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BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of: DOCKET NO. 20170272-EI  
APPLICATION FOR LIMITED  
PROCEEDING FOR RECOVERY OF  
INCREMENTAL STORM  
RESTORATION COSTS RELATED  
TO HURRICANES IRMA AND  
NATE, BY DUKE ENERGY  
FLORIDA, LLC.

\_\_\_\_\_ /

VOLUME 1  
PAGES 1 through 100

PROCEEDINGS: HEARING  
COMMISSIONERS  
PARTICIPATING: CHAIRMAN ART GRAHAM  
COMMISSIONER JULIE I. BROWN  
COMMISSIONER DONALD J. POLMANN  
COMMISSIONER GARY F. CLARK  
COMMISSIONER ANDREW GILES FAY

DATE: Tuesday, May 21, 2019

TIME: Commenced: 11:45 a.m.  
Concluded: 11:59 a.m.

PLACE: Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida

REPORTED BY: DEBRA R. KRICK  
Court Reporter

PREMIER REPORTING  
114 W. 5TH AVENUE  
TALLAHASSEE, FLORIDA  
(850) 894-0828

1 APPEARANCES:

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4 BERNIER, ESQUIRE, 106 East College Avenue, Suite 800,  
5 Tallahassee, Florida 32301-7740, appearing on behalf of  
6 Duke Energy Florida, LLC.

7 J.R. KELLY, PUBLIC COUNSEL; CHARLES REHWINKEL,  
8 DEPUTY PUBLIC COUNSEL; Office of Public Counsel, c/o the  
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11 the Citizens of the State of Florida.

12 JON C. MOYLE, JR., and KAREN A. PUTNAL  
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24 Tallahassee, Florida 32308, appearing on behalf of the  
25 Florida Retail Federation.

1 APPEARANCES (CONTINUED):

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3 ESQUIRES, FPSC General Counsel's Office, 2540 Shumard  
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5 appearing on behalf of the Florida Public Service  
6 Commission Staff.

7 KEITH HETRICK GENERAL COUNSEL; MARY ANNE  
8 HELTON, DEPUTY GENERAL COUNSEL, Florida Public Service  
9 Commission, 2540 Shumard Oak Boulevard, Tallahassee,  
10 Florida 32399-0850, adviser to the Florida Public  
11 Service Commission.

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I N D E X

WITNESSES

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EXHIBITS

NUMBER:		ID	ADMITTED
1	Comprehensive Exhibit List	89	89
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## 1 P R O C E E D I N G S

2 CHAIRMAN GRAHAM: Okay. Let the record show  
3 it's 11:46. And Mr. Rehwinkel says that whatever  
4 he just discussed is going to cut off 45 minutes  
5 from this hearing.

6 Let the record show it is Docket No.  
7 20170271-EI, and we will convene this hearing on  
8 May -- Tuesday, May 21st.

9 Staff, if I can get you to read the notice.

10 MS. DZIECHCIARZ: Chairman, sure. Docket  
11 0272-EI, though, sorry. I just want to make that  
12 clear.

13 By notice issued on April 29th, 2019, this  
14 time and place has been set for an administrative  
15 hearing in Docket No. 20170272-EI. The purpose of  
16 the hearing is set out more fully in the notice.

17 CHAIRMAN GRAHAM: You know, I think somebody  
18 put it wrong in my notes. The top of my notes, it  
19 says 71. I just --

20 MS. DZIECHCIARZ: Well, that might have been  
21 me, so I apologize if that's the case.

22 CHAIRMAN GRAHAM: I just thought I would point  
23 that out. No, actually, I read it incorrectly. It  
24 says immediately following 71.

25 Okay. Take appearances.

1 MR. BERNIER: Good morning, Commissioners.  
2 Matt Bernier for Duke Energy Florida. I would also  
3 enter an appearance for Dianne Triplett.

4 Thank you.

5 MR. MOYLE: Jon Moyle with the Moyle Law Firm  
6 for the Florida Industrial Power Users Group.

7 MR. REHWINKEL: Commissioners, Charles  
8 Rehwinkel, Deputy Public Counsel. Appearing with  
9 me is Tad David, and the Public Counsel, J.R. Kelly  
10 is here as well.

11 MR. WRIGHT: Robert Scheffel Wright and John  
12 T. Lavia, III of the Gardner Law Firm on behalf of  
13 the Florida Retail Federation.

14 Thank you.

15 MS. DZIECHCIARZ: Rachel Dziechciarz on behalf  
16 of Commission staff. And I would also like to put  
17 in an appearance for Ashley Weisenfeld.

18 MS. HELTON: And Mary Anne Helton, here as  
19 your advisor, along with your General Counsel,  
20 Keith Hetrick.

21 CHAIRMAN GRAHAM: Okay. Everybody welcome.  
22 Preliminary matters, staff, do we have any?

23 MS. DZIECHCIARZ: Yes, Chairman.

24 Staff would like to note that a comprehensive  
25 storm cost settlement agreement has been reached in

1           this docket with the corrected version filed on  
2           April 18th, 2019, and subsequently amended in part  
3           on May 15th, 2019.

4           Pursuant to the settlement, the parties have  
5           agreed to the excusal of Duke's witnesses, and  
6           staff has confirmed with each Commissioner their  
7           excusal prior to today's hearing.

8           The parties and the Commissioners have also  
9           agreed to excuse the intervening party PCS  
10          Phosphate from today's proceedings.

11          In accordance with the fifth order modifying  
12          the order establishing procedure, the parties will  
13          present their opening statements, after which they  
14          will be available to answer any questions that the  
15          Commissioners have about the proposed storm cost  
16          settlement agreement. And staff is also prepared  
17          to answer any questions.

18          MR. HETRICK: Mr. Chairman.

19          COMMISSIONER GRAHAM: Yes.

20          MR. HETRICK: I would like to add, as we did  
21          in the other docket, I would like to point out that  
22          the Utility will be calling your attention to two  
23          important statements of legal clarification  
24          regarding two provisions in the settlement  
25          agreement, either at the -- during or at the end of



1           their opening statements. And I understand that  
2           all the parties have agreed to these statements of  
3           clarification.

4                   CHAIRMAN GRAHAM: Parties, any other  
5           preliminary matters?

6                   Seeing none, let's go to the prefiled  
7           testimony.

8                   MS. DZIECHCIARZ: We ask that the prefiled  
9           direct testimony of Duke witnesses W. Bryan  
10          Buckler, Marsha Olivier, Jason Cutliffe and Robert  
11          Matthews be inserted into the record as though  
12          read.

13                   CHAIRMAN GRAHAM: We will insert the prefiled  
14          direct testimony from those following four into the  
15          record as though read.

16                   (Whereupon, prefiled testimony was inserted.)

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: APPLICATION FOR LIMITED PROCEEDING FOR RECOVERY OF  
INCREMENTAL STORM RESTORATION COSTS RELATED TO  
HURRICANES IRMA AND NATE, BY DUKE ENERGY FLORIDA, LLC.**

**FPSC DOCKET NO. 20170272-EI**

**DIRECT TESTIMONY OF W. BRYAN BUCKLER**

**MAY 31, 2018**

1 **I. INTRODUCTION AND QUALIFICATIONS.**

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

3 A. My name is Bryan Buckler. My current business address is 550 S. Tryon St.  
4 Charlotte, North Carolina, 28202.

5  
6 **Q. By whom are you employed and what are your responsibilities?**

7 A. I am employed by Duke Energy Business Services, LLC, a service company  
8 affiliate of Duke Energy Florida, LLC (“Duke Energy Florida,” “DEF,” or the  
9 “Company”) and a subsidiary of Duke Energy Corporation (“Duke Energy”). My  
10 current position is as a Finance Director in the Financial Planning & Analysis  
11 department. I oversee a group that has responsibility for the budgeting and  
12 forecasting, expense and capital accounting for Distribution Operations and  
13 Customer Operations, among other responsibilities. I also collaborate with other  
14 finance personnel with similar responsibilities for Transmission Operations and  
15 Fossil/Hydro generation plant operations, and thus I am representing the finance

1 and accounting organizations that provide support to the functional groups of  
2 DEF that incurred expenses during major storm events.

3

4 **Q. Please summarize your educational background and professional experience.**

5 A. I have a Bachelor of Business Administration degree with a major in Accounting  
6 from the University of Georgia. Following graduation in 1995, I began my career  
7 at Ernst & Young in Atlanta, Georgia. I am a Certified Public Accountant in the  
8 State of Georgia. I worked eleven years at Ernst & Young, focusing on audits of  
9 GAAP and SEC-compliant financial statements. In 2006, I joined Duke Energy as  
10 a Director in the Corporate Accounting Research Group where I was responsible  
11 for assessing the appropriate accounting and disclosure treatment for significant  
12 non-routine matters as well as certain regulatory accounting interpretations. In  
13 July 2012, I transferred to Duke Energy's Treasury Department and assumed the  
14 role of Director of Corporate Finance and Assistant Treasurer. In 2015, I  
15 transferred to the Controller's Department, leading the company's Regulated  
16 Accounting organization. In May 2016, I assumed my current position.

17

18 **II. PURPOSE OF TESTIMONY.**

19 **Q. What is the purpose of your direct testimony?**

20 A. On December 28, 2017, DEF filed estimated storm costs associated with  
21 Hurricanes Irma and Nate. The purpose of my testimony here is to explain and  
22 support the actual storm costs for Hurricanes Irma and Nate as well as the costs  
23 for five prior tropical systems that have impacted DEF since 2012.

24

1 **Q. Do you have any exhibits to your testimony?**

2 A. Yes, I am sponsoring the following exhibits to my testimony:

- 3 • Exhibit No. \_\_ (BB-1), “Storm Cost Recovery Total”  
4 • Exhibit No. \_\_ (BB-2), “Storm Costs by Storm”  
5 • Exhibit No. \_\_ (BB-3), “Storm Cost Reserve Activity”

6 These exhibits were prepared under my direction and control and are true and  
7 accurate to the best of my knowledge.

8

9 **Q. Please describe the net costs for which recovery is sought in this proceeding.**

10 A. DEF is seeking recovery for those costs that are incremental, as defined under the  
11 Incremental Cost and Capitalization Approach (“ICCA”) methodology required  
12 under Rule 25-6.0143, F.A.C., and, as described in Witness Marcia J. Olivier’s  
13 testimony, to replenish the storm reserve. The Company has prudently incurred  
14 \$501 million (retail share) of incremental costs from 2012 through December  
15 2017, as shown in Exhibit No. \_\_ (BB-3). These costs exclude all non-  
16 incremental costs, as defined under the ICCA methodology, and exclude amounts  
17 properly capitalizable under the Company’s capitalization policy. These costs,  
18 plus bond issuance costs of \$1 million and interest costs of \$8 million, as further  
19 explained in Marcia Olivier’s direct testimony, total the \$510 million sought for  
20 recovery in this proceeding, and will result in full replenishment of the \$132  
21 million storm reserve.

22

23 **Q. Please explain how storm-related costs were tracked and accounted for**  
24 **during and after each storm, and explain the process that the Company uses**

1           **to verify that costs assigned to the storms were in fact related to the storms**  
2           **and were incremental.**

3  
4 A.       When a potential major storm event is approaching the DEF service territory,  
5       DEF creates separate project codes (e.g., distribution, transmission, etc.) to be  
6       used by employees for processing and aggregating the total amount of storm  
7       restoration costs incurred for financial reporting and regulatory recovery  
8       purposes. The Company uses these project codes to account for all costs directly  
9       associated with restoration, including costs that will not be recoverable from Duke  
10       Energy Florida's storm reserve based on the Commission's requirements under  
11       the ICCA methodology. All storm restoration costs charged to these storm  
12       projects were initially captured in FERC Account 186, Miscellaneous Deferred  
13       Debits. All costs charged to FERC Account 186 are subsequently reviewed, and  
14       based on the outcome of that review, are cleared and charged to either the storm  
15       reserve (FERC Account 228.1), normal operations and maintenance ("O&M")  
16       expense, capital, or below the line expense. See below for further discussion of  
17       the Company's process to review incurred costs and ensure only allowable costs  
18       as defined in the ICCA methodology are included for recovery.

19  
20 **Q.       Please further explain the process for accumulating accounting data related**  
21 **to storm costs.**

22 A.       Major storm costs are initially accumulated in FERC Account 186, including  
23       charges that are considered non-incremental or capital. There are separate storm  
24       projects for each function (transmission, distribution, customer operations,

1 fossil/hydro generation) charged during storm restoration. Using the ICCA  
 2 methodology, non-incremental amounts are identified and subsequently credited  
 3 from FERC Account 186 and debited to either a base rate O&M expense or below  
 4 the line expense. Capital costs are also identified and subsequently credited from  
 5 FERC Account 186 and debited to FERC Account 107, Construction Work in  
 6 Progress. After non-incremental and capital costs are removed from FERC  
 7 Account 186, the remaining balance is then credited and a debit is placed in  
 8 FERC Account 228.1 bringing the FERC Account 186 to zero, and leaving only  
 9 allowable costs for recovery in Account 228.1.

10  
 11 **Q. Please explain the costs incurred by DEF for the seven major storms from**  
 12 **2012 through 2017.**

13 A. Exhibit No. \_\_ (BB-2) outlines the significant costs by cost category incurred by  
 14 DEF for each of the seven named storms that impacted DEF's service territory  
 15 during 2012-2017. Exhibit No. \_\_ (BB-3) summarizes total recoverable costs by  
 16 major storm, as follows (in millions):

<u>Year</u>	<u>Storm</u>	<u>Amount</u> 7
2012	Tropical Storm Debby	\$8.0
2012	Hurricane Isaac	5.2
2016	Tropical Storm Colin	2.3
2016	Hurricane Hermine	24.3
2016	Hurricane Matthew	35.3
2017	Hurricane Irma	420.5
2017	Hurricane Nate	<u>5.1</u>
Total		\$500.7

1 While the vast majority of costs were incurred by DEF's Distribution Operations  
2 function as a result of Hurricane Irma, and thus the commentary below at times is  
3 written from the standpoint of that hurricane, the Company's cost accumulation  
4 and review processes were very similar for all storms. As previously noted,  
5 initially storm-related costs incurred were recorded to FERC Account 186, at  
6 which point DEF completed a review to determine the amounts which would be  
7 considered non-incremental under the ICCA methodology, and thus removed  
8 those non-incremental costs from the storm reserve recovery request.

9

10 In discussing the nature of the costs incurred for these major storms, it is essential  
11 to have a clear understanding of the guidelines of Rule 25-6.0143, F.A.C. First I  
12 will focus on allowable costs, and the next section of my testimony will address  
13 the types of costs specifically prohibited under the ICCA methodology.

14

15 As outlined in Exhibit No. \_\_ (BB-2), the Company's incurred costs fall into the  
16 following primary categories, and, once netted with costs the Company has  
17 removed as non-incremental, are consistent with the ICCA recoverable categories.

18

19 1. Regular payroll – amounts represent regular payroll for employee time spent  
20 in direct support of storm restoration, and exclude bonuses. During the  
21 storms, payroll costs were incurred related to DEF employees as well as Duke  
22 Energy affiliate employees from outside of Florida assisting in the storm  
23 response. All regular payroll amounts associated with DEF employees have  
24 been removed from our recovery request as either non-incremental or

1 capitalized. All amounts related to Duke Energy affiliates, such as linemen  
2 from Duke Energy affiliates in the Carolinas and Midwest that were utilized in  
3 lieu of third party contractors, are recoverable in this filing or were part of the  
4 capitalized amounts for the units of property replaced.

