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BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20170271-EI

PETITION FOR RECOVERY OF  
COSTS ASSOCIATED WITH NAMED  
TROPICAL SYSTEMS DURING THE  
2015, 2016, AND 2017  
HURRICANE SEASONS AND  
REPLENISHMENT OF STORM  
RESERVE SUBJECT TO FINAL  
TRUE-UP, TAMPA ELECTRIC COMPANY.

VOLUME 1  
PAGES 1 through 230

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: ~~9:30~~ <sup>10:20 a.m.</sup> a.m. *AST*  
Concluded: 11:33 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:

2 JAMES D. BEASLEY, J. JEFFRY WAHLEN, and  
3 MALCOLM MEANS, ESQUIRES, Ausley & McMullen, Post Office  
4 Box 391, Tallahassee, Florida 32302, appearing on behalf  
5 of Tampa Electric Company.

6 J.R. KELLY, PUBLIC COUNSEL; CHARLES REHWINKEL,  
7 DEPUTY PUBLIC COUNSEL, and PATRICIA A. CHRISTENSEN,  
8 ESQUIRES, Office of Public Counsel, c/o the Florida  
9 Legislature, 111 W. Madison Street, Room 812,  
10 Tallahassee, Florida 32399-1400, appearing on behalf of  
11 the Citizens of the State of Florida.

12 JON C. MOYLE, JR., ESQUIRE, KAREN A. PUTNAL,  
13 and IAN E. WALDICK, ESQUIRES, Moyle Law Firm, P.A., 118  
14 North Gadsden Street, Tallahassee, Florida 32301,  
15 appearing on behalf of Florida Industrial Power Users  
16 Group.

17 ROBERT SCHEFFEL WRIGHT and JOHN T. LAVIA, III,  
18 ESQUIRES, Gardner, Bist, Wiener, Wadsworth, Bowden,  
19 Bush, Dee, LaVia & Wright, P.A., 1300 Thomaswood Drive,  
20 Tallahassee, Florida 32308, appearing on behalf of the  
21 Florida Retail Federation.

22 KURT SCHRADER, ESQUIRE, FPSC General Counsel's  
23 Office, 2540 Shumard Oak Boulevard, Tallahassee, Florida  
24 32399-0850, appearing on behalf of the Florida Public  
25 Service Commission Staff.

1 APPEARANCES (CONTINUED):

2 KEITH HETRICK GENERAL COUNSEL; MARY ANNE  
3 HELTON, DEPUTY GENERAL COUNSEL, Florida Public Service  
4 Commission, 2540 Shumard Oak Boulevard, Tallahassee,  
5 Florida 32399-0850, adviser to the Florida Public  
6 Service Commission.

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1 P R O C E E D I N G S

2 CHAIRMAN GRAHAM: Good morning.

3 (Good morning from the audience.)

4 CHAIRMAN GRAHAM: Let the record show it is  
5 about 10:20 on Tuesday, May 21st. This is the TECO  
6 storm recovery Docket No. 20170271-EI.

7 Staff, if I could get you to read the notice,  
8 please.

9 MR. SCHRADER: Yes, Mr. Chairman.

10 By notice issued on April 29th, 2019, this  
11 time and place has been set for an administrative  
12 hearing in Docket No. 20170271-EI. The purpose of  
13 the hearing is set out more fully in the notice.

14 CHAIRMAN GRAHAM: Okay. Let's take  
15 appearances.

16 MR. WAHLEN: Good morning, Commissioner. I am  
17 Jeff Wahlen of the Ausley McMullen law firm. Also  
18 would like to -- appearing on behalf of the Tampa  
19 Electric -- would like to enter an appearance also  
20 for James D. Beasley and Malcolm Means of the same  
21 firm.

22 MR. MOYLE: Good morning. Jon Moyle on behalf  
23 of the Florida Industrial Power Users Group with  
24 the Moyle Law Firm. Karen Putnal Ian Waldick, I  
25 think, also are reflected as having appeared in

1           this case for FIPUG.

2           Thank you.

3           MR. REHWINKEL: Good morning, Commissioners.  
4           Charles Rehwinkel on behalf of the Office of Public  
5           Counsel. With me here today is Patty Christensen  
6           and J.R. Kelly, the Public Counsel.

7           MR. WRIGHT: Good morning, Mr. Chairman,  
8           Commissioners. Robert Scheffel Wright and John T.  
9           Lavia, III, on behalf of the Florida Retail  
10          Federation in this docket, as well as in the Duke  
11          docket.

12          Thank you.

13          MR. SCHRADER: Kurt Schrader for Commission  
14          staff.

15          MS. HELTON: Mary Anne Helton here as your  
16          advisor, along with your General Counsel, Keith  
17          Hetrick.

18          CHAIRMAN GRAHAM: Okay. Staff, any  
19          preliminary matters?

20          MR. SCHRADER: Staff would like to note that a  
21          comprehensive storm settlement agreement has been  
22          reached in this docket. This agreement was  
23          subsequently amended in part on May 14th, 2019.

24          Pursuant to the settlement, the parties have  
25          agreed to the excusal of TECO's witnesses, and

1 staff has confirmed with each commissioner their  
2 excusal prior to today's hearing.

3 In and according to the -- excuse me,  
4 accordance with the Fourth Order Modifying the  
5 Order Establishing Procedure, the parties will  
6 present their opening statements, after which they  
7 will be available to answer any questions that  
8 Commissioners may have about the proposed  
9 settlement agreement. Staff is also prepared to  
10 answer any questions as well.

11 MR. HETRICK: And, Mr. Chairman.

12 CHAIRMAN GRAHAM: Yes, sir.

13 MR. HETRICK: If I might, I would like to  
14 point out that the Utility will be calling your  
15 attention to two important statements of legal  
16 clarification regarding two provisions in the  
17 settlement agreement either during or at the  
18 conclusion of their opening statements. I  
19 understand that these points of clarification are  
20 agreed to by all of the parties.

21 CHAIRMAN GRAHAM: Okay. So for clarity,  
22 should we just have them add that after the opening  
23 statement?

24 MR. WAHLEN: That will be fine.

25 CHAIRMAN GRAHAM: Okay.



1 All right. Any other preliminary matters?

2 Okay. Prefiled testimony.

3 MR. SCHRADER: Yes, Mr. Chairman. We asked  
4 that the prefiled direct testimony of TECO  
5 witnesses Gerard L. Chasse, Jeffrey Chronister,  
6 Sarah L. Djak and S. Beth Young be inserted into  
7 the record as though read.

8 CHAIRMAN GRAHAM: We will insert those four  
9 direct testimonies into the record as though read.

10 (Whereupon, prefiled testimony was inserted.)

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TAMPA ELECTRIC COMPANY  
DOCKET NO. 20170271-EI  
FILED: 05/21/2018

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

GERARD R. CHASSE

I. INTRODUCTION

Q. Please state your name, address, occupation and employer.

A. My name is Gerard R. Chasse. My business address is 702 N. Franklin Street, Tampa, Florida 33602. I am employed by Tampa Electric Company ("Tampa Electric" or "the company") as Vice President, Electric Delivery Department.

Q. Please describe your duties and responsibilities in that position?

A. My duties and responsibilities include the oversight of all functions within Tampa Electric's Electric Delivery Department including the planning, engineering, operation, maintenance and restoration of the transmission, distribution and substation systems, operation of the distribution, and energy control centers, administration of tariffs and compliance, execution of the company's Transmission and Distribution

1 ("T&D") strategic solutions including advanced metering  
2 infrastructure, outdoor and streetlight LED conversion  
3 project, and advanced distribution management system,  
4 line clearance activities, warehouse and stores, and  
5 fleet and equipment. As it relates to this filing, I am  
6 responsible for the safe, timely, and efficient  
7 implementation of Tampa Electric's storm restoration  
8 plan.

9  
10 **Q.** Please describe your educational background and  
11 professional experience?

12  
13 **A.** I received a Bachelor of Science degree in electrical  
14 engineering from the University of Maine in 1990 and  
15 became a licensed professional engineer in 1996. I have  
16 held numerous positions of increasing responsibility in  
17 Bangor Hydro Electric and its successor, Emera Maine,  
18 including Substation Engineer, Planning Engineer,  
19 Substation Operations Supervisor, Manager of Engineering,  
20 Manager of Assets, Project Manager for an international  
21 transmission line, Vice-President of Operations,  
22 Executive Vice-President, and President of Emera Maine  
23 from 2010 through 2015. In 2015 and 2016, I was Vice-  
24 Chair of the Emera Maine Board. My position was also  
25 focused on renewable strategy, grid modernization

1 strategy, and customer strategy for Emera companies from  
2 2015 to 2016 before my current role.

3  
4 **Q.** What is the purpose of your direct testimony?

5  
6 **A.** The purpose of my direct testimony is to describe Tampa  
7 Electric's Disaster Preparedness and Recovery Plan and to  
8 provide details of the work and costs incurred by Tampa  
9 Electric's T&D organization during the 2015, 2016 and 2017  
10 storm seasons in connection with the five named tropical  
11 storms: Tropical Storm ("TS") Erika, TS Colin, Hurricane  
12 Hermine, Hurricane Matthew and Hurricane Irma. These five  
13 named tropical storms required storm preparation and  
14 restoration activities. My direct testimony supports the  
15 reasonableness and prudence of the T&D storm restoration  
16 costs for which Tampa Electric is seeking recovery.

17  
18 **Q.** Are you sponsoring any exhibits in this proceeding?

19  
20 **A.** Yes, I am. Exhibit No. GRC-1, consisting of one document  
21 entitled "Tampa Electric's Recoverable Restoration Costs  
22 by Storm, Function and Cost Element" was prepared under  
23 my direction and supervision. This Exhibit details the  
24 company's recoverable storm costs by function and  
25 detailed category which supports the necessary and

1 prudent restoration costs Tampa Electric incurred in  
2 restoring the electrical systems in the five named  
3 tropical storms in this proceeding.  
4

5 **II. TAMPA ELECTRIC'S DISASTER PREPAREDNESS AND RECOVERY PLAN**

6 **Q.** What is the objective of Tampa Electric's Disaster  
7 Preparedness and Recovery Plan?  
8

9 **A.** The objective of Tampa Electric's Disaster Preparedness  
10 and Recovery Plan is to safely, efficiently and  
11 effectively restore power to customers as quickly as  
12 practical during and following a severe weather event.  
13 This is accomplished in accordance with all regulatory,  
14 legislative and industry rules, including the  
15 Occupational Safety and Health Administration ("OSHA").  
16 It is accomplished in close coordination with all  
17 applicable local, regional, state and federal  
18 governmental agencies. It is also accomplished according  
19 to a well-established and always improving plan.  
20 Facilities, equipment and critical customers are restored  
21 using both a predetermined prioritization process and a  
22 methodology to restore the largest number of customers as  
23 quickly as possible. The plan is readily scalable to the  
24 size and impacts of the event and employees are regularly  
25 trained in their roles within the plan.

1 The scale of the implementation of the plan may extend on  
2 a small scale to only internal resources and possibly  
3 local contractor resources all the way to opening multiple  
4 incident bases, acquiring resources from regional mutual  
5 aid groups ("RMAG") across the country, as well as  
6 affiliates and non-RMAG contractor resources.

7  
8 **Q.** Please describe the key components of Tampa Electric's  
9 Disaster Preparedness and Recovery Plan?

10  
11 **A.** Tampa Electric's Disaster Preparedness and Recovery Plan  
12 consists of a standard management hierarchy and set of  
13 procedures for managing temporary events of any size called  
14 an incident command structure ("ICS"). ICS includes  
15 procedures to select and form temporary management  
16 hierarchies to manage and control funds, personnel,  
17 facilities, resources and communications. It is designed  
18 to be used or applied from the time an event is anticipated  
19 until the requirement for additional management and  
20 operations no longer exist. It provides logistical and  
21 administrative support to operational staff allowing them  
22 to focus on addressing the event. It is cost effective by  
23 avoiding duplication of efforts and maximizing utilization  
24 of available resources.

25

1 As a nationally recognized standardized approach to the  
2 command, control and coordination of emergency response,  
3 ICS provides for a common terminology and clear  
4 communications within which responders from multiple  
5 agencies public and/or private can be effective. One of  
6 its strengths is the ability to expand or contract in scope  
7 to meet the needs of the event to which it is applied. As  
8 ICS is standardized nationally and utilized by virtually  
9 all first responders in the company's service territory, it  
10 allows for effective and efficient coordination of response  
11 to events between Tampa Electric and the first responders  
12 of the communities the company serves.

13  
14 **Q.** Please explain the function of ICS as it relates to Tampa  
15 Electric's Disaster Preparedness and Recovery Plan?

16  
17 **A.** ICS consists of five major functional areas: Command,  
18 Operations, Planning, Logistics and Finance.

19  
20 **Command (or Command Staff):** Where the event objectives,  
21 strategies and priorities are set and overall  
22 responsibility for the event resides. For small events,  
23 the Incident Commander may be the only position staffed.  
24 Other command level positions include Public Information  
25 Officer (normally Corporate Communications), Safety and

1 representatives from other major groups (Environmental,  
2 Energy Supply, Emergency Management - Business Continuity,  
3 Customer Experience, Human Resources, etc.). The Incident  
4 Commander has overall responsibility for managing the  
5 incident.

6  
7 **Operations:** Responsible for developing and implementing  
8 tactics to accomplish the event objectives (restore  
9 service) lies within this area. Operations is led and  
10 staffed by individuals with the greatest tactical expertise  
11 in dealing with the problem at hand. Tactical response  
12 resources (crews, equipment, material, etc.) are organized,  
13 assigned and supervised by the Operations section.

14  
15 **Planning:** Responsible for collecting, evaluating and  
16 displaying event intelligence and information. Also  
17 required to prepare and document Incident Action Plans,  
18 tracking resources assigned to the event, maintaining event  
19 documentation and developing plans for demobilization.

20  
21 **Logistics:** Responsible for insuring that there are adequate  
22 resources (personnel, supplies and equipment) for meeting  
23 the event objectives. Logistics is responsible for all  
24 services and support needs, including:

- Ordering, obtaining, maintaining and accounting for



- 1           essential personnel, equipment and material
- 2           • Providing communication planning and resources
- 3           • Setting up food services for responders
- 4           • Setting up and maintaining event facilities (Incident
- 5           Bases, housing, etc.)
- 6           • Providing support transportation
- 7           • Providing medical services to event personnel

8

9           **Finance:** All event specific financial management is handled

10          within this area. Responsible for:

- 11           • Contract negotiation and monitoring
- 12           • Timekeeping
- 13           • Cost analysis
- 14           • Compensation for injury or damage to property
- 15           • Documentation for reimbursement (under mutual aid
- 16           agreements and assistance agreements)

17

18          **Q.** Does Tampa Electric periodically update its Disaster

19          Preparedness and Recovery Plan?

20

21          **A.** Yes, the company updates the plan on an annual basis.

22          Each year Tampa Electric's Corporate Emergency Management

23          revises the plan based on new improvements identified,

24          organizational changes or changes to personnel. In

25          particular, subsequent to Hurricane Irma and due to its

1 size and scale of required response, a detailed lessons  
2 learned exercise was conducted throughout the company and  
3 suggestions for improvements were gathered and many have  
4 subsequently been implemented.

5  
6 **Q.** What other steps does Tampa Electric take to prepare for  
7 each storm season?

8  
9 **A.** Tampa Electric regularly takes a number of steps each  
10 year to prepare the company and team members for each  
11 storm season including implementing the company's storm  
12 hardening plan, mock storm exercises, communication with  
13 local, county, and state emergency response centers,  
14 implementation of the company's vegetation management  
15 plan, increasing of inventory levels for T&D equipment  
16 that has the potential to be damaged, and implementation  
17 of new technologies to make storm management and execution  
18 more efficient.

19  
20 **Q.** Would you provide some examples of things that the company  
21 has done recently to improve its Disaster Preparedness  
22 and Recovery Plan?

23  
24 **A.** The company has several examples that have been done  
25 recently to improve Tampa Electric's Disaster

1 Preparedness and Recovery Plan. The company has initiated  
2 additional Fold Out Rigid Temporary Shelters ("FORTS") to  
3 provide command center facilities at incident bases. Out  
4 of the suggested improvements following Hurricane Irma,  
5 most of these suggestions are within the Electric Delivery  
6 Department with over 140 of these suggestions having been  
7 already implemented into the company's Disaster  
8 Preparedness and Recovery Plan. The remaining  
9 improvements are still undergoing evaluation for  
10 implementation and are being actively tracked. Tampa  
11 Electric's Customer Experience Department has also  
12 implemented lessons learned identified from Hurricane  
13 Irma and is on schedule to complete many more prior to  
14 the peak of the 2018 hurricane season. Tampa Electric's  
15 Support Services Department also identified suggested  
16 improvements and have initiated approximately 32 of them  
17 and similar to the Electric Delivery and Customer  
18 Experience Departments, continue to evaluate and  
19 implement these suggestions where practical.

20  
21 **Q.** How does Tampa Electric respond when a storm threatens  
22 its service territory?

23  
24 **A.** Initiation of storm response for Tampa Electric begins  
25 with very close monitoring of weather forecasts. Tampa

1 Electric's Electric Delivery Emergency Manager provides  
2 daily updates on weather forecasts throughout the year.  
3 During the hurricane season, potential storms are  
4 identified as early as ten or more days ahead of potential  
5 impacts to the peninsular Florida and the company's  
6 service area. Tampa Electric subscribes to a paid weather  
7 forecasting service and also monitors the National  
8 Weather Service. If the storm has the potential to  
9 threaten Florida and the company's service area, the  
10 Electric Delivery Incident Commander will initiate calls  
11 with the Electric Delivery Operations team. Depending on  
12 the storm's intensity and forecasted track and impacts,  
13 at approximately the five to seven-day range, the Electric  
14 Delivery Incident Commander will initiate full or partial  
15 Electric Delivery Incident Command Structure along with  
16 daily to twice daily calls using the established pre-  
17 storm agenda. The primary focus is to engage the key  
18 responsible process owners in the areas of Emergency  
19 Management and Mutual Assistance, Safety, Environmental,  
20 Customer Experience, Human Resources, Corporate  
21 Communications, Energy Supply, Electric Delivery  
22 Logistics Support, Transmission and Substation  
23 Operations, Transmission and Distribution Control Center,  
24 Planning and Finance. Initial activities are focused on  
25 weather forecasts and planning which includes storm

1 modeling and assessing the need for restoration  
2 resources. If forecasts for impacts continue to hold,  
3 all other areas of the company are quickly activated to  
4 execute their responsibilities within the plan.  
5 Depending on the size and potential impacts of the storm,  
6 the Electric Delivery Incident Commander will recommend  
7 to the Corporate Incident Commander, Tampa Electric's  
8 Chief Executive Officer ("CEO"), whether Corporate ICS  
9 should be initiated.

10  
11 **Q.** Has Tampa Electric had previous opportunities to exercise  
12 its Disaster Preparedness and Recovery Plan?

13  
14 **A.** Yes. Tampa Electric has had several opportunities to  
15 exercise the company's Disaster Preparedness and Recovery  
16 Plan. The company exercised the plan at various levels  
17 for all the storms that are the subject of this  
18 proceeding. In addition, Tampa Electric exercises the  
19 plan each year prior to the upcoming hurricane season by  
20 conducting training, preparation and mock storm  
21 exercises.

22  
23 **Q.** Has Tampa Electric implemented improvements in its  
24 Disaster Preparedness and Recovery Plan over time?

25

- 1 **A.** Yes. Just in the past year, Tampa Electric has  
2 implemented numerous improvements in its Disaster  
3 Preparedness and Recovery Plan as a result of the lessons  
4 learned exercise that was conducted subsequent to  
5 Hurricane Irma. Some examples of these include:  
6 Identification of a list of vehicle/equipment needs to  
7 run tasks such as laundry, pillow, sheets, cots, etc. for  
8 restoration crews, improvements to the residential and  
9 small customer handling, escalation and priority,  
10 implementation of a two-man troubleman role, improvements  
11 to the wire-down processes, improvements to the Estimated  
12 Time for Restoration process, an improved outage map, etc.  
13
- 14 **Q.** How does Tampa Electric ensure that its Disaster  
15 Preparedness and Recovery Plan is consistently followed?  
16
- 17 **A.** Tampa Electric ensures that the company's Disaster  
18 Preparedness and Recovery Plan is consistently followed  
19 through annual training and preparation and mock storm  
20 exercises, as well as, having a well-defined Emergency  
21 Management and Incident Response Plan where internal  
22 resources understand and have been trained on their roles  
23 and responsibilities. The plan is reviewed and updated  
24 annually. Everyone that fills a role in the plan is  
25 notified and trained. In most cases there are primary

1 personnel and backup personnel for each role within the  
2 plan. All documentation on the plan is readily accessible  
3 by all employees through the company's intranet.  
4

5 **Q.** How does Tampa Electric assess its restoration work load  
6 requirements?  
7

8 **A.** Tampa Electric assesses its restoration work load  
9 requirements for storm events through two primary  
10 methods. The first is through storm modeling where the  
11 specific attributes of the forecasted weather are  
12 modelled based on a history of storm impacts from other  
13 events. The modeling is specific to each one of the  
14 company's service areas. Based on the projected number  
15 of customer outages and the damage expected, the manhours  
16 necessary to repair the damage and restore power are  
17 estimated and restoration targets are established.  
18 Smaller storm events may have targets that range between  
19 24 and 48 hours with sub-goals that no customers will be  
20 out more than 24 hours. Restoration targets for larger  
21 events may be driven by availability of external resources  
22 and other practical limitations within logistics or  
23 operations. Once restoration targets are established,  
24 internal resource availability of both field employees  
25 and native contractors primarily in the areas of damage

1 assessment, line clearance and T&D line workers are  
2 assessed against the needed manhours to complete the work.  
3 If the resource requirement is greater than the internal  
4 availability, then external resources will be acquired.  
5 The direct testimony of Tampa Electric's Witness S. Beth  
6 Young provides additional information on the procurement  
7 of external resources.

8  
9 The second method for determining work load requirements  
10 is through damage assessment. After the storm, damage  
11 assessors are sent out to patrol feeders, gather damage  
12 information and return that information to Tampa  
13 Electric's Planning section. With that information and  
14 information on actual outage counts from the company's  
15 outage management system, adjustments can be made to the  
16 resource requirement predictions from the modeling and a  
17 more accurate Estimated Time of Restoration ("ETR") can  
18 be made. For large storms the damage assessment process  
19 may require 24 to 48 hours before enough information is  
20 gathered and assessed to make reasonable estimations on  
21 ETR's.

### 22 23 **III. Tropical Storm Erika**

24 **Q.** Please provide an overview of Tropical Storm Erika, Tampa  
25 Electric's actions and response to the storm and how it



1 impacted Tampa Electric's service territory?  
2

3 **A.** TS Erika formed on Monday, August 24, 2015 in the Atlantic  
4 and was immediately classified as a TS. TS Erika moved  
5 westward while being steered by the flow south of the  
6 subtropical ridge. During this move westward, TS Erika  
7 was in an environment that was conducive for some  
8 strengthening. On Tuesday, August 25, 2015 wind shear  
9 began affecting TS Erika along with dry mid-level air  
10 which inhibited intensification. On Thursday, August 27,  
11 2015 TS Erika passed near the northern tip of Guadeloupe  
12 while slightly intensifying. On Friday, August 28, 2015  
13 TS Erika passed south of the U.S. Virgin Islands and  
14 Puerto Rico while experiencing wind shear which prevented  
15 additional intensification. By mid-day the storm no  
16 longer had a well-defined circulation and dissipated. The  
17 remnants of TS Erika remained an area of low pressure  
18 that reached Florida on Wednesday, September 2, 2015 and  
19 moved into Southeastern Georgia before finally losing its  
20 identity on Thursday, September 3, 2015.

