatories, No. 39.
- c. Please refer to FPL's response to OPC's 4th Set of Interrogatories, No. 39.
- d. Please see table below.

| Sites         | Existing Average Grade | 2022 Elevation of Flood Protection | Expected Flood Elevation   |
|---------------|------------------------|------------------------------------|----------------------------|
| St. Augustine | 4.5 ft                 | 10.0 ft                            | 8-9 ft                     |
| Opa Locka     | Approx. 9 ft           | N/A-- Drainage Improvements ~11 ft | 10 ft-- post improvements  |
| S. Daytona    | 5.4 ft                 | 10 ft                              | 7.8 ft                     |
| Lewis         | 6.4 ft                 | 11.4 ft                            | 8 ft                       |
| Aventura      | 4 ft                   | N/A--Drainage Improvements 4.4 ft  | 4.4 ft – post improvements |
| Pine Ridge    | 9.2 ft                 | 11.2 ft                            | 11.2 ft                    |
| Dumfoundling  | 4.4 ft                 | 9 ft                               | 6.4 ft                     |

**Florida Power & Light Company**  
**Docket No. 20220051-EI**  
**OPC's Fourth Set of Interrogatories**  
**Interrogatory No. 50**  
**Page 2 of 2**

|           |              |         |        |
|-----------|--------------|---------|--------|
| Corkscrew | 19.18 ft     | 22.5 ft | 20 ft  |
| Chambers  | Approx. 6 ft | 10.5 ft | 7.9 ft |
| Gracewood | Approx. 5 ft | 10 ft   | 7.1 ft |