5  
6 2. Overtime payroll – represents overtime payroll for employee time spent in  
7 direct support of storm restoration for DEF personnel as well as Duke Energy  
8 affiliates, such as linemen from Duke Energy affiliates in the Carolinas and  
9 Midwest. All overtime paid to employees of Duke Energy affiliates was  
10 incremental to DEF and thus is included for recovery in this filing, similar to  
11 contractor costs. While the majority of overtime for DEF employees incurred  
12 due to storm restoration-related activities was also deemed incremental and  
13 thus included for recovery in this filing, a portion has been removed to  
14 estimate the overtime that would typically be incurred during that period.

15  
16 3. Labor burdens and bonuses – There are two cost categories in this line item  
17 of Exhibit No. \_\_ (BB-2), (1) bonuses and (2) labor burdens. First, while  
18 bonuses were paid to many employees for their extraordinary efforts and  
19 dedication to DEF’s customers, all bonuses have been removed from the  
20 recovery request. Note, while the Company believes the bonuses paid to  
21 employees of Duke Energy Affiliates, such as the linemen employed by the  
22 Duke Energy entities from the Carolinas and Midwest, are properly  
23 recoverable, DEF is not seeking recovery of those costs.

24



1 With respect to the second category of costs, labor burdens represents the  
2 costs associated with the direct payroll and overtime charges, such as 401-K  
3 and pension match, medical, payroll tax and other benefits. Labor burdens  
4 tied to non-incremental payroll and overtime as discussed in numbers 1 and 2  
5 above have been removed from this recovery request or capitalized, leaving  
6 only labor burdens associated with incremental payroll and overtime included  
7 for recovery.

- 8
- 9 4. Other costs associated with the workforce (Overhead allocations) – includes  
10 overhead allocations related to management and supervision as well as service  
11 company costs that are allocated to this project based on payroll and overtime  
12 charges incurred. All these costs associated with DEF employees are removed  
13 from this recovery request, with the conservative assumption that those costs  
14 are within base rates. With respect to the overhead costs associated with  
15 employees from Duke Energy affiliates in the Carolinas and the Midwest,  
16 these costs represent the Utility Affiliate Overhead loader which captures all  
17 the costs outlined in Duke Energy's Cost Allocation Manual. Once the  
18 Overhead loader is applied to the labor costs of Duke Energy utility  
19 employees working for an affiliate, the fully loaded costs of those affiliate  
20 employees are then captured in the total costs charged to DEF. Therefore, all  
21 costs that are recorded within DEF's books and records from the affiliates are  
22 truly incremental to DEF.
- 23

- 1           5. Employee expenses - includes the cost of lodging such as hotel rooms, as well  
2           as other employee expenses such as meals and various storm-related expenses  
3           for employees and thousands of linemen that directly supported storm  
4           restoration activities.
- 5
- 6           6. Contractor costs – includes actual incurred costs associated with mutual aid  
7           utilities, line contractors, vegetation contractors, staging and logistics  
8           personnel and other outside contractors used in storm-restoration related  
9           activities.
- 10
- 11          7. Materials and supplies – includes the materials and supplies used to repair and  
12          restore service and facilities to pre-storm condition, and excludes the portion  
13          of materials and supplies used in restoration activities that are included in  
14          capitalized cost.
- 15
- 16          8. Internal fleet costs – the costs included in the net recoverable request include  
17          only the fuel component in this filing.
- 18
- 19          9. Uncollectible account expenses – refer to the section below regarding the  
20          impacts to our Customer Operations organization.
- 21
- 22          10. Other expenses – include other minor amounts of storm-related expenses not  
23          coded to one of the categories above, as explained in the footnotes in Exhibit  
24          No. \_\_ (BB-2).

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For each major storm, the cost category amounts are outlined in Exhibit No. \_\_\_ (BB-2), and the Company has detailed support for all costs incurred available for the Commission and other appropriate stakeholders' review.

**Q. Please explain whether the Company is including for recovery through this filing any of the costs prohibited from recovery under the ICCA methodology.**

A. In the preceding section of my testimony, I discussed allowable costs as well as amounts DEF excluded from this recovery request based on DEF's determination that certain of the costs were non-incremental or capitalizable. In this section, I will address the types of costs prohibited for recovery through the storm reserve based on the following sections of Rule 25-6.0143, F.A.C.

Prohibited costs under the ICCA methodology:

(1)(f) The types of storm related costs prohibited from being charged to the reserve under the ICCA methodology include, but are not limited to, the following:

1. Base rate recoverable regular payroll and regular payroll-related costs for utility managerial and non-managerial personnel;

- *Company response – as discussed in the previous section, DEF has excluded from its recovery request all base payroll and related costs associated with the employees of Duke Energy Florida.*

2. Bonuses or any other special compensation for utility personnel not

1 eligible for overtime pay

- 2 • *Company response – as previously discussed, while bonuses were paid*  
3 *to many employees for their extraordinary efforts and dedication to*  
4 *DEF's customers, all bonuses have been removed from the recovery*  
5 *request. Note, although the Company believes the bonuses paid to*  
6 *employees of Duke Energy Affiliates are properly recoverable, DEF is*  
7 *not seeking recovery of those costs in this filing.*

8 3. Base rate recoverable depreciation expenses, insurance costs and lease  
9 expenses for utility-owned or utility-leased vehicles and aircraft;

- 10 • *Company response – DEF has not included these types of costs in this*  
11 *cost recovery filing. Regarding fleet costs, fleet allocations that follow*  
12 *the payroll and overtime labor were adjusted to only allow the fuel*  
13 *component to be considered incremental and included for recovery in*  
14 *this filing. The remaining parts of the fleet allocation were considered*  
15 *non-incremental. With respect to aircraft, only direct incremental*  
16 *charges were recorded to the storm project. These costs represent*  
17 *incremental jet and transportation expenses, as well as charter flights*  
18 *when additional aircraft were needed. Other similar incremental*  
19 *expenses that supported restoration efforts included drone expenses and*  
20 *contractor drone operators, as well as helicopter expenses.*

21 4. Utility employee assistance costs;

- 22 • *Company response – DEF has not included these types of costs in this*  
23 *cost recovery filing.*

24 5. Utility employee training costs incurred prior to 72 hours before the

1 storm event;

- 2 • *Company response – DEF has not included these types of costs in this*  
3 *cost recovery filing.*

4 6. Utility advertising, media relations or public relations costs, except for  
5 public service announcements regarding key storm-related issues as listed above  
6 in subparagraph (1)(e)10.;

- 7 • *Company response – DEF has not included these types of costs in this*  
8 *cost recovery filing, except for allowable public service announcements.*

9 *For example, advertisements that were placed to distribute needed*  
10 *information related to power restoration and/or safety precautions were*  
11 *charged to the storm reserve. This would have included messaging such*  
12 *as how to report power outages, and to urge customers not to touch*  
13 *downed power lines. However, advertisements that related to corporate*  
14 *image were not charged to the storm reserve. This would have included*  
15 *all “Thank You” ads that were placed.*

16 7. Utility call center and customer service costs, except for non-budgeted  
17 overtime or other non-budgeted incremental costs associated with the storm event;

- 18 • *Company response – DEF has only included the non-budgeted overtime*  
19 *and other incremental costs associated with its Customer Operations*  
20 *organization in this cost recovery filing; see below for further discussion*  
21 *of the cost impacts of major storms to DEF’s Customer Operations*  
22 *organization.*

23 8. Tree trimming expenses, incurred in any month in which storm damage  
24 restoration activities are conducted, that are less than the actual monthly average

1 of tree trimming costs charged to operation and maintenance expense for the same  
2 month in the three previous calendar years;

- 3 • *Company response – DEF has performed the necessary calculations*  
4 *required by this rule and has properly removed vegetation management*  
5 *costs consistent with this rule, resulting in recovery amounts that comply*  
6 *with the ICCA methodology.*

7 9. Utility lost revenues from services not provided; and

- 8 • *Company response – DEF has not included lost revenues in this cost*  
9 *recovery filing.*

10 10. Replenishment of the utility’s materials and supplies inventories.

- 11 • *Company response – DEF has not included these types of costs in this*  
12 *cost recovery filing.*

13  
14 **Q. Please explain the amounts capitalized to property, plant and equipment by**  
15 **the Company.**

16 A. The ICCA methodology states, “...capital expenditures for the removal,  
17 retirement and replacement of damaged facilities charged to cover storm-related  
18 damages shall exclude the normal cost for the removal, retirement and  
19 replacement of those facilities in the absence of a storm.”

20  
21 The Company has a process to ensure all units of property installed during storm  
22 restoration are capitalized at reasonable material and labor amounts (i.e., resulting  
23 in capital amounts at the normal cost for the removal, retirement and replacement  
24 of those facilities), thus resulting in a storm cost reserve recovery request that is

1 incremental under the ICCA methodology. During major storm events, only the  
2 Company's Distribution Operations and Transmission Operations installed capital  
3 units of property.

4  
5 For Transmission Operations, given the much smaller number of individual repair  
6 and replace events, specific projects were issued for capital versus O&M work,  
7 allowing real-time tracking of those capital projects. As capital work was  
8 performed, those associated material and equipment costs were charged to capital  
9 projects. Additionally, an analysis of historical capital labor rate amounts was  
10 performed to quantify the appropriate amount of labor costs for the capital  
11 projects. Storm restoration labor costs originally charged to the storm cost  
12 tracking account were then reallocated to the respective capital projects, based on  
13 the capital labor analysis.

14  
15 With respect to Distribution Operations, the nature of repair work is so  
16 voluminous and time of the essence that the issuance of individual projects for  
17 capital versus O&M work is not feasible. However, the Company's tracking of  
18 materials allows it to do an accounting of all units of property used during storm  
19 restoration, resulting in the proper capitalization of those units of property. This  
20 is accomplished by having DEF's Supply Chain organization issue the materials  
21 directly to the storm project as they ship them from the distribution center to the  
22 various base camps and also having Supply Chain personnel at the operating  
23 centers issue materials used during the storm to the storm project. Once the  
24 restoration effort has been completed all materials from the base camps are picked

1 up and brought back to the distribution center where it is placed in a specific area  
2 for return processing. All of the returned materials are segregated and tagged so  
3 that they can be identified as materials initially charged to the storm restoration.  
4 The material is returned to the same accounting that was used during the  
5 restoration effort, properly resulting in only the actual units installed during storm  
6 restoration being capitalized.

7  
8 Once the number of units of property were confirmed, the Company's Finance  
9 organization determined a normal, reasonable total dollar amount to capitalize for  
10 those units of property.

- 11 • Materials cost –as noted above, first the number of units of property (“UOP”)  
12 were identified and grouped (i.e. poles, transformers, wire, etc.). Then, the  
13 material costs associated with the UOP and the number of UOP become the  
14 basis of the calculation to determine the estimated total capital amount. A  
15 material burden is applied to all materials which represents the cost associated  
16 with warehousing, handling and shipping and is reflected in the capital  
17 calculation.
- 18 • Employee labor - for each grouping of UOP, DEF's Resource Optimization  
19 group estimated the average number of hours to install under normal  
20 conditions that type of UOP and number of line resources needed. The  
21 average number of hours multiplied by the number of resources generated the  
22 total hours to install that UOP. Then a blended internal line personnel labor  
23 rate was multiplied by the number of hours for each UOP to come up with the  
24 estimated capital employee labor component.



- 1           • Contractor and Duke Energy affiliate labor – during major storm events,  
2 contractor resources, as well as linemen from Duke Energy affiliates from the  
3 Carolinas and the Midwest, are utilized extensively to return the electrical grid  
4 back to operations. Accordingly, their costs should be incorporated into the  
5 overall capital calculation. DEF calculated the average hourly native line  
6 contractor and fleet rate (i.e., the costs of work done under normal conditions  
7 with native contractors), reduced it by the rate already capitalized as discussed  
8 above under the “Employee labor” bullet point, and multiplied this adder rate  
9 by the total UOP hours. This generated the contractor/affiliate adder that was  
10 included in our capitalized amount.
- 11           • Other costs – as part of the normal amount of capital cost for a UOP, a fleet  
12 and overhead allocation is applied to the employee labor. The fleet allocation  
13 and overhead percentage applied is consistent with the average percentage  
14 associated with DEF’s Maintain and Restore processes capital activities.
- 15           • Note, the Company is not able to determine with precision the portion of  
16 capital work completed by DEF employees versus contractors and other Duke  
17 Energy affiliates, and therefore the capitalization amount represents a mix of  
18 those costs. However, after our methodology was completed, we were able to  
19 conclude that our mix of total dollars capitalized resulted in a reasonable level  
20 of total capitalized costs for the total units of property installed during storm  
21 restoration, which also resulted in the proper amount of storm costs being  
22 excluded from recovery through the storm reserve in this filing.

23 For each major storm, the amount of storm costs capitalized are outlined in  
24 Exhibit No. \_\_ (BB-2).

1  
2 **Q. In additional to Transmission and Distribution Operations, please describe**  
3 **the other functional areas that incurred costs related to the seven named**  
4 **storms.**

5  
6 A. In addition to the Company's Distribution Operations and Transmission  
7 Operations areas, the Company's generation plants (Fossil/Hydro Operations, or  
8 "FHO") were damaged during several of the aforementioned storms. And, as  
9 further described below, the Company's Customer Operations organization  
10 incurred significant costs directly related to the storms.

11  
12 With respect to FHO, wind and related water damage impacted several of our  
13 generation facilities, resulting in incremental contractor costs, overtime and  
14 materials to repair the damaged facilities. Total recoverable costs for FHO from  
15 Hurricane Irma were approximately \$2.7 million, with the majority of the costs  
16 incurred at the Company's Crystal River coal-fired units and the Anclote station.  
17 None of the other named storms caused damage in excess of \$1 million to DEF's  
18 generation facilities. The Company followed a similar process as that described  
19 above to ensure only incremental FHO costs as defined under the ICCA  
20 methodology are being requested for recovery in this filing.

21  
22 With respect to Customer Operations, incremental costs include the same  
23 categories of costs as noted above (overtime costs, contractor costs, payroll of  
24 Duke Energy affiliate employees, employee travel expenses, etc.). The Company

1 followed a similar process as that described above to ensure only incremental  
2 Customer Operations costs as defined under the ICCA methodology are being  
3 requested for recovery in this filing. The area of costs incurred that are unique to  
4 DEF's Customer Operations organization relates to uncollectible accounts  
5 expenses as referenced in ICCA Rule 25-6.0143(1)(g)2. As indicated in the  
6 ICCA rules, any uncollectible accounts costs from a major storm that are deferred  
7 for recovery are limited to those incurred through May 31<sup>st</sup> of the following year.  
8 The only storm for which Customer Operations incurred significant uncollectible  
9 account expenses was Hurricane Irma. The Company estimates that it has  
10 incurred at least \$1.64 million in incremental accounts receivable charge-offs in  
11 the months of January, February, and March 2018. The Company continues to  
12 evaluate whether incremental charge-offs were incurred in April and May 2018.  
13 The incremental amount of charge-offs due to Hurricane Irma was calculated as  
14 the difference between forecasted charge-offs for the months of January 2018  
15 through March 2018, as compared to the actual level of charge-offs in those  
16 months. The Company believes this methodology is reasonable and appropriate  
17 given our historical accuracy in forecasting charge-offs, which is in excess of  
18 95%. As background, the Company during and subsequent to Hurricane Irma  
19 made accommodations in its processes to aid our customers that may have been in  
20 financial distress because of the hurricane. For instance, certain collection  
21 activities were temporarily ceased beginning September 11, and were phased in  
22 beginning in mid-October. Non-pay disconnects resumed November 2 and  
23 collection activity for defaulted arrangements was phased back in beginning in  
24 mid-November. Further, in addition to the standard short-term credit extension,

1 monthly installment payment terms were offered through January 2018. The  
2 general negative impact to DEF's customers from the hurricane as well as from  
3 the aforementioned accommodations for the benefit of DEF's customers resulted  
4 in the incremental charge-offs experienced through March 31, 2018 of  
5 approximately \$1.64 million.