21  
22 On Friday, August 28, 2015 Governor Rick Scott declared  
23 a state of emergency for the entire state of Florida ahead  
24 of TS Erika. Also, on this day, Tampa Electric commenced  
25 emergency operations preparation as the company's service

1 area was in the cone of TS Erika's potential landfall.  
2 After shifting to emergency operations, Tampa Electric  
3 requested Southeastern Electric Exchange ("SEE") and non-  
4 SEE distribution and tree trim resources to travel and  
5 arrive on Sunday, August 30, 2015 in preparation for the  
6 restoration. In addition, Tampa Electric began making  
7 preparation for the storm by securing the service area  
8 yards, materials, two incident bases and coordinating  
9 restoration preparation and response work schedules. On  
10 Monday, August 31, 2015 the weather service was still  
11 forecasting three to five inches of rain and over 30 miles  
12 per hour ("mph") winds, so additional distribution  
13 resources were brought in early in preparation for the  
14 inclement weather.

15  
16 The National Hurricane Center ("NHC") declared that TS  
17 Erika dissipated near the north coast of eastern Cuba at  
18 9:30 a.m. Eastern Daylight Time ("EDT") on Saturday,  
19 August 29, 2015. It was at this time that hurricane  
20 hunter data concluded that the form of this TS had  
21 degenerated to a trough of low-pressure.

#### 22 23 **IV. TROPICAL STORM COLIN**

24 **Q.** Please provide an overview of Tropical Storm Colin, Tampa  
25 Electric's actions and response to the storm and how it

1 impacted Tampa Electric's service territory

2

3 **A.** TS Colin formed from a low-pressure area on Sunday, June

4 5, 2016 off the Gulf of Mexico near the northern coast of

5 the Yucatan Peninsula. TS Colin was forecasted to make

6 landfall on Monday, June 6, 2016 along Florida's Gulf

7 coast as a weak tropical storm. Even though TS Colin was

8 a minimal tropical storm, tropical storm warnings were

9 added late on June 5, 2016 that covered Altamaha Sound in

10 Georgia down to Sebastian Inlet on Florida's Atlantic

11 Coast. The NHC provided guidance late on June 5, 2016

12 that focused less on TS Colin's forecast track, which was

13 to the North, but rather on the potential strong winds,

14 heavy rain and coastal flooding, which were being

15 forecasted well to the east of the center of circulation.

16 The NHC posted flash flood watches, forecasted a storm

17 surge in Tampa Bay between one and two feet and the

18 possibility of isolated tornadoes in Florida. On Tuesday,

19 June 7, 2016 at 3:00 a.m., TS Colin made landfall near

20 Dekle Beach with the storm's maximum sustained winds of

21 50 mph. TS Colin continued a northeastward track, crossed

22 north Florida and southern Georgia and exited over the

23 Atlantic Ocean.

24

25 On Monday, June 6, 2016 Governor Rick Scott declared a

1 state of emergency for thirty-four counties in the state,  
2 including most of Tampa Electric's service area  
3 (Hillsborough and Pinellas Counties). Preliminary  
4 weather service predictions of TS Colin's path indicated  
5 it would cross the Florida Peninsula close to Tampa Bay  
6 with tropical storm force winds of 40 to 50 mph with heavy  
7 rain squalls. Tampa Electric's Energy Delivery  
8 Department went into a soft activation on Friday, June 3,  
9 2016 as the company monitored the storm. After shifting  
10 to emergency operations, Tampa Electric requested non-SEE  
11 distribution resources to travel and arrive on Sunday,  
12 June 5, 2016 in preparation for the restoration  
13 activities. In addition, Tampa Electric prepared for the  
14 storm by securing the service area yards, materials and  
15 a vehicle staging area and coordinating restoration  
16 preparation and response work schedules. By Sunday, June  
17 5, 2016 TS Colin's projected landfall was moved north to  
18 Cedar Key with the worst weather south and east of the  
19 center, which included Tampa Bay. On Sunday, June 5,  
20 2016 Tampa Electric went to partial activation and then  
21 the company made the decision to implement full activation  
22 on Monday, June 6, 2016 to make the final storm  
23 preparations. On Tuesday, June 7, 2016 the severe weather  
24 was past Tampa Bay and the company's service area. On  
25 Wednesday morning, June 8, 2016 non-SEE distribution

1 resources were released and the company discontinued  
2 storm operations.

3  
4 **V. HURRICANE HERMINE**

5 **Q.** Please provide an overview of Tropical Storm Hermine,  
6 Tampa Electric's actions and response to the storm and  
7 how it impacted Tampa Electric's service territory?

8  
9 **A.** On Sunday, August 28, 2016 tropical depression nine was  
10 moving westward as a tropical wave north of Cuba into the  
11 Gulf of Mexico. On Wednesday, August 31, 2016 tropical  
12 depression nine intensified into TS Hermine. TS Hermine  
13 shifted from a westward track to a northeastward track in  
14 the south-central Gulf of Mexico and intensified further  
15 to become Hurricane Hermine just prior to making landfall  
16 on Thursday, September 1, 2016. On Friday, September 2,  
17 2016 at 3:00 a.m., Hurricane Hermine made landfall as a  
18 Category 1 hurricane just east of St. Mark's Florida.  
19 Hurricane Hermine quickly dissipated in strength becoming  
20 TS Hermine by mid-morning. TS Hermine continued a  
21 northeastward track, crossed North Florida, Georgia and  
22 South Carolina and exited over the Atlantic Ocean.

23  
24 On Wednesday, August 31, 2016 Governor Rick Scott declared  
25 a state of emergency for forty-two counties in the state

1 covering Tampa Electric's entire service area  
2 (Hillsborough, Pasco, Pinellas and Polk Counties) ahead  
3 of what would become Hurricane Hermine. Preliminary  
4 weather service predictions of TS Hermine's path were  
5 projected to impact Tampa with a 60 percent chance of  
6 development into a tropical cyclone. Preparation storm  
7 calls for Tampa Electric' Energy Delivery department  
8 began on Monday, August 22, 2016 with formal activation  
9 for Tampa Electric on Thursday, August 25, 2016. After  
10 shifting to emergency operations, Tampa Electric  
11 requested SEE and non-SEE distribution, tree trim and  
12 damage assessment to travel and arrive Sunday, August 28,  
13 2016 in preparation for the restoration activities. In  
14 addition, Tampa Electric resources were making  
15 preparation for the storm by securing the service area  
16 yards, materials, three incident bases and coordinating  
17 restoration preparation and response work schedules. On  
18 Friday, August 26, 2016 the weather service indicated the  
19 system would slow down and not intensify as much as  
20 previously predicted. The path was also revised  
21 indicating land fall would be in the Panama City area.  
22 However, heavy rain squalls were possible along the  
23 western Florida Peninsula with projected rainfall amounts  
24 of three to six inches with isolated total of seven to  
25 ten inches possible based upon this new projected storm

1 track. Tampa Electric made the decision to release the  
2 SEE resources, delay the arrival of the non-SEE resources  
3 until the evening of Wednesday, August 31, 2016 and scale  
4 back the number of incident bases to one. On Wednesday,  
5 August 31, 2016 with the forecast changing to more of a  
6 rain event for Tampa Electric and showing slightly  
7 improved conditions for the Tampa Bay area, the company  
8 began unwinding preparations while still preparing for a  
9 storm with up to a possible 100,000 customers impacted.  
10 Tampa Electric made the decision to retain non-SEE  
11 resources for the night to ensure that adequate resources  
12 were available for restoration pending a decision to  
13 potentially release them in the morning. On Friday,  
14 September 2, 2016 the Tampa Bay area was impacted by two  
15 separate and significant rain bands from Hurricane  
16 Hermine that produced strong winds and heavy rain.  
17 Because of the outages caused by these two rain bands,  
18 Tampa Electric secured additional crews to arrive  
19 Saturday morning, September 3, 2016 to assist in  
20 restoration efforts. With significant progress made  
21 overnight Friday, Tampa Electric made the decision to  
22 release these additional crews to enable these crews to  
23 provide mutual assistance to the North Coastal Region of  
24 Duke Energy Florida beginning Sunday, September 4, 2016.

25

1 **VI. HURRICANE MATTHEW**

2 **Q.** Please provide an overview of Tropical Storm Matthew,  
3 Tampa Electric's actions and response to the storm and  
4 how it impacted Tampa Electric's service territory?

5  
6 **A.** Matthew developed into a tropical storm southeast of St.  
7 Lucia on Wednesday, September 28, 2016. On Thursday,  
8 September 29, 2016 TS Matthew grew in intensity into a  
9 Category 1 hurricane northeast of Curacao and reached  
10 Category 5 status on the following day. Hurricane Matthew  
11 weakened slightly to a Category 4 hurricane as it made  
12 its northward turn and made its first landfall over Haiti  
13 on Tuesday, October 4, 2016. Hurricane Matthew then made  
14 its second landfall over Cuba where it weakened to a  
15 Category 3. Hurricane Matthew intensified again as it  
16 moved offshore from Cuba and re-attained Category 4  
17 status. Hurricane Matthew then headed to the Bahamas and  
18 on Thursday, October 6, 2016 it made its third landfall  
19 over Grand Bahama. Hurricane Matthew then moved northward  
20 paralleling the coast of Florida on Thursday, October 6,  
21 2016 and Friday, October 7, 2016.

22  
23 On Monday, October 3, 2016 Governor Rick Scott declared  
24 a state of emergency for the entire state ahead of  
25 Hurricane Matthew. Although preliminary discussions had



1           been occurring in Tampa Electric's Energy Delivery  
2           Department since Thursday, September 29, 2016 on  
3           Wednesday, October 5, 2016 Tampa Electric commenced  
4           emergency operations preparation as parts of the  
5           company's service area were projected in the cone of  
6           Hurricane Matthew's potential path. After shifting to  
7           emergency operations, Tampa Electric evaluated the  
8           potential storm impacts and resultant customer outages  
9           and determined that neither SEE or non-SEE resources would  
10          be required. However, the option was left open for Tampa  
11          Electric to request outside resources in the event the  
12          storm's path moved westward towards Tampa Electric's  
13          service area. Tampa Electric began making preparation  
14          for the storm by securing the service area yards,  
15          materials and coordinating restoration preparation and  
16          response work schedules. As the path of Hurricane Matthew  
17          kept it just offshore of the east coast of Florida, the  
18          customer outages in Tampa Electric's service area were  
19          quickly restored during the day Friday, October 7, 2016.  
20          With all customers restored, Tampa Electric provided  
21          mutual assistance resources to other utilities impacted  
22          by the storm.

23  
24       **VII. HURRICANE IRMA**

25       **Q.** Please provide an overview of Hurricane Irma, Tampa

1 Electric's actions and response to the storm and how it  
2 impacted Tampa Electric's service territory?

3  
4 **A.** On Wednesday, August 30, 2017, the NHC upgraded Tropical  
5 Disturbance 36 to TS Irma and predicted that it would  
6 strengthen into a hurricane over the next two to three  
7 days with a track that would take it near, if not into  
8 Florida. The next day, Thursday, August 31, 2017, TS  
9 Irma was upgraded to a hurricane and predicted to pass  
10 close to the Northeast Caribbean islands as a major  
11 Category 4 hurricane. In subsequent advisories, the  
12 uncertainty of Hurricane Irma's track put the entire  
13 Caribbean and east coast of the United States on alert.  
14 The entire peninsula of Florida was included in the cone  
15 of uncertainty. Hurricane Irma traveled as far west as  
16 Cuba before turning north and making its first landfall  
17 east of Key West as a Category 4 hurricane, then a second  
18 landfall near Marco Island as a Category 3 hurricane on  
19 Sunday, September 10, 2017. Hurricane Irma then traveled  
20 inland up the west coast of Florida, crossing Tampa  
21 Electric's service area at an angle along the Hillsborough  
22 and Polk County lines early Monday morning, September 11,  
23 2017. While significantly weakened at this point,  
24 Hurricane Irma still had significant strength that  
25 impacted Tampa Electric's service area. Hurricane Irma

1 continued to travel in a northerly direction up the state,  
2 continuing to weaken to a tropical storm and then a  
3 remnant low by Monday evening.

4  
5 On Monday, September 4, 2017, Governor Rick Scott declared  
6 a state of emergency for the entire state. Over the Labor  
7 Day Weekend, Tampa Electric had already begun holding  
8 calls to discuss the storm and start initiating  
9 preparatory actions. On Tuesday, September 5, 2017, Tampa  
10 Electric began securing additional crews to support  
11 possible restoration efforts and started internal  
12 preparations for the storm. On Wednesday, September 6,  
13 2017, Tampa Electric's Energy Delivery department and the  
14 entire corporation went into full emergency operations.  
15 Planning efforts centered around a Category 3 hurricane  
16 impacting Tampa Electric's service area. For the rest of  
17 the week, as the forecasted track for Irma became less  
18 and less favorable, Tampa Electric worked to prepare for  
19 the effects of the storm by securing additional materials,  
20 resources and services in anticipation of a major  
21 restoration effort. Preparations included the possible  
22 opening of all seven Distribution and one Transmission  
23 Incident Bases. While some outside resources were  
24 requested to arrive over the weekend, with the projected  
25 path of the storm taking it up the entire peninsula, the

1 majority of the crews were requested to report on Tuesday,  
2 September 12, 2017. Preparations were complicated as the  
3 area was dealing with fuel and bottled water shortages  
4 resulting from Hurricane Harvey. Residents, anticipating  
5 similar impacts to those of Hurricane Harvey in Texas,  
6 heeded the warnings of Governor Scott and stocked up on  
7 supplies and evacuated. Transportation of materials and  
8 resources, along with the securing of housing for outside  
9 resources, was slowed by evacuation traffic.

10  
11 After Hurricane Irma cleared Tampa Electric's service  
12 area, restoration mode began the morning of Monday,  
13 September 11, 2017. By Tuesday, September 12, 2017, the  
14 first Incident Base was opened, with three more set to  
15 open the next day. Ultimately, a total of six Incident  
16 Bases were opened. With the entire company working in  
17 restoration mode (activated into storm roles and working  
18 extended days) and the assistance of over 3,400 outside  
19 resources, restoration proceeded quickly and efficiently.  
20 Numerous unforeseen issues such as the possible closure  
21 of Interstate 75 and shortages of fuel in the state were  
22 dealt with and solutions/workarounds were put into place.  
23 As an ETR of Sunday, September 17, 2017, became likely  
24 the process began on Thursday, September 14, 2017 to start  
25 preparing the organization to return to normal

1 operations. On Friday, September 15, 2017, Tampa Electric  
2 released almost 400 outside resources to travel south to  
3 assist Florida Power and Light ("FPL") with their  
4 restoration efforts. On Saturday, September 16, 2017, 96  
5 percent of impacted customers had been restored and an  
6 additional 200 outside resources were released to FPL to  
7 assist with their restoration efforts. By Sunday,  
8 September 17, 2017, 99 percent of impacted customers had  
9 been restored and the process to shift to normal operation  
10 continued. Over 2,300 outside resources were released to  
11 both FPL and Duke Energy Florida ("DEF") to assist their  
12 restoration efforts, leaving several hundred onsite to  
13 assist in final restoration efforts at Tampa Electric.  
14 On Monday, September 18, 2017, all remaining outside crews  
15 at Tampa Electric were released, Incident Bases shut down  
16 and Tampa Electric resumed normal business except for  
17 wrapping up any remaining emergency operations.

18  
19 **VIII. TAMPA ELECTRIC'S RESTORATION COSTS**

20 **Q.** What were the final recoverable restoration costs  
21 incurred by Tampa Electric in connection with each of the  
22 named storms you have described?

23  
24 **A.** Tampa Electric incurred prudent recoverable restoration  
25 costs by the aforementioned five named tropical storms in

1 the amount of \$99,675,710 which excludes any interest  
2 provision on the storm balance that exceeded the company's  
3 Storm Reserve or regulatory assessment fees. These final  
4 recoverable restoration costs are reflected in my Exhibit  
5 No. GRC-1, Document No. 1 titled "Tampa Electric's Final  
6 Recoverable Restoration Costs", which provides a  
7 breakdown of the restoration costs incurred by storm,  
8 function and detailed category.

9  
10 **Q.** Did Tampa Electric incur any restoration costs which were  
11 not included in the recoverable restoration costs, and if  
12 so, what was that amount that was not recoverable in  
13 connection with the five named tropical storms you have  
14 described?

15  
16 **A.** Yes, Tampa Electric did incur restoration costs which it  
17 is not seeking to recover from customers. These costs  
18 associated with the five named tropical storms were  
19 \$12,016,878. These restoration costs are reflected in  
20 Tampa Electric Witness Chronister's Exhibit No. JSC-1,  
21 Document No. 1 titled "Tampa Electric's Storm Restoration  
22 Cost Summary", which provides a breakdown of the  
23 recoverable and non-reserve restoration costs incurred by  
24 function.

25

1 Q. Please explain why the total recoverable restoration  
2 costs that Tampa Electric is seeking for recovery in this  
3 proceeding has increased from what was submitted in its  
4 original petition?

5  
6 A. The final recoverable restoration costs increased from  
7 the original petition due to Tampa Electric still  
8 receiving invoices from companies that performed mutual  
9 assistance. Tampa Electric estimates the restoration  
10 costs that will be billed and tracks invoices the company  
11 receives. The estimates initially used were understated  
12 when compared to the final verified invoices. The last  
13 remaining invoice for assisting the company with  
14 Hurricane Irma restoration efforts was received on May  
15 14, 2018.

16  
17 **IX. EVALUATING TAMPA ELECTRIC'S RESTORATION RESPONSE**

18 Q. Would you consider Tampa Electric's restoration plan and  
19 its execution for these five named tropical storms in  
20 this proceeding to be effective?

21  
22 A. Yes, I am confident that the execution of Tampa Electric's  
23 Disaster Preparedness and Recovery Plan resulted in a  
24 response that was very effective in performing  
25 restoration in each of the five named tropical storms.

1    **Q.**    What key factors contributed to the effectiveness of Tampa  
2            Electric's restoration plan and execution for the five  
3            named tropical storms in this proceeding?  
4

5    **A.**    There were a number of key factors that contributed to  
6            the effectiveness of Tampa Electric's restoration plan  
7            and execution for the five named tropical storms in this  
8            proceeding. Each storm is a learning experience and after  
9            each storm, in addition to the annual plan review process,  
10           learnings from the storm are incorporated into the plan.  
11           Employees are trained in their storm roles and many  
12           employees are experienced leaders with critical storm  
13           roles that were in their current or other storm roles  
14           during the hurricanes of 2004 and 2005. Annual mock storm  
15           exercises are critical to preparation for storm season.  
16           Expanded access to external resources for large events  
17           through mutual aid groups, contractor networks, and  
18           affiliate companies also are important to accomplishing  
19           restoration activities as efficiently, and timely as  
20           practical.           Additionally, clear and frequent  
21           communication with the various external stakeholders  
22           through multiple channels has become nearly, if not as  
23           important as the restoration work itself. Intensive  
24           efforts for communications with customers and other key  
25           external groups was an important key to the company's



1 success. Finally, the establishment of an ETR was  
2 critical.

3

4 **Q.** Please provide a few examples of key restoration  
5 plans/process enhancements that Tampa Electric has  
6 implemented recently?

7

8 **A.** As I mentioned above in my direct testimony, Tampa  
9 Electric has a process to gain lessons learned from  
10 performing restoration, conducting mock storm exercises  
11 or through the sharing of best practices with other  
12 utilities during mutual assistance. Some of the recent  
13 lessons learned examples identified following Tampa  
14 Electric's debrief of Hurricane Irma that the company has  
15 implemented that will benefit the restoration process  
16 from the impacts of future storms include: Expand the  
17 number of incident base locations in the event of a larger  
18 category storm with a larger number of outside resources  
19 required, use diesel forklifts instead of propane to keep  
20 uniformity of fuel at incident bases, obtain rental  
21 vehicles five to ten days in advance of storm to ensure  
22 sufficient transportation available, implementation of a  
23 new outage map with more granularity and align hours of  
24 operation for Logistics Support Unit with crew's work  
25 schedule.

1     **Q.**    What are your conclusions regarding Tampa Electric's  
2            restoration efforts with respect to the five named  
3            tropical storms the company encountered in 2015, 2016 and  
4            2017?

5  
6     **A.**    My conclusion is that the company's Disaster Preparedness  
7            and Recovery Plan and response was effective and efficient  
8            in the restoring power in these five named tropical  
9            storms.   Hurricane Irma, being the largest of the five  
10           and the largest to hit Tampa Electric, was a particularly  
11           good test of implementation of the plan.  From that event,  
12           Tampa Electric will be able to make further improvements  
13           to make future events even more efficient.

14  
15    **Q.**    Does this conclude your direct testimony?

16  
17    **A.**    Yes.  
18  
19  
20  
21  
22  
23  
24  
25

TAMPA ELECTRIC COMPANY  
DOCKET NO. 20170271-EI  
FILED: 02/08/2019

1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                   **REVISED PREPARED DIRECT TESTIMONY**

3                   **OF**

4                   **GERARD R. CHASSE**

5  
6           **I. INTRODUCTION**

7           **Q.** Please state your name, address, occupation and employer.

8  
9           **A.** My name is Gerard R. Chasse. My business address is 702  
10           N. Franklin Street, Tampa, Florida 33602. I am employed  
11           by Tampa Electric Company ("Tampa Electric" or "the  
12           company") as Vice President, Electric Delivery.

13  
14           **Q.** Please describe your duties and responsibilities in that  
15           position?

16  
17           **A.** My duties and responsibilities include the oversight of  
18           all functions within Tampa Electric's Electric Delivery  
19           Department including the planning, engineering,  
20           operation, maintenance and restoration of the  
21           transmission, distribution and substation systems,  
22           operation of the distribution, and energy control  
23           centers, administration of tariffs and compliance,  
24           execution of the company's Transmission and Distribution  
25           ("T&D") strategic solutions including advanced metering

1 infrastructure, outdoor and streetlight LED conversion  
2 project, and advanced distribution management system,  
3 line clearance activities, warehouse and stores, and  
4 fleet and equipment. As it relates to this filing, I am  
5 responsible for the safe, timely, and efficient  
6 implementation of Tampa Electric's storm restoration  
7 plan.

8  
9 **Q.** Please describe your educational background and  
10 professional experience?

11  
12 **A.** I received a Bachelor of Science degree in electrical  
13 engineering from the University of Maine in 1990 and  
14 became a licensed professional engineer in 1996. I have  
15 held numerous positions of increasing responsibility in  
16 Bangor Hydro Electric and its successor, Emera Maine,  
17 including Substation Engineer, Planning Engineer,  
18 Substation Operations Supervisor, Manager of Engineering,  
19 Manager of Assets, Project Manager for an international  
20 transmission line, Vice-President of Operations,  
21 Executive Vice-President, and President of Emera Maine  
22 from 2010 through 2015. In 2015 and 2016, I was Vice-  
23 Chair of the Emera Maine Board. My position was also  
24 focused on renewable strategy, grid modernization  
25 strategy, and customer strategy for Emera companies from

1           2015 to 2016 before my current role.

2

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

4

5   **A.**    The purpose of my Revised Direct Testimony is to describe  
6           Tampa Electric's Disaster Preparedness and Recovery Plan  
7           and to provide details of the work and costs incurred by  
8           Tampa Electric's T&D organization during the 2015, 2016  
9           and 2017 storm seasons in connection with the five named  
10          tropical storms: Tropical Storm ("TS") Erika, TS Colin,  
11          Hurricane Hermine, Hurricane Matthew and Hurricane Irma.  
12          These five named tropical storms required storm  
13          preparation and restoration activities. My Revised  
14          Direct Testimony supports the reasonableness and prudence  
15          of the T&D storm restoration costs for which Tampa  
16          Electric is seeking recovery.

17

18          In addition, my Revised Direct Testimony addresses the  
19          unique challenges Hurricane Irma presented to our  
20          company, the supplemental review of foreign crew invoices  
21          we conducted from August 2018 to January 2019 and  
22          generally, how we have updated our procedures based on  
23          Hurricane Irma and the results of our supplemental review.

24

25   **Q.**    How does your Revised Direct Testimony relate to the

1 Revised Direct Testimony of other Tampa Electric  
2 witnesses?

3  
4 **A.** The Revised Direct Testimony of Tampa Electric's Witness  
5 Jeffrey S. Chronister's supports the company's  
6 calculation of the costs incurred by Tampa Electric during  
7 the 2015, 2016 and 2017 storm seasons in connection with  
8 the five named tropical storms listed above. Witness  
9 Chronister also explains how the company's request for  
10 storm cost recovery in this docket was calculated and has  
11 evolved, how the results of the company's tax savings  
12 proceeding relates to this proceeding and the additional  
13 accounting and review process changes the company will  
14 implement, as a result of lessons learned, for future  
15 storm restoration activities.