6

7 Other than Hurricane Irma, no other storms in the 2012-2017 time period resulted  
8 in Customer Operations incremental costs greater than \$1 million, and with  
9 respect to incremental account charge-offs, the Company is only seeking recovery  
10 for such costs from Hurricane Irma.

11

12 **Q. Please explain why there could be further adjustments to the costs for which**  
13 **DEF is seeking recovery in this filing.**

14 A. As of the date of this filing, the Company has not yet finalized payment for all  
15 contractor services related to Hurricane Irma. We expect to finalize our review  
16 and payment for these invoices by the end of August 2018. Also, as noted above,  
17 the Company's Customer Operations organization is evaluating whether  
18 incremental uncollectible account charge-offs are continuing to be incurred  
19 beyond the March 2018 initial cut-off used to determine such amounts for this  
20 filing. We will file supplemental schedules in this proceeding reflecting any  
21 necessary adjustments should they arise on or before August 24, 2018.

22

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

24 A. Yes, it does.

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: APPLICATION FOR LIMITED PROCEEDING FOR RECOVERY OF  
INCREMENTAL STORM RESTORATION COSTS RELATED TO  
HURRICANES IRMA AND NATE, BY DUKE ENERGY FLORIDA, LLC.**

**FPSC DOCKET NO. 20170272-EI**

**DIRECT TESTIMONY OF MARCIA J. OLIVIER**

**MAY 31, 2018**

1 **I. INTRODUCTION AND QUALIFICATIONS.**

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

3 A. My name is Marcia J. Olivier. My current business address is 299 First Avenue  
4 North, Saint Petersburg, FL 33701.

5  
6 **Q. By whom are you employed and what are your responsibilities?**

7 A. I am employed by Duke Energy Florida, LLC, as Director of Rates and  
8 Regulatory Planning. I am currently responsible for overseeing rate cases,  
9 reporting actual and projected earnings surveillance results, overseeing filings  
10 related to storm cost recovery, impacts from the 2017 Tax Cuts and Jobs Act, and  
11 ensuring compliance with the 2017 Second Revised and Restated Settlement  
12 Agreement.

13  
14 **Q. Please summarize your educational background and professional experience.**

1 **A.** I hold a Bachelor of Science degree in Accounting and a Bachelor of Science  
2 degree in Finance from the University of South Florida and have over 20 years of  
3 utility experience, primarily in the regulatory area.  
4

5 **II. PURPOSE OF TESTIMONY.**

6 **Q. What is the purpose of your direct testimony?**

7 **A.** The purpose of my testimony is to describe the process for recovering storm costs,  
8 including replenishment of the storm reserve, under the 2017 Second Revised and  
9 Restated Settlement Agreement (“2017 Settlement”) approved in Order No. PSC-  
10 2017-0451-AS-EU and the 2017 Settlement Implementation Stipulation  
11 (“Implementation Stipulation”) approved in Order No. PSC-2018-0103-PCO-EI.  
12 Witness Bryan Buckler will present testimony explaining and supporting the  
13 actual storm costs incurred by DEF.  
14

15 **Q. Do you have any exhibits to your testimony?**

16 **A.** Yes, I am sponsoring the following exhibit to my testimony:

- 17 • Exhibit No. \_\_ (MJO-1) “Storm Cost Amortization”

18 This exhibit was prepared under my direction and control and is true and accurate  
19 to the best of my knowledge.  
20

21 **Q. Please explain the aspects of the 2017 Settlement that are relevant to storm  
22 cost recovery.**

23 **A.** Paragraph 38 of the 2017 Settlement provides that “...recovery from customers for  
24 storm damage costs will begin, subject to Commission approval on an interim

1 basis, sixty (60) days following the filing of a cost recovery petition with the  
2 Commission, and subject to true-up pursuant to further proceedings before the  
3 Commission...” Paragraph 38 also states that storm-related costs will be limited  
4 to costs resulting from a named tropical system plus replenishment of DEF’s retail  
5 storm reserve up to \$132 million, which was the approximate balance of the  
6 reserve as of the Implementation Date of the 2012 Settlement Agreement. On  
7 December 28, 2017, DEF filed a petition for a limited proceeding to recover  
8 storm restoration costs related to Hurricanes Irma and Nate and to replenish its  
9 retail storm reserve. That filing was based on estimated costs, as it takes months  
10 to review and pay the actual costs and to determine which costs are eligible for  
11 recovery through the storm reserve. DEF is now filing its actual costs for  
12 Commission review and approval as further explained by witness Bryan Buckler.

13  
14 **Q. You mention replenishing the Storm Reserve to \$132 million. Other than as**  
15 **a result of Hurricanes Irma and Nate, has DEF charged costs to its retail**  
16 **storm reserve since the Implementation Date of the 2012 Settlement**  
17 **Agreement?**

18 **A.** Yes. As noted on Exhibit A to DEF’s December 28, 2017 petition, DEF has  
19 charged costs to the storm reserve for named tropical systems Debbie (2012),  
20 Isaac (2012), Colin (2016), Hermine (2016), and Matthew (2016). As noted  
21 above, pursuant to the 2017 Settlement, DEF is permitted to replenish the retail  
22 storm reserve to the level as of the Implementation Date of the 2012 Settlement  
23 Agreement. The costs DEF incurred to prepare for and respond to each of these  
24 named storms were properly debited from the storm reserve pursuant to

1 Commission Rule 25-6.0143, F.A.C. These storms are addressed in the direct  
2 testimony and exhibits of witness Bryan Buckler.

3

4 **Q. Please summarize the effects of the Implementation Stipulation.**

5 **A.** The Implementation Stipulation allows DEF to apply the impacts of the 2017 Tax  
6 Cuts and Jobs Act (“Tax Impacts”) toward the recovery of storm costs and the  
7 replenishment of the storm reserve effective January 2018 in lieu of increasing  
8 customer rates to recover the storm costs and decreasing customer rates to flow  
9 back the Tax Impacts. The Commission’s approval of the Tax Impacts will take  
10 place in Docket No. 20180047. Effective January 2018, DEF will apply one-  
11 twelfth of the annual final Commission-approved Tax Impacts to the storm  
12 reserve each month until DEF has fully recovered the final storm recovery amount  
13 approved by the Commission in this proceeding. Attached as Exhibit No. \_\_  
14 (MJO-1) is an example of that calculation based on DEF’s total storm costs in  
15 Exhibit No. \_\_ (BB-1) and the Tax Impacts included in my direct testimony filed  
16 in Docket No. 20180047. As shown in Exhibit No. \_\_ (MJO-1), the total amount  
17 of amortization is \$510 million, including a storm reserve deficiency of \$369  
18 million after incurring all incremental storm costs (as further explain in Bryan  
19 Buckler’s testimony), replenishment of the storm reserve to \$132 million,  
20 recovery of bond issuance costs of \$1 million and interest expense of \$9 million.  
21 Pursuant to the Implementation Stipulation, in the month following full recovery  
22 of the final Commission-approved storm recovery amount, DEF will cease  
23 recording the storm reserve accrual and will reduce base rates in the manner set  
24 forth in the 2017 Settlement by the Tax Impacts to be approved by the



1 Commission in Docket No. 20180047. DEF will file tariff sheets for Staff's  
2 approval sixty days prior to that date.

3

4 **Q. Please explain the bond issuance costs and interest expense.**

5 **A.** The 2017 Settlement provides for a 12-month recovery period. However, due to  
6 the magnitude of the storm costs from Hurricane Irma, DEF expects to recover  
7 these costs over approximately three years via offsetting storm costs with the Tax  
8 Impacts consistent with the Implementation Stipulation. Since the recovery  
9 period is longer than the 12-month recovery period provided for in the 2017  
10 Settlement, DEF issued 2-year senior unsecured amortizing bonds in December  
11 2017 for \$400 million at a 2.1% interest rate. DEF has included those bond  
12 issuance costs and interest recovery beginning in March 2018, which was the date  
13 the rate surcharge would have become effective absent the Implementation  
14 Stipulation.

15

16 **Q. Is DEF planning to file any further filings related to the storm costs in this  
17 proceeding?**

18 **A.** Possibly. As further explained by Mr. Buckler, while almost all of the storm costs  
19 are known and final, there are some costs that have not been finalized. DEF  
20 expects that those costs will be final in August 2018, and if there is a change from  
21 the amounts in this filing, then DEF will file supplemental schedules reflecting  
22 the final costs.

23

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

1 A. Yes, it does.

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: APPLICATION FOR LIMITED PROCEEDING FOR RECOVERY OF  
INCREMENTAL STORM RESTORATION COSTS RELATED TO  
HURRICANES IRMA AND NATE, BY DUKE ENERGY FLORIDA, LLC.**

**FPSC DOCKET NO. 20170272-EI**

**DIRECT TESTIMONY OF JASON CUTLIFFE**

**MAY 31, 2018**

1 **I. INTRODUCTION AND QUALIFICATIONS.**

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

3 **A.** My name is Jason Cutliffe. I am employed by Duke Energy Florida, LLC ("DEF"  
4 or the "Company"). My business address is 100 Central Avenue, St. Petersburg,  
5 Florida.

6

7 **Q. Please tell us your position with DEF, and describe your duties and**  
8 **responsibilities in that position.**

9 **A.** I am the Director of Power Quality and Reliability ("PQR") in DEF's Distribution  
10 Engineering organization. I direct and manage the engineering and technical staff  
11 responsible for performance and capacity expansion of the distribution grid. I am  
12 also the Planning Section Chief in DEF's Incident Command Structure ("ICS")  
13 and will provide testimony regarding the Company's distribution storm plan and  
14 the execution of that plan for Hurricanes Irma and Nate.

15

1 **Q. Please summarize your educational background and employment experience.**

2 **A.** I have a MBA from the University of Richmond, a Bachelor of Science in  
3 Electrical Engineering from the University of Maine, and I am a licensed  
4 professional engineer. Prior to assuming my current roles for DEF, I have held  
5 various engineering, operational, and leadership positions over a 32 year electric  
6 utility career.

7  
8 **II. PURPOSE AND SUMMARY OF TESTIMONY**

9 **Q. What is the purpose of your testimony in this proceeding?**

10 **A.** I am testifying on behalf of the Company in support of recovery of the Company's  
11 incremental storm-related costs incurred due to Hurricanes Irma and Nate. I will  
12 begin by providing an overview of the total transmission and distribution storm-  
13 related costs and cost categories. In order to provide some historical context for  
14 my testimony, I will summarize the DEF's storm hardening efforts since 2006 as  
15 they relate to the Company's distribution facilities. The hardening investments I  
16 will reference significantly limited the overall restoration costs associated with  
17 these storm events. I will discuss the operation of the Company's storm plan as it  
18 relates to DEF's distribution system, including the Company's goals and priorities  
19 as it prepares for, responds to, and recovers from a storm's impact on its  
20 distribution facilities. I will conclude my testimony by describing the DEF's  
21 successful efforts at implementing its plan in response to the storms and,  
22 ultimately, to restore electric service safely and efficiently to its customers.

23

24 **Q. Are you sponsoring any exhibits to your testimony?**

1 A. Yes. I am sponsoring the following exhibits to my testimony:

- 2 • Exhibit No. \_\_ (JC-1) – Forensic Analysis of Storm Damage to DEF’s
- 3 Distribution System as a Result of Hurricane Irma (“Accenture Report”); and
- 4 • Exhibit No. \_\_ (JC-2) – Paths of Hurricanes Irma and Nate.

5

6 **Q. Can you please explain the purpose of the Accenture Report?**

7 A. Yes. In the wake of Hurricane Irma, DEF gathered forensic data pole failures as a

8 result of the storm and then contracted with Accenture Consulting to determine

9 the major causes of those pole failures. DEF is using this report to gain a better

10 understanding of the factors that cause the greatest amount of damage during a

11 storm event, with the ultimate goal of determining what steps, if any, can be taken

12 to mitigate against such damage in the future.

13

14 **Q. Please summarize your testimony.**

15 A. Hurricanes Irma and Nate presented unique challenges as DEF implemented its

16 storm plan to prepare for, respond to, and recover from the two hurricanes. The

17 vast majority of the storm costs incurred by the Company in 2017 resulted from

18 Hurricane Irma. During that storm, DEF mobilized approximately 12,528 total

19 contractors and employee resources to support the restoration work, which is the

20 largest mobilization in DEF’s history. At its height, nearly 1.3 million customers,

21 roughly three quarters of all DEF customers, lost power. The incremental storm-

22 related costs incurred by the Company in connection with Irma and Nate totaled

23 approximately \$425 million, as shown on Mr. Buckler’s Exhibit No. \_\_ (BB-1).

24

1 Hurricane Irma represents the most significant hurricane event to impact the state  
2 of Florida in recent history from the standpoints of both the storm's scale and  
3 size, and also its path along and up through the peninsula impacting such a large  
4 percentage of Florida's people and communities. As depicted on Exhibit No. \_\_\_  
5 (JC-2), Hurricane Nate's forecasted path threatened to impact a large portion of  
6 DEF's service territory right behind Irma driving needed preparations, but  
7 ultimately the storm shifted paths and did not impact DEF's service territory.

8  
9 During Irma, DEF spliced and repaired 800 miles of wire, and replaced 324 miles  
10 of wire, more than 1100 transformers, 142 transmission poles, and over 2100  
11 distribution poles. DEF also repaired 71 substations and restored 124  
12 transmission circuits. DEF restored power to 1 million customers in three days,  
13 and restored power to essentially all customers by September 19th. Restoration  
14 work was very labor intensive often requiring vegetation clearing, accessing areas  
15 on foot, and climbing poles where bucket trucks could not access. As I explain in  
16 my testimony, DEF's storm plan proved to be an effective and efficient tool to  
17 restore customer service as quickly and safely as possible following Irma.

18  
19 DEF also found that the investments made in storm hardening and smart grid  
20 technology helped the restoration efforts after Irma. Since 2006, the Company  
21 has spent more than \$2 billion maintaining and strengthening the power delivery  
22 system, including inspecting and replacing poles and trimming vegetation and  
23 trees. For example, the self-healing grid technology helped avoid over 5 million  
24 minutes of customer interruptions during Hurricane Irma. No hardened

1 transmission structure failed, and DEF's distribution pole inspection and  
2 replacement program resulted in less than half the pole breakage compared to  
3 Hurricane Charley in 2004 – a hurricane that affected much less of our service  
4 territory.

5

6 **III. INCREMENTAL COSTS INCURRED BY DEF AS A RESULT OF**  
7 **HURRICANE IRMA**

8

9 **Q. Please identify what incremental costs the Company incurred in connection**  
10 **with Hurricanes Irma.**

11 **A.** The incremental storm-related costs incurred by the Company in connection with  
12 Irma totaled over \$420 million. These costs are described in detail in Mr.  
13 Buckler's testimony and exhibits.