16  
17 The Revised Direct Testimony of Tampa Electric's Witness  
18 S. Beth Young describes how Tampa Electric acquires,  
19 stages and manages foreign crew resources in assisting  
20 with large-scale restoration efforts as well as explains  
21 why the costs incurred for those activities were prudent  
22 in order to achieve timely restoration of the company's  
23 electric system. It also addresses our Energy Delivery  
24 Department's role in the supplemental review we conducted  
25 for Hurricane Irma, as well as, the four prior named

1 storms and the new business and storm management practices  
2 we developed as a result of Hurricane Irma, which will be  
3 utilized for future named storm restoration activities.  
4

5 Finally, the Direct Testimony of Tampa Electric's Witness  
6 Sarah L. Djak provides a detailed explanation of the  
7 supplemental review we conducted, including how the  
8 review was designed and conducted, what the review covered  
9 and the results of the review.  
10

11 **Q.** Are you sponsoring any Exhibits in this proceeding?  
12

13 **A.** Yes, I am. Exhibit No.\_\_\_\_ (GRC-1), consisting of one  
14 document, entitled "Tampa Electric's Recoverable  
15 Restoration Costs by Storm, Function and Cost Element",  
16 was prepared under my direction and supervision. This  
17 Exhibit details the company's recoverable storm costs by  
18 function and detailed category which supports the  
19 necessary and prudent restoration costs Tampa Electric  
20 incurred in restoring the electrical systems in the five  
21 named tropical storms in this proceeding.  
22

23 **II. TAMPA ELECTRIC'S DISASTER PREPAREDNESS AND RECOVERY PLAN**

24 **Q.** What is the objective of Tampa Electric's Disaster  
25 Preparedness and Recovery Plan?

1     **A.**    The objective of Tampa Electric's Disaster Preparedness  
2            and Recovery Plan is to safely, efficiently and  
3            effectively restore power to customers as quickly as  
4            practical during and following a severe weather event.  
5            This is accomplished in accordance with all regulatory,  
6            legislative and industry rules, including the  
7            Occupational Safety and Health Administration ("OSHA").  
8            It is accomplished in close coordination with all  
9            applicable local, regional, state and federal  
10           governmental agencies. It is also accomplished according  
11           to a well-established and always improving plan.  
12           Facilities, equipment and critical customers are restored  
13           using both a predetermined prioritization process and a  
14           methodology to restore the largest number of customers as  
15           quickly as possible. The plan is readily scalable to the  
16           size and impacts of the event and employees are regularly  
17           trained in their roles within the plan.

18  
19           The scale of the implementation of the plan may extend on  
20           a small scale to only internal resources and possibly  
21           local contractor resources using our existing service  
22           area facilities all the way to opening multiple incident  
23           bases, acquiring resources from regional mutual aid  
24           groups ("RMAG") across the country, as well as affiliates  
25           and non-RMAG contractor resources.



1   **Q.**   Please describe the key components of Tampa Electric's  
2       Disaster Preparedness and Recovery Plan?

3  
4   **A.**   Tampa Electric's Disaster Preparedness and Recovery Plan  
5       consists of a standard management hierarchy and set of  
6       procedures for managing temporary events of any size called  
7       an incident command structure ("ICS").   ICS includes  
8       procedures to select and form temporary management  
9       hierarchies to manage and control funds, personnel,  
10      facilities, resources and communications.   It is designed  
11      to be used or applied from the time an event is anticipated  
12      until the requirement for additional management and  
13      operations no longer exist.   It provides logistical and  
14      administrative support to operational staff allowing them  
15      to focus on addressing the event.   It is cost effective by  
16      avoiding duplication of efforts and maximizing utilization  
17      of available resources.

18  
19      As a nationally recognized standardized approach to the  
20      command, control and coordination of emergency response,  
21      ICS provides for a common terminology and clear  
22      communications within which responders from multiple  
23      agencies public and/or private can be effective.   One of  
24      its strengths is the ability to expand or contract in scope  
25      to meet the needs of the event to which it is applied.   As

1 ICS is standardized nationally and utilized by virtually  
2 all first responders in the company's service territory, it  
3 allows for effective and efficient coordination of response  
4 to events between Tampa Electric and the first responders  
5 of the communities the company serves.

6  
7 **Q.** Please explain the function of ICS as it relates to Tampa  
8 Electric's Disaster Preparedness and Recovery Plan?

9  
10 **A.** ICS consists of five major functional areas: Command,  
11 Operations, Planning, Logistics and Finance.

12  
13 **Command (or Command Staff):** Where the event objectives,  
14 strategies and priorities are set and overall  
15 responsibility for the event resides. For small events,  
16 the Incident Commander may be the only position staffed.  
17 Other command level positions include Public Information  
18 Officer (normally Corporate Communications), Safety and  
19 representatives from other major groups (Environmental,  
20 Energy Supply, Emergency Management - Business Continuity,  
21 Customer Experience, Human Resources, etc.). The Incident  
22 Commander has overall responsibility for managing the  
23 incident.

24  
25 **Operations:** Responsibility for developing and implementing

1           tactics to accomplish the event objectives (restore  
2           service) lies within this area. Operations is led and  
3           staffed by individuals with the greatest tactical expertise  
4           in dealing with the problem at hand. Tactical response  
5           resources (crews, equipment, material, etc.) are organized,  
6           assigned and supervised by the Operations section.

7  
8           **Planning:** Responsible for collecting, evaluating and  
9           displaying event intelligence and information. Also  
10          required to prepare and document Incident Action Plans,  
11          tracking resources assigned to the event, maintaining event  
12          documentation and developing plans for demobilization.

13  
14          **Logistics:** Responsible for insuring that there are adequate  
15          resources (personnel, supplies and equipment) for meeting  
16          the event objectives. Logistics is responsible for all  
17          services and support needs, including:

- 18           • Ordering, obtaining, maintaining and accounting for  
19           essential personnel, equipment and material,
- 20           • Providing communication planning and resources,
- 21           • Setting up food services for responders,
- 22           • Setting up and maintaining event facilities (Incident  
23           Bases, housing, etc.),
- 24           • Providing support transportation, and
- 25           • Providing medical services to event personnel

1       **Finance:** All event specific financial management is handled  
2 within this area. Responsible for:

- 3           • Contract negotiation and monitoring,
- 4           • Timekeeping,
- 5           • Cost analysis,
- 6           • Compensation for injury or damage to property, and
- 7           • Documentation for reimbursement

8  
9       **Q.** Does Tampa Electric periodically update its Disaster  
10 Preparedness and Recovery Plan?

11  
12       **A.** Yes, the company updates the plan on an annual basis.  
13 Each year Tampa Electric's Corporate Emergency Management  
14 revises the plan based on new improvements identified,  
15 organizational changes or changes to personnel. In  
16 particular, subsequent to Hurricane Irma and due to its  
17 size and scale of required response, a detailed "lessons  
18 learned" exercise was conducted throughout the company  
19 and suggestions for improvements were gathered and most  
20 have subsequently been implemented.

21  
22       **Q.** What other steps does Tampa Electric take to prepare for  
23 each storm season?

24  
25       **A.** Tampa Electric regularly takes a number of steps each

1 year to prepare the company and team members for each  
2 storm season including implementing the company's storm  
3 hardening plan, mock storm exercises, communicating with  
4 local, county, and state emergency response centers,  
5 implementing the company's vegetation management plan,  
6 increasing of inventory levels for T&D equipment that has  
7 the potential to be damaged, and implementing new  
8 technologies to make storm management and execution more  
9 efficient.

10  
11 **Q.** Would you provide some examples of things that the company  
12 has done recently to improve its Disaster Preparedness  
13 and Recovery Plan?

14  
15 **A.** The company has several examples that have been done  
16 recently to improve Tampa Electric's Disaster  
17 Preparedness and Recovery Plan. The company has initiated  
18 additional Fold Out Rigid Temporary Shelters ("FORTS") to  
19 provide command center facilities at incident bases. Out  
20 of the suggested improvements following Hurricane Irma,  
21 most of these suggestions are within the Electric Delivery  
22 Department with over 298 of 310 suggestions having been  
23 already implemented into the company's Disaster  
24 Preparedness and Recovery Plan. The remaining  
25 improvements are still undergoing evaluation for

1 implementation and are being actively tracked. Tampa  
2 Electric's Customer Experience Department has also  
3 implemented lessons learned identified from Hurricane  
4 Irma and is on schedule to complete many more prior to  
5 the upcoming hurricane season. Tampa Electric's Support  
6 Services Department also identified suggested  
7 improvements and similar to the Electric Delivery and  
8 Customer Experience Departments, continue to evaluate and  
9 implement these suggestions where practical.

10  
11 **Q.** How does Tampa Electric respond when a storm threatens  
12 its service territory?

13  
14 **A.** Initiation of storm response for Tampa Electric begins  
15 with very close monitoring of weather forecasts. Tampa  
16 Electric's Electric Delivery Emergency Manager provides  
17 daily updates on weather forecasts throughout the year.  
18 During the hurricane season, potential storms are  
19 identified as early as ten or more days ahead of potential  
20 impacts to the peninsular Florida and the company's  
21 service area. Tampa Electric subscribes to a paid weather  
22 forecasting service and also monitors the National  
23 Weather Service. If the storm has the potential to  
24 threaten Florida and the company's service area, the  
25 Electric Delivery Incident Commander will initiate calls

1 with the Electric Delivery Operations team. Depending on  
2 the storm's intensity and forecasted track and impacts,  
3 at approximately the five to seven-day range, the Electric  
4 Delivery Incident Commander will initiate full or partial  
5 Electric Delivery Incident Command Structure along with  
6 daily to twice daily calls using the established pre-  
7 storm agenda. The primary focus is to engage the key  
8 responsible process owners in the areas of Emergency  
9 Management and Mutual Assistance, Safety, Environmental,  
10 Customer Experience, Human Resources, Corporate  
11 Communications, Energy Supply, Electric Delivery  
12 Logistics Support, Transmission, Distribution and  
13 Substation Operations, Transmission and Distribution  
14 Control Center, Planning and Finance. Initial activities  
15 are focused on weather forecasts and planning which  
16 includes storm modeling and assessing the need for  
17 restoration resources. If forecasts for impacts continue  
18 to hold, all other areas of the company are quickly  
19 activated to execute their responsibilities within the  
20 plan. Depending on the size and potential impacts of the  
21 storm, the Electric Delivery Incident Commander will  
22 recommend to the Corporate Incident Commander, Tampa  
23 Electric's Chief Executive Officer ("CEO"), whether  
24 Corporate ICS should be initiated.

25

1     **Q.**    Has Tampa Electric had previous opportunities to exercise  
2            its Disaster Preparedness and Recovery Plan?

3

4     **A.**    Yes.    Tampa Electric has had several opportunities to  
5            exercise the company's Disaster Preparedness and Recovery  
6            Plan.    The company exercised the plan at various levels  
7            for all the storms that are the subject of this  
8            proceeding.   In addition, Tampa Electric exercises the  
9            plan each year prior to the upcoming hurricane season by  
10           conducting training, preparation and mock storm  
11           exercises.

12

13    **Q.**    Has Tampa Electric implemented improvements in its  
14            Disaster Preparedness and Recovery Plan over time?

15

16    **A.**    Yes.    Just in the past year, Tampa Electric has  
17            implemented numerous improvements in its Disaster  
18            Preparedness and Recovery Plan as a result of the lessons  
19            learned exercise that was conducted subsequent to  
20            Hurricane Irma.    Some examples of these include:  
21            improvements to the manner in which we address the needs  
22            of residential and small customers' escalation and  
23            priority, implementation of a two-man troubleman role,  
24            improvements to the wire-down processes, improvements to  
25            the Estimated Time for Restoration ("ETR") process, an



1 improved outage map, identification of a list of  
2 vehicle/equipment needs to run tasks, such as laundry,  
3 pillow, sheets, cots, etc. for restoration crews.  
4

5 **Q.** How does Tampa Electric ensure that its Disaster  
6 Preparedness and Recovery Plan is consistently followed?  
7

8 **A.** Tampa Electric ensures that the company's Disaster  
9 Preparedness and Recovery Plan is consistently followed  
10 through annual training and preparation and mock storm  
11 exercises, as well as, having a well-defined Emergency  
12 Management and Incident Response Plan where internal  
13 resources understand and have been trained on their roles  
14 and responsibilities. The plan is reviewed and updated  
15 annually. Everyone that fills a role in the plan is  
16 notified and trained. In most cases there are primary  
17 personnel and backup personnel for each role within the  
18 plan. All documentation on the plan is readily accessible  
19 by all employees through the company's intranet.  
20

21 **Q.** How does Tampa Electric assess its restoration work load  
22 requirements?  
23

24 **A.** Tampa Electric assesses its restoration work load  
25 requirements for storm events through two primary

1 methods. The first is through storm modeling where the  
2 specific attributes of the forecasted weather are  
3 modelled based on a history of storm impacts from other  
4 events. The modeling is specific to each one of the  
5 company's service areas. Based on the projected number  
6 of customer outages and the damage expected, the man-  
7 hours necessary to repair the damage and restore power  
8 are estimated and restoration targets are established.  
9 Smaller storm events may have targets that range between  
10 24 and 48 hours with sub-goals that no customers will be  
11 out more than 24 hours. Restoration targets for larger  
12 events may be driven by availability of external resources  
13 and other practical limitations within logistics or  
14 operations.

15  
16 Once restoration targets are established, internal  
17 resource availability of both field employees and native  
18 contractors primarily in the areas of damage assessment,  
19 line clearance and T&D line workers are assessed against  
20 the needed manhours to complete the work. If the resource  
21 requirement is greater than the internal availability,  
22 then external resources will be acquired. Witness Young  
23 provides additional information on the procurement of  
24 external resources in her Revised Direct Testimony.

25

1 The second method for determining work load requirements  
2 is through damage assessment. After the storm, damage  
3 assessors are sent out to patrol feeders, gather damage  
4 information and return that information to Tampa  
5 Electric's Planning section. With that information and  
6 information on actual outage counts from the company's  
7 outage management system, adjustments can be made to the  
8 resource requirement predictions from the modeling and a  
9 more accurate Estimated Time of Restoration can be made.  
10 For large storms the damage assessment process may require  
11 24 to 48 hours before enough information is gathered and  
12 assessed to make reasonable estimations on ETR's.  
13 Restoration during this time period begins as soon as  
14 winds recede and it is safe to initiate and continues  
15 according to our prioritization process while damage  
16 information is being gathered.

### 17 18 **III. Tropical Storm Erika**

19 **Q.** Please provide an overview of Tropical Storm Erika, Tampa  
20 Electric's actions and response to the storm and how it  
21 impacted Tampa Electric's service territory?

22  
23 **A.** TS Erika formed on Monday, August 24, 2015 in the Atlantic  
24 and was immediately classified as a TS. TS Erika moved  
25 westward while being steered by the flow south of the

1           subtropical ridge. During this move westward, TS Erika  
2           was in an environment that was conducive for some  
3           strengthening. On Tuesday, August 25, 2015 wind shear  
4           began affecting TS Erika along with dry mid-level air  
5           which inhibited intensification. On Thursday, August 27,  
6           2015 TS Erika passed near the northern tip of Guadeloupe  
7           while slightly intensifying. On Friday, August 28, 2015  
8           TS Erika passed south of the U.S. Virgin Islands and  
9           Puerto Rico while experiencing wind shear which prevented  
10          additional intensification. By mid-day the storm no  
11          longer had a well-defined circulation and dissipated. The  
12          remnants of TS Erika remained an area of low pressure  
13          that reached Florida on Wednesday, September 2, 2015 and  
14          moved into Southeastern Georgia before finally losing its  
15          identity on Thursday, September 3, 2015.

16  
17          On Friday, August 28, 2015 Governor Rick Scott declared  
18          a state of emergency for the entire state of Florida ahead  
19          of TS Erika. Also, on this day, Tampa Electric commenced  
20          emergency operations preparation as the company's service  
21          area was in the cone of TS Erika's potential landfall.  
22          After shifting to emergency operations, Tampa Electric  
23          requested Southeastern Electric Exchange ("SEE") and non-  
24          SEE distribution and tree trim resources to travel and  
25          arrive on Sunday, August 30, 2015 in preparation for the

1 restoration. As the forecasted storm track and intensity  
2 changed, these foreign resources were released to return  
3 home because Tampa Electric could perform the restoration  
4 with the internal resources and native contractors. In  
5 addition, Tampa Electric began making preparation for the  
6 storm by securing the service area yards, materials, two  
7 incident bases and coordinating restoration preparation  
8 and response work schedules. On Monday, August 31, 2015  
9 the weather service was still forecasting three to five  
10 inches of rain and over 30 miles per hour ("mph") winds,  
11 so additional distribution resources were brought in  
12 early in preparation for the inclement weather.

13  
14 The National Hurricane Center ("NHC") declared that TS  
15 Erika dissipated near the north coast of eastern Cuba at  
16 9:30 a.m. Eastern Daylight Time ("EDT") on Saturday,  
17 August 29, 2015. It was at this time that hurricane  
18 hunter data concluded that the form of this TS had  
19 degenerated to a trough of low-pressure.

#### 20 21 **IV. TROPICAL STORM COLIN**

22 **Q.** Please provide an overview of Tropical Storm Colin, Tampa  
23 Electric's actions and response to the storm and how it  
24 impacted Tampa Electric's service territory

25

1     **A.**    TS Colin formed from a low-pressure area on Sunday, June  
2            5, 2016 off the Gulf of Mexico near the northern coast of  
3            the Yucatan Peninsula. TS Colin was forecasted to make  
4            landfall on Monday, June 6, 2016 along Florida's Gulf  
5            coast as a weak tropical storm. Even though TS Colin was  
6            a minimal tropical storm, tropical storm warnings were  
7            added late on June 5, 2016 that covered Altamaha Sound in  
8            Georgia down to Sebastian Inlet on Florida's Atlantic  
9            Coast. The NHC provided guidance late on June 5, 2016  
10           that focused less on TS Colin's forecast track, which was  
11           to the North, but rather on the potential strong winds,  
12           heavy rain and coastal flooding, which were being  
13           forecasted well to the east of the center of circulation.  
14           The NHC posted flash flood watches, forecasted a storm  
15           surge in Tampa Bay between one and two feet and the  
16           possibility of isolated tornadoes in Florida. On Tuesday,  
17           June 7, 2016 at 3:00 a.m., TS Colin made landfall near  
18           Dekle Beach with the storm's maximum sustained winds of  
19           50 mph. TS Colin continued a northeastward track, crossed  
20           north Florida and southern Georgia and exited over the  
21           Atlantic Ocean.

22  
23           On Monday, June 6, 2016 Governor Rick Scott declared a  
24           state of emergency for thirty-four counties in the state,  
25           including most of Tampa Electric's service area

1 (Hillsborough and Pinellas Counties). Preliminary  
2 weather service predictions of TS Colin's path indicated  
3 it would cross the Florida Peninsula close to Tampa Bay  
4 with tropical storm force winds of 40 to 50 mph with heavy  
5 rain squalls. Tampa Electric's Energy Delivery  
6 Department went into a soft activation on Friday, June 3,  
7 2016 as the company monitored the storm. After shifting  
8 to emergency operations, Tampa Electric requested non-SEE  
9 distribution resources to travel and arrive on Sunday,  
10 June 5, 2016 in preparation for the restoration  
11 activities. In addition, Tampa Electric prepared for the  
12 storm by securing the service area yards, materials and  
13 a vehicle staging area and coordinating restoration  
14 preparation and response work schedules. By Sunday, June  
15 5, 2016 TS Colin's projected landfall was moved north to  
16 Cedar Key with the worst weather south and east of the  
17 center, which included Tampa Bay. On Sunday, June 5,  
18 2016 Tampa Electric went to partial activation and then  
19 the company made the decision to implement full activation  
20 on Monday, June 6, 2016 to make the final storm  
21 preparations. On Tuesday, June 7, 2016 the severe weather  
22 was past Tampa Bay and the company's service area. On  
23 Wednesday morning, June 8, 2016 non-SEE distribution  
24 resources were released and the company discontinued  
25 storm operations.

1 **V. HURRICANE HERMINE**

2 **Q.** Please provide an overview of Tropical Storm Hermine,  
3 Tampa Electric's actions and response to the storm and  
4 how it impacted Tampa Electric's service territory?

5  
6 **A.** On Sunday, August 28, 2016 tropical depression nine was  
7 moving westward as a tropical wave north of Cuba into the  
8 Gulf of Mexico. On Wednesday, August 31, 2016 tropical  
9 depression nine intensified into TS Hermine. TS Hermine  
10 shifted from a westward track to a northeastward track in  
11 the south-central Gulf of Mexico and intensified further  
12 to become Hurricane Hermine just prior to making landfall  
13 on Thursday, September 1, 2016. On Friday, September 2,  
14 2016 at 3:00 a.m., Hurricane Hermine made landfall as a  
15 Category 1 hurricane just east of St. Mark's Florida.  
16 Hurricane Hermine quickly dissipated in strength becoming  
17 TS Hermine by mid-morning. TS Hermine continued a  
18 northeastward track, crossed North Florida, Georgia and  
19 South Carolina and exited over the Atlantic Ocean.

20  
21 On Wednesday, August 31, 2016 Governor Rick Scott declared  
22 a state of emergency for forty-two counties in the state  
23 covering Tampa Electric's entire service area  
24 (Hillsborough, Pasco, Pinellas and Polk Counties) ahead  
25 of what would become Hurricane Hermine. Preliminary



1 weather service predictions of TS Hermine's path were  
2 projected to impact Tampa with a 60 percent chance of  
3 development into a tropical cyclone. Preparation storm  
4 calls for Tampa Electric' Energy Delivery department  
5 began on Monday, August 22, 2016 with formal activation  
6 for Tampa Electric on Thursday, August 25, 2016. After  
7 shifting to emergency operations, Tampa Electric  
8 requested SEE and non-SEE distribution, tree trim and  
9 damage assessment to travel and arrive Sunday, August 28,  
10 2016 in preparation for the restoration activities. In  
11 addition, Tampa Electric resources were making  
12 preparation for the storm by securing the service area  
13 yards, materials, three incident bases and coordinating  
14 restoration preparation and response work schedules. On  
15 Friday, August 26, 2016 the weather service indicated the  
16 system would slow down and not intensify as much as  
17 previously predicted. The path was also revised  
18 indicating land fall would be in the Panama City area.  
19 However, heavy rain squalls were possible along the  
20 western Florida Peninsula with projected rainfall amounts  
21 of three to six inches with isolated total of seven to  
22 ten inches possible based upon this new projected storm  
23 track. Tampa Electric made the decision to release the  
24 SEE resources, delay the arrival of the non-SEE resources  
25 until the evening of Wednesday, August 31, 2016 and scale

1 back the number of incident bases to one. On Wednesday,  
2 August 31, 2016 with the forecast changing to more of a  
3 rain event for Tampa Electric and showing slightly  
4 improved conditions for the Tampa Bay area, the company  
5 began unwinding preparations while still preparing for a  
6 storm with up to a possible 100,000 customers impacted.  
7 Tampa Electric made the decision to retain non-SEE  
8 resources for the night to ensure that adequate resources  
9 were available for restoration pending a decision to  
10 potentially release them in the morning. On Friday,  
11 September 2, 2016 the Tampa Bay area was impacted by two  
12 separate and significant rain bands from Hurricane  
13 Hermine that produced strong winds and heavy rain.  
14 Because of the outages caused by these two rain bands,  
15 Tampa Electric secured additional crews to arrive  
16 Saturday morning, September 3, 2016 to assist in  
17 restoration efforts. With significant progress made  
18 overnight Friday, Tampa Electric made the decision to  
19 release these additional crews to enable these crews to  
20 provide mutual assistance to the North Coastal Region of  
21 Duke Energy Florida beginning Sunday, September 4, 2016.

## 22 **VI. HURRICANE MATTHEW**

23 **Q.** Please provide an overview of Tropical Storm Matthew,  
24 Tampa Electric's actions and response to the storm and  
25

1           how it impacted Tampa Electric's service territory?

2

3       **A.**   Matthew developed into a tropical storm southeast of St.  
4           Lucia on Wednesday, September 28, 2016. On Thursday,  
5           September 29, 2016 TS Matthew grew in intensity into a  
6           Category 1 hurricane northeast of Curacao and reached  
7           Category 5 status on the following day. Hurricane Matthew  
8           weakened slightly to a Category 4 hurricane as it made  
9           its northward turn and made its first landfall over Haiti  
10          on Tuesday, October 4, 2016. Hurricane Matthew then made  
11          its second landfall over Cuba where it weakened to a  
12          Category 3. Hurricane Matthew intensified again as it  
13          moved offshore from Cuba and re-attained Category 4  
14          status. Hurricane Matthew then headed to the Bahamas and  
15          on Thursday, October 6, 2016 it made its third landfall  
16          over Grand Bahama. Hurricane Matthew then moved northward  
17          paralleling the coast of Florida on Thursday, October 6,  
18          2016 and Friday, October 7, 2016.

19

20          On Monday, October 3, 2016 Governor Rick Scott declared  
21          a state of emergency for the entire state ahead of  
22          Hurricane Matthew. Although preliminary discussions had  
23          been occurring in Tampa Electric's Electric Delivery  
24          Department since Thursday, September 29, 2016 on  
25          Wednesday, October 5, 2016 Tampa Electric commenced

1 emergency operations preparation as parts of the  
2 company's service area were projected in the cone of  
3 Hurricane Matthew's potential path. After shifting to  
4 emergency operations, Tampa Electric evaluated the  
5 potential storm impacts and resultant customer outages  
6 and determined that neither SEE or non-SEE resources would  
7 be required. However, the option was left open for Tampa  
8 Electric to request outside resources in the event the  
9 storm's path moved westward towards Tampa Electric's  
10 service area. Tampa Electric began making preparation  
11 for the storm by securing the service area yards,  
12 materials and coordinating restoration preparation and  
13 response work schedules. As the path of Hurricane Matthew  
14 kept it just offshore of the east coast of Florida, the  
15 customer outages in Tampa Electric's service area were  
16 quickly restored during the day Friday, October 7, 2016.  
17 With all customers restored, Tampa Electric provided  
18 mutual assistance resources to other utilities impacted  
19 by the storm.

20  
21 **VII. HURRICANE IRMA**

22 **Q.** Please provide an overview of Hurricane Irma, Tampa  
23 Electric's actions and response to the storm and how it  
24 impacted Tampa Electric's service territory?  
25

1     **A.**    On Wednesday, August 30, 2017, the NHC upgraded Tropical  
2            Disturbance 36 to TS Irma and predicted that it would  
3            strengthen into a hurricane over the next two to three  
4            days with a track that would take it near, if not into  
5            Florida.    The next day, Thursday, August 31, 2017, TS  
6            Irma was upgraded to a hurricane and predicted to pass  
7            close to the Northeast Caribbean islands as a major  
8            Category 4 hurricane.    In subsequent advisories, the  
9            uncertainty of Hurricane Irma's track put the entire  
10           Caribbean and east coast of the United States on alert.  
11           The entire peninsula of Florida was included in the cone  
12           of uncertainty.   Hurricane Irma traveled as far west as  
13           Cuba before turning north and making its first landfall  
14           east of Key West as a Category 4 hurricane, then a second  
15           landfall near Marco Island as a Category 3 hurricane on  
16           Sunday, September 10, 2017.

17  
18           Hurricane Irma then traveled inland up the west coast of  
19           Florida, crossing Tampa Electric's service area at an  
20           angle along the Hillsborough and Polk County lines early  
21           Monday morning, September 11, 2017.   While significantly  
22           weakened at this point, Hurricane Irma still had  
23           significant strength that impacted Tampa Electric's  
24           service area.   Hurricane Irma continued to travel in a  
25           northerly direction up the state, continuing to weaken to

1 a tropical storm and then a remnant low by Monday evening.

2  
3 On Monday, September 4, 2017, Governor Rick Scott declared  
4 a state of emergency for the entire state. Over the Labor  
5 Day Weekend, Tampa Electric had already begun holding  
6 calls to discuss the storm and start initiating  
7 preparatory actions. On Tuesday, September 5, 2017, Tampa  
8 Electric began securing additional crews to support  
9 possible restoration efforts and started internal  
10 preparations for the storm. On Wednesday, September 6,  
11 2017, Tampa Electric's Energy Delivery department and the  
12 entire corporation went into full emergency operations.  
13 Planning efforts centered around a Category 3 hurricane  
14 impacting Tampa Electric's service area. For the rest of  
15 the week, as the forecasted track for Hurricane Irma  
16 became less and less favorable, Tampa Electric worked to  
17 prepare for the effects of the storm by securing  
18 additional materials, resources and services in  
19 anticipation of a major restoration effort. Preparations  
20 included the possible opening of all seven Distribution  
21 and one Transmission Incident Bases.

22  
23 While some outside resources were requested to arrive over  
24 the weekend, with the projected path of the storm taking  
25 it up the entire peninsula, the majority of the crews

1 were requested to report on Tuesday, September 12, 2017.  
2 Preparations were complicated as the area was dealing with  
3 fuel and bottled water shortages resulting from Hurricane  
4 Harvey. Residents, anticipating similar impacts to those  
5 of Hurricane Harvey in Texas, heeded the warnings of  
6 Governor Scott and stocked up on supplies and/or  
7 evacuated. Transportation of materials and resources,  
8 along with the securing of housing for outside resources,  
9 was slowed by evacuation traffic.

10  
11 After Hurricane Irma cleared Tampa Electric's service  
12 area, restoration mode began the morning of Monday,  
13 September 11, 2017. By Tuesday, September 12, 2017, the  
14 first Incident Base was opened, with three more set to  
15 open the next day. Ultimately, we opened a total of six  
16 Incident Bases. With the entire company working in  
17 restoration mode (activated into storm roles and working  
18 extended days) and the assistance of over 3,400 outside  
19 resources, restoration proceeded quickly and efficiently.  
20 Numerous unforeseen issues such as the possible closure  
21 of Interstate 75 and shortages of fuel in the state were  
22 dealt with and solutions/workarounds were put into place.

23  
24 As the company made progress with our restoration efforts,  
25 the global ETR that Tampa Electric initially established

1 for Sunday, September 17, 2017, became likely. Due to  
2 our restoration progress, on Thursday, September 14,  
3 2017, the company began the process to return to normal  
4 operations.

5  
6 On Friday, September 15, 2017, Tampa Electric released  
7 almost 400 outside resources to travel south to assist  
8 Florida Power and Light ("FPL") with their restoration  
9 efforts.

10  
11 On Saturday, September 16, 2017, 96 percent of impacted  
12 customers had been restored and an additional 200 outside  
13 resources were released to FPL to assist with their  
14 restoration efforts.

15  
16 By Sunday, September 17, 2017, 99 percent of impacted  
17 customers had been restored and the process to shift to  
18 normal operation continued. Over 2,300 outside resources  
19 were released to both FPL and Duke Energy Florida ("DEF")  
20 to assist their restoration efforts, leaving several  
21 hundred onsite to assist in final restoration efforts at  
22 Tampa Electric.

23  
24 On Monday, September 18, 2017, all remaining outside crews  
25 at Tampa Electric were released, Incident Bases shut down



1 and Tampa Electric resumed normal business except for  
2 wrapping up any remaining emergency operations.

3  
4 **Q.** Did Hurricane Irma present unique challenges to Tampa  
5 Electric?

6  
7 **A.** Yes. The size, unpredictability, closeness in time to  
8 Hurricane Harvey and amount of statewide and regional  
9 damage from Hurricane Irma presented new and unique  
10 challenges to all of the electric utilities in peninsular  
11 Florida, including Tampa Electric.

12  
13 **Q.** Can you describe, in practical terms, how big Hurricane  
14 Irma was to Tampa Electric?

15  
16 **A.** Yes. At one time or another, approximately 425,000 of  
17 our customers experienced some loss of electric service  
18 due to Hurricane Irma. Most of the damage was the result  
19 of wind, which caused trees, beyond our utility rights-  
20 of-way and clearing areas, to fall on power lines, tearing  
21 conductors down and damaging some poles. The company  
22 received over 1,400 "wire down" reports. As a result of  
23 years of storm hardening efforts, fewer poles failed as  
24 a result of trees or wind, significantly aiding the speed  
25 or restoration.

1 We can also measure Hurricane Irma in terms of the resources  
2 we used to restore service to our customers. All Tampa  
3 Electric employees from our TECO Energy family were  
4 directly involved in supporting storm restoration  
5 activities. Our lineman and native contract crews worked  
6 long hours making repairs and supervising foreign crews.  
7 Employees from our corporate office and business offices  
8 worked in our operations centers directing traffic, helping  
9 with meals and laundry, providing water, ordering,  
10 obtaining, maintaining and accounting for essential  
11 personnel, equipment and material, managing lodging,  
12 assisting at incident bases and provide support  
13 transportation.

14  
15 As a result of these efforts, we were able to restore  
16 service to virtually all of our customers within six days  
17 of beginning restoration. I am very proud of our  
18 employees and the crews who helped us and am grateful for  
19 their dedicated service during a real emergency.

20  
21 **Q.** What challenges did the size and unpredictability of  
22 Hurricane Irma present to Tampa Electric?

23  
24 **A.** Hurricane Irma was a massive storm, both in size and  
25 strength. It threatened or impacted virtually all of

1           peninsular Florida and created an unprecedented  
2           competition for restoration resources between electric  
3           utilities in Florida and Georgia. Although each named  
4           tropical storm is unique, most of the storms affecting  
5           the company's service territory in the past were smaller  
6           and impacted smaller geographical areas. Because storm  
7           tracks always have some level of uncertainty, Florida  
8           utilities tend to secure outside resources in  
9           preparation, however, once the impact is known, less  
10          affected utilities are quick to release unnecessary  
11          resource to assist others.

12  
13          With Hurricane Irma, the forecasted track changed so much,  
14          and the size and forecasted strength of the storm were so  
15          large that all of the utilities in peninsular Florida  
16          felt a need to secure as many foreign resources as  
17          possible. As a result, the resources usually available  
18          to Tampa Electric through the Southeastern Electric  
19          Exchange ("SEE") quickly became exhausted and the company  
20          was forced to look beyond the southeastern United States  
21          to secure restoration assistance. Consequently, the  
22          company ended up using contractors and other utilities  
23          from as far away as Canada and Colorado and was fortunate  
24          enough to secure first rights to restoration assistance  
25          from its affiliate companies.

1   **Q.**   How did the use of contractors from out of state and  
2           beyond the southeast impact the storm restoration for  
3           Hurricane Irma?

4  
5   **A.**   The use of contractors secured from beyond the southeast  
6           was critical to the timeliness of the restoration from  
7           Hurricane Irma in order to meet expectations of our  
8           customers.    With roughly 60,000 external resources  
9           entering the state of Florida to assist utilities, Tampa  
10          Electric was able to increase the size of its native field  
11          workforce by over five times.  Without these resources,  
12          the time required for restoration would have been  
13          significantly extended.

14  
15   **Q.**   How else did the size and unpredictability of Hurricane  
16          Irma affect the company's restoration efforts?

17  
18   **A.**   These two factors also impacted the way the company staged  
19          foreign resources.  When faced with a small tropical storm  
20          with a more certain track, it is usually possible to move  
21          foreign resources into Florida, but safely out of harm's  
22          way, where they can wait for the storm to clear, be closer  
23          to damaged areas and arrive on scene and ready to work  
24          with less delay.  With Hurricane Irma, the frequently  
25          changing forecasted track, size and intensity of the

1 storm, together with safety considerations, caused us to  
2 ask many of our foreign crews to stage in Georgia until  
3 the storm cleared. After the storm passed, millions of  
4 evacuees competed with foreign crews for entry into  
5 Florida. Traffic issues created long delays for arrival  
6 of crews and significant challenges in finding hotel  
7 rooms.

8  
9 **Q.** Did the company work with state and local officials on  
10 logistical and other restoration issues?

11  
12 **A.** Yes. Members of Tampa Electric's team worked closely  
13 with local emergency management official and in the State  
14 Emergency Operations Center to share important  
15 information and to coordinate work and resources. The  
16 opportunity to work shoulder-to-shoulder with state and  
17 local officials on storm restoration is extremely  
18 valuable, because it facilitates information sharing and  
19 helps identify and eliminate potential obstacles to safe  
20 and prompt storm restoration. It also serves to remind  
21 us that public officials at all levels are intensely  
22 interested - as we are - in the prompt restoration of  
23 utility service after a storm. I personally participated  
24 on daily calls hosted by the Governor to coordinate the  
25 elimination of many types of impediments and assistance

1 with resource needs for all utilities in Florida.

2

3 **Q.** Do you have specific examples of how the competition for  
4 outside resources affected Tampa Electric's resource  
5 decisions?

6

7 **A.** Because external resources were in extremely high demand,  
8 the company was required to acquire resources from as far  
9 away as eastern Canada, the northeast, the upper mid-  
10 west, and as far west as the Rocky Mountains in order to  
11 attempt to fulfill its resource requirements. Given the  
12 practical nature of travel time, we determined that  
13 resources further than those would not result in an  
14 efficient restoration.

15

16 **Q.** How did Hurricane Harvey impact the company's efforts to  
17 secure outside restoration resources?

18

19 **A.** Large utilities in Texas were severely impacted by  
20 Hurricane Harvey. They had acquired foreign resources  
21 from across the country for assistance in their  
22 restoration. Those utilities were not able to support  
23 the Florida restoration efforts since they had still had  
24 much work to do and the foreign contractors that had been  
25 working in Texas were fatigued from working long hours to

1 restore power during Hurricane Harvey. This placed an  
2 additional strain on the supply of foreign resources  
3 available for Hurricane Irma.

4  
5 **Q.** How did the amount of damage from Hurricane Irma make it  
6 unique?

7  
8 **A.** For Tampa Electric, Hurricane Irma was a record setting  
9 storm in many ways. It caused more damage to our system  
10 than any other storm in our company's modern history. We  
11 also hired more contractors and spent more money than for  
12 any other storm. Nevertheless, the company was able to  
13 fully restore service to all of its affected customers  
14 within six days after the storm passed.

15  
16 Hurricane Irma was also "record breaking" in the way it  
17 tested our storm restoration processes and procedures and  
18 abilities to manage resources to achieve a great result  
19 for our customers. Tampa Electric's native vendors who  
20 were already under contract with us to perform routine  
21 T&D maintenance, were immediately available to help on  
22 storm restoration. Beyond our internal resources and  
23 native crews, the company needed significant additional  
24 support for this restoration effort. The company hired  
25 and managed foreign line crews, foreign line clearing,

1 foreign damage assessors, in addition to call center  
2 vendors. It was by far the largest tropical storm  
3 restoration effort ever undertaken by the company and  
4 exposed some areas where we could improve our processes  
5 and procedures.

6  
7 **Q.** Has the company updated its Storm Restoration processes  
8 and procedures based on lessons learned from Hurricane  
9 Irma?

10  
11 **A.** Yes. We update our processes and procedures after every  
12 storm, because we believe there is always room for  
13 improvement and always strive to perform better and more  
14 efficiently. Our "lessons learned" and areas for  
15 improvement from Hurricane Irma specific to the  
16 determination of appropriate restoration costs fit in  
17 four general categories as follows: (1) establishing  
18 invoicing and payment expectations with vendors, (2) day-  
19 to-day management of foreign crews, (3) use of accounting  
20 resources collecting documentation daily and (4)  
21 improving the manner in which we review and approve vendor  
22 invoices after service has been restored and everyone is  
23 back to their normal responsibilities. The details  
24 associated with the first two areas are discussed further  
25 in the Revised Direct Testimony of Witness Young. The



1 last two are discussed further in the Revised Direct  
2 Testimony of Witness Chronister.

3

4 **Q.** How would you like the Commission and others to view the  
5 supplemental review conducted by the company?

6

7 **A.** I would like the Commission and others to view our  
8 supplemental review and the resulting reduction to our  
9 requested cost recovery amount as part of our continuous  
10 improvement effort. In many cases, we had not documented  
11 our review work adequately or presented it in a way that  
12 it could be easily reviewed, but the extensive and  
13 thorough review of every charge on every invoice  
14 identified items that should not have been included in  
15 our Amended Petition, filed January 30, 2019.

16

17 In retrospect, our management team did not commit the  
18 right number of people with the right skills to our  
19 initial invoice review and approval process. The foreign  
20 crews that assisted us came immediately when called,  
21 worked hard and helped us achieve a great result for our  
22 customers. We in turn, felt an urgency to pay them  
23 promptly for their assistance. In our initial review we  
24 missed things but have learned from the experience and  
25 have improved our processes for future events.

1 I also think, we all should keep the end goal in mind as  
2 we assess the performance and billing practices of the  
3 vendors who helped us. Each of the utilities that  
4 assisted us did so as part of a national mutual assistance  
5 network with impacts to the day-to-day work they have  
6 committed to completing for their own customer base. Each  
7 of our vendors who supplied foreign crew resources and  
8 came to our assistance did so in spite of other  
9 opportunities to work elsewhere.

10  
11 Although a few of them may view storm restoration services  
12 as a primary business line, most of them have not built  
13 recurring business procedures and controls around  
14 providing storm restoration assistance. They helped us  
15 in a spirit of service and with hopes that Tampa Electric  
16 and other Florida utilities will return the favor if a  
17 storm causes damage to their systems. I am confident  
18 that the vast majority of our storm restoration partners  
19 will not object to reasonable new expectations, billing  
20 procedures and operating guidelines, but we should take  
21 care to ensure that our responses to Hurricane Irma and  
22 our supplemental review do not have the unintended  
23 consequence of deterring foreign crews from helping us  
24 and other Florida utilities when we need storm restoration  
25 help in the future.

1 **VIII. TAMPA ELECTRIC'S RESTORATION COSTS**

2 **Q.** What were the final recoverable restoration costs  
3 incurred by Tampa Electric in connection with each of the  
4 named storms you have described?

5  
6 **A.** Tampa Electric incurred prudent recoverable restoration  
7 costs by the aforementioned five named tropical storms in  
8 the amount of \$97,401,348 which excludes any interest  
9 provision on the storm balance that exceeded the company's  
10 Storm Reserve or regulatory assessment fees. These final  
11 recoverable restoration costs are reflected in my Exhibit  
12 No. \_\_\_\_ (GRC-1), Document No. 1 entitled "Tampa  
13 Electric's Final Recoverable Restoration Costs", which  
14 provides a breakdown of the restoration costs incurred by  
15 storm, function and detailed category.

16  
17 **Q.** Did Tampa Electric incur any restoration costs which were  
18 not included in the recoverable restoration costs, and if  
19 so, what was that amount that was not recoverable in  
20 connection with the five named tropical storms you have  
21 described?

22  
23 **A.** Yes, Tampa Electric did incur restoration costs which it  
24 is not seeking to recover from customers. These costs  
25 associated with the five named tropical storms were

1           \$12,016,878. These restoration costs are reflected in  
2           Witness Chronister's Exhibit No. \_\_\_\_ (JSC-1), Document  
3           No. 1, titled "Tampa Electric's Storm Restoration Cost  
4           Summary", which provides a breakdown of the recoverable  
5           and non-reserve restoration costs incurred by function.  
6           I believe these costs are reasonable on an overall basis.  
7           In addition, there were travel costs, lodging and meals,  
8           by the foreign resources that upon review were reasonable  
9           but were removed from the storm reserve due to inadequate  
10          documentation.

11  
12       **Q.** Please explain why the total recoverable restoration  
13       costs that Tampa Electric is seeking for recovery in this  
14       proceeding has decreased from what was submitted in its  
15       original Direct testimony, filed on May 21, 2018?

16  
17       **A.** The final recoverable restoration costs decreased from  
18       the amounts in our May 21, 2018 Direct Testimony, as a  
19       result of our supplemental review of foreign crew  
20       invoices.

21  
22       **IX. EVALUATING TAMPA ELECTRIC'S RESTORATION RESPONSE**

23       **Q.** Would you consider Tampa Electric's restoration plan and  
24       its execution for these five named tropical storms in  
25       this proceeding to be effective?

1     **A.**    Yes.    I am confident that the execution of Tampa  
2            Electric's Disaster Preparedness and Recovery Plan  
3            resulted in a response that was very effective in  
4            performing restoration in each of the five named tropical  
5            storms.

6  
7     **Q.**    What key factors contributed to the effectiveness of Tampa  
8            Electric's restoration plan and execution for the five  
9            named tropical storms in this proceeding?

10  
11    **A.**    There were a number of key factors that contributed to  
12            the effectiveness of Tampa Electric's restoration plan  
13            and execution for the five named tropical storms in this  
14            proceeding. Each storm is a learning experience and after  
15            each storm, in addition to the annual plan review process,  
16            learnings from the storm are incorporated into the plan.  
17            Employees are trained in their storm roles and many  
18            employees are experienced leaders with critical storm  
19            roles that were in their current or other storm roles  
20            during the hurricanes of 2004 and 2005. Annual mock storm  
21            exercises are critical to preparation for storm season.  
22            Expanded access to external resources for large events  
23            through mutual aid groups, contractor networks, and  
24            affiliate companies also are important to accomplishing  
25            restoration activities as efficiently, and timely as

1 practical. Additionally, clear and frequent  
2 communication with the various external stakeholders  
3 through multiple channels has become nearly, if not as  
4 important as the restoration work itself. Intensive  
5 efforts for communications with customers and other key  
6 external groups was an important key to the company's  
7 success. Finally, the establishment of an ETR was  
8 critical.

9  
10 **Q.** Please provide a few examples of key restoration  
11 plans/process enhancements that Tampa Electric has  
12 implemented recently?

13  
14 **A.** As I mentioned, Tampa Electric has a process to gain  
15 lessons learned from performing restoration, conducting  
16 mock storm exercises or through the sharing of best  
17 practices with other utilities during mutual assistance.  
18 Some of the recent lessons learned examples identified  
19 following Tampa Electric's debrief of Hurricane Irma that  
20 the company has implemented that will benefit the  
21 restoration process from the impacts of future storms  
22 include: Expanding the number of incident base locations  
23 in the event of a larger category storm with a larger  
24 number of outside resources required, the use of diesel  
25 forklifts instead of propane to keep uniformity of fuel

1 at incident bases, obtaining rental vehicles five to ten  
2 days in advance of storm to ensure sufficient  
3 transportation available, implementation of a new outage  
4 map with more granularity and align hours of operation  
5 for Logistics Support Unit with crew's work schedule.  
6

7 **Q.** What are your conclusions regarding Tampa Electric's  
8 restoration efforts with respect to the five named  
9 tropical storms the company encountered in 2015, 2016 and  
10 2017?  
11

12 **A.** My conclusion is that Tampa Electric's Disaster  
13 Preparedness and Recovery Plan and response was effective  
14 and efficient in the restoring power after these five  
15 named tropical storms. Hurricane Irma, being the largest  
16 of the five and the largest to hit Tampa Electric's  
17 service territory, was a particularly good test of  
18 implementation of the Plan. From that event, Tampa  
19 Electric will be able to make further improvements to  
20 make future events even more efficient.  
21

22 **Q.** Does this conclude your revised direct testimony?  
23

24 **A.** Yes.  
25

1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                               **PREPARED DIRECT TESTIMONY**

3                                       **OF**

4                                       **JEFFREY S. CHRONISTER**

5  
6   **Q.**   Please state your name, address, occupation and employer.

7  
8   **A.**   My name is Jeffrey S Chronister. My business address is  
9           702 North Franklin Street, Tampa, Florida 33602. I am  
10          employed by Tampa Electric Company ("Tampa Electric" or  
11          "the company") as Controller, Tampa Electric.

12  
13   **Q.**   Please describe your duties and responsibilities in that  
14          position?

15  
16   **A.**   I am responsible for maintaining the financial books and  
17          records of the company and for the determination and  
18          implementation of accounting policies and practices for  
19          Tampa Electric. I am also responsible for budgeting  
20          activities within the company.

21  
22   **Q.**   Please provide a brief outline of your educational  
23          background and business experience.