14

15 **Q. Please describe the Company's process for seeking mutual aid from outside**  
16 **sources and identify the dates on which the Company communicated with**  
17 **mutual aid organizations with respect to Hurricane Irma.**

18 **A.** Once a tropical system is identified that could impact DEF's service territory,  
19 mutual aid calls are initiated for additional resources including native and non-  
20 native contractors and mutual assistance organizations. The mutual aid calls are  
21 to discuss the availability of resources outside the projected impacted area that  
22 may be able to provide assistance to our service territory should it be necessary.  
23 Resources typically include: linemen, vegetation management, damage  
24 assessment, support, and logistics for both Distribution and Transmission  
25 restoration efforts. Depending on the projected event timing and intensity, the

1 objective is to have some resources mobilized and pre-positioned ahead of the  
 2 impact. The Company's communications with mutual aid organizations for Irma  
 3 occurred between September 5, 2017, and September 13, 2017. As set forth in the  
 4 table below, mutual assistance was requested from several sources in connection  
 5 with Hurricane Irma.  
 6

<b>Irma</b>	<b>Nature of Request</b>
9/5/17	Distribution Line & Veg- Non-native Contractors
9/5/17	Distribution Line & Veg- Mutual Assistance Organization
9/6/17	Distribution & Trans Line & Veg- Mutual Assistance Organization
9/7/17	Distribution & Trans Line & Veg- Mutual Assistance Organization
9/8/17	Distribution & Trans Line & Veg- Mutual Assistance Organization
9/9/17	Distribution & Trans Line & Veg- Mutual Assistance Organization
9/11/17	Distribution Line & Veg- Mutual Assistance Organization
9/12/17	Distribution Line & Veg- Mutual Assistance Organization
9/13/17	Distribution Line - Mutual Assistance Organization

7

8 **Q. Did the Company utilize non-DEF labor to address customer contacts during**  
 9 **Hurricanes Irma?**

10 **A.** Yes, the Company utilized an additional 1,667 persons during Hurricane Irma to  
 11 address customer contacts.

12

13 **Q. How many customer calls did the Company receive during Hurricane Irma?**

14 **A.** The Company received 2,169,289 calls as a result of Hurricane Irma.

15

16 **Q. Did the Company issue public announcements in connection with Hurricane**  
 17 **Irma?**



1 A. Yes. To keep customers and the general public updated on our restoration efforts,  
2 we issued 15 news releases (several of which were issued in Spanish). In addition,  
3 we published 90 social media posts which covered several topics including safety,  
4 storm damage, crews/resources, updated outage and restoration numbers and  
5 estimated times of restoration. We also issued public service announcements  
6 through local radio stations and pushed out messaging using the “screen crawler”  
7 on the Weather Channel.

8  
9 **Q. How does the Company communicate information to its customers prior to,**  
10 **during and after a storm?**

11 A. Before a storm, the Company issues news releases, posts social media information  
12 related to storm and safety tips, issues public service announcements, sends  
13 customers emails focused on preparedness, and proactively pitches stories to the  
14 media focused on our preparedness efforts and to encourage customers to be  
15 prepared. To address the needs of customers with medical or special needs, we  
16 conduct outbound call campaigns to ensure these customers are aware of pending  
17 severe weather and to prepare for potentially extended outages. We also launch a  
18 dedicated webpage focused on the specific storm event where the public can find  
19 news releases, safety tips, videos, restoration information and links to other  
20 valuable resources. Banners on the Company’s main page direct customers to the  
21 storm and safety information and eventually to the new webpage once its  
22 launched.

23

1 All pre-storm communications include storm and safety tips and instructions on  
2 how to report outages through numerous options. Our proactive outreach to the  
3 media often results in interviews and stories focused on storm preparedness. As  
4 storm communication is an ongoing and continuous process, numerous  
5 communications via multiple channels are shared.

6  
7 During a storm, the Company develops daily messages to be used with media,  
8 customers, social customer care and field personnel. The Company publishes  
9 daily updates via news releases and social media on various topics, including  
10 storm damage, estimated times of restoration, and out of town resources. We  
11 secure TV, print and radio advertising where we provide restoration updates.  
12 Customers participating in our proactive outage communications programs  
13 receive updates via email, phone and text on restoration progress and estimated  
14 times of restoration. Ongoing updates regarding the storm are also provided on  
15 the Company's dedicated storm page which includes updated outage maps.  
16 Furthermore, during a storm event updates are continuously provided to elected  
17 officials, community leaders and other stakeholders to ensure they have the  
18 information they need to share with their audiences and to plan accordingly.

19  
20 After a storm, the Company prepares wrap-up messages to share with customers,  
21 community leaders and other stakeholders. News release are published to provide  
22 final outage-related numbers, thank customers for their patience, and to thank  
23 local first responders and the companies that provided off-system resources.  
24 Messages of appreciation are also provided to customers, first responders,

1 community agencies and other utilities that provided assistance via email, social  
2 media posts, and paid advertisements.

3

4 **Q. Did the Company utilize contract labor to help restore power following**  
5 **Hurricane Irma?**

6 **A.** Yes. DEF utilized a total of 5,282 Line Contractors; 2,257 Tree Trimmers and  
7 511 Damage Assessors.

8

9 **Q. How does the Company on-board crews and what steps does the Company**  
10 **take to ensure that they are effectively utilized?**

11 **A.** The Company on-boards newly arriving crews at staging and logistics sites where  
12 actual roster complements are verified and arrival times documented. Crews go  
13 through a detailed overview of Company safety rules and protocols, as well as  
14 information on construction standards. Once on the system, crews are assigned to  
15 feeder coordinators. For DEF the feeder coordinators are a key oversight resource  
16 responsible for managing the work of off-system restoration crews, including  
17 contractors. Each feeder coordinator assigns their crews daily work packages  
18 prepared in advance and monitors progress of restoration as the day progresses.  
19 They review time sheets daily, and provide feedback to the storm center about  
20 crew effectiveness. This information is used by Operations and Logistics during  
21 demobilization to sequence crew releases so that less productive crews are  
22 released first and high productivity, high value crews are released last.

23

1 **Q. How was vehicle fuel procured for Company personnel and mutual aid**  
2 **partners in preparation for Hurricane Irma?**

3 **A.** Fuel tanks are staged at most operations yards and depending on the size, strength  
4 and path of the storm, the tanks are filled 2-5 days in advance of landfall. In  
5 addition, the Company's fuel vendor is under contract to fill several fuel tankers  
6 with diesel and unleaded fuel in advance of landfall to ensure fuel will be  
7 immediately available to the Company in the event the Company's fuel tanks are  
8 exhausted. Due to the magnitude of Hurricane Irma, efforts to assure fuel for  
9 restoration efforts were increased and three additional sets of pre-staged fuel  
10 teams were located within the state and at a staging area in South Georgia. As a  
11 result of the Company's preparation efforts, DEF had a sufficient supply of fuel  
12 and there were no delays to restoration resulting from fuel supply issues during  
13 Hurricane Irma.

14  
15 **Q. When did the Company's mutual aid costs for Hurricane Irma begin to**  
16 **accrue?**

17 **A.** As is industry standard, mutual aid costs begin to accrue when the responding  
18 entities begin taking actions towards providing mutual aid in response to a request  
19 (including, for example, preparing employees and equipment for travel). Costs  
20 for Hurricane Irma began to accrue on September 5, 2017.

21  
22 **Q. How did the Company determine when mutual aid was no longer needed to**  
23 **assist in responding to Hurricane Irma?**

1 **A.** Mutual aid resources are accepted throughout the duration of each storm and are  
2 deemed to be no longer needed when they can no longer contribute to  
3 achievement or acceleration of restoration times at a reasonable cost. With  
4 respect to Hurricane Irma, the last remaining mutual aid resources were released  
5 on September 25, 2017.

6  
7 **Q. When was the Company fully-restored from Hurricane Irma?**

8 **A.** Restoration is considered complete when all customers able to receive power have  
9 been restored. DEF restored a million customers within three days of Hurricane  
10 Irma leaving the state of Florida, and achieved full restoration on September 19,  
11 2017.

12  
13 **IV. THE COMPANY'S DISTRIBUTION SYSTEM STORM HARDENING**  
14 **ACTIVITIES SINCE 2006**

15  
16 **Q. Can you please summarize the Company's distribution system storm**  
17 **hardening efforts since 2006?**

18 **A.** As provided each year in DEF's Annual Service Reliability Report (filed with the  
19 Commission) and set forth every three years in its Storm Hardening Plan, DEF  
20 utilizes a systematic approach to harden its distribution system. Since 2004, DEF  
21 has invested more than \$2 billion to harden its electrical system. Since 2006,  
22 DEF has implemented several initiatives, including small wire or conductor  
23 upgrades, which involves the conversion of an existing overhead line with either  
24 #4 or #6 Cu conductor to a thicker gauge conductor of 1/0 or greater. DEF has  
25 converted 67 miles of primary lines, and completed 31 feeder ties, which involves

1            tying radial feeders together to provide switching capabilities to reduce outage  
 2            duration. DEF has worked to make access improvements, including moving back  
 3            lot facilities to the road for easier access and requiring new construction to be  
 4            located along the front of properties, where feasible.

5  
 6            **Q.    Can you please describe the Company's distribution wood pole inspection  
 7            and replacement plan?**

8            **A.**    DEF's inspects Company-owned wood poles on an average eight-year cycle.  
 9            These inspections determine the extent of any pole decay and any associated loss  
 10           of strength. The information gathered from these inspections is used to determine  
 11           pole replacements and to effectuate the extension of pole-life through treatment  
 12           and reinforcement. DEF is currently in the middle of the second eight-year cycle.  
 13           Inspections by year are shown in the following table

14

2006	64,208
2007	96,553
2008	96,054
2009	95,867
2010	106,546
2011	99,292
2012	91,306
2013	97,071
2014	108,475
2015	100,651
2016	103,684
2017	100,038

15

16            **Q.    Did the Company assess the performance of hardened versus non-hardened  
 17            facilities following Hurricane Irma?**

1 A. Yes. Post-Irma forensic data indicates that vegetation outside of the right of way  
2 caused a significant portion of the broken poles experienced by the distribution  
3 system. Neither pole maintenance nor decay were predominant causal factors of  
4 outages in the wake of Hurricane Irma. DEF engaged Accenture to conduct a  
5 thorough post-Irma forensic analysis of the damage to the Distribution system.  
6 Accenture found that DEF experienced less damage to its pole infrastructure  
7 when compared to similar events experienced by other utilities. In addition, a  
8 forensic assessment of 526 randomly selected poles across DEF's service  
9 territory, which were broken during Hurricane Irma, demonstrated that none of  
10 these poles had been hardened and most were the result of direct impact from  
11 trees. Said differently, of the 526 poles locations studied, the only poles that  
12 failed were in non-hardened sections of the system. Accenture performed a  
13 separate assessment of 29 randomly selected Storm Hardened projects and found  
14 no broken poles. The complete Accenture report is attached to my testimony as  
15 Exhibit No. \_\_ (JC-1).

16  
17 **Q. Can you please describe the Company's distribution system vegetation**  
18 **management program?**

19 A. DEF is responsible for maintaining approximately 46,000 miles of power lines in  
20 Florida and proactively manages trees and other vegetation to help ensure safe,  
21 reliable service for 1.8 million customers across our 20,000 square-mile service  
22 area. Maintaining trees and vegetation along rights of way helps reduce outages  
23 on a day-to-day basis as well as during storm events, and enhances safety for  
24 customers, the public, and DEF's employees and contractors. DEF maintains a

1 rigorous inspection process that identifies vegetation encroachments and ensures  
2 vegetation management activities follow required pruning and clearance  
3 specifications. In addition, pre-hurricane season patrols are performed prior to  
4 June 1<sup>st</sup> each year to identify any conditions that could impact feeder performance  
5 during a major event.

6  
7 In 2014, DEF adopted an expanded technical specification to allow for an  
8 integrated vegetation management approach which includes careful pruning,  
9 selective herbicide application and hazard tree felling. This allows the Company  
10 to evaluate power line areas and determine the best method for maintaining  
11 reliable service. In order to reduce the outage risk during severe weather,  
12 diseased or dead trees outside of the right of way are targeted for removal as they  
13 are less stable than healthy, live trees and have a greater chance for failure in even  
14 minor storm events; however, DEF requires the property owner's permission to  
15 remove these "hazard" trees. All tree trimming activities and herbicide program  
16 activities are performed by a contract workforce. Tree trimming occurs  
17 throughout the entire year and herbicide application typically occurs between  
18 March and November of each year.

19

20 **Q. Does the Company perform any quality control review of the vegetation**  
21 **management services provided by contractors?**

22 **A.** Yes, the Company performs a 100% quality audit for each circuit to ensure  
23 clearing specifications and contract terms and conditions have been fully satisfied.



1 Quality results are provided to contractors, and work that does not meet technical  
2 specifications must be remedied within a defined period of time.

3

4 **V. THE COMPANY'S DISTRIBUTION STORM PLAN AND ITS**  
5 **EXECUTION DURING THE 2017 STORM SEASON**

6

7 **Q. Please describe DEF's distribution system storm plan.**

8 **A.** Preparing for major storms is a year-round activity. Hurricane season readiness  
9 begins several months before the start of the season and includes training, drills,  
10 and implementation of lessons learned from the prior year. Our comprehensive  
11 storm plan is modeled on Homeland Security's Incident Command Structure  
12 ("ICS") and incorporates the best practices we have developed from experiences  
13 with past storms. The ICS affords rapid scalability in response to a specific  
14 threat.

15 The scalability of ICS is reflected in DEF's four distinct levels of restoration  
16 response (Level I – IV). Level I corresponds with typical summer storms,  
17 whereas level IV is designed for restoration on the scale of a hurricane. The same  
18 basic functions are performed at all storm levels, but as resources increase to  
19 match the storm's anticipated threat, the organization expands to ensure efficient  
20 restoration of our system. While it is appropriate for an individual to perform  
21 parts of several storm roles in a lower level event, those same roles are broken out  
22 and staffed by an increasing number of dedicated resources as the scope of  
23 restoration work increases. The decision to activate at a particular response level  
24 is made by the storm management team, and is guided by weather forecasts,  
25 resource modeling, and expected restoration duration. The flexibility of the storm

1 plan is such that, for any given restoration event, we may have a region that is  
2 operating within the Level IV model while another region is operating within a  
3 Level I model. This allows regions within the Company operating at a lower  
4 restoration level to finish sooner and release resources to work in regions  
5 operating at a higher restoration.

6  
7 At a high level, the ICS plan is built around three phases of storm restoration; pre-  
8 storm activation, outage restoration, and returning the distribution grid to normal.  
9 Pre-storm activation begins as early as 120 hours prior to landfall, and includes  
10 detailed weather forecasting, modeling of damage and resource requirements, and  
11 preparation for support of logistics needs. The outage restoration phase includes  
12 the operational activities following impact from the storm that restore service to  
13 all customers capable of receiving it. Returning the grid to normal is necessary to  
14 restore our electrical infrastructure to its pre-hurricane condition.

15

16 **Q. Can you please describe the different roles within DEF's storm plan?**

17 **A.** Yes, within the storm plan there are a multitude of roles that facilitate an efficient  
18 restoration process. These roles are organized along four functional lines: (1)  
19 Operations; (2) Planning; (3) Logistics; and (4) External Coordination. Operations  
20 is focused on restoration of service; Planning on forecasts, modeling, and  
21 situation awareness; Logistics on staging, material, and supplies; and External  
22 Coordination on outreach and communication to customers, local EOCs, state and  
23 local leaders.