24  
25   **A.**   I graduated from Stetson University in 1982 with a



1 Bachelor of Business Administration degree in Accounting.  
2 Upon graduation I joined Coopers & Lybrand, an independent  
3 public accounting firm, where I worked for four years  
4 before joining the company in 1986. I started in Tampa  
5 Electric's Accounting department, moved to TECO Energy's  
6 Internal Audit department in 1987, and returned to the  
7 Accounting department in 1991. I am a Certified Public  
8 Accountant in the State of Florida and I am a member of  
9 both the American Institute of Certified Public  
10 Accountants ("AICPA") and the Florida Institute of  
11 Certified Public Accountants ("FICPA"). I have served in  
12 my current position as Controller of Tampa Electric since  
13 July 2009.

14  
15 **Q.** Have you previously testified before the Florida Public  
16 Service Commission ("Commission")?

17  
18 **A.** Yes, I have testified or filed testimony before this  
19 Commission in several dockets. Most recently, I testified  
20 for Tampa Electric in Docket No. 20130040-EI, which was  
21 Tampa Electric's last base rate proceeding. The testimony  
22 in that case included the same topics I testify to in this  
23 case. I also filed testimony in Docket No. 20080317-EI,  
24 Tampa Electric Company's Petition for An Increase In Base  
25 Rates And Miscellaneous Service Charges, Docket No.

1 19960007-EI, Tampa Electric's Environmental Cost Recovery  
2 Clause, and Docket No. 19960688-EI, Tampa Electric's  
3 environmental compliance activities for purposes of cost  
4 recovery.

5  
6 **Q.** What is the purpose of your direct testimony in this  
7 proceeding?

8  
9 **A.** The purpose of my direct testimony is to support the  
10 company's calculation of the costs incurred by Tampa  
11 Electric during the 2015, 2016 and 2017 storm seasons in  
12 connection with the five named tropical storms: Tropical  
13 Storm ("TS") Erika, TS Colin, Hurricane Hermine, Hurricane  
14 Matthew and Hurricane Irma. My direct testimony supports  
15 the cost recovery in this proceeding and demonstrates that  
16 Tampa Electric's storm restoration and recovery accounting  
17 processes and controls are well established, documented,  
18 and implemented by personnel that are suitably trained, to  
19 ensure proper storm accounting and ratemaking.  
20 Specifically, my direct testimony will show that Tampa  
21 Electric has effective and appropriate controls and  
22 accounting procedures for storm events, and that accounting  
23 for the five named tropical storms in this proceeding was  
24 performed in accordance with the Incremental Cost and  
25 Capitalization Approach ("ICCA") methodology required under

1 Rule 25-6.0143, Florida Administrative Code ("F.A.C.").

2  
3 **Q.** Would you please provide a summary of your direct testimony?

4  
5 **A.** Tampa Electric's long-standing accounting control processes  
6 and procedures were employed for the five named tropical  
7 storms, and those control processes continue to ensure  
8 proper storm accounting and ratemaking. The ICCA  
9 methodology found in Rule 25-6.0143, F.A.C. was applied to  
10 each storm cost type to determine the amount recoverable  
11 from Tampa Electric's customers. My Exhibit No. JSC-1,  
12 Document No. 3 titled "Tampa Electric's Recoverable  
13 Restoration Costs by Cost Type" includes a detail of the  
14 five named tropical storm's recoverable costs by cost type  
15 in accordance with the ICCA methodology required under Rule  
16 25-6.0143, F.A.C. The total recoverable restoration costs  
17 Tampa Electric is seeking to recover in this proceeding is  
18 \$99,675,710, which excludes any interest provision on the  
19 storm costs that exceeded the company's storm reserve or  
20 regulatory assessment fees. This amount will fully deplete  
21 and exceed the \$55,860,642 October 31, 2013 pre-storm  
22 balance in the company's reserve account.

23  
24 **Q.** Did you prepare any other exhibits that support your direct  
25 testimony?

1     **A.**    Yes.  I have eight documents within Exhibit No. JSC-1 that  
2            support my direct testimony that were prepared under my  
3            direction and supervision.  These eight Documents provide  
4            detail for the total recoverable and non-recoverable costs  
5            that were incurred by Tampa Electric in performing  
6            restoration for the five named tropical storms.

7

8            Document No. 1:        Tampa Electric Company's Storm  
9                                    Restoration Cost Summary

10           Document No. 2:       Tampa Electric Company's Recoverable  
11                                   Restoration Costs by Cost Element

12           Document No. 3:       Tampa Electric Company's Recoverable  
13                                   Restoration Costs by Cost Type

14           Document No. 4:       Tampa Electric Company's Recoverable  
15                                   Restoration Costs by Function

16           Document No. 5:       Tampa Electric Company's Storm  
17                                   Restoration Costs by Function

18           Document No. 6:       Tampa Electric Company's Storm Reserve  
19                                   Balance History

20           Document No. 7:       Tampa Electric Company's Associated  
21                                   Interest Expense for Restoration Costs  
22                                   Exceeding the Company's Reserve

23           Document No. 8:       Tampa Electric Company's Actual  
24                                   Incremental Storm Costs 2015 through  
25                                   2017

1     **Q.**     What is the total storm restoration cost incurred by Tampa  
2             Electric for the five named tropical storms?

3

4     **A.**     Tampa Electric incurred a total of \$111,692,589 of storm  
5             restoration costs, as reflected on my Exhibit No. JSC-1,  
6             Document No. 1. This includes \$9,113,445 of capital and  
7             \$2,903,433 of operations and maintenance expense ("O&M")  
8             costs the company is not seeking to recover.

9

10    **Q.**     What are the storm costs Tampa Electric is seeking to  
11             recover from each of the five named tropical storms?

12

13    **A.**     Tampa Electric is seeking to recover a total of \$100,369,592  
14             for prudently incurred storm restoration costs. This total  
15             recoverable cost is developed from the five named tropical  
16             storms as follows: \$710,037 from TS Erika; \$2,547,505 from  
17             TS Colin; \$5,361,042 from Hurricane Hermine; \$1,039,216  
18             from Hurricane Matthew; \$90,017,921 from Hurricane Irma;  
19             \$621,694 for the interest expenses through May 31, 2018  
20             associated with the restoration costs that exceeded the  
21             company's storm reserve; and \$72,214 for Regulatory  
22             Assessment Fees which are detailed in my Exhibit No. JSC-  
23             1, Document Nos. 1 through 5 and Document No. 8. These  
24             costs were updated from Tampa Electric's 2017 Amended  
25             Petition, Exhibit D, page 2 of 2, filed on January 30, 2018.

1    **Q.**    Were any of these numbers above adjusted from what was filed  
2           in Tampa Electric's initial or amended petition in this  
3           proceeding?  
4

5    **A.**    Yes.    In Tampa Electric's Petition filed on December 28,  
6           2017 in this proceeding, the costs related to Hurricane  
7           Irma were estimated to be \$77,656,721 and the total costs  
8           for all five named tropical storms were estimated to be  
9           \$87,377,388.    In Tampa Electric's Amended Petition in this  
10          proceeding, filed on January 30, 2018, the costs related to  
11          Hurricane Irma were updated to \$92,818,327 and the total  
12          costs for all five named tropical storms were updated to  
13          \$99,675,710.    At the time Tampa Electric filed these  
14          petitions, the costs for Hurricane Irma were not final  
15          because of the ongoing receipt of invoices for storm  
16          activities.    These amounts have also been updated in my  
17          Exhibit No. JSC-1, based on the receipt of final invoices.  
18

19   **Q.**    Is Tampa Electric aware of any other adjustments that need  
20          to be made?  
21

22   **A.**    No.  
23

24   **Q.**    Did Tampa Electric notify the Commission in any of the five  
25          named tropical storms that the restoration costs were

1 expected to exceed \$10 million?

2

3 **A.** Yes. In accordance to Rule 25-6.0143, F.A.C., the company  
4 notified the Commission on September 13, 2017 that the  
5 storm-related damages for Hurricane Irma were expected to  
6 exceed \$10 million. The four other named tropical systems  
7 were never estimated to exceed \$10 million.

8

9 **Q.** What operational internal controls and procedures are in  
10 place during storm restoration to ensure storm accounting  
11 policies are followed?

12

13 **A.** Finance/Accounting employees are key to storm restoration  
14 accounting and controls. As reflected in the Direct  
15 Testimony of Tampa Electric's Witness Gerald C. Chasse, the  
16 Tampa Electric Unified Command Center organization  
17 recognizes the critical role and responsibilities of these  
18 employees. Finance/Accounting representatives are assigned  
19 to each staging and processing site (referred to as "Finance  
20 Section Chiefs") to ensure active, real-time financial  
21 controls are in effect and adhered to during the storm  
22 restoration event. Responsibilities of the Finance Section  
23 Chiefs include: (1) ensuring procedural compliance with  
24 internal cost controls; (2) providing guidance and  
25 oversight to ensure prudent spending; (3) collecting and

1 analyzing data real-time such as timesheets; and (4)  
2 assisting with the proper accounting of mutual aid  
3 resources. Employees from Tampa Electric's Human Resources  
4 department are also embedded at many sites and perform  
5 internal control support tasks such as providing guidance  
6 on the proper information to include on timesheets. In  
7 addition, each business unit has a finance representative  
8 (referred to as a "Business Unit Coordinator") performing  
9 a storm controllership function for their respective  
10 business units, which includes communicating the storm  
11 plant maintenance order ("PMO") charging instructions to  
12 the personnel directly supporting storm restoration,  
13 ensuring that appropriate costs are charged to the storm  
14 PMOs, as well as preparing cost estimates before, during,  
15 and after the restoration is complete.

16  
17 **Q.** How does Tampa Electric track storm restoration costs?  
18

19 **A.** Tampa Electric establishes unique functional (i.e.,  
20 distribution, transmission, generation and other) PMOs for  
21 each storm to aggregate the total amount of storm  
22 restoration costs incurred for financial reporting and  
23 regulatory recovery purposes. The company uses these PMOs  
24 to account for all costs directly associated with storm  
25 restoration, including costs that will not be recoverable



1 from Tampa Electric's storm reserve based on the  
2 Commission's requirements under the ICCA methodology. All  
3 incremental storm restoration costs charged to storm PMOs  
4 are captured in Federal Energy Regulatory Commission  
5 ("FERC") Account 186, Miscellaneous Deferred Debits. All  
6 incremental costs charged to FERC Account 186 are  
7 subsequently cleared and charged to the storm reserve, O&M  
8 or capital. Non-incremental charges are charged to O&M or  
9 capital, accordingly.

10  
11 **Q.** How does Tampa Electric determine when to start charging  
12 storms costs?

13  
14 **A.** As detailed in the direct testimony of witness Chasse, if  
15 a storm has the potential to threaten Florida and the  
16 company's service area, the Electric Delivery Incident  
17 Commander will initiate calls with the Electric Delivery  
18 Operations team. Dependent on the storm's intensity and  
19 forecasted track and impacts, at approximately the five to  
20 seven-day range, the Electric Delivery Incident Commander  
21 will initiate full or partial Electric Delivery Incident  
22 Command Structure. If forecasts for impacts continue to  
23 hold, all other areas of the company are quickly activated  
24 to execute their responsibilities within the plan. This  
25 includes the Finance Cost Estimation team, which

1 establishes and activates storm PMOs to begin tracking  
2 costs for each named tropical system. An email  
3 communication is sent to all business units to inform them  
4 that storm PMO's have been activated for purposes of  
5 collecting storm restoration charges. Attached to the  
6 email, Tampa Electric also provides: (1) a listing of PMOs  
7 by function and location; (2) guidance on recording time  
8 for payroll; and (3) guidance on the types of costs eligible  
9 to be charged to storm PMOs. The pre-landfall costs charged  
10 to the storm PMOs include the acquisition of external  
11 resources (e.g., line and vegetation crews), mobilization  
12 and pre-staging of internal and external resources, opening  
13 of staging and processing sites, reserving lodging, and  
14 securing Tampa Electric's existing operational facilities  
15 in preparation for the impacts of the storm.

16  
17 **Q.** When did Tampa Electric start charging costs to each of the  
18 five named tropical storms?

19  
20 **A.** Tampa Electric began charging costs for TS Erika in August  
21 2015, TS Colin in June 2016, Hurricane Hermine in August  
22 2016, Hurricane Matthew in October 2016, and Hurricane Irma  
23 in September 2017.

24  
25 **Q.** Did Tampa Electric follow and apply the ICCA, as described

1 in Rule 25-6.0143, F.A.C., for the costs that the company  
2 is seeking recovery for in this proceeding?

3  
4 **A.** Yes.

5  
6 **Q.** What types of costs are included in the amounts for which  
7 Tampa Electric is seeking recovery?

8  
9 **A.** In accordance with Rule 25-6.0143, F.A.C., the categories  
10 of costs that were properly accounted for in the calculation  
11 of Tampa Electric's total recoverable restoration costs  
12 include: (1) contract labor hired for storm restoration  
13 activities; (2) logistics costs of providing meals,  
14 lodging, and linens for tents and other staging areas; (3)  
15 transportation of crews for storm restoration; (4) vehicle  
16 costs for vehicles specifically rented for storm  
17 restoration activities; (5) waste management costs  
18 specifically related to storm restoration activities; (6)  
19 rental equipment specifically related to storm restoration  
20 activities; (7) materials and supplies used to repair and  
21 restore service and facilities to pre-storm condition; (8)  
22 overtime payroll and incremental payroll-related costs for  
23 utility personnel included in storm restoration activities;  
24 and (9) fuel cost for company and contractor vehicles used  
25 in storm restoration activities.

1   **Q.**   Please explain how Tampa Electric determines the non-  
2           incremental O&M costs incurred from the five named tropical  
3           storms?

4  
5   **A.**   Once all incremental costs were incurred and recorded to  
6           FERC Account 186, the accounting department completed a  
7           detailed review to determine amounts which were not  
8           incremental under the ICCA methodology prescribed in Rule  
9           25-6.0143, F.A.C.   Per the ICCA methodology, non-  
10          incremental costs are those that are included in normal  
11          base rate operations.  As reflected in the Direct Testimony  
12          of Tampa Electric's Witness S. Beth Young, the company  
13          excluded the following restoration costs that were  
14          incurred: (1) payroll costs that are already recovered in  
15          base rates; (2) bonuses for utility personnel not eligible  
16          for overtime pay; (3) utility call center and customer  
17          service budgeted overtime; and (4) non-incremental costs  
18          associated with the storm events.  Additionally, tree  
19          trimming expenses that totaled less than the actual monthly  
20          average of tree trimming costs charged to O&M expense for  
21          the same month in the three previous calendar years were  
22          excluded.

23  
24   **Q.**   Would you explain how Tampa Electric determines the capital  
25          costs incurred from the five named tropical storms?

1     **A.** All incremental storm restoration costs (including follow-  
2 up work) are charged to FERC Account 186, Miscellaneous  
3 Deferred Debits. Non-incremental charges are charged to  
4 O&M or capital, accordingly. Once storm restoration is  
5 complete, Tampa Electric totals the amount of capital costs  
6 in accordance with capitalization guidance provided within  
7 the Code of Federal Regulations ("CFR") - Title 18  
8 Conservation of Power and Water Resources, Florida  
9 Administrative Code and Generally Accepted Accounting  
10 Principles ("GAAP"), which includes both materials and  
11 labor. The capital costs for functional areas are  
12 determined based on actual work performed and are then  
13 likewise recorded to the balance sheet in accordance with  
14 Tampa Electric's capitalization guidance as listed above.  
15 Once the capital jobs are completed, the capital work in  
16 progress ("CWIP") account is credited and the appropriate  
17 functional plant account in FERC Account 101, Plant in  
18 Service, is debited based on the actual cost of installed  
19 units of property. Retirements of fixed assets removed  
20 during storm restoration are recorded when the new incurred  
21 capital costs are placed in service.

22  
23     **Q.** Please describe the process that is followed by Tampa  
24 Electric after each storm to ensure the charges that are  
25 being charged to that specific storm are appropriate to be

1 billed?

2

3 **A.** Throughout storm restoration, the operating and business  
4 units estimate, validate, record and pay storm costs.  
5 Extensive documentation is collected throughout the storm  
6 and restoration and after each storm invoices are validated  
7 against the operational documentation and any discrepancies  
8 are researched, disputed and resolved, resulting in the  
9 payment of appropriate charges. Also, as reflected in the  
10 direct testimony of witness Young, Tampa Electric's Foreign  
11 Crew Coordination Unit reviews all invoices prior to  
12 paying. If a discrepancy is found, the Foreign Crew  
13 Coordination Unit will follow up with the specific company  
14 and work out the discrepancy. No invoice is released for  
15 payment if there are outstanding discrepancies.

16

17 **Q.** Please provide background on Tampa Electric's storm  
18 reserve.

19

20 **A.** Tampa Electric maintains a property insurance reserve  
21 account (Account No. 228.1), in accordance with Rule 25-  
22 6.0143, F.A.C., which is designated to cover the costs of  
23 storm-related damages to the utility's own property or  
24 property leased by others that is not covered by insurance.  
25 In Order No. PSC-93-1570-FOF-E1, issued on October 27,

1 1993, the Commission approved Tampa Electric's proposal to  
2 accrue \$4 million annually to its property insurance  
3 reserve account ("storm reserve"). Subsequently, Order No.  
4 PSC-95-0255-FOF-EI, issued on February 23, 1995,  
5 established a target storm reserve balance of \$55 million.  
6 Tampa Electric accrued \$4 million each year to the storm  
7 reserve and in 2003, the balance had reached \$40 million.  
8 Then in 2004, Tampa Electric incurred \$73.4 million of storm  
9 restoration costs due to Hurricanes Charley, Frances and  
10 Jeanne. In Order No. PSC-05-0675-PAA-EI, Approving  
11 Stipulation and Settlement, Tampa Electric capitalized  
12 \$38.9 million of the total storm restoration costs of \$73.4  
13 million, leaving \$34.5 million of storm restoration costs  
14 to be charged against the storm reserve. As a result of  
15 capitalizing the \$38.9 million, the storm reserve had an  
16 \$7.8 million positive balance as of August 1, 2004, rather  
17 than a \$31.1 million deficit.

18  
19 In Tampa Electric's 2008 Petition for Rate Increase, Docket  
20 No. 20080317-EI, the company sought approval to modify the  
21 storm reserve accrual and target balance. Commission Order  
22 No. PSC-09-0283-FOF-EI approved an increase of the storm  
23 accrual to \$8 million per year and established a storm  
24 reserve target balance of \$64 million. Then, in the  
25 company's 2013 Stipulation and Settlement Agreement, Docket

1 No. 20130040-EI, Tampa Electric agreed to stop accruing \$8  
2 million per year to the storm reserve and instead would  
3 seek recovery of storm restoration costs when the storm  
4 reserve balance was depleted. In accordance with Order No.  
5 PSC-13-0443-FOF-EI, issued on September 30, 2013, approving  
6 the 2013 Stipulation and Settlement Agreement, the storm  
7 reserve balance was set at \$55,860,642, which was the amount  
8 of the reserve balance on October 31, 2013. During the  
9 2015, 2016 and 2017 in connection with the five named  
10 tropical storms, Tampa Electric incurred \$99,675,710 of  
11 recoverable storm restoration costs due to the five named  
12 tropical storms. The storm reserve balance was fully  
13 depleted and exceeded the \$55,860,642 October 31, 2013 pre-  
14 storm reserve balance in the company's storm reserve  
15 account by \$43,815,069, which is detailed in my Exhibit No.  
16 JSC-1, Document No. 6.

17  
18 **Q.** Is Tampa Electric's storm reserve funded or unfunded?

19  
20 **A.** The company's reserve is unfunded; therefore, the company  
21 has been able to utilize the storm reserve to fund its  
22 general operation activities over several years. However,  
23 with the amount of storm costs incurred during the five  
24 named tropical storms identified in this proceeding, the  
25 company's storm reserve balance has been exceeded and



1 requires the company to raise additional capital to pay for  
2 those costs. As such, Tampa Electric is seeking recovery  
3 for only the short-term debt costs associated with the  
4 portion of storm costs incurred above the company's  
5 reserve. This associated interest expense for the storm  
6 costs exceeding the reserve is detailed in my Exhibit No.  
7 JSC-1, Document No. 7.

8  
9 **Q.** Does or will Tampa Electric expect to receive any insurance  
10 reimbursement from any of the five named tropical storms?

11  
12 **A.** No.

13  
14 **Q.** Does or will Tampa Electric expect to receive any third-  
15 party reimbursement from any of the five named tropical  
16 storms?

17  
18 **A.** No.

19  
20 **Q.** Do all the costs that Tampa Electric is seeking to recover  
21 for the five named tropical storms and the cost calculation  
22 methodologies used to develop these costs in this petition  
23 comply with Tampa Electric's 2017 Settlement Agreement?

24  
25 **A.** Yes.

1     **Q.**     How will the netting of storm damage costs against estimated  
2             annual tax savings be trued up and finally resolved, once  
3             the final amount of storm costs authorized to be recovered  
4             and the final determination of the impact of tax reform on  
5             Tampa Electric's base rates and charges are determined?  
6

7     **A.**     As stated in Order No. PSC-2018-0125-PCO-EI, issued on  
8             March 7, 2018, in this proceeding, Approving Interim Storm  
9             Recovery Charge, which includes the Implementation  
10            Settlement Agreement, a final determination of storm costs  
11            and the impact of tax reform shall be made in separate  
12            dockets and any difference will be trued-up and  
13            recovered/refunded to customers through the 2019 Energy  
14            Conservation Cost Recovery Clause with the full impact of  
15            tax reform reflected in a change in base rates in January  
16            2019. The approval of interim Storm Cost Recovery Charge  
17            factors is preliminary in nature and is subject to true-up  
18            pending further review once the total actual storm  
19            restoration costs are reviewed and approved. After the  
20            actual costs are reviewed for prudence and reasonableness  
21            and are compared to the actual amount recovered through the  
22            interim Storm Cost Recovery Charge, a determination will be  
23            made whether any over/under recovery has occurred and the  
24            appropriate steps to be taken for a refund or additional  
25            charge would be considered by the Commission at a later

1 date.

2

3 **Q.** Would you explain how adjustments will be made at the end  
4 of the recovery period to ensure the company only recovers  
5 the amount that is being sought?

6

7 **A.** In accordance with the 2017 Amended and Restated  
8 Stipulation and Settlement Agreement ("2017 Agreement"),  
9 the 2018 net effect on net income from the related tax  
10 reform, storm reserve and deferred entries will be zero.  
11 In 2019, the difference between the 2018 tax reform benefits  
12 and storm reserve amount will flow through the Energy  
13 Conservation Cost Recovery Clause, as needed. Further  
14 refinement of the 2018 tax reform benefits will be  
15 determined through a separate proceeding.

16

17 **Q.** Is the proposed storm cost recovery method consistent with  
18 the 2017 Agreement, approved by the Commission in Order No.  
19 PSC-2017-0456-S-EI, issued on November 27, 2017 in Docket  
20 Nos. 20170210-EI and 20160160-EI?

21

22 **A.** Yes. The methodology is consistent with provisions of the  
23 2017 Agreement addressing Storm Damage and Federal Income  
24 Tax Reform, respectively. The Amended Implementation  
25 Stipulation was approved by the Commission at the March 1,

1           2018 Agenda Conference, as reflected in Order No. PSC-2018-  
2           0125-PCO-EI, issued on March 7, 2017.

3

4   **Q.**   Does this conclude your direct testimony?

5

6   **A.**   Yes, it does.

7

8

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1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**2                   **REVISED PREPARED DIRECT TESTIMONY**3                   **OF**4                   **JEFFREY S. CHRONISTER**5  
6           **Q.**    Please state your name, address, occupation and employer.7  
8           **A.**    My name is Jeffrey S Chronister. My business address is  
9                   702 North Franklin Street, Tampa, Florida 33602. I am  
10                  employed by Tampa Electric Company ("Tampa Electric" or  
11                  "the company") as Vice President Finance and Controller,  
12                  Tampa Electric.13  
14          **Q.**    Please describe your duties and responsibilities in that  
15                  position?16  
17          **A.**    I am responsible for maintaining the financial books and  
18                  records of the company and for the determination and  
19                  implementation of accounting policies and practices for  
20                  Tampa Electric. I am also responsible for budgeting  
21                  activities within the company.22  
23          **Q.**    Please provide a brief outline of your educational  
24                  background and business experience.

25

1     **A.**    I graduated from Stetson University in 1982 with a  
2            Bachelor of Business Administration degree in Accounting.  
3            Upon graduation I joined Coopers & Lybrand, an independent  
4            public accounting firm, where I worked for four years  
5            before joining the company in 1986. I started in Tampa  
6            Electric's Accounting department, moved to TECO Energy's  
7            Internal Audit department in 1987, and returned to the  
8            Accounting department in 1991. I am a Certified Public  
9            Accountant in the State of Florida and I am a member of  
10           both the American Institute of Certified Public  
11           Accountants ("AICPA") and the Florida Institute of  
12           Certified Public Accountants ("FICPA"). I have served as  
13           Controller of Tampa Electric since July 2009, and in my  
14           current position since July 2018.

15  
16     **Q.**    Have you previously testified before the Florida Public  
17            Service Commission ("Commission")?  
18

19     **A.**    Yes, I have testified or filed testimony before this  
20            Commission in several dockets. Most recently, I testified  
21            for Tampa Electric in Docket No. 20130040-EI, which was  
22            Tampa Electric's last base rate proceeding. The testimony  
23            in that case included the same topics I testify to in this  
24            case. I also filed testimony in Docket No. 20080317-EI,  
25            Tampa Electric Company's Petition for An Increase in Base

1 Rates and Miscellaneous Service Charges, Docket No.  
2 19960007-EI, Tampa Electric's Environmental Cost Recovery  
3 Clause, and Docket No. 19960688-EI, Tampa Electric's  
4 environmental compliance activities for purposes of cost  
5 recovery.

6  
7 **Q.** What is the purpose of your revised direct testimony in  
8 this proceeding?

9  
10 **A.** The purpose of my Revised Direct Testimony is to support  
11 the company's calculation of the costs incurred by Tampa  
12 Electric during the 2015, 2016 and 2017 storm seasons in  
13 connection with the five named tropical storms: Tropical  
14 Storm ("TS") Erika, TS Colin, Hurricane Hermine,  
15 Hurricane Matthew and Hurricane Irma. I will explain how  
16 the company's request for storm cost recovery in this  
17 docket was calculated and has evolved, how the results of  
18 the company's tax savings proceeding relates to this  
19 proceeding, and the additional accounting and review  
20 process changes the company will implement for future  
21 storm restoration activities. My Revised Direct  
22 Testimony supports the cost recovery request in this  
23 proceeding and demonstrates that despite what the company  
24 initially thought was an adequate review, the company  
25 recognized that a supplemental review was needed. My

1 Revised Direct Testimony will show that the accounting  
2 for the five named tropical storms in this proceeding was  
3 performed in accordance with the Incremental Cost and  
4 Capitalization Approach ("ICCA") methodology required  
5 under Rule 25-6.0143, Florida Administrative Code ("Use  
6 of Accumulated Provision Accounts" or "Storm Cost Rule").  
7

8 **Q.** Would you please provide a summary of your revised direct  
9 testimony?  
10

11 **A.** The total amount for which the company seeks cost recovery  
12 in this proceeding is \$98,982,984, which represents the  
13 company's total recoverable storm costs, plus interest  
14 through May 2019 and regulatory assessment fees. The total  
15 amount of storm costs for which the company seeks recovery  
16 in this proceeding, without interest and regulatory  
17 assessment fees, is \$97,401,348. This amount will fully  
18 deplete and exceed the \$55,860,642 October 31, 2013 pre-  
19 storm balance in the company's reserve account.  
20

21 Approximately \$79.8 million of the total recoverable storm  
22 costs represents costs paid to foreign and native crews and  
23 outside service contractors who helped restore our electric  
24 system, \$132 thousand was attributable to other third-party  
25 costs and \$17.5 million represents Tampa Electric's



1 incremental internal costs for the five named tropical  
2 storms. The \$77.9 million of the external system  
3 restoration costs related to foreign and native crews were  
4 subjected to the supplemental review described in the  
5 Prepared Direct Testimony of Tampa Electric's Witness,  
6 Sarah L. Djak. The remainder of the costs were compiled  
7 with Tampa Electric's long-standing accounting control  
8 processes and procedures.

9  
10 The company applied the ICCA methodology found in the Storm  
11 Cost Rule to each storm cost type to determine the amount  
12 recoverable from Tampa Electric's customers. Document 3 of  
13 my Exhibit No. \_\_\_\_ (JSC-1), entitled "Tampa Electric's  
14 Revised Recoverable Restoration Costs by Cost Type"  
15 includes a detail of the five named tropical storm's  
16 recoverable costs by cost type.

17  
18 **Q.** Did you prepare any other exhibits that support your Revised  
19 Direct Testimony?

20  
21 **A.** Yes. I have nine documents within Exhibit No. \_\_\_\_ (JSC-1)  
22 that support my Revised Direct Testimony that were prepared  
23 under my direction and supervision. These nine Documents  
24 provide detail for the total recoverable and non-  
25 recoverable costs that were incurred by Tampa Electric in

1 performing restoration for the five named tropical storms.

2

3 Document No. 1: Tampa Electric's Storm Revised  
4 Restoration Cost Summary

5 Document No. 2: Tampa Electric's Revised Recoverable  
6 Restoration Costs by Cost Element

7 Document No. 3: Tampa Electric's Revised Recoverable  
8 Restoration Costs by Cost Type

9 Document No. 4: Tampa Electric's Revised Recoverable  
10 Restoration Costs by Function

11 Document No. 5: Tampa Electric's Revised Storm  
12 Restoration Costs by Function

13 Document No. 6: Tampa Electric's Revised Storm Reserve  
14 Balance History

15 Document No. 7: Tampa Electric's Associated Revised  
16 Interest Expense for Restoration Costs  
17 Exceeding the Company's Reserve

18 Document No. 8: Tampa Electric's Revised Actual  
19 Incremental Storm Costs 2015 through  
20 2017

21 Document No. 9: Tampa Electric's Summary of Changes to  
22 Storm Cost Recovery Request

23

24 **Q.** What is the total storm restoration cost incurred by Tampa  
25 Electric for the five named tropical storms?

1 **A.** Tampa Electric incurred a total of \$109,418,226 of storm  
2 restoration costs, as reflected in Document No. 1 of my  
3 Exhibit No. \_\_\_ (JSC-1). This includes \$9,113,445 of  
4 capital and \$2,903,434 of operations and maintenance  
5 expense ("O&M") costs the company is not seeking to recover  
6 through this proceeding.

7  
8 **Q.** What are the storm costs Tampa Electric is seeking to  
9 recover from each of the five named tropical storms?

10  
11 **A.** Tampa Electric is seeking to recover a total of \$98,982,984  
12 for prudently incurred storm restoration costs. This total  
13 recoverable cost is developed from the five named tropical  
14 storms as follows: \$698,932 from TS Erika; \$2,523,370 from  
15 TS Colin; \$5,301,877 from Hurricane Hermine; \$1,005,845  
16 from Hurricane Matthew; \$87,871,323 from Hurricane Irma;  
17 \$1,510,420 for the interest expenses through May 31, 2019  
18 associated with the restoration costs that exceeded the  
19 company's storm reserve; and \$71,217 for Regulatory  
20 Assessment Fees which are detailed in Document Nos. 1  
21 through 5 and Document No. 8 of my Exhibit No. \_\_\_ (JSC-1).  
22 These costs were updated from Tampa Electric's 2017 Amended  
23 Petition, Exhibit D, page 2 of 2, filed on January 30, 2018.

24  
25 **Q.** Were any of these numbers above adjusted from what was filed

1 in Tampa Electric's initial or Amended Petition in this  
2 proceeding?

3  
4 **A.** Yes. The numbers included in the company's initial  
5 Petition, filed December 28, 2017, were based on the  
6 estimates we had for Hurricane Irma at the time of the  
7 filing. Those estimates were updated during our 2017 year-  
8 end closing process and the updated estimates were included  
9 in our Amended Petition, filed on January 30, 2018. We  
10 updated the amounts in our Amended Petition when we filed  
11 our initial Direct Testimony on May 21, 2018 to reflect our  
12 receipt of final invoices for Hurricane Irma. As a result  
13 of our supplemental review of outside vendor system  
14 restoration costs, we have further updated our request for  
15 cost recovery. The revised request amount for cost recovery  
16 is reflected in our Second Amended Petition, dated February  
17 8, 2019, and in the Revised Direct Testimony, also filed on  
18 that date.

19  
20 **Q.** As a result of the supplemental review of outside vendor  
21 invoices, by what amount has the company reduced its request  
22 for storm cost recovery relative to the amount included in  
23 its May 21, 2018 filing?

24  
25 **A.** That amount is \$2,274,336 which is detailed in Document No.

1 9 of my Exhibit No. \_\_\_\_ (JSC-1). Different aspects of the  
2 supplemental review (the reasons for, the approach used and  
3 the results) are discussed by the company's other three  
4 witnesses. I am comfortable that the amount of the  
5 reduction in this answer is appropriate.  
6

7 **Q.** Is Tampa Electric aware of any other adjustments that need  
8 to be made?  
9

10 **A.** No.  
11

12 **Q.** As a result of Hurricane Irma and the supplemental review,  
13 what additional accounting and review process changes will  
14 the company implement for future storm restoration  
15 activities?  
16

17 **A.** During Hurricane Irma, approximately 25 members of the  
18 company's accounting department had storm roles which  
19 deployed them into the field to assist with restoration  
20 activities. In most cases, they performed non-accounting  
21 functions that assisted incident bases and other electric  
22 delivery restoration support functions. While these storm  
23 roles are important, the company in the future will deploy  
24 more of its accounting team members into the field in roles  
25 where they can use their accounting skills and background

1 to assist our operating personnel by improving record  
2 keeping; capturing, organizing and maintaining  
3 documentation; and by memorializing decisions made on a  
4 real-time basis.

5  
6 In addition, we plan to implement the following additional  
7 specific accounting and review features to the future storm  
8 restoration activities:

- 9 • We will assign accounting personnel in the field  
10 during storm preparations, restoration and conclusion.
- 11 • Accounting personnel will provide, real-time  
12 involvement in requesting, organizing, validating and  
13 retaining documentation.
- 14 • We will assign additional accounting personnel to cost  
15 estimation teams.
- 16 • We will assign additional accounting personnel to  
17 invoice review and approval process.
- 18 • We will execute procedures for requesting timely  
19 invoices, completing research and documentation steps  
20 and holding payment until all validation is complete.

21  
22 **Q.** Did Tampa Electric notify the Commission, in any of the  
23 five named tropical storms, that the restoration costs were  
24 expected to exceed \$10 million?

25

1 **A.** Yes. In accordance to Rule 25-6.0143, F.A.C., the company  
2 notified the Commission on September 13, 2017 that the  
3 storm-related damages for Hurricane Irma were expected to  
4 exceed \$10 million. The four other named tropical storms  
5 were never estimated to exceed \$10 million.

6  
7 **Q.** What operational internal controls and procedures are in  
8 place during storm restoration to ensure storm accounting  
9 policies are followed?

10  
11 **A.** Operational internal controls and procedures include the  
12 following:  
13 • Establishment and communication of Plant Maintenance  
14 Orders (including charge codes) to account for all costs  
15 directly associated with storm restoration,  
16 • Controls over employee time entry, including  
17 documentation, entry and approval,  
18 • Controls over materials and supplies inventory usage,  
19 equipment usage and other charges from internal systems,  
20 • Instructions and monitoring for adherence to the  
21 Commission's requirements under the ICCA methodology,  
22 • Preparation of storm restoration cost estimates, and  
23 • Assistance to operational personnel in the invoice review  
24 and approval process, as well as, cost accruals.

25

1 **Q.** How does Tampa Electric track storm restoration costs?

2

3 **A.** Tampa Electric establishes unique functional (i.e.,  
4 distribution, transmission, generation and other) PMOs for  
5 each storm to aggregate the total amount of storm  
6 restoration costs incurred for financial reporting and  
7 regulatory recovery purposes. The company uses these PMOs  
8 to account for all costs directly associated with storm  
9 restoration, including costs that will not be recoverable  
10 from Tampa Electric's storm reserve based on the  
11 Commission's requirements under the ICCA methodology. All  
12 incremental storm restoration costs charged to storm PMOs  
13 are captured in Federal Energy Regulatory Commission  
14 ("FERC") Account 186, Miscellaneous Deferred Debits. All  
15 incremental costs charged to FERC Account 186 are  
16 subsequently cleared and charged to the storm reserve, O&M  
17 or capital. Non-incremental charges are charged to O&M or  
18 capital, accordingly.

19

20 **Q.** How does Tampa Electric determine when to start charging  
21 storms costs?

22

23 **A.** As Tampa Electric's Witness Gerald Chasse explains in his  
24 Revised Direct Testimony, if a storm has the potential to  
25 threaten Florida and the company's service area, the



1 Electric Delivery Incident Commander will initiate calls  
2 with the Electric Delivery Operations team. Depending on  
3 the storm's intensity and forecasted track and impacts, at  
4 approximately the five to seven-day range, the Electric  
5 Delivery Incident Commander will initiate full or partial  
6 Electric Delivery Incident Command Structure. If forecasts  
7 for impacts continue to hold, all other areas of the company  
8 are quickly activated to execute their responsibilities  
9 within the plan. This includes the Finance Cost Estimation  
10 team, which establishes and activates storm PMOs to begin  
11 tracking costs for each named tropical system. An email  
12 communication is sent to all business units to inform them  
13 that storm PMO's have been activated for purposes of  
14 collecting storm restoration charges. Attached to the  
15 email, Tampa Electric also provides: (1) a listing of PMOs  
16 by function and location; (2) guidance on recording time  
17 for payroll; and (3) guidance on the types of costs eligible  
18 to be charged to storm PMOs. The pre-landfall costs charged  
19 to the storm PMOs include the acquisition of external  
20 resources (e.g., line and vegetation crews), mobilization  
21 and pre-staging of internal and external resources, opening  
22 of staging and processing sites, reserving lodging, and  
23 securing Tampa Electric's existing operational facilities  
24 in preparation for the impacts of the storm.

25

1     **Q.**     When did Tampa Electric start charging costs to each of the  
2             five named tropical storms?

3

4     **A.**     Tampa Electric began charging costs for TS Erika in August  
5             2015, TS Colin in June 2016, Hurricane Hermine in August  
6             2016, Hurricane Matthew in October 2016, and Hurricane Irma  
7             in September 2017.

8

9     **Q.**     Did Tampa Electric follow and apply the ICCA methodology,  
10            as described in the Storm Cost Rule, for the costs that the  
11            company is seeking recovery for in this proceeding?

12

13    **A.**     Yes.

14

15    **Q.**     What types of costs are included in the amounts for which  
16            Tampa Electric is seeking recovery?

17

18    **A.**     In accordance with the Storm Cost Rule, the categories of  
19            costs that were properly accounted for in the calculation  
20            of Tampa Electric's total recoverable restoration costs  
21            include: (1) contract labor hired for storm restoration  
22            activities; (2) logistics costs of providing meals,  
23            lodging, and linens for tents and other staging areas; (3)  
24            transportation of crews for storm restoration; (4) vehicle  
25            costs for vehicles specifically rented for storm

1 restoration activities; (5) waste management costs  
2 specifically related to storm restoration activities; (6)  
3 rental equipment specifically related to storm restoration  
4 activities; (7) materials and supplies used to repair and  
5 restore service and facilities to pre-storm condition; (8)  
6 overtime payroll and incremental payroll-related costs for  
7 utility personnel included in storm restoration activities;  
8 and (9) fuel cost for company and contractor vehicles used  
9 in storm restoration activities.

10  
11 **Q.** Please explain how Tampa Electric determines the non-  
12 incremental O&M costs incurred from the five named tropical  
13 storms?

14  
15 **A.** Once all costs were incurred and recorded to FERC Account  
16 186, the accounting department completed a detailed review  
17 to determine amounts which were not incremental under the  
18 ICCA methodology prescribed in the Storm Cost Rule. Non-  
19 incremental costs were then excluded. Additionally, tree  
20 trimming expenses that totaled less than the actual monthly  
21 average of tree trimming costs charged to O&M expense for  
22 the same month in the three previous calendar years were  
23 deemed non-incremental and excluded.

24  
25 **Q.** Would internal and external overhead costs related to storm

1 restoration be considered incremental costs and eligible  
2 for inclusion in the reserve?

3

4 **A.** Yes, if they were associated with the type of internal labor  
5 costs considered incremental or associated with external  
6 party costs that were incurred to accomplish storm  
7 restoration.

8

9 **Q.** As part of the supplemental review process were any  
10 adjustments made to overhead charges from third party  
11 contractors performing restoration work?

12

13 **A.** Yes. As noted in the Direct Testimony Tampa Electric's  
14 Witness of Sarah L. Djak fewer than 20 contractors charged  
15 us overhead charges. As part of the supplemental review we  
16 compared overhead rates to contracts and rate sheets where  
17 available as well as to Tampa Electric's overhead rates for  
18 those vendors where contracts or rate sheets were not  
19 available. Additionally, we compared contractors overall  
20 labor rates with and without overhead charges to other  
21 companies to determine reasonableness. As a result of these  
22 reviews we "disallowed" \$197,733 in overhead charges from  
23 two contractors.

24

25 **Q.** Would you explain how Tampa Electric determines the capital

1 costs incurred from the five named tropical storms?

2

3 **A.** All incremental storm restoration costs (including follow-  
4 up work) are charged to FERC Account 186, Miscellaneous  
5 Deferred Debits. Non-incremental charges are charged to  
6 O&M or capital, accordingly. Once storm restoration is  
7 complete, Tampa Electric totals the amount of capital costs  
8 in accordance with capitalization guidance provided within  
9 the Code of Federal Regulations ("CFR") - Title 18  
10 Conservation of Power and Water Resources, Florida  
11 Administrative Code and Generally Accepted Accounting  
12 Principles ("GAAP"), which includes both materials and  
13 labor. The capital costs for functional areas are  
14 determined based on actual work performed and are then  
15 likewise recorded to the balance sheet in accordance with  
16 Tampa Electric's capitalization guidance as listed above.  
17 Once the capital jobs are completed, the capital work in  
18 progress ("CWIP") account is credited and the appropriate  
19 functional plant account in FERC Account 101, Plant in-  
20 Service, is debited based on the actual cost of installed  
21 units of property. Retirements of fixed assets removed  
22 during storm restoration are recorded when the new incurred  
23 capital costs are placed in service.

24

25 **Q.** Please provide background on Tampa Electric's storm

1           reserve.

2

3       **A.** Tampa Electric maintains a property insurance reserve  
4       account (Account No. 228.1), in accordance with Rule 25-  
5       6.0143, F.A.C., which is designated to cover the costs of  
6       storm-related damages to the utility's own property or  
7       property leased by others that is not covered by insurance.  
8       In Order No. PSC-1993-1570-FOF-E1, issued on October 27,  
9       1993, the Commission approved Tampa Electric's proposal to  
10      accrue \$4 million annually to its property insurance  
11      reserve account ("storm reserve"). Subsequently, Order No.  
12      PSC-1995-0255-FOF-EI, issued on February 23, 1995,  
13      established a target storm reserve balance of \$55 million.  
14      Tampa Electric accrued \$4 million each year to the storm  
15      reserve and in 2003, the balance had reached \$40 million.  
16      Then in 2004, Tampa Electric incurred \$73.4 million of storm  
17      restoration costs due to Hurricanes Charley, Frances and  
18      Jeanne. In Order No. PSC-2005-0675-PAA-EI, Approving  
19      Stipulation and Settlement, Tampa Electric capitalized  
20      \$38.9 million of the total storm restoration costs of \$73.4  
21      million, leaving \$34.5 million of storm restoration costs  
22      to be charged against the storm reserve. As a result of  
23      capitalizing the \$38.9 million, the storm reserve had an  
24      \$7.8 million positive balance as of August 1, 2004, rather  
25      than a \$31.1 million deficit.

1 In Tampa Electric's 2008 Petition for Rate Increase, Docket  
2 No. 20080317-EI, the company sought approval to modify the  
3 storm reserve accrual and target balance. Commission Order  
4 No. PSC-2009-0283-FOF-EI approved an increase of the storm  
5 accrual to \$8 million per year and established a storm  
6 reserve target balance of \$64 million. Then, in the  
7 company's 2013 Stipulation and Settlement Agreement, Docket  
8 No. 20130040-EI, Tampa Electric agreed to stop accruing \$8  
9 million per year to the storm reserve and instead would  
10 seek recovery of storm restoration costs when the storm  
11 reserve balance was depleted. In accordance with Order No.  
12 PSC-2013-0443-FOF-EI, issued on September 30, 2013,  
13 approving the 2013 Stipulation and Settlement Agreement,  
14 the storm reserve balance was set at \$55,860,642, which was  
15 the amount of the reserve balance on October 31, 2013.  
16 During the 2015, 2016 and 2017 in connection with the five  
17 named tropical storms, Tampa Electric incurred \$98,982,984  
18 of recoverable storm restoration costs due to the five named  
19 tropical storms. The storm reserve balance was fully  
20 depleted and exceeded the \$55,860,642 October 31, 2013 pre-  
21 storm reserve balance in the company's storm reserve  
22 account by \$41,540,706, which is detailed in Document No.  
23 6 of my Exhibit No. \_\_ (JSC-1).

24  
25 **Q.** Is Tampa Electric's storm reserve funded or unfunded?

1     **A.**    The company's reserve is unfunded; therefore, the company  
2            has been able to utilize the storm reserve to fund its  
3            general operation activities over several years. However,  
4            with the amount of storm costs incurred during the five  
5            named tropical storms identified in this proceeding, the  
6            company's storm reserve balance has been exceeded and  
7            requires the company to raise additional capital to pay for  
8            those costs. As such, Tampa Electric is seeking recovery  
9            for only the short-term debt costs associated with the  
10           portion of storm costs incurred above the company's  
11           reserve. This associated interest expense for the storm  
12           costs exceeding the reserve is detailed in Document No. 7  
13           of my Exhibit No. \_\_\_\_ (JSC-1).

14  
15     **Q.**    Does or will Tampa Electric expect to receive any insurance  
16            reimbursement from any of the five named tropical storms?

17  
18     **A.**    No.

19  
20     **Q.**    Does or will Tampa Electric expect to receive any third-  
21            party reimbursement from any of the five named tropical  
22            storms?

23  
24     **A.**    No.

25



1     **Q.**    Do all the costs that Tampa Electric is seeking to recover  
2            for the five named tropical storms and the cost calculation  
3            methodologies used to develop these costs in this Second  
4            Amended Petition comply with Tampa Electric's 2017  
5            Settlement Agreement?

6  
7     **A.**    Yes.

8  
9     **Q.**    How will the netting of storm restoration costs against  
10            estimated annual tax savings be trued-up and finally  
11            resolved, once the final amount of storm costs authorized  
12            to be recovered and the final determination of the impact  
13            of tax reform on Tampa Electric's base rates and charges  
14            are determined?

15  
16    **A.**    As stated in Order No. PSC-2018-0125-PCO-EI, issued on  
17            March 7, 2018, in this proceeding, Approving Interim Storm  
18            Recovery Charge, which includes the Implementation  
19            Settlement Agreement, a final determination of storm costs  
20            and the impact of tax reform shall be made in separate  
21            dockets and any difference will be trued-up and  
22            recovered/refunded to customers through the 2019 Energy  
23            Conservation Cost Recovery Clause with the full impact of  
24            tax reform reflected in a change in base rates in January  
25            2019. The approval of interim Storm Cost Recovery Charge

1 factors is preliminary in nature and is subject to true-up  
2 pending further review once the total actual storm  
3 restoration costs are reviewed and approved. After the  
4 actual costs are reviewed for prudence and reasonableness  
5 and are compared to the actual amount recovered through the  
6 interim Storm Cost Recovery Charge, a determination will be  
7 made whether any over/under recovery has occurred and the  
8 appropriate steps to be taken for a refund or additional  
9 charge would be considered by the Commission at a later  
10 date.