1 The participants are assigned roles under the storm plan that may differ from their  
2 regular daily responsibilities and, as a result, it is imperative that they are  
3 effectively trained. This training is normally completed in the second quarter of  
4 each year throughout the system and within each of the functional areas of  
5 responsibility. To further ensure our storm preparedness, we conduct storm  
6 readiness drills in order to test the effectiveness of the training program and the  
7 employees' ability to execute their assigned storm role. Our storm restoration plan  
8 is coordinated with the state-wide storm preparedness efforts through  
9 participation in the state Emergency Operations Center ("EOC") coordinated  
10 storm drill conducted each May in Tallahassee.

11  
12 **Q. When and how do you activate your ICS major storm organization?**

13 **A.** Duke Energy meteorologists continuously monitor the Atlantic basin and Tropics  
14 and begin to issue alerts as early as 2 weeks before expected landfall. Our formal  
15 ICS activation process kicks off 120 hours prior to projected landfall. Our initial  
16 focus is to ascertain the most detailed weather information available including  
17 date, time, and strength of the storm, when it is forecasted to impact our system,  
18 forecasted path of the storm, size and strength of the wind fields, associated  
19 amount of precipitation, when the wind is anticipated to exceed and fall below 39  
20 mph, and strength of gusts.

21  
22 With each forecast update we use storm modeling tools to predict the amount of  
23 damage to our system, where that damage will likely occur, and the amount of  
24 resources required to restore the projected outages. More specifically, the tools

1 estimate the number of personnel required, such as linemen, tree trimmers, and  
2 damage assessors. This gives us an estimate of the necessary scale of restoration  
3 response. With that information we conduct a system storm call that includes  
4 management teams representing the four functional areas of our storm response  
5 plan. As noted above, storm plan activation typically occurs 120 hours before  
6 landfall. At this point the efforts are more focused upon notifications to our  
7 customers and employees of a potential impact and the beginning of our storm  
8 readiness activities and our initial efforts to procure resources. A progression of  
9 checklists follow each day thereafter prior to system impact.

10  
11 **Q. How does DEF use the information from predictive storm models?**

12 **A.** Once we have estimated the amount of resources required, where and to what  
13 extent each region within our territory will be impacted, several processes begin  
14 in unison. Our Resource Management function secures commitments for  
15 restoration manpower and Staging and Logistics prepares to open mustering and  
16 base camp sites to receive them.

17  
18 Resource Management first secures internal line and tree resource commitments  
19 from the other states served by Duke Energy. Internal Duke Energy personnel are  
20 available immediately and can be moved into forward positions to expedite  
21 restoration. Next, we contact the Southeastern Electric Exchange ("SEE") Mutual  
22 Assistance Group to secure commitments from the participating companies for  
23 remaining needs. SEE Mutual Assistance is governed by an existing agreement  
24 between all participating utilities. Most Mutual Assistance utilities are also

1 assessing impact to their systems and will hold resources until in the clear. Those  
2 utilities not in the storm's projected path typically must travel from significant  
3 distance and must be activated several days prior to landfall.

4  
5 Depending on the time, path, and confidence in the storm's expected impact,  
6 decisions are made concerning when committed crews are activated, paid to be  
7 mobilized, and sent to an off-site mustering location are made prior to landfall.  
8 To expedite restoration we mobilize crews to mustering sites located along  
9 Interstates 75, 4 & 95. Safety is our highest priority, so the sites ultimately used  
10 depend upon the path of the storm; we want sites that are as close as possible to  
11 expected damage without unnecessarily placing anyone in harm's way. The  
12 number of crews mobilized and where they are mustered depends greatly on  
13 confidence in the forecast. Several resource plan shifts were made as Irma's track  
14 changed with each new forecast.

15  
16 Concurrent with the acquisition of resources, our Logistics function establishes a  
17 coordinated schedule to open mustering sites, base camps, and secures anticipated  
18 lodging needs. The use of mustering sites allows us to validate rosters and crew  
19 compliments for billing, orient non-native crews to our safety policies, switching  
20 practices, technical specifications, and to prepare them for reassignment to a  
21 forward base camp. Base camps accommodate truck parking, inventory storage,  
22 refueling, meals, and lodging.

23  
24 **Q. What occurs as the storm begins to impact DEF's service territory?**

1 A. When the storm-force winds commence in DEF's service territory, the  
2 Distribution Control Center ("DCC") is in constant communication with the  
3 Energy Control Center ("ECC") and the transmission storm center. The ECC  
4 gives both storm centers a thorough description of what transmission lines and  
5 substations are dropping out of service as the storm passes, giving us a real-time  
6 assessment of the location of the storm damage. Crews in Irma's direct path  
7 sheltered in place, while crews on the eastern edge of our territory responded to  
8 emergency calls. The ECC and the distribution and transmission storm centers  
9 jointly establish restoration priorities and coordinate the distribution and  
10 transmission restoration strategy to maintain grid stability.

11  
12 **Q. What happens after the storm passes?**

13 A. Our initial response has three main components: (1) governmental and EOC  
14 support and response; (2) statistical damage assessment; and (3) feeder backbone  
15 restoration efforts. These three components enable the local and state  
16 governments to respond to the storm's impact, and enables DEF to both estimate  
17 the amount of storm damage actually incurred by the distribution system and  
18 begin restoration of the highest priority feeders.

19  
20 As local governments and county EOCs encounter issues that require our  
21 immediate attention, we can promptly respond. These issues may involve, for  
22 example, support for road clearing teams, or removing a downed power line with  
23 police personnel standing by at the site. By having our personnel assigned to the  
24 county EOCs we can facilitate communication with the various governmental

1 agencies, such as fire departments also represented at the EOCs, to quickly  
2 respond to the site, take care of the downed line, and allow the government  
3 agency staff to pursue other critical assignments.

4  
5 Concurrent with these activities we rapidly assess a statistically valid sample of  
6 our total facilities to validate the damage and associated resources that were  
7 predicted by the model and to provide operations management more information  
8 for determining the best restoration methodology. As part of our pre-storm season  
9 preparation, we identify segments of feeders and their associated branch lines in  
10 each area served by an operations center that are representative of the overall  
11 network of feeders and branch lines for the local area. As soon as the storm winds  
12 drop below 39 miles per hour, damage assessment teams are activated to get a  
13 better understanding of the damage to the distribution system. The previously  
14 identified representative distribution line segments are assigned to damage  
15 assessment teams who are responsible for a pole-by-pole survey of those  
16 representative segments, to inventory the extent of damage incurred and return  
17 that damage information to be entered in a database. Based upon the storm  
18 damage found in this representative sample, we extrapolate the amount of storm  
19 damage for the rest of the local distribution network and aggregate these  
20 assessments to get a system-wide storm damage estimate. These estimates are  
21 used to confirm damage and to make adjustments as needed to the pre-landfall  
22 resource mobilization plan.

23

1 The feeder backbone process is a method by which we restore service and  
2 catalogue storm damage for further repair. This process is intended to quickly  
3 restore the feeder backbone through the operation of switches only, inventory  
4 sections of the feeder that we are not able to immediately restore, and identify  
5 what devices off the feeder are not in service. We begin planning for this Isolate-  
6 and-Restore effort prior to the storm season when each of the local management  
7 teams prioritize the order of restoration for critical feeders within their  
8 jurisdiction. Highest priority is assigned to feeders that are crucial to the health,  
9 safety, and welfare of the general public.

10  
11 **Q. How is the restoration phase of the storm plan carried out?**

12 **A.** At this juncture of our restoration efforts, we are beginning to deploy restoration  
13 resources to the local operating areas to include them in the storm restoration  
14 plan. To efficiently use this first wave of resources, we assign them to the storm  
15 damage that was identified through our feeder Isolate and Restore process. This  
16 allows us to assign them to the highest priority work on the most critical  
17 components of our distribution infrastructure.

18  
19 Based upon the information collected from the statistical assessment, any aerial  
20 storm damage assessments using helicopters, information reported to our outage  
21 management system, and the knowledge of local management, the management  
22 team has the information it needs to determine what feeders require detailed  
23 damage assessment. When the detailed assessment of a feeder segment is  
24 complete, the results of that effort are compiled into an associated work package.



1 This work package allows us to effectively communicate the scope of the work to  
2 be done and further assists us in managing productivity expectations of our line  
3 and tree crew resources. Additionally, the work package information assists local  
4 management in allocating resources and determining estimated times of  
5 restoration (“ETRs”).

6

7 **Q. Does the Company update ETRs during the restoration process?**

8 **A.** Yes. We have three levels of ETRs: 1) an initial system level ETR; 2) a view of  
9 ETRs by city and county; and 3) device level ETRs. As the storm restoration  
10 progresses, we move from higher level ETRs to increasing levels of detail, letting  
11 customers know what we know when we know it. ETRs are continuously  
12 updated and expanded to greater levels of detail during restoration. Factors that  
13 influence the ETR updates include integrating any new information we have  
14 collected, the extent and severity of the storm damage, the critical and priority  
15 restoration needs we may receive from ECC, state and local governments and  
16 EOCs, and the availability of resources. Additionally, timing of resource arrival  
17 can be impacted by a number of external factors such as road and bridge closures,  
18 crews that have to travel through the path of the storm (after it has cleared), roads,  
19 hotels and lodging clogged by evacuees, and lack of fuel along major routes into  
20 the state. As required, we shift line and tree crews, equipment, and material to  
21 address new priorities or to increase productivity. We are constantly striving  
22 during the restoration to improve our ETRs and meet or exceed our own ETR  
23 goals.

24

1 **Q. How does the Company wind down its restoration process?**

2 **A.** As we near the completion of storm restoration work within any part of our  
3 service territory, we begin demobilization efforts. DEF believes it is imperative to  
4 use the most productive and cost-effective resources during our restoration  
5 efforts. As a part of our demobilization efforts, we survey local management and  
6 feeder coordinators to get their assessment on the productivity of the non-native  
7 line and tree personnel. Combining this information with the daily cost of the  
8 personnel, we build a plan that retains the safest, most productive, and most cost  
9 effective resources are no longer needed.

10

11 **Q. Is there anything else that must be done after restoration of customers is**  
12 **complete?**

13 **A.** Yes, the final phase of our hurricane response is the restoration of the system to  
14 its pre-storm status. When in the storm outage restoration phase, we intend to  
15 perform the essential work necessary to restore the fundamental operating  
16 characteristics of our distribution infrastructure. The primary focus is getting  
17 “lights on” and safety considerations rather than correcting all damaged facilities  
18 that are still capable of functioning. For example, during the storm outage  
19 restoration phase, DEF will leave in place poles that are damaged and in need of  
20 repair but are able to safely provide service to our customers in the short term,  
21 capacitor banks and reclosers are returned to service only if immediately required,  
22 and animal mitigation hardware is not installed pursuant to our day-to-day  
23 standards. After the restoration efforts are concluded, we conduct electrical and

1 physical condition sweeps of the feeder backbone and identify the issues that  
2 require mitigation to return the distribution system to its pre-storm state.

3  
4 The Company also conducts a “tree sweep” which is a detailed vegetation sweep  
5 of our feeder backbones to identify any storm damage to trees that was not  
6 mitigated during the storm restoration phase. The tree sweep is focused on  
7 cracked or broken limbs that are tenuously hanging over-top of facilities and will  
8 eventually come down. The lead and associated vegetation management personnel  
9 are responsible for identifying trees or branches damaged by the storm and  
10 immediately mitigating any such damage. This process requires considerable  
11 subject matter expertise because these issues can be camouflaged when the leaves  
12 are still green, meaning that only the most obvious can be easily identified.

13  
14 **Q. Can you please explain the function of the Company’s Outage Management  
15 System (“OMS”)?**

16 **A.** Yes. The OMS is a series of complex interfacing systems that collect and analyze  
17 multiple inputs in order to provide a source for discrete outage level data and  
18 ETRs. Outage level data and ETRs are then communicated to customers via  
19 several channels including the online outage map, VRU, and outbound email and  
20 text.

21  
22 **Q. Did the Company’s OMS function properly during Hurricane Irma?**

23 **A.** In short, no. A latent defect in the vendor’s core product was exposed by the  
24 overwhelming volume of information. This defect was unknown to both DEF and

1 the vendor that designed the system; in fact, OMS operated properly during each  
2 storm event that preceded Irma.

3

4 **Q. How did the Company compensate for the loss of the OMS during Hurricane**  
5 **Irma?**

6 **A.** The most significant impact of the loss of OMS was our inability to communicate  
7 granular level outage data to our customers. For example, OMS provides  
8 information to the software that sends text messages, email messages, and places  
9 automated phone calls to customers to provide customers with more specific  
10 information about the outage at their location. Unfortunately, due to the loss of  
11 OMS, we could not send those specific messages. The loss of OMS also  
12 impacted the iFactor outage map maintained on the Duke Energy website.  
13 Without OMS data we had to leverage other methods of communication, such as  
14 social media and press releases, to communicate broad messages about our  
15 general restoration efforts. In addition, given these communication limitations,  
16 we experienced a much higher call volume than projected, triggering volume-  
17 driven system issues at our call centers. OMS was made operational and phased  
18 back into service toward the end of Irma restoration.

19

20 **Q. How was restoration impacted by the loss of OMS?**

21 **A.** Length of restoration was not impacted by the loss of OMS. In a major event DEF  
22 decentralizes oversight of restoration. Feeder Coordinators are assigned to  
23 specific circuits with dedicated resources for damage assessment and restoration.  
24 Work packets prepared with damage information are assigned by the Feeder

1 Coordinator to multiple crews. Progress of the crews is monitored and new  
2 packets are assigned as repairs are completed. Crews “leap frog” for efficiency  
3 from one location to another until all outages on a circuit are restored. When all  
4 repairs are completed behind an interrupting device and power is restored, status  
5 is normally updated in OMS; however this could not be done in Irma while OMS  
6 was unavailable.

7

8 **Q. How were ETRs impacted by the loss of OMS?**

9 **A.** Achievement of ETRs was not affected by the loss of OMS. ETRs were based on  
10 damage assessment information collected in the field by DEF. Estimates were  
11 developed regarding both the overall amount of damage and the amount of time it  
12 would take to repair the system and restore all customers. Restoration estimates  
13 in many areas, including the hardest hit counties in central Florida, were set and  
14 achieved. The Company restored power to 1.3 million customers during  
15 Hurricane Irma, with more than 75 percent of its customers restored in just three  
16 days and 99 percent within eight days. In a few cases – most notably Pinellas  
17 County – we communicated aggressive intermediate completion times that were  
18 not met. Upon review, we did not fully account for all the factors affecting  
19 restoration on a large scale in a short period of time resulting in inaccurate ETRs  
20 for certain areas.

21

22 **Q. What has the Company done to remedy the issues with OMS, the setting of**  
23 **restoration times, and communication that it experienced during Hurricane**  
24 **Irma?**

1 A. We have been working tirelessly with our vendor to ensure that these issues do  
2 not occur again. We have identified the latent defect in the vendor's core product  
3 and developed a patch to correct it. The solution has been tested on the core  
4 product, and we continue to stress test the system end-to-end with volume greater  
5 than Irma in advance of the 2018 storm season. We have also revised our process  
6 for setting estimated restoration times. We recognize that customers expect and  
7 deserve accurate restoration times, and we are determined to improve. Finally,  
8 we have increased our communications capability by expanding our social media  
9 presence and doubling the number of customers that can receive outage updates  
10 directly via text or email.