11  
12 **Q.** Would you explain how adjustments will be made at the end  
13 of the recovery period to ensure the company only recovers  
14 the amount that is being sought?

15  
16 **A.** In accordance with the 2017 Amended and Restated  
17 Stipulation and Settlement Agreement ("2017 Agreement"),  
18 the 2018 net effect on net income from the related tax  
19 reform, storm reserve and deferred entries will be zero.  
20 In 2019, the difference between the 2018 tax reform benefits  
21 and storm reserve amount will flow through the Energy  
22 Conservation Cost Recovery Clause, as needed.

23  
24 **Q.** What is the amount of tax savings for 2018 to be netted  
25 against the company's storm costs approved for recovery in

1           this docket?

2

3       **A.**    That amount is \$102.7 million as specified in Order No.  
4           PSC-2018-0457-FOF-EI, issued on September 10, 2018 in  
5           Docket No. 20180045-EI; however, that amount is subject to  
6           change if the Internal Revenue Service issues a private  
7           letter ruling to the company concluding that so called  
8           "excess" accumulated deferred income taxes associated with  
9           cost of removal are "protected" rather than "unprotected."

10

11       **Q.**    Is the proposed storm cost recovery method consistent with  
12           the 2017 Agreement, approved by the Commission in Order No.  
13           PSC-2017-0456-S-EI, issued on November 27, 2017 in Docket  
14           Nos. 20170210-EI and 20160160-EI?

15

16       **A.**    Yes. The methodology is consistent with provisions of the  
17           2017 Agreement addressing Storm Damage and Federal Income  
18           Tax Reform, respectively. The Amended Implementation  
19           Stipulation was approved by the Commission at the March 1,  
20           2018 Agenda Conference, as reflected in Order No. PSC-2018-  
21           0125-PCO-EI, issued on March 7, 2017.

22

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

24

25       **A.**    Yes, it does.

1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**2                                   **PREPARED DIRECT TESTIMONY**3   **OF**4   **SARAH L. DJAK**5  
6       **Q.**     Please state your name, address, occupation and employer.7  
8       **A.**     My name is Sarah L. Djak. My business address is 702 North  
9               Franklin Street, Tampa, Florida 33602. I am employed by  
10              Tampa Electric Company ("Tampa Electric" or "the company")  
11              as a Senior Financial Analyst.12  
13       **Q.**     Please describe your duties and responsibilities in that  
14              position.15  
16       **A.**     I am responsible for the preparation and review of monthly  
17              reporting and analysis for various areas of the financial  
18              accounting department. My responsibilities also include  
19              preparation, review and approval of closeout journal  
20              entries; state and federal regulatory reporting; and  
21              handling audits and various quarterly requests.22  
23       **Q.**     Please provide a brief outline of your educational  
24              background and business experience.

25

1     **A.**    I began working in TECO Energy's Accounting department as  
2            a co-op student in June 2010.    I graduated from the  
3            University of South Florida in 2011 with a Bachelor of  
4            Science degree in Accounting.    I began working full time  
5            in Tampa Electric's Accounting department in March 2011  
6            as a Financial Reporting Accountant.  I became a Financial  
7            Reporting Analyst in August 2013 and was promoted to my  
8            current position in April 2014.  I am a member of both  
9            the American Institute of Certified Public Accountants  
10           ("AICPA") and the Florida Institute of Certified Public  
11           Accountants ("FICPA").  I am a Certified Public Accountant  
12           in the State of Florida.

13  
14     **Q.**    What were your work responsibilities as they relate to the  
15            subject matter of this proceeding?  
16

17     **A.**    I was the day-to-day team leader of the Accounting  
18            department's participation in the supplemental review of  
19            storm restoration invoices as discussed in the Revised  
20            Direct Testimony of Tampa Electric's Witnesses Gerard R.  
21            Chasse, S. Beth Young and Jeffrey S. Chronister.  I  
22            supervised, coordinated and assisted approximately 25  
23            Accounting team members who worked on the project on a  
24            dedicated, full-time basis or on a part-time, as-available  
25            basis.  I also worked closely with the members of our

1 Corporate Audit Services and Electric Delivery departments  
2 who were involved in the project.

3

4 **Q.** Have you previously testified before the Florida Public  
5 Service Commission ("Commission")?

6

7 **A.** No.

8

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

11

12 **A.** The purpose of my Direct Testimony is to explain the  
13 details of the company's supplemental review of storm  
14 restoration invoices for the five named tropical storms  
15 addressed in this proceeding. I will describe how the  
16 review was designed and conducted and what it covered.  
17 Other Tampa Electric Witnesses will explain why we  
18 conducted the review and the results of it. My role is  
19 to explain the supplemental review process.

20

21 **Q.** Please provide a summary of your direct testimony.

22

23 **A.** From August 2018 to January 2019, over 50 of Tampa  
24 Electric's team members in its Accounting, Corporate Audit  
25 Services and Electric Delivery departments performed a

1 supplemental review of every invoice submitted by every  
2 vendor - foreign or native - that directly worked to restore  
3 our electric system during Tropical Storms Erika and Colin,  
4 and Hurricanes Hermine, Matthew and Irma. We reviewed  
5 invoices from 72 vendors which totaled \$77,856,061, we  
6 applied a uniform review process and utilized standard  
7 recoverability guidelines and determined that \$75,586,404  
8 of those costs should be included in our revised request  
9 for storm cost recovery filed February 8, 2019, in this  
10 proceeding.

11  
12 **Q.** Did you prepare an exhibit that supports your direct  
13 testimony?

14  
15 **A.** Yes, my Exhibit No. \_\_\_ (SLD-1) containing one Document  
16 entitled "Sample Excel Workbook" and was prepared under my  
17 direction and supervision. Document No. 1 of my Exhibit  
18 shows the template used during the supplemental review  
19 process.

20  
21 **Q.** Please provide a general overview of the company's  
22 supplemental review.

23  
24 **A.** The company's supplemental review was conducted from August  
25 2018 through January 2019. It covered \$77,856,061 of

1 outside vendor costs and involved over 50 team members of  
2 Tampa Electric in its Corporate Audit Services, Electric  
3 Delivery and Accounting departments. We reviewed invoices  
4 from 72 vendors and created over 120 three-ring binders,  
5 which included vendor invoices, receipts, and other  
6 supporting documentation, as applicable. We also created,  
7 for each vendor, an Excel workbook with multiple  
8 spreadsheets to organize and document our review. I'll  
9 explain the Excel workbooks and the role they played in the  
10 company's supplemental review later in my Direct Testimony.

11  
12 Each binder was organized in a uniform manner with sections,  
13 where applicable, for invoices, labor, equipment, lodging,  
14 meals, fuel/mileage, per diems, miscellaneous costs, email  
15 communications and other documentation. Each binder also  
16 included a narrative summary of key dates, total amounts  
17 invoiced by the vendor, and the amounts and explanation for  
18 the major costs that were determined to be "disallowed" for  
19 cost recovery.

20  
21 Although we have used the term "disallowed" cost as a  
22 "shorthand" term to mean costs that we would not include in  
23 our request for cost recovery in this proceeding, the  
24 company understands that the Commission is the ultimate  
25 decision maker on issues of cost recovery.



1     **Q.**    Which vendors and invoices were reviewed during the  
2            supplemental review?

3

4     **A.**    Our supplemental review covered every invoice submitted by  
5            any vendor - foreign or native - that worked to restore our  
6            electric system during Tropical Storms Erika and Colin, and  
7            Hurricanes Hermine, Matthew and Irma. The costs associated  
8            with these vendors and invoices make up \$75,586,404 of the  
9            company's total request for cost recovery of \$98,982,984 in  
10           this proceeding.

11

12    **Q.**    What kinds of cost were not included in the supplemental  
13            review?

14

15    **A.**    The supplemental review did not cover non-transmission and  
16            distribution system restoration contractor costs (e.g.,  
17            meals, fencing, security, call-center, Energy Supply) or  
18            incremental company team member costs. Our review also did  
19            not cover the invoices submitted by three native  
20            contractors, The Davey Tree Expert Company, PowerTown Line  
21            Construction LLC ("PTLC") and Trees, Inc. Tampa Electric  
22            Witnesses Chronister and Young address the costs not  
23            covered by the supplemental review in their Revised Direct  
24            Testimonies.

25

1     **Q.**   Why weren't the three native contractors included in the  
2           supplemental review?  
3

4     **A.**   Those three native contractors were different than other  
5           native contracts and our foreign contractors. Each of these  
6           vendors work for Tampa Electric under long-term contracts  
7           (master service agreements) and perform day-to-day tasks in  
8           a manner similar to the way our company's internal crews  
9           work. They are local contractors, so they did not incur  
10          many of the kind of costs such as travel, lodging and meals,  
11          that most of our foreign crews incurred. After other crews  
12          were released to go home or to another utility, or native  
13          contractors returned to normal work, these three crews  
14          remained on the job helping with the company's final "clean-  
15          up" storm restoration activities, so it did not make sense  
16          to subject their invoices to the "date range" rigor in our  
17          supplemental review process.  
18

19    **Q.**   Please explain the basic steps in the supplemental review.  
20

21    **A.**   The first step in our review involved developing a review  
22          plan, requirements for uniform documentation and  
23          communicating organizational guidelines and a list of  
24          recoverability guidelines.  
25

1 The second step involved gathering and organizing invoices  
2 and supporting documentation by vendor and unbundling that  
3 documentation so that it could be input into the Excel  
4 workbook for each vendor.

5  
6 The third step involved applying our recoverability  
7 guidelines to the data gathered and identifying for each  
8 vendor a subset of charges that we would consider  
9 "unrecoverable" subject to further review by the Electric  
10 Delivery department and/or receipt of additional  
11 documentation.

12  
13 The fourth step involved a quality assessment review by our  
14 Corporate Audit Services department prior to turning a  
15 binder and Excel workbook over to the Electric Delivery  
16 department.

17  
18 The fifth step was an iterative process of communications  
19 with and review by Electric Delivery team members to assess  
20 the recoverability of specific types and amounts of  
21 charges.

22  
23 The final steps involved having the Accounting department  
24 review for consistent application of judgment and  
25 recoverability guidelines, review and final approvals by

1 members of the Electric Delivery department, preparation of  
2 summary narratives, reconciliation of storm costs to the  
3 reserve, recording journal entries to remove costs deemed  
4 "unrecoverable" from the storm cost reserve and updating  
5 the amount of storm costs for which the company seeks  
6 recovery in this docket.

7  
8 **Q.** What basic roles did the Corporate Audit Services, Electric  
9 Delivery and Accounting departments play in the  
10 supplemental review?

11  
12 **A.** Although we worked together closely, each department had  
13 distinct roles.

14  
15 The Corporate Audit Services department developed the  
16 methodology for organizing support and documenting review,  
17 created a standard Excel workbook to facilitate the  
18 consistent review of vendor costs and provided overall  
19 guidance and quality control throughout the review. They  
20 performed a quality assurance review before binders and  
21 workbooks were turned over to the Electric Delivery  
22 department.

23  
24 The Accounting department organized support materials and  
25 created binder(s) for each vendor, entered data into the

1           Excel workbooks creating an initial vendor file for each  
2           vendor, applied our recoverability guidelines to vendor  
3           costs and identified items to be reviewed further by subject  
4           matter experts in the Electric Delivery department. Once  
5           the review was complete, the Accounting department  
6           performed the necessary reconciliation and journal entry  
7           functions.

8  
9           The Electric Delivery department supplied supporting  
10          information for each vendor, supplied missing documentation  
11          or requested it from vendors, if needed, and made the  
12          ultimate business judgment call on whether specific vendor  
13          costs would be included in our request for recovery.

14  
15       **STEP ONE: ORGANIZATION OF REVIEW**

16       **Q.**   Please further describe the first step in the supplemental  
17          review process.

18  
19       **A.**   The first step in our supplemental review was to get  
20          organized and develop an effective plan of review. As a  
21          threshold matter, the company needed to decide whether we  
22          wanted to conduct an "audit" of vendor invoices by sampling  
23          a subset of the invoices and costs or whether we should  
24          conduct a comprehensive review of 100 percent of electric  
25          system restoration invoices and costs as described above.

1 Given the nature of this proceeding, and the complex and  
2 unique nature of each vendor invoice, the company decided  
3 that a 100 percent comprehensive review was the better  
4 course of action.

5  
6 Once that decision was made, the Corporate Audit Services  
7 department took a leadership role in this process and worked  
8 to create an Excel workbook to facilitate the consistent  
9 review of vendor costs.

10  
11 **Q.** Please explain the design and operating features of the  
12 review workbook in your exhibit.

13  
14 **A.** My Exhibit No. \_\_\_\_ (SLD-1), is an Excel workbook for each  
15 vendor contains supporting tabs (worksheets) showing who  
16 prepared and reviewed the workbook and a series of tabs and  
17 supporting worksheets for functional area charges such as  
18 labor, equipment, lodging, fuel/mileage, per diems and  
19 miscellaneous costs. Each functional area tab has  
20 supporting worksheets as needed to address the content  
21 needed to evaluate the functional area charges. The  
22 supporting worksheets reflect the details of the  
23 invoice(s), the recoverability criteria for the type of  
24 cost and has places to document the company's assessment of  
25 whether the recoverability criteria were satisfied. The

1 individual worksheets also reflect the company's final  
2 determination on recoverability by type and amount of cost,  
3 and an area for notes that explain the business reasons  
4 behind the recoverability assessments.

5  
6 The standard Excel workbook served several key functions in  
7 our review.

8  
9 First, it provided a uniform platform for reviewing  
10 invoiced costs and documenting the results of our review.

11  
12 Second, it performed some of the review function.  
13 Specifically, by assessing invoiced costs against  
14 "recoverable date ranges" and recalculating certain  
15 charges, it identified certain costs as costs requiring  
16 further review by the Electric Delivery department.

17  
18 Third, by requiring us to "unbundle" each invoice and list  
19 the detail of each individual cost element (e.g., labor by  
20 team member name or meal expense by meal), it forced the  
21 preparer and reviewer to assess each individual cost  
22 element using the recoverability guidelines and to document  
23 his or her assessment in a very granular way.

24  
25 **Q.** What recoverability guidelines did the company apply during

1 the supplemental review?

2

3 **A.** The recovery guidelines we used in the supplemental review  
4 are explained by functional area later in my Direct  
5 Testimony.

6

7 **Q.** What role did the recoverability guidelines play in the  
8 supplemental review?

9

10 **A.** In general, the recoverability guidelines were  
11 "guidelines," not hard and fast rules. They served to  
12 highlight types and amounts of cost that needed further  
13 review, documentation and subject matter expert input on  
14 recoverability from our Electric Delivery department. For  
15 each invoice, the Accounting department applied the  
16 recoverability guidelines to the costs on the invoices and  
17 identified an amount (or "bucket") of costs that would be  
18 disallowed unless the Electric Delivery department provided  
19 additional documentation and business reasons supporting  
20 recoverability of the charge. If the Electric Delivery  
21 department provided the required documentation and/or  
22 business reasons for the charge, the dollar amount of the  
23 charge was moved from the "unrecoverable" bucket to the  
24 "recoverable" bucket.

25



1     **Q.**    Did any of the guidelines serve as "hard and fast" rules  
2            for recovery?

3  
4     **A.**    Yes, particularly in the areas of meals and lodging.  For  
5            example, our guidelines required that an invoice for a meal  
6            while traveling to our service area had to be itemized and  
7            also had to show proof of payment.  If the vendor submitted  
8            a credit card receipt showing payment, but no itemized  
9            invoice that could be reviewed for alcohol and other  
10           improper charges, we did not approve the cost of the meal  
11           for recovery.  Likewise, if the vendor submitted an itemized  
12           receipt without proof of payment (i.e., cash or credit card  
13           receipt), we disallowed the cost of the meal.  It is worth  
14           noting that this guideline application for meal receipts  
15           was stricter than the company's policy on meal receipts for  
16           its team members.

17  
18           We applied this same approach to lodging charges and  
19           required both an itemized invoice and a payment receipt or  
20           an invoice showing a zero balance before approving the  
21           charge for recovery.

22  
23           With one exception, we also applied a strict rule and  
24           disallowed all vendor purchased meal costs incurred from  
25           September 13, 2017 until they were released.  The company

1 provided breakfast at our incident bases each morning from  
2 6:00 to 8:00 a.m. and dinner each night from 8:00 to 10:00  
3 p.m. We also provided boxed lunches to crews each day.  
4 Nevertheless, some of our vendors submitted invoices for  
5 meals purchased while they were here. The one exception to  
6 this rule relates to crews that arrived after our caterers  
7 had gone home for the night and is discussed by Witness  
8 Young in her Revised Direct Testimony.

9  
10 **Q.** What general review guidelines or procedures were applied  
11 to each vendor and vendor workbook?

12  
13 **A.** We checked to ensure that the total value of the invoice  
14 entered into the review workbook matched the record of what  
15 was paid in the company's general ledger accounting system  
16 ("SAP") by extracting the record of the invoice payments  
17 from SAP and comparing the totals to the invoiced amounts  
18 in the workbook.

19  
20 **Q.** Please explain what you mean by the term "recoverable date  
21 range" and how that concept factored into the review.

22  
23 **A.** Identifying when the company contacted vendors for  
24 assistance, when we secured their commitment to help, when  
25 they began mobilizing, when they traveled, when they

1 arrived at an incident base and when they were released are  
2 all important dates for evaluating whether invoiced costs  
3 were appropriate and should be considered recoverable. As  
4 part of the process, we worked with the Electric Delivery  
5 department to identify and secure documentation of these  
6 dates and put the documentation in the binders. Using this  
7 documentation, we applied guidelines for travel (assuming  
8 approximately 500 miles a day), distance to be traveled and  
9 mobilization date to develop a range of dates for which we  
10 would expect to be billed by a vendor.

11  
12 The logic and formulas in the Excel workbook used a vendor's  
13 recoverable date range to assess the charges reflected on  
14 vendor invoices and highlighted "out-of-date-range" charges  
15 for further review. Importantly, not all "out-of-date-  
16 range" charges were excluded from our final tally of  
17 recoverable costs, but before we considered such costs  
18 recoverable, we required a reasonable explanation and  
19 documentation of the business reasons before an "out-of-  
20 date-range" charge would be considered recoverable.

21  
22 **Q.** Please give an example of how that function worked for a  
23 specific vendor.

24  
25 **A.** Our workbook for Vendor 43 contains a good example of how

1 the formulas and logic in the workbook identified vendor  
2 costs that were ultimately deemed by us to be unrecoverable.  
3 This vendor was released from Tampa Electric restoration  
4 work on September 17, 2017 so it could assist Florida Power  
5 & Light. This vendor continued to charge Tampa Electric  
6 labor hours for six days after its release date. After  
7 entering the labor hours from its invoice to us into the  
8 workbook, the labor worksheets highlighted inconsistencies  
9 between the vendor charges and when the vendor was expected  
10 to be working. This, in turn, allowed the reviewers to  
11 identify labor charges that presumptively should not have  
12 been billed to Tampa Electric. Those charges were then  
13 reviewed by and ultimately determined to be unrecoverable  
14 by our Electric Delivery team and removed from the amount  
15 to be recovered from customers in this proceeding.

16  
17 **Q.** Did the Excel workbooks help facilitate consistency of  
18 review?

19  
20 **A.** Yes, they were designed to do that. Our Accounting  
21 department team members were not free to input data in  
22 whatever format he or she thought was best. Rather, each  
23 accountant had to manually enter information into the  
24 workbook using its common format and had to include all of  
25 the specified data if applicable. The workbook contained

1 formulas, conditional formatting, and drop-down boxes  
2 designed to help reduce input errors and automate  
3 conclusions. In addition, the workbook contained several  
4 check figures, which helped the preparer and reviewer  
5 quickly identify potential issues and/or errors. The  
6 workbooks included fields related to the recoverability  
7 guidelines (e.g. date, location, labor hours, etc.). Based  
8 on the information entered by the preparer, the expense  
9 amount was either included, excluded, or marked for review  
10 by Electric Delivery.

11  
12 **Q.** Did the Excel workbooks require members of the Accounting  
13 department to exercise any professional judgment?

14  
15 **A.** Yes. Although the Excel workbook provided a very good  
16 template, each vendor, the services it performed and the  
17 way it invoiced the company for its services was unique, so  
18 the Accounting department had to use data analysis skills  
19 and judgment when evaluating vendor invoices and the  
20 information included in the related workbook.

21  
22 **Q.** What recoverability guidelines were established for the  
23 review of labor and equipment charges?

24  
25 **A.** All labor and equipment charges were assessed using the

1 Date Range approach described above. Where applicable,  
2 labor and equipment charges were tied back to labor and  
3 equipment rate sheets, recalculated and compared to  
4 invoiced amounts. Labor rates were tied back to labor  
5 contracts where applicable and for reasonableness if a  
6 labor contract did not apply. We generally reviewed  
7 equipment lists for usual items and highlighted them for  
8 further review by the Electric Delivery department. We  
9 investigated timesheets when the number of hours worked in  
10 a day seemed excessive. We did not receive rate sheets  
11 from members of a mutual assistance group, because the labor  
12 rates the members pay their team members are considered  
13 confidential and are not shared among the member companies  
14 for competitive and legal reasons. Witness Young discusses  
15 the reasonableness of the labor rates charged to the company  
16 in her Revised Direct Testimony.

17  
18 **Q.** How did labor rates sheets and supporting labor contracts  
19 factor into the review?

20  
21 **A.** As a general rule, investor owned utility ("IOU") members  
22 of a regional mutual assistance group ("RMAG") have agreed  
23 to charge each other their actual costs for the storm  
24 restoration services, including any overheads, they provide  
25 to other RMAG members.

1 If the vendor was an IOU, we did not require a rate sheet  
2 for the company. Labor contracts and labor rates for IOU  
3 members of mutual assistance groups are not available to  
4 other members for confidentiality and legal reasons.

5  
6 Members of our Accounting department reviewed labor rates  
7 for reasonableness and put labor and equipment dollars into  
8 the "needs review by Electric Delivery" category if there  
9 were questions about the amount or the way overtime/double  
10 time rates were calculated.

11  
12 If the vendor was a non-utility contractor, Accounting team  
13 members worked with Electric Delivery team members to  
14 obtain a rate sheet to support the labor and equipment  
15 charges on an invoice. Where a rate sheet was unavailable,  
16 the electric delivery team exercised professional judgment  
17 and performed analysis on the rate charged on the invoice  
18 to determine reasonableness.

19  
20 Some, but not all non-IOU vendors included contracts with  
21 their rates sheets and/or time sheets that supported or  
22 provided context for the specific labor billing methodology  
23 used by the vendor. The Electric Delivery team used their  
24 experience dealing with contractors, storm restoration  
25 knowledge and professional judgment to decide whether labor

1 contracts were needed before approving labor charges.

2  
3 Witness Young discusses rate sheets and labor rates in more  
4 detail in her Revised Direct Testimony.

5  
6 **Q.** What recoverability guidelines were established for the  
7 review of lodging, meals and fuel charges?

8  
9 **A.** Lodging, meals and fuel charges while traveling were  
10 evaluated using the date range methodology described above.

11  
12 We reviewed the location where each lodging, meal and fuel  
13 charge was incurred to ensure that the location was  
14 reasonable based on the general path from the vendor's home  
15 base or starting travel location to our service territory.  
16 For example, if a vendor's home base was North Carolina, a  
17 lodging, meal or fuel charge incurred in Alabama would be  
18 flagged for further review. A lodging charge in Georgia  
19 would not be flagged, because it would have been on a  
20 reasonable path from the vendor's home base. We used  
21 generally available mapping applications like Google Maps  
22 to help us in this area.

23  
24 As previously discussed, we reviewed all lodging, meal and  
25 fuel receipts to ensure that they were itemized in



1 reasonable detail and were accompanied by proof of payment  
2 and were not duplicates.

3

4 We reviewed all lodging and meal receipts to ensure that  
5 items like alcohol and tobacco were not included in the  
6 amounts invoiced to Tampa Electric.

7

8 When a vendor charged a per diem to the company, rather  
9 than actual travel expenses, we generally checked to see  
10 whether the vendor also submitted meal costs on the invoice.