11  
12 **Q. Can you please describe Hurricane Irma and how you implemented the plan**  
13 **you describe above?**

14 A. A total of 1.28 million customers were left without electric service at the peak of  
15 Hurricane Irma's impact on DEF's service territory, representing approximately  
16 71% of DEF's total customers. As a result of Hurricane Irma, the outage events  
17 went beyond simply clearing lines, but into extensive infrastructure damage to its  
18 distribution system. We frequently found damage that required rebuilding  
19 facilities rather than repairing them. The biggest driver of these impacts were  
20 trees coming down completely and falling across our facilities.

21  
22 Notwithstanding this amount of damage, we implemented our storm plan as  
23 described. We had strong adherence to plan processes and methods including  
24 storm planning and management, resource mobilization & de-mobilization,

1 materials and supply chain, damage assessment, work prioritization and work  
2 package development, and isolate and restore processes and methods.  
3 Communications to customers did not occur as expected due to previously  
4 discussed OMS issues limiting our ability to provide ETRs at a “premise and  
5 device” level as the restoration effort progressed. This impacted the transition  
6 from high level area ETRs to more granular device level ETRs as well as the on-  
7 going “course correction” of this information.

8

9 **Q. How do you measure the effectiveness of your storm planning and**  
10 **restoration process?**

11 **A.** Beginning with restoration effectiveness, one of the main measures that we use is  
12 the cumulative percentage of customers restored versus our projection of where  
13 we should be at the end of each day. Moving backward from our final ETR goals,  
14 we set milestones that must be achieved each day in order for us to achieve our  
15 overall goal. We generate these milestones down to the operations center level  
16 based on the amount of storm damage on our system, the level of resources that  
17 we have at our disposal, and our own restoration history. This analysis tells us  
18 whether we are being as effective as we need to be and, if not, helps to highlight  
19 or correct any issues that may be impacting our performance.

20

21 Effective planning comes down to ensuring we have the processes in place to  
22 provide maximum flexibility. Due to the nature of these storms, we will never be  
23 able to precisely predict the location and timing of storms, nor the extent of  
24 damage they will create. It is more important that our planning process ensures we

1 have the flexibility to adapt to inevitable changes in the location, timing, and  
2 intensity of storms as they arise. In our judgment, our planning process did in fact  
3 provide us with the needed flexibility to cope effectively even with this  
4 extraordinary hurricane season.

5  
6 Finally, another critically important measure of effectiveness is safety; in  
7 Hurricanes Irma and Nate, we recorded zero injuries. This is a remarkable  
8 accomplishment considering the vast number of people working during these  
9 restoration efforts. DEF is proud of the fact that all its workers, and the workers  
10 from outside the state, returned home safely to their families after the events.

11  
12 **VI. INCREMENTAL COSTS INCURRED BY DEF AS A RESULT OF**  
13 **HURRICANE NATE**

14  
15 **Q. Please identify what incremental costs the Company incurred in connection**  
16 **with Hurricane Nate.**

17 **A.** The incremental storm-related costs incurred by the Company in connection with  
18 Nate totaled approximately \$5.1 million, as detailed in the testimony and exhibits  
19 of Mr. Buckler.

20  
21 **Q. Can you please describe your planning and response to Hurricane Nate and**  
22 **its impact on your system?**

23 **A.** Hurricane Nate was a serious threat, at one point projected to impact a similar  
24 portion of DEF's service territory as Irma (see Exhibit No. \_\_\_\_ (JC-2)). Further,  
25 a significant number of mutual aid resources were already committed and



1 working in Texas from Hurricane Harvey, in south Florida completing re-build  
2 work where Irma made landfall, and in Puerto Rico from Hurricane Maria.  
3 Resources for Hurricane Nate were mobilized in response to the imminent threat,  
4 and in order to have an effective restoration response based on the forecast track  
5 and potential impact to Florida. Ultimately, Hurricane Nate moved west, making  
6 landfall near the Mississippi/Alabama border. As a result there were minimal  
7 outage impacts seen across Florida. Strongest wind gusts ranged from 30-40  
8 miles per hour for the farthest west counties in the panhandle of Florida, including  
9 Gulf and Franklin, which led to minimal issues.

10  
11 **VII. CONCLUSION**

12 **Q. Do you have an assessment of the Company's implementation of its Storm**  
13 **Plan during the 2017 hurricane season?**

14 **A.** Yes, it is clear that the Company's storm hardening efforts resulted in less damage  
15 and fewer outages than otherwise would have occurred, that the Company's  
16 restoration efforts were reasonable and prudent and resulted in the restoration of  
17 service to the vast majority of customers as quickly and safely as reasonably  
18 possible, and the Company's restoration costs were prudently incurred.

19  
20 I believe the strength of a storm plan is its flexibility to adapt to unexpected  
21 conditions. Loss of some OMS functions was an unexpected condition that  
22 impacted our ability to communicate granular outage information to customers.  
23 The problem has been corrected and we are determined to make further  
24 improvements and get better. The Company faced a significant challenge as a

1 result of Hurricane Irma and the storm plan proved to be an effective and efficient  
2 tool to achieve our goal of restoring customer service as safely and expeditiously  
3 as possible. Restoring over one million customers in the first three days of  
4 restoration and full restoration within our original system level ETR of eight days  
5 demonstrates that fact. The storm plan proved to be invaluable to us in preparing  
6 for and responding to Hurricane Irma. We proved the implementation of the storm  
7 plan works to meet our obligation to safely and promptly restore electric service.

8

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

10 **A.** Yes.

11

12

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23

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: APPLICATION FOR LIMITED PROCEEDING FOR RECOVERY OF  
INCREMENTAL STORM RESTORATION COSTS RELATED TO  
HURRICANES IRMA AND NATE, BY DUKE ENERGY FLORIDA, LLC.**

**FPSC DOCKET NO. 20170272-EI**

**DIRECT TESTIMONY OF ROBERT MATTHEWS**

**MAY 31, 2018**

1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. Please state your name, the name of your employer, and your business**  
3 **address.**

4 **A.** My name is Robert Matthews and I am employed by Duke Energy Florida, LLC  
5 ("DEF" or the "Company"). My business address is 3300 Exchange Place, Lake  
6 Mary, Florida.

7  
8 **Q. Please tell us your position and describe your duties and responsibilities in**  
9 **that position.**

10 **A.** I am the General Manager of Construction and Maintenance in the Transmission  
11 Department for DEF. I am also the Transmission Restoration Coordinator for the  
12 Company's transmission system in the event of a severe storm or other disaster.  
13 As the Company's Transmission System Restoration Coordinator, I am

1 responsible for the implementation of the Company's Transmission Department  
2 Storm Plan.

3

4 **Q. Please summarize your educational background and employment experience.**

5 **A.** I have a Bachelor of Mechanical Engineering from the Georgia Institute of  
6 Technology. I have been employed by DEF since 1985. The majority of my  
7 career has been dedicated to both Distribution and Transmission engineering,  
8 planning, and maintenance. Prior to joining DEF, I was employed by Gearhart  
9 Industries where my primary responsibilities were offshore drilling operations. I  
10 have experience leading or participating in transmission restoration following the  
11 extensive storm damage that resulted from Hurricanes Hermine, Matthew, and  
12 Irma.

13

14 **II. PURPOSE AND SUMMARY OF TESTIMONY**

15 **Q. Please describe the purpose, and provide a summary, of your testimony.**

16 **A.** I am testifying in support of the recovery of the Company's storm related costs  
17 due to Hurricanes Irma and Nate. I will begin my testimony by providing an  
18 overview of the Company's transmission facilities. Next, I will address the  
19 Company's logistical efforts and use of resources during the course of the 2017  
20 hurricane season. I will then describe the Company's storm-hardening efforts  
21 since 2006 as those efforts relate to the transmission facilities. I will provide a  
22 summary of the Company's transmission department storm plan and the  
23 implementation of that plan for Hurricanes Irma and Nate. My testimony will  
24 further explain the implementation of the Plan during Hurricanes Irma and Nate.

1 Finally, I will testify about the damage caused to DEF's transmission system by  
2 Hurricanes Irma and Nate, including an explanation of the scope and extent of  
3 that storm damage and the Company's efforts to prepare for, respond to, and  
4 recover from the storms.

5  
6 **Q. Are you sponsoring any exhibits to your testimony?**

7 **A.** No, I am not.

8

9 **III. THE COMPANY'S TRANSMISSION SYSTEM**

10 **Q. Please provide an overview of the Company's transmission system.**

11 **A.** The Company's transmission system transmits nearly 9,500MW of generating  
12 capacity stepping down through approximately 5,200 circuit miles of transmission  
13 lines and 501 substations to serve approximately 1.8 million customers in 35 of  
14 the state's 67 counties. The roughly 5,200 miles of transmission lines serves the  
15 approximately 20,000 square miles of DEF's service territory. These lines are  
16 supported by a variety of different structures, including aluminum towers, steel  
17 towers, and concrete, steel, and wood poles in various configurations, and include  
18 a wide variety of related equipment and material, including various types and  
19 quantities of cable, ground rods, bolts, insulators, and connectors.

20

21 **Q. How is the Company's transmission system organized?**

22 **A.** The Company's transmission system is divided into three regions: North Florida,  
23 Coastal Florida, and Central Florida. Each of these three regions serves as an Area

1 Storm Center with a specific storm/emergency plan aligned under the Company's  
2 transmission department storm plan.

3

4 **IV. OVERVIEW OF LOGISTICS AND RESOURCES USED IN RESPONSE**  
5 **TO HURRICANES IRMA AND NATE.**

6

7 **Q. Can you provide us with an overview of the Company's logistical efforts and**  
8 **resources during the course of the 2017 hurricane season?**

9 **A.** During Hurricanes Irma and Nate, we utilized over 12,500 resources.

10 Approximately 13% (over 1,650) of those resources are specifically Transmission  
11 skilled resources including transmission linemen and tree trimming personnel  
12 working on storm restoration. These individuals were supported by logistics  
13 personnel who saw to it that the crews had the equipment, material, and tools they  
14 needed to do the work; logistics also coordinated their travel, lodging, and meals.  
15 During these hurricanes we used numerous pieces of assessment and construction  
16 equipment such as cranes, helicopters, track digger derricks, marsh masters, light  
17 towers, water trucks, tractors, lull type forklifts, backhoes, dump trucks,  
18 bulldozers, generators, fuel tanker trucks, and the skilled crews to operate them.  
19 The planning and logistical efforts to restore during any hurricane season include  
20 preparing to have all of these resources ready when an event occurs.

21

22 For example, we utilize all of our company-owned resources and equipment and  
23 then secure additional rental equipment as needed during the course of the storms,  
24 including van trailers and office trailers, air compressors, among other items. This  
25 was in addition to the Company's pool equipment and material that was brought to

1 the staging areas for use in the storm restoration work. 142 transmission poles  
2 were replaced during the storm restoration work for Hurricane Irma; zero were  
3 damaged or replaced in Nate. During Irma the Company also restored 71  
4 substations to service.

5  
6 **Q. How does the Company determine the labor, material, and equipment**  
7 **needed to respond to storm damage to the transmission system?**

8 **A.** Before the storm leaves DEF's service territory, DEF begins its damage  
9 assessment of the Transmission system by using a combination of helicopters,  
10 UAVs (Unmanned Aerial Vehicles, or drones) and vehicles to review every mile  
11 of transmission line potentially impacted by the storm. The damage assessment  
12 team records the storm damage they observed and that information is passed on to  
13 the coordinators of the line and tree trimming crews who will actually perform the  
14 restoration work. Damage information is conveyed to the regional storm room  
15 and the Transmission storm room to develop restoration plans. Depending on the  
16 extent of storm damage that was observed and recorded, DEF's field work  
17 coordinators will determine the number of crews and the equipment; prioritization  
18 of restoration work is determined by the ECC. DEF has approximately 250 on-  
19 system transmission line and tree crews that it applies before resorting to outside  
20 contractors and transmission crews from other utilities. Logistics support obtains  
21 and arranges for the material and equipment to be supplied to the line crews  
22 where it is needed. When the line crews go into the field to perform restoration  
23 work, DEF crew members record the work done to repair the storm damage to an  
24 accounting number assigned to the particular storm. When restoration requires

1 that structures be replaced, time-to-work estimates are developed that include the  
2 location of the work, the number of poles or other transmission structures  
3 replaced, and the number and types of other material used in the work.

4  
5 Crew supervisors and oversight have the authority and means to request and  
6 acquire additional resources and equipment as needed and approved throughout  
7 the event; incident briefings and reporting occurs throughout the event at least  
8 twice a day to effectively accomplish the ongoing adjustments to the work plan.

9

10 **V. THE COMPANY'S TRANSMISSION SYSTEM STORM HARDENING**  
11 **ACTIVITIES SINCE 2006.**

12

13 **Q. Please summarize the Company's transmission system storm hardening**  
14 **efforts since 2006.**

15 **A.** Since 2006, the Company has taken steps to harden the Transmission system  
16 primarily by replacing wood structures with steel or concrete as reported in the  
17 Company's annual Reliability Reports. All new construction is also built to these  
18 hardened standards. DEF considers all steel or concrete poles that have been  
19 placed since 2006 to be hardened.

20

21 **Q. What is the total expenditure by the Company on transmission storm**  
22 **hardening since 2006?**

23 **A.** As per our annual Reliability Reports, the Company has invested approximately  
24 \$1.2 billion since 2006 into hardening its Transmission System.

25



1 **Q. Please describe the Company's transmission system vegetation management**  
2 **program.**

3 **A.** Transmission is responsible for maintaining approximately 5,200 miles of power  
4 lines in Florida and proactively manages trees and other vegetation to help ensure  
5 safe, reliable service for 1.8 million customers across our 20,000 square-mile  
6 service area. Maintaining trees and vegetation along distribution and transmission  
7 rights of way help reduce outages on a day to day basis as well as during storm  
8 events and enhances safety for customers, the public, and DEF's employees and  
9 contractors. DEF maintains a rigorous inspection process that identifies vegetation  
10 encroachments and ensures vegetation management activities follow required  
11 pruning and clearance specifications.

12  
13 **Q. Does the Company perform any quality control review of the vegetation**  
14 **management services provided by contractors?**

15 **A.** Yes, the Company performs a 100% quality audit for each circuit to ensure  
16 clearing specifications and contract terms and conditions have been fully satisfied.  
17 Quality results are provided to contractors, and work that does not meet technical  
18 specifications must be remedied within a defined period of time.

19  
20 **Q. Please describe the Company's transmission wooden pole inspection and**  
21 **replacement plan.**

22 **A.** Transmission wood poles are inspected visually every 3 years and ground line  
23 inspections are completed every 8 years. As required, DEF also assesses poles  
24 and structures for incremental attachments that may create additional loads. Poles

1 that can no longer maintain the safety margins required by the National Electric  
2 Safety Code will be remediated. Based on the results of the inspections  
3 discussed above, if necessary a work order will be created to remediate or replace  
4 the pole, as appropriate.

5  
6 In 2017, the Company's transmission ground patrol inspected 12,699 wood pole  
7 structures. This represents approximately 60% of the wood pole structures on the  
8 Company's transmission system.

9  
10 **Q. How many transmission poles has the Company replaced since 2006?**

11 **A.** Since 2006, the Company has replaced over 23,000 Transmission poles with  
12 either steel or concrete structures. Poles are prioritized for replacement with the  
13 worst priority poles replaced first. Where possible, poles are re-enforced to  
14 restore the pole to better than original strength.

15  
16 **Q. Does DEF continue to use wooden transmission structures in either circuit  
17 rebuilds or new construction?**

18 **A.** No. The Company stopped using wooden transmission structures for both new  
19 construction and rebuilds/replacements in 2001; the Company now uses either  
20 steel or concrete poles.

21  
22 **Q. Did the Company assess the performance of hardened versus non-hardened  
23 transmission facilities following Hurricanes Irma and Nate?**

1 A. DEF did not undertake a formal assessment of hardened versus non-hardened  
2 structures following the storms; however, DEF did not have to replace any  
3 hardened structures following either Irma or Nate. In contrast, as result of Irma  
4 DEF replaced 142 non-hardened transmission structures; the Company believes  
5 this demonstrates the efficacy of its Transmission hardening efforts.

6

7 **Q. Does the Company typically convert overhead circuits to underground**  
8 **circuits?**

9 A. Due to the high cost and complexity of converting overhead to underground, the  
10 Company does not typically perform these conversions unless requested by the  
11 customer.

12

## 13 **VI. THE COMPANY'S TRANSMISSION DEPARTMENT STORM PLAN**

14 **Q. Please describe the Transmission Department's Emergency Response Plan**  
15 **(otherwise known as Transmission System Storm Operational Plan-TSSOP).**

16 A. The main objective of any emergency response plan is to enable the Company to  
17 quickly assess damage to the transmission system, determine the manpower and  
18 other requirements needed to correct the damage, and initiate the appropriate  
19 restoration response. The current plan is designed for the Transmission  
20 Restoration Coordinator (T-FL Incident Commander) to establish command,  
21 assess and develop a daily plan to execute safe, efficient restoration to the  
22 transmission system. The storm plan focuses on informing Company leadership  
23 and appropriate personnel, about the impact of the event and to devise a plan to  
24 safely, quickly and effectively restore the system. The plan provides lines of

1 reporting, decision making, and communicating regarding the resources available  
2 to direct and coordinate the preparation for, response to, and recovery from the  
3 impact of a severe storm on the transmission system. All transmission employees  
4 are expected to have a storm role, prepare throughout the year for tropical season,  
5 and await activation to their duties when an event is declared within Florida.

6  
7 The Company considers two distinct timeframes or preparation times to  
8 accomplish this plan throughout the year: (1) Pre-Season or Annual Readiness  
9 and Planning Activities (December – May); (2) Storm Season (June – November).  
10 Storm Season is comprised of sub-sections: A) Pre-Storm Activities; B) Damage  
11 Assessment and Repair; and C) Recovery Follow-up Activities.

12  
13 Annual Readiness/Pre-season activities include reviewing and revising the plan  
14 on an ongoing basis to ensure that it is current and incorporates the Company's  
15 latest knowledge learned from dealing with severe storms. These activities also  
16 include the necessary arrangements prior to the severe storm and hurricane  
17 seasons to ensure that the Company is prepared for the storms. Updating, editing,  
18 practicing processes, tools, training, role development, etc. occur throughout the  
19 Annual Readiness / Pre-Season. There is an annual effort to have the plan  
20 updated and practiced (drilled) by the start / beginning of the Tropical/Storm  
21 Season.

22  
23 Storm Season / Tropical Season pre-storm activities involve the preparation for a  
24 storm as the storm approaches DEF's service territory. The amount of preparation

1 that takes place depends on the probability the storm will hit DEF's service  
2 territory. The more likely a storm will hit, the more preparation that takes place.  
3 This preparation involves utilizing modeling tools and scenario based plans, to  
4 setting up the storm center and regional storm centers to be assured the lines of  
5 communication and reporting are clear and practiced. If a storm does descend,  
6 the entire storm organization is alerted and activated based on level of predicted  
7 and actual impact. Each role has specific expectations (i.e., checklists completed  
8 day by day / hour by hour in preparation of impact) that when activated are to be  
9 completed so that each team is ready to respond once the storm has passed and it  
10 is safe to travel.

11  
12 Typically, on-system restoration crews and equipment are pre-staged as is the  
13 leadership team (Incident command, operations/construction, planning, and  
14 logistics leadership) in order to be ready to provide direction to restoration of the  
15 system.

16  
17 Damage assessment and repair commences as the storm passes through DEF's  
18 service territory and continues after the storm has passed. Storm damage  
19 information is accumulated and prioritized for restoration with the DEF  
20 Transmission Storm Center.

21  
22 Recovery follow-up activities involve all aspects of winding down the Company's  
23 storm response and restoration efforts. This includes deactivating the storm

1 centers, canceling outside contractors and releasing crews, de-mobilizing  
2 Company storm crews, and finishing any required clean-up.

3  
4 Every Transmission construction and maintenance personnel are aware of and  
5 prepared for ‘emergency response call outs.’ Whether a car hits a single pole in  
6 the middle of the night or a major storm event is blowing through the system, this  
7 is what Transmission does. The Company annually and constantly improves its  
8 transmission department emergency response plan as it learns more about  
9 responding and about severe storms/emergency events. In this way, the plan is a  
10 living document, reflecting the Company's most up-to-date knowledge about the  
11 preparation for, and response to, severe, emergency storms/events.

12  
13 **Q. How is the Company's storm response organized under the plan?**

14 **A.** The TSSOP utilizes the incident command system concept as its central  
15 command for the Company's preparation for and response to severe storm damage  
16 to its transmission system. The Transmission System Storm Center or incident  
17 command post is set up at the Company's offices in Lake Mary (unless the  
18 approaching storm requires the Center to be set up in an alternative location).  
19 There are two Transmission System Restoration Coordinators (T-FL IC): the  
20 General Manager of Construction & Maintenance (primary) and the Director of  
21 Transmission Engineering for the Company (secondary) – they serve as back up  
22 to each other so there is 24/7 leadership coverage during an event. They report at  
23 the Transmission System Storm Center. This provides the Company with  
24 immediate access to the Company's expertise in transmission construction and

1 engineering during the storm. The Planning Section leadership are located in  
2 Lake Mary and in St. Petersburg during an event allowing decision making to  
3 occur with the use of all systems available. In a separate location at Lake Mary,  
4 the Logistics Center operates and is directed by Logistics Section Chief. The  
5 Logistics Center provides material, engineering, contracting, lodging, meals,  
6 accounting, and scheduling support during storm restoration activities based on  
7 the plan developed by the Transmission System Restoration Coordinator (T-FL  
8 Incident Command) and Planning Section Chief.

9

10 If the damage to the transmission system from the storm affects one or more of  
11 the three transmission regional areas, the Area Storm Centers will be activated.  
12 Each of the transmission regional areas has its own storm center located in the  
13 transmission region and its own storm plan as part of the overarching TSSOP. The  
14 transmission area storm centers are led by the Area Maintenance Managers as  
15 Area Incident Command (AIC). The responsibilities of the AIC are set forth in the  
16 TSSOP, within each respective transmission area portion of the detailed plan.

17

18 **Q. What are the Company's transmission system priorities during a severe**  
19 **storm?**

20 **A.** The safety of our employees, contractors, the public and of the Company's  
21 customers is the paramount consideration when the storm plan is in effect. The  
22 first objective toward this goal is to make sure that the reliability of the state-wide  
23 transmission grid is not undermined as a result of a storm. As part of the Plan, the

1 Company prioritizes its transmission lines in terms of grid security for the state  
2 and DEF and economic impact to DEF and its customers.

3  
4 Once the transmission grid is stabilized and the connections to the generation  
5 facilities are secure, the Company's next priority is energizing substations that  
6 have been de-energized due to the storm as a result of the loss of transmission  
7 service or other storm damage. Transmission crews focus on repairing storm  
8 damage to the substations and establishing at least one connection to transmission  
9 line service that can be energized. Substation service must be reestablished to  
10 enable the transmission system to begin restoring power to customers.  
11 Accordingly, the Company works to restore substations as quickly as possible.

12  
13 The next priority for transmission during and immediately following a severe  
14 storm is work on the transmission lines with the least significant damage. The  
15 Company then moves from transmission line to transmission line according to the  
16 severity of the storm damage. During a severe storm, the Transmission  
17 Restoration Coordinator takes direction from the Company's Energy Control  
18 Center (ECC) to establish the priorities for transmission storm restoration work.  
19 ECC will identify the transmission lines that have lost power during the storm and  
20 prioritize the restoration of the lines to maintain reliability of the grid, support the  
21 Company's generation facilities, and then begin restoration of customer service.  
22 The Transmission Restoration Coordinator also consults with ECC and the Area  
23 Storm Centers on a regular basis, during and following the storm, to determine the  
24 transmission priorities, which generally center around efforts in the regions from



1 the field crews. This information is used to establish and adjust priorities as the  
2 restoration process proceeds. Additionally, the Wholesale Customer Emergency  
3 Center in conjunction with the Area Storm Centers coordinate closely with DEF  
4 wholesale customers to coordinate and prioritize the restoration of affected points  
5 of delivery to their electrical systems.

6

7 **Q. Are there other ways that the Company coordinates its storm restoration**  
8 **efforts?**

9 **A.** Yes. In addition to the constant communication between the transmission storm  
10 centers and the ECC, the transmission storm response team further provides the  
11 transmission department with much of its logistics needs, such as lodging for the  
12 transmission line and tree crews and shared staging areas, where practical.  
13 Additionally, Transmission and Distribution communicate throughout the event at  
14 the Incident Command / leadership levels to assure Estimated Time to Restore  
15 (ETR) goals are aligned and system is coming online effectively. Externally, the  
16 Company coordinates closely with our wholesale customers through regularly  
17 scheduled calls and sharing of outage information.

18

19 **Q. When does the Company implement its Transmission Department Storm**  
20 **Plan during a hurricane and how does it work?**

21 **A.** The Transmission Restoration Coordinator decides to implement the Plan and set  
22 up the Transmission Storm Center between 120 and 96 hours prior to the  
23 hurricane making landfall. Upon implementation of the Plan, the Storm Center,

1 the Logistics Center, and the Transmission Area Storm Centers are activated and  
2 the coordinators commence their storm preparation work.

3  
4 Commencing 120 to 96 hours ahead of the storm, for example, the responsible  
5 storm personnel check inventories of materials, the conditions of vehicles and  
6 equipment, and gather lists of outside contractors, equipment vendors, and  
7 material suppliers and reserve or hold critical material and equipment. Between  
8 96 and 72 hours before the hurricane, the numbers of available transmission  
9 construction and vegetation management crews are identified and arrangements  
10 are made to secure them for work during the storm, substations are secured,  
11 helicopter service is contacted to verify availability, and the storm plan is  
12 reviewed and all tools and equipment are checked and readied for the storm.

13  
14 Within 72 and 48 hours before the hurricane, crew assignments are made and  
15 outside crews are contacted and reserved for storm restoration efforts. All special  
16 equipment needs are identified and obtained and the crews, material, and  
17 equipment are prepared for the restoration efforts.

18  
19 Between 48 and 24 hours and the time the hurricane strikes, response team action  
20 plans are developed to begin storm damage assessment, verification, and  
21 restoration work schedules. All contract and Company crews are put on alert and  
22 assignments begin and helicopter crews are put in place.

23

1 Before the storm has completely left DEF service territory, as soon as it is safe to  
2 travel, the helicopters are activated and Company damage assessment teams fly  
3 the transmission lines and assess the damage. Right-of-way damage is also  
4 assessed, right-of-way clearing needs are identified, and clearing activities  
5 commence. Patrols are also sent out by truck to assess damage, make assignments  
6 for the restoration work, and begin to sectionalize the transmission system  
7 through switches to get substations back on line. Material and equipment not  
8 otherwise available are ordered, the staging areas commence operation, crew  
9 work schedules are established and the restoration work commences.

10

11 This process is repeated throughout the storm until restoration is complete.  
12 Through constant contact with ECC to determine what lines are out and what  
13 lines are grid and system priorities, together with the stream of damage  
14 assessment reports coming in from the aerial and land assessment teams, a work  
15 plan is developed each night for the next day. When all restoration work is  
16 completed a system flight of all transmission facilities will be scheduled to ensure  
17 all facilities are visually inspected and no potential issues are missed. The  
18 inspection confirms there is nothing on system caused by the storm that could  
19 cause a future outage.

20

21 **Q. How do you measure the effectiveness of your storm planning and**  
22 **restoration process?**

23 **A.** We measure our storm restoration effectiveness through daily estimated time of  
24 restoration (ETR) goals for energizing substations. Because the transmission

1 system must be up and running before customers connected to the transmission  
2 system and wholesale customers can receive power, the emphasis of the  
3 Transmission Department is to energize the substations that have been knocked  
4 out by the storm to set the stage for the restoration of customer service. We begin  
5 setting ETR goals for our substations immediately and revise them as we learn  
6 more about the storm damage from our damage assessment teams and as we begin  
7 to prioritize our resources. Each day, we strive to meet or exceed our ETR goals.

## 9 **VII. HURRICANE IRMA**

10 **Q. Was the Transmission Department Storm Plan implemented for Hurricane**  
11 **Irma?**

12 **A.** Yes, it was. The Plan was implemented prior to the hurricane making landfall on  
13 September 10, 2017.

15 **Q. What was the impact of Hurricane Irma on DEF's transmission system?**

16 **A.** Hurricane Irma was a long-duration storm causing catastrophic damage. Irma's  
17 unique track northward across central Florida resulted in broad tropical to  
18 hurricane strength winds, with peak gusts 80 to 85 mph in Hardee, Highlands and  
19 Polk Counties where the eye tracked. Tropical storm force gusts were also  
20 broadly observed along the I-4 corridor with peak gusts 60-70 mph in St  
21 Petersburg, Tampa, and Orlando, as well as surrounding areas. High rainfall  
22 amounts of between ten and fifteen inches were observed in central and eastern  
23 Florida. The strongest, hurricane-strength winds were observed in Hardee,  
24 Highlands and Polk Counties, with peak gusts of 86 mph officially registered at

1 Sebring Regional Airport and 80-85 mph near Bartow. Gusts of 70-80 mph were  
2 also observed in Osceola and Orange Counties. Tropical storm force conditions  
3 were observed elsewhere generally along the I-4 corridor at inland locations, with  
4 weaker winds northward. The highest rainfall totals generally ranged 10-15” in  
5 the North and South Central zones. High rainfall led to major river flooding and  
6 record crests in some areas, including the Anclote River. Irma’s track over  
7 central Florida was favorable for lesser impacts along the Gulf Coast. The Gulf  
8 Coast saw gulf and bay waters recede upwards of 10 feet as a result of days of  
9 persistent north-northeast winds. As Irma passed to the north and winds became  
10 southerly, waters returned rapidly and peaked at 3-5 feet. Storm surge ranged 3-6  
11 feet along the Atlantic coast, including a record-breaking 5.57 feet in downtown  
12 Jacksonville and a high tide near 8 feet in Naples.

13  
14 A total of 1.28 million customers were left without electric service at the peak of  
15 Hurricane Irma's impact on DEF's service territory, representing almost 75% of  
16 DEF's total customers; more than 75% of these customers were restored in just  
17 three days and roughly 99% were fully restored within eight days. As a result of  
18 Hurricane Irma, DEF experienced extensive damage to its transmission system.  
19 DEF had to replace 142 transmission structures and one cross-arm. DEF  
20 Transmission mobilized 1,297 line and service personnel and 380 tree personnel;  
21 the counts include DEF personnel to ensure repairs were completed as efficiently  
22 as possible. The restoration costs directly attributable to the Company’s  
23 transmission system as a result of Hurricane Irma are \$30.9 million.

24

1 **Q. How did the Company implement its storm plan in response to Hurricane**  
2 **Irma?**

3 **A.** The Company began to implement its storm plan before Hurricane Irma's landfall  
4 and continued to follow the Plan through the course of the storm restoration. As  
5 soon as the winds had died down to a safe level helicopters were used to fly  
6 damage assessors along every out-of-service mile of the Company's transmission  
7 system affected by the storm. UAVs (unmanned aerial vehicles – 'drones') are  
8 also used to assess the damage. Damage assessment crews also began to drive, if  
9 possible, along the affected transmission line. Eventually, every mile of the  
10 Company's transmission system was checked and any storm damage was assessed  
11 and reported back to the field construction and engineering crews.

12  
13 The restoration strategy focused on first restoring lines to generation sites to  
14 ensure that adequate generation capacity was available. Beginning with the  
15 energized lines, the Company worked to put together a grid to restore as many  
16 substations as possible. The Company did this by dividing the lines into sections  
17 around breakers to isolate the damaged lines and get the substations back on line.

18  
19 The Company's priorities were the transmission lines with the least significant  
20 damage. Company then moved from transmission line to transmission line  
21 according to the severity of the storm damage. The Company worked around-the-  
22 clock to plan and restore transmission service on all lines that were knocked out  
23 of service as a result of the storm.

24

1 **Q. When the downed transmission lines and substations are re-energized are the**  
2 **Company's storm-related efforts complete?**

3 **A.** No. Once a hurricane strikes DEF's service territory, the Company works to  
4 restore transmission lines to service as quickly as possible. That is the first step.  
5 Transmission service from the generation facilities and to the substations must be  
6 in place and energized before customer service can be restored. The Company,  
7 therefore, will do whatever is necessary to safely energize the line. The second  
8 step is to come back after customer service is restored to fix storm damage that  
9 did not need to be corrected to energize the line. The Company must ensure that  
10 facilities and equipment damaged by the storm are repaired or replaced in  
11 accordance with the Company's and industry's standards.

12  
13 Following the restoration effort, the Company will conduct sweeps of the  
14 transmission system after the restoration work to identify further storm-related  
15 damage that must be repaired or replaced. After the sweeps are complete, the  
16 Company will send out crews to correct the storm damage that was identified.

17  
18 **VIII. HURRICANE NATE**

19 **Q. Was the Company's transmission system affected by Hurricane Nate?**

20 **A.** Ultimately, no. Hurricane Nate tracked west of the Florida service area, making  
21 landfall near the Mississippi/Alabama border. As a consequence, there were  
22 minimal impacts seen across Florida. Strongest wind gusts ranged from 30-40  
23 miles per hour for the farthest west counties in the panhandle of Florida, including  
24 Gulf and Franklin, which led to minimal issues.

1

2 **Q. What was the Company's response to Hurricane Nate?**

3 A. The Company again began implementing its storm plan on October 4, 2017, three  
4 days before the hurricane made landfall on October 7, 2017. The Company  
5 followed the same communication and restoration strategy it followed in  
6 Hurricane Irma. The only difference was the restoration work in Hurricane Nate  
7 was on a much narrower scale. Transmission prepared to respond having  
8 resources available and staged; the restoration costs directly attributable to the  
9 Company's transmission system as a result of Hurricane Nate were \$0.4 million.

10

11 **IX. 2017 STORM SUMMARY**

12 **Q. How would you characterize the Company's implementation of its  
13 Transmission Department Storm Plan during the 2017 hurricane season?**

14 A. Given the severe damage caused by Hurricane Irma, the Transmission  
15 Department performed well, implementing its Transmission Department storm  
16 plan and meeting or exceeding the goals it set for itself during the storm  
17 restoration efforts. Many customers never lost service at all as the Company was  
18 able to maintain the stability and integrity of its transmission grid in the face of  
19 both storms. The Company learns from every event, and applies those learnings  
20 well.

21

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

23 A. Yes.



1 CHAIRMAN GRAHAM: Okay. Exhibits, staff.

2 MS. DZIECHCIARZ: As in the prior docket, we  
3 have a stipulated comprehensive exhibit list which  
4 includes the prefiled exhibits attached to the  
5 witness' testimony in this case, Duke's  
6 nonconfidential discovery responses, the  
7 confidential deposition and deposition exhibits of  
8 Duke's corporate representatives and Duke's reply  
9 to staff data request, which was submitted on  
10 May 3rd, 2019.

11 The list has been provided to the parties, the  
12 Commissioners and the court reporter. Staff  
13 requests that the list be marked as the first  
14 hearing exhibit and the other exhibits be marked as  
15 set forth in the chart.

16 CHAIRMAN GRAHAM: So we will mark the  
17 comprehensive exhibit list as Exhibit No. 1.

18 (Whereupon, Exhibit No. 1 was marked for  
19 identification.)

20 (Whereupon, Exhibit Nos. 2-27 were marked for  
21 identification.)

22 CHAIRMAN GRAHAM: Is that okay with everybody?  
23 We will enter that into the record.

24 (Whereupon, Exhibit No. 1 was received into  
25 evidence.)

1 CHAIRMAN GRAHAM: Okay. Staff.

2 MS. DZIECHCIARZ: We also ask that Exhibit  
3 Nos. 2 through 27 be moved into the record as set  
4 forth on the comprehensive exhibit list.

5 CHAIRMAN GRAHAM: Have all the parties  
6 reviewed the exhibit list 2 through 27, and if they  
7 are okay entering that into the record?

8 MR. BERNIER: Yes, sir.

9 MR. REHWINKEL: Yes, sir.

10 CHAIRMAN GRAHAM: Okay. We will enter that  
11 into the record.

12 (Whereupon Exhibit Nos. 2-27 were received  
13 into evidence.)

14 CHAIRMAN GRAHAM: Opening statements, it is  
15 now that time.

16 MR. BERNIER: Thank you, Mr. Chairman.

17 As we are getting near lunch, I will be even  
18 briefer than I planned on being.

19 The corrected amended agreement before you  
20 settles all the cost recovery issues presented in  
21 this docket, which for us include named storms that  
22 have impacted our system since 2012 through  
23 Hurricane Irma.

24 Additionally, the agreement includes storm  
25 restoration process improvements that we believe

1 will provide benefits to our customers during  
2 restoration efforts, and will also improve  
3 contracting practices and recordkeeping and,  
4 therefore, streamline this Commission's review of  
5 storm restoration efforts and costs.

6 We believe this agreement is in the public  
7 interest and should be approved.

8 As Mr. Hetrick mentioned, there are two points  
9 regarding the implementation of the process  
10 improvements included in the agreement I would like  
11 to address and clarify for the record.

12 First, notwithstanding the company's storm  
13 restoration cost process improvements policies and  
14 procedures, the parties agree that the Commission's  
15 primary objective will be power restoration for its  
16 cost to customers, and the company will not allow  
17 the policies and procedures to impede speedy power  
18 restoration for its customers.

19 Second, the parties agree that the phrase  
20 "superseded by action of the PSC," which is located  
21 in paragraph six of the amended agreement means an  
22 action taken by the Commission in any rule-making  
23 proceeding or in any evidentiary proceeding to  
24 which the company is subject, whether initiated by  
25 DEF, third parties, or the Commission on its own

1 motion which addresses storm cost recovery and  
2 which has the effect of overriding or supplanting  
3 any provision of the settlement.

4 I would also like to take this opportunity to  
5 thank the parties and your staff and the prehearing  
6 officer for all the work that went into this. Not  
7 to play one upmanship with our friends from TECO,  
8 but I believe we produced over 90,000 pages of  
9 documents responsive to Hurricane Irma alone, not  
10 counting the other six storms. We had a two-day  
11 deposition that included seven deponents and  
12 lengthy questioning from Public Counsel, but it got  
13 us to where we are today, which I think is a really  
14 good agreement for the -- in the public interest.

15 With that, we respectfully urge you to adopt  
16 it and Mr. Portuando and myself are here to answer  
17 any questions you may have.

18 I would also like to add that we agree with  
19 everything that was said at the previous if that  
20 will shortcut anything.

21 CHAIRMAN GRAHAM: The word we use here is  
22 ditto.

23 MR. BERNIER: Ditto.

24 CHAIRMAN GRAHAM: Thank you.

25 OPC.

1           MR. REHWINKEL: Thank you, Mr. Chairman and  
2           Commissioners.

3           You heard what I said about TECO, and  
4           everything that I said with regard to Tampa  
5           Electric applies to this settlement agreement with  
6           Duke. So I will not repeat everything I said.

7           I will say this, though, is that I want to  
8           affirmatively state that the Public Counsel concurs  
9           in the clarifications set out in the comments of  
10          Mr. Bernier here today.

11          Everything I said about the staff and the  
12          parties working together, and the Commissioners'  
13          inquiry into this settlement agreement applies with  
14          equal force with Duke. So I am here to answer any  
15          questions you have, and Mr. Willis is as well.

16          CHAIRMAN GRAHAM: Thank you.

17          Mr. Moyle.

18          MR. MOYLE: And as related in the prior  
19          proceeding with TECO, I gave some comments that I  
20          said I was not going to repeat, so I won't. I will  
21          just briefly say that we support the settlement  
22          agreement and ask that it be acted upon favorably.

23          CHAIRMAN GRAHAM: Thank you, sir.

24          Mr. Wright.

25          MR. WRIGHT: Thank you, Mr. Chairman.

1 I am going to say ditto, but I am going to  
2 take a few more seconds to be specific on the  
3 record of this case.

4 This is a good settlement, even though it may  
5 not say so in quite clear black and white, it was  
6 always the parties' understanding that service  
7 restoration was and is the number one priority.  
8 The processes and procedures that we have agreed to  
9 will improve that and keep it in the forefront.

10 Like Mr. Rehwinkel and the others, I want to  
11 thank the other parties. This was a lot of hard  
12 work, based on what I now know to be more than  
13 90,000 pages of discovery responses and extensive  
14 depositions. I want to thank the staff,  
15 Commissioner Brown and y'all for helping us get  
16 this done.

17 We specifically concur in the clarifications  
18 read by Mr. Bernier, and we support the settlement  
19 and urge you to approve it.

20 Thank you.

21 CHAIRMAN GRAHAM: Okay. Commissioners,  
22 discussion time.

23 Any questions of the parties?

24 MR. REHWINKEL: Mr. Chairman, before you do  
25 that, I would like to state for the record, I know

1 Mr. Brew is not here, but he -- I can represent  
2 that he has stated his concurrence in the  
3 clarifications that Mr. Bernier read into the  
4 record, he stated that in writing to us. So just  
5 for the record.

6 COMMISSIONER GRAHAM: Duly noted.

7 Commissioners?

8 Okay. I don't see any Commissioner lights.

9 Staff -- Commissioner Polmann.

10 COMMISSIONER POLMANN: Thank you, Mr.

11 Chairman.

12 I also want to recognize here with the Utility  
13 your extraordinary efforts in working with the  
14 parties in coming to resolution here on this  
15 settlement and, again, the parties working with  
16 this utility, and very much appreciate your efforts  
17 at restoration and your additional statements on  
18 the record.

19 I know this is very important here for this  
20 Commission. I will look to Mr. Hetrick for  
21 confirmation, as you did with TECO, on the record  
22 here how you will address this, if you could just  
23 confirm for us the language that was stated here by  
24 the utility and, with concurrence of the parties,  
25 how this will be incorporated going forward for

1           this Commission. I think with some reference to  
2           our final order, or however you can give us that  
3           assurance, I would be grateful.

4           MR. HETRICK: Absolutely, Commissioner  
5           Polmann.

6           These statements can and will be incorporated  
7           in the final order. Like any other clarification  
8           on their statements be happy to, but I think they  
9           speak for themselves.

10          Thank you.

11          CHAIRMAN GRAHAM: Staff, current posture of  
12          this proceeding.

13          MS. DZIECHCIARZ: At this time, the Commission  
14          may render a bench decision if they find it  
15          appropriate, assuming that the parties are willing  
16          to waive post-hearing briefs.

17          CHAIRMAN GRAHAM: Have all the parties agreed  
18          to waive post-hearing briefs?

19          MR. REHWINKEL: Yes.

20          MR. MOYLE: Yes, sir.

21          MR. WRIGHT: Yes, sir.

22          MR. BERNIER: Yes.

23          CHAIRMAN GRAHAM: Okay. Commissioners, looks  
24          like it's back to us.

25          Staff, are there any other matters to be



1 addressed in this docket?

2 MS. DZIECHCIARZ: No, just that if a bench  
3 decision is reached, the final order is expected to  
4 be issued by June 10th, 2019, if you all decide to  
5 render a bench decision.

6 CHAIRMAN GRAHAM: Do the parties have any  
7 other additional matters to be addressed?

8 Okay. Commissioners.

9 Commissioner Clark.

10 COMMISSIONER CLARK: Mr. Chairman, I move that  
11 the settlement agreement be approved as presented  
12 on all items.

13 COMMISSIONER POLMANN: Second.

14 COMMISSIONER CLARK: Amended -- the amended  
15 settlement agreement be approved.

16 COMMISSIONER GRAHAM: Let's try a again.

17 COMMISSIONER CLARK: Mr. Chairman, I move that  
18 the amended settlement agreement be approved as  
19 presented.

20 CHAIRMAN GRAHAM: It's been moved and  
21 seconded --

22 COMMISSIONER POLMANN: Second.

23 CHAIRMAN GRAHAM: -- it's been moved and  
24 seconded.

25 Any further discussion?

1 Commissioner Brown.

2 COMMISSIONER BROWN: I just want to point out  
3 that obviously we had ample discussion on the last  
4 settlement agreement, which this one mirrors in  
5 whole. So all that being said, and all that was  
6 said previously, this agreement appears to be in  
7 the public interest, and we -- I support it.

8 So thank you again for your efforts and all  
9 the work that's been produced.

10 CHAIRMAN GRAHAM: Question to staff. Is it  
11 proper to note in the order that -- what  
12 Commissioner Brown just said, that a lot of the  
13 same conversation was on the other hearing, and so  
14 a lot of the references that went into the order is  
15 going to be based off of the prior hearing?

16 MR. HETRICK: I think you just said that, so  
17 it's very clear to us.

18 CHAIRMAN GRAHAM: Okay. Commissioner Clark.

19 COMMISSIONER CLARK: I was just going to ask  
20 Mr. Bernier to acknowledge that he heard everything  
21 we said earlier, Mr. Chairman.

22 MR. BERNIER: Heard and agreed.

23 Thank you very much.

24 COMMISSIONER CLARK: That's good enough for  
25 me.

1                   COMMISSIONER BROWN: Thank you.

2                   CHAIRMAN GRAHAM: All right. We got a motion  
3 on the floor, duly second -- approved motion on the  
4 floor, duly seconded.

5                   Any further discussion?

6                   Seeing none, all in favor say aye.

7                   (Chorus of ayes.)

8                   COMMISSIONER GRAHAM: Any opposed?

9                   (No response.)

10                  COMMISSIONER GRAHAM: By your action, you have  
11 approved that motion.

12                  And I asked the question already about other  
13 matters.

14                  As before, gentlemen, thank you very much for  
15 your time and bringing this good bill before us.

16                  And that all being said, we are adjourned.

17                  Thank you very much.

18                  MR. WRIGHT: Thank you.

19                  (Whereupon, the proceedings concluded at 11:59  
20 a.m.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA     )  
COUNTY OF LEON     )

I, DEBRA KRICK, Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 28th day of May, 2019.



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DEBRA R. KRICK  
NOTARY PUBLIC  
COMMISSION #GG015952  
EXPIRES JULY 27, 2020