11

12 As previously discussed, with one exception, meals incurred  
13 in our service territory were mostly disallowed since the  
14 company provided catered meals.

15

16 **Q.** What recoverability guidelines were established for fuel  
17 purchases?

18

19 **A.** We reviewed all fuel charges to ensure the dates for fuel  
20 purchases fell within the appropriate date ranges. We  
21 required that each fuel purchase be supported by a receipt  
22 and proof of payment. Any receipts for the prepayment of  
23 fuel charges were flagged for special review and we checked  
24 to make sure that the vendor invoice did not include  
25 duplicate fuel purchases. We also checked to make sure

1 that the vendors submitting fuel receipts did not also  
2 request a mileage charge and vice versa. Some vendors used  
3 fuel tracking systems like the WEX database system, and  
4 when those were used, we allowed the costs.

5  
6 **Q.** What recoverability guidelines were established for review  
7 of mileage charges?

8  
9 **A.** We reviewed mileage charges to ensure the total mileage  
10 charged did not exceed the amount we would reasonably expect  
11 them to be charging us based on the distance from the point  
12 where the vendor began travel to its assigned Tampa Electric  
13 incident base. Any variances above or below 15 percent of  
14 the benchmark number of miles we estimated using Google  
15 Maps or similar tools were flagged for further review and  
16 approval by our Electric Delivery department.

17  
18 **Q.** What recoverability guidelines were established for the  
19 review of per diem charges?

20  
21 **A.** Several vendors did not bill Tampa Electric for actual meals  
22 and lodging expenses while traveling, but instead charged  
23 the company using travel per diems. In those instances,  
24 the company assessed the charges using the date range  
25 methodology described above and compared the charges to

1 timecards to ensure that the number of per diems charged  
2 did not exceed the number of crew members.

3  
4 **Q.** What recoverability guidelines were established for the  
5 review of miscellaneous charges?

6  
7 **A.** Our evaluation of miscellaneous charges probably involved  
8 more business judgment than any other area, because it  
9 covered items like sunscreen, vehicle and equipment repairs  
10 and other items incidental, but reasonably necessary to  
11 storm restoration activities.

12  
13 All miscellaneous charges were evaluated using the date  
14 range methodology described above.

15  
16 We reviewed the location where each miscellaneous charge  
17 was incurred to ensure that the location was reasonable  
18 based on the general path from the vendor's home base to  
19 our service territory.

20  
21 We reviewed all miscellaneous charge receipts to ensure  
22 that they were itemized in reasonable detail, were  
23 accompanied by proof of payment and were not duplicates.

24  
25 We reviewed all miscellaneous charge receipts to ensure

1 that items like alcohol and tobacco were not included in  
2 the amounts invoiced to Tampa Electric.

3  
4 All charges for vehicle repairs and vehicle parts were  
5 automatically flagged for review by the Electric Delivery  
6 department and were not considered "recoverable" unless  
7 approved by Electric Delivery with a business  
8 justification. Vehicle expenses that were considered  
9 regular maintenance were flagged for review and were not  
10 approved for recovery.

11  
12 **Q.** Did the company apply other tests to some vendors?

13  
14 **A.** Yes. If the vendor was a Canadian company, we recalculated  
15 invoice amounts using applicable currency exchange rates to  
16 ensure accuracy of current currency conversion.

17  
18 In addition, the company evaluated the appropriateness of  
19 overheads. Fewer than 20 vendors included a separate  
20 allocation of overhead charges on their invoices, usually  
21 as a percentage of direct labor costs. Those charges were  
22 reviewed on a case-by-case basis and are discussed by Mr.  
23 Chronister in his testimony.

1     **STEP TWO: GATHERING AND INPUTTING**

2     **Q.**    Please describe the second step in the supplemental review.

3

4     **A.**    The second step involved gathering and organizing invoices  
5           and supporting documentation by vendor and inputting  
6           invoice information into the Excel workbook for each  
7           vendor. This involved "unbundling" vendor invoices into  
8           functional areas and adding the invoice detail into the  
9           workbook. For example, in the labor area, we listed each  
10          crew member by name and position, start and end work dates  
11          and labor rates. We input each piece of equipment used,  
12          start dates and end dates and equipment charge rates. Each  
13          fuel receipt was input together with date of purchase,  
14          location and amount of charge. Each lodging receipt was  
15          input with information about the name and location of the  
16          hotel/motel, number of nights stayed and invoice cost. For  
17          meals and miscellaneous charges, we input the date,  
18          location and restaurant (or other vendor) and the amount of  
19          the charge. Per diems and mileage charges were compared to  
20          the personnel identified by the vendor and the travel ranges  
21          previously described. Once all of the information from the  
22          invoices was collected, we loaded it into the workbook, we  
23          were ready for the next step.

24

25     **STEP THREE: EVALUATION AND REVIEW**

1 **Q.** Please describe the next step in the review process.

2

3 **A.** In the third step, we began reviewing and evaluating the  
4 information in the workbooks and the supporting  
5 documentation. Here, we applied our recoverability  
6 guidelines to the data gathered and identified for each  
7 vendor a subset of charges that we would tentatively  
8 consider "unrecoverable" subject to further review by the  
9 Electric Delivery department and/or receipt of additional  
10 documentation.

11

12 **Q.** Please give a hypothetical example of the kind of work done  
13 during this step.

14

15 **A.** For example, if we saw a lodging charge in Georgia that was  
16 incurred after a vendor's crews were checked in to work in  
17 our territory, we would ask the Electric Delivery team to  
18 assess the charge, request additional information from the  
19 vendor as needed and make a business judgment about the  
20 recoverability of the charge. If the charge related to a  
21 crew member who was late leaving the vendor's home base and  
22 arrived in our territory after the rest of his co-workers,  
23 and the circumstance was adequately documented, we would  
24 move the related cost from "unrecoverable" to  
25 "recoverable."

1     **STEP FOUR: QUALITY ASSESSMENT REVIEW**

2     **Q.**    What work was performed in this step?

3

4     **A.**    Once the Accounting department completed the Excel workbook  
5            and binder for a vendor, the Corporate Audit Services  
6            department performed a quality assurance review before  
7            turning the workbook over the Electric Delivery department  
8            for its review. This step involved having an independent  
9            set of eyes reviewing the workbooks and binders for  
10           completeness, formatting issues, Excel calculation errors  
11           and other unusual items.

12

13    **STEP FIVE: FURTHER EVALUATION**

14    **Q.**    Please describe the work in the fifth step of the  
15            supplemental review.

16

17    **A.**    This step in some ways was the most labor intensive and  
18            time-consuming part of the review. The fifth step was an  
19            iterative process of communications with and review by  
20            Electric Delivery team members to assess the recoverability  
21            of specific types and amounts of charges. It involved the  
22            painstaking process of evaluating each and every charge  
23            tentatively identified as "unrecoverable" based on our  
24            review guidelines to determine whether there was a valid  
25            business reason to support the charge and/or whether better

1 or additional documentation would allow us to move the  
2 charge from the unrecoverable column to the recoverable  
3 column. Sometimes this required Electric Delivery  
4 personnel to dig through their files and personal notes to  
5 explain charges and sometimes it required the company to  
6 seek additional documentation and/or business  
7 justifications from the vendor to support the charges.  
8 Every time new information or documentation was received,  
9 members of the Accounting team updated the review workbook  
10 and accompanying binder(s) with the new documentation and  
11 updated the file notes to reflect the change. In some  
12 instances, the additional documentation was found to be  
13 insufficient to support the associated charge, so the  
14 company either requested even more additional documentation  
15 or made a decision to change the "unrecoverable"  
16 designation from tentative to final.

17  
18 As of the date we filed this testimony and our Second  
19 Amended Petition, we were still awaiting additional  
20 documentation from some vendors, but the amounts for  
21 recovery in the Second Amended Petition reflect the  
22 documentation we had in hand as of the time of filing.

23  
24 **FINAL STEPS: FINAL REVIEW AND ACCOUNTING**

25 **Q.** Please explain the work performed in the final steps of the



1 review.

2

3 **A.** The final steps included Accounting department review for  
4 consistent application of judgment and recoverability  
5 guidelines, review and final approvals by senior members of  
6 the Electric Delivery team, preparation of summary  
7 narratives, reconciliation of storm costs to the reserve,  
8 recording journal entries to remove costs deemed  
9 "unrecoverable" from the storm cost reserve and updating  
10 the amount of storm costs for which the company seeks  
11 recovery in this docket.

12

13 The accounting processes of reconciling total storm costs,  
14 recording journal entries, adjusting the storm cost reserve  
15 and updating the company's requested amount of storm costs  
16 to be recovered are discussed by Witness Chronister.

17

18 As one might imagine, the number of people involved in the  
19 review process created a possibility that different  
20 reviewers might assess the same set of facts or invoices  
21 and reach slightly different conclusions on recoverability  
22 or the need for additional documentation/justification. We  
23 attempted to manage this risk by subjecting all of the  
24 vendor files/binders to a final review by one accounting  
25 person and one senior member of the Electric Delivery

1 department. Although there is a possibility that minor  
2 inconsistencies may exist, I'm confident that this final  
3 review improved our final product and should increase the  
4 confidence level users have in the results of our review.

5  
6 **CONCLUSION**

7 **Q.** What conclusions have you formed about the billing  
8 practices of the vendors who assisted Tampa Electric with  
9 electric system restoration for the five named tropical  
10 storms discussed in this proceeding and the process the  
11 company used to review invoices?

12  
13 **A.** I have formed several conclusions.

14  
15 First, our supplemental review revealed a number of  
16 differences between vendors on the quality, detail and  
17 sophistication of the invoices sent to the company. We  
18 used the services of 72 vendors, some of which were very  
19 large, publicly traded regulated utilities and some that  
20 were relatively small, privately owned businesses. We used  
21 foreign resources from multiple states ranging from parts  
22 of the southeast, to the Midwest and into the northeastern  
23 parts of the United States and Canada. For many of our  
24 vendors, providing storm restoration assistance is not a  
25 primary line of business and it appears that some of them

1 did not have well-developed, mature business practices for  
2 compiling costs and sending a high-quality invoice for  
3 payment. In many cases, the vendor team members who  
4 prepared and sent bills to us performed the same function  
5 as the people who initially reviewed them at Tampa Electric  
6 - people who are very busy every day with other  
7 responsibilities and who were working on storm activities  
8 on top of an already busy work schedule. The billing  
9 systems of our vendors were different and presented  
10 information in different levels of details and with  
11 different manners of presentation, all of which made our  
12 initial and supplemental reviews very challenging. The  
13 fact that some of our vendors made mistakes that appear to  
14 be innocent is not surprising. If we had used a process  
15 like our supplemental review for our initial review, we  
16 would probably have identified those issues the first time.

17  
18 Second, while we saw several instances where individual  
19 vendor team members appeared to be excessively careless or  
20 perhaps acted in ways that could implicate dishonesty, the  
21 vast majority of vendor personnel submitting receipts and  
22 the vast majority of vendors sending invoices to Tampa  
23 Electric appear to have done so in an honest and business-  
24 like way, and the mistakes we saw were likely attributable  
25 to misunderstanding or sloppy business practices, as

1           opposed to impure motives. Tampa Electric has no way of  
2           knowing the kinds of billing practices the vendors who  
3           helped us used after helping other utilities in Florida, or  
4           what they billed to other utilities, so this conclusion is  
5           based only on the information available to us.

6  
7           Third, the process we used in our supplemental review worked  
8           well. We performed a detailed review of 72 vendors  
9           representing \$77,856,061 of electric system restoration  
10          costs. We excluded \$2,269,657 of storm costs already paid  
11          by the company, most of which can be attributable to lack  
12          of appropriate documentation or decisions to exclude  
13          certain categories of costs to avoid prolonged debate about  
14          whether some of the costs in those categories should or  
15          should not be recovered. If we had more time, we likely  
16          could have obtained additional documentation from vendors  
17          that would help move some of our "unrecoverable" costs into  
18          the recoverable amount the company is seeking in this  
19          proceeding. While people reviewing our work may be able to  
20          further scrutinize invoices and find some additional costs  
21          that they claim should not be recovered from customers in  
22          this proceeding or question our judgment about the costs we  
23          deemed appropriate for recovery, our conservative approach  
24          has led to some costs that we could have included in our  
25          request for cost recovery that we did not.

1 Finally, Tampa Electric and its team members involved in  
2 storm restoration activities and post-storm invoice review  
3 and approval learned a great deal in this process.  
4 Hurricane Irma was by far the biggest and most expensive  
5 storm ever to hit our service territory. The number and  
6 dollar value of the outside resources - foreign and native  
7 - that we enlisted to help us promptly restore service to  
8 our customers put considerable pressure on our storm  
9 invoice review practices, which pressure caused us to miss  
10 some things. The work we did in our supplemental review,  
11 however, has allowed us to develop a new, more robust and  
12 rigorous review process for future storms. These new  
13 practices and procedures are fully explained in the Revised  
14 Direct Testimony of Witnesses Chasse, Young and Chronister.

15  
16 **Q.** Does this conclude your direct testimony?

17  
18 **A.** Yes, it does.  
19  
20  
21  
22  
23  
24  
25

1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**2                                   **PREPARED DIRECT TESTIMONY**3   **OF**4   **S. BETH YOUNG**5  
6           **I. INTRODUCTION**7           **Q.** Please state your name, address, occupation and employer.8  
9           **A.** My name is S. Beth Young. My business address is 820 S.  
10           78th St, Tampa, Florida 33619. I am employed by Tampa  
11           Electric Company ("Tampa Electric" or "the company") in the  
12           Electric Delivery Department as the Director, Asset  
13           Management, Planning, & Support.14  
15           **Q.** Please describe your duties and responsibilities in that  
16           position.17  
18           **A.** My duties and responsibilities include the governance and  
19           oversight of Tampa Electric's transmission and distribution  
20           assets, including capital allocation, system planning,  
21           reliability planning and system maintenance, in addition to  
22           responsibilities for studies in support of transmission  
23           service. My duties and responsibilities also include  
24           support for the Electric Delivery Department's operations  
25           in the areas of warehousing, fleet, line clearance,

1 geographic information system ("GIS") and mapping services,  
2 and the Electric Delivery Department's emergency response  
3 and planning.  
4

5 **Q.** Please describe your educational background and  
6 professional experience.  
7

8 **A.** I received my Bachelor of Science degree in Electrical  
9 Engineering from the University of South Florida in 1983.  
10 I am a registered professional engineer in the state of  
11 Florida. I joined Tampa Electric as a co-operative  
12 education student in 1980 and became a full-time team member  
13 as an associate engineer in 1983. From 1983 through  
14 present, I have held various positions as an engineer,  
15 manager, and director in Tampa Electric's Electric Delivery  
16 Department working in Transmission, Substation,  
17 Distribution, System Operations, Project Management,  
18 Lighting, and Support Services.  
19

20 **Q.** Have you previously testified before the Florida Public  
21 Service Commission ("Commission")?  
22

23 **A.** Yes, I testified before the Commission in Docket No.  
24 20120234-EI, Tampa Electric's Petition to Determine Need  
25 for Polk 2-5 Combined Cycle Conversion and in Docket No.

1           20130040-EI, Tampa Electric's 2013 petition for an increase  
2           in base rates and miscellaneous charges.

3  
4           **Q.**    What is the purpose of your direct testimony in this  
5           proceeding?

6  
7           **A.**    The purpose of my direct testimony is to describe how Tampa  
8           Electric acquires, stages and manages foreign crew  
9           resources in assisting with large scale restoration efforts  
10          as well as explain why the costs incurred for those  
11          activities were prudent in order to achieve timely  
12          restoration of the company's electric system. My direct  
13          testimony will also include an overview of Tampa Electric's  
14          indirect transmission and distribution ("T&D") restoration  
15          efforts and cost details related to restoration activities  
16          of the company during the five named tropical storms in  
17          2015, 2016 and 2017. These named tropical systems include:  
18          Tropical Storm ("TS") Erika, TS Colin, Hurricane Hermine,  
19          Hurricane Matthew and Hurricane Irma. My direct testimony  
20          also supports the reasonableness and prudence of those  
21          restoration activities and the associated costs for which  
22          Tampa Electric is seeking recovery.

23  
24          **Q.**    Are you sponsoring any exhibits in this proceeding?  
25



1     **A.**    Yes, I am sponsoring Exhibits No. SEY-1, Documents No. 1  
2            and No. 2 that were prepared under my direction and  
3            supervision. Exhibit No. SEY-1, Document No. 1 titled  
4            "Tampa Electric's Recoverable Restoration Costs of  
5            Foreign Crews". This Document details the company's  
6            recoverable foreign crew restoration storm costs by  
7            function and by storm that assisted Tampa Electric in  
8            restoring the company's electrical systems in the five  
9            named tropical storms in this proceeding. Exhibit No.  
10           SEY-1, Document No. 2 titled "Tampa Electric's Indirect  
11           Recoverable Restoration Costs by Storm and Function".  
12           This Document details the company's costs incurred by  
13           Tampa Electric Non-Transmission and Non-Distribution  
14           personnel that supported the restoration of the company's  
15           electrical systems in the five named tropical storms in  
16           this proceeding.

17  
18     **II. Acquiring, Staging and Managing Foreign Crew Resources**

19     **Q.**    Would you explain what a "foreign crew resource" is and  
20            provide an overview of how Tampa Electric acquires foreign  
21            crew resources?

22  
23     **A.**    A foreign crew resource is a work crew supplied by a third  
24            party (not native utility nor native contractor employees)  
25            that is contracted to work on emergency or storm restoration

1 activities for the native utility. Tampa Electric monitors  
2 all storms that could potentially impact the company's  
3 service area. Tampa Electric's Electric Delivery  
4 Department conducts numerous phone calls in advance of a  
5 storm to discuss the readiness of the company to prepare  
6 for the impending storm. During these calls, projected  
7 outages and required resources are discussed. Depending on  
8 the projected number of outages, the number of foreign crew  
9 resources necessary to restore service in a timely manner  
10 is identified. If necessary, the company communicates with  
11 the Southeastern Electric Exchange ("SEE") and non-SEE  
12 companies to obtain additional resources.

13  
14 **Q.** What types of foreign crew resources does Tampa Electric  
15 utilize?

16  
17 **A.** Depending on the projected and actual needs for additional  
18 assistance, Tampa Electric acquires and utilize foreign  
19 crew resources that perform line work, tree trimming,  
20 mutual assistance routing systems ("MARS") (call center  
21 assistance) and damage assessment.

22  
23 **Q.** Which of the named tropical systems that the company is  
24 seeking cost recovery for in this proceeding did Tampa  
25 Electric acquire foreign crew resources?

1     **A.** Tampa Electric acquired foreign crew resources to assist  
2     with restoration efforts in all of the named tropical  
3     systems that the company is seeking cost recovery for in  
4     this proceeding.

5  
6     **Q.** Please identify what type of foreign crew resources Tampa  
7     Electric acquired for each named tropical system that the  
8     company is seeking cost recovery for in this proceeding.

9  
10    **A.** Tampa Electric acquired the following foreign crew  
11    resources in the following named tropical systems:

12    TS Erika:            line crew and tree trimming

13    TS Colin:           line crew

14    Hurricane Hermine: line crew, tree trimming and damage  
15                       assessment

16    Hurricane Matthew: line crew

17    Hurricane Irma:    line crew, tree trimming, MARS and  
18                       damage assessment

19  
20    **Q.** Could Tampa Electric have restored service to its customers  
21    in a timely manner without the aid of foreign crew  
22    resources?

23  
24    **A.** Not in a timely manner. For Tampa Electric to restore  
25    service without the aid of foreign crew resources depends

1 on the actual magnitude of outages, the necessary work to  
2 restore and how many days would be allowed to perform the  
3 restoration. Tampa Electric currently employs 230 line  
4 personnel. Tampa Electric also has 120 contract line  
5 personnel on the system. Tampa Electric's 80 damage  
6 assessors are internal team members who are familiar with  
7 the transmission and distribution systems and the company  
8 subcontracts 230 line clearing personnel. In order to  
9 restore service during Hurricane Irma in a timely manner  
10 Tampa Electric utilized the following foreign crew  
11 resources: 2,523 line personnel, 194 damage assessors, 622  
12 line clearing personnel and 137 MARS support personnel.

13  
14 **Q.** Please explain how the company determines how many foreign  
15 crew resources to acquire.

16  
17 **A.** Tampa Electric determines the number of foreign crew  
18 resources to acquire by utilizing a model that takes as an  
19 input the track, size and intensity of the storm. The  
20 company estimates the number of customer outages, the  
21 amount of damage and the overall number of man-hours  
22 required to restore the system. Utilizing this  
23 information, the company determines how many foreign crew  
24 resources to request based on the targeted number of days  
25 to restore. Tampa Electric also evaluates this information

1           against prior storm restoration events to validate the  
2           results.

3

4       **Q.**   Does Tampa Electric take cost into consideration when  
5           acquiring resources for storm restoration?

6

7       **A.**   Yes, Tampa Electric considers the cost of acquiring foreign  
8           crew resources for storm restoration assistance. Tampa  
9           Electric's restoration process works to minimize costs for  
10          foreign crew resources by releasing more expensive  
11          resources first, releasing foreign crew resources to other  
12          utilities as early as practical to minimize travel costs  
13          even before the electrical system is fully restored, and  
14          keeping the most efficient resources until the system is  
15          fully restored.

16

17       **Q.**   Does Tampa Electric have business controls in place for the  
18           acquisition of foreign crew resources?

19

20       **A.**   Yes, the company has a documented process to control the  
21           acquisition of foreign crew resources. Tampa Electric's  
22           Energy Delivery Command will determine the required number  
23           of resources based on the projected damage estimates and  
24           the targeted estimated time to restore ("ETR"). Resources  
25           are obtained from the SEE member companies in a documented

1 process and/or from non-SEE companies directly. All  
2 foreign resources obtained are communicated with and are  
3 tracked by the company's Foreign Crew Coordination ("FCC")  
4 unit, who communicates with other groups such as Logistics  
5 and Planning as to their availability and for providing  
6 necessary logistical services. Once the foreign resources  
7 are no longer required, Electric Delivery's Planning  
8 section notifies the FCC unit and the appropriate  
9 notifications of the crew members and their home companies  
10 are made. As invoices are received, the FCC reconciles  
11 them against company documentation for accuracy and proper  
12 documentation.

13  
14 **Q.** How and when do these foreign crew resources get to Tampa  
15 Electric's service area?

16  
17 **A.** Tampa Electric pre-positions the foreign crew resources in  
18 safe locations or directs the foreign crew resources to  
19 arrive at the company after the storm has passed, so as not  
20 to put either the crews or their equipment/bucket trucks in  
21 the path of the impending storm. After the storm has passed  
22 and it is safe for these foreign crews to travel, the crews  
23 will travel to Tampa Electric's service area. Once the  
24 crews arrive, they are provided a safety briefing and then  
25 assigned a Tampa Electric lineman who directs the crew to

1 the restoration work area assigned and supervises their  
2 work.

3

4 **Q.** Does staging the resources away from the company's service  
5 area cause a delay in restoration?

6

7 **A.** This method of staging does not typically cause a delay.  
8 If there is a delay from staging the resources remotely, it  
9 is caused by storm impacts occurring between the staging  
10 area and Tampa Electric's service area. For example, during  
11 Hurricane Irma, with the size and path projection, the  
12 foreign crews were mostly staged in Georgia to keep them  
13 out of harm's way. Once Hurricane Irma passed Florida and  
14 it was safe to travel, the road congestion issues on  
15 Interstate 75 caused a delay in getting these resources to  
16 the company's service area. Even though there was this  
17 delay due to traffic, when the crews arrived all their  
18 equipment was in working order and they immediately began  
19 assisting Tampa Electric with service restoration.

20

21 **Q.** Please explain how these foreign crews are assigned to  
22 Incident Bases to perform restoration work.

23

24 **A.** Prior to the storm impacting Tampa Electric, the Planning  
25 section utilizes the planning model to forecast the

1 estimated damage by Incident Base area and makes a  
2 preliminary assignment of the foreign crews. The goal is  
3 to complete each of the preliminary Incident Base areas  
4 assignments prior to the storm. After the storm has passed,  
5 an initial damage assessment is performed and damage by  
6 Incident Base area is projected. Adjustments to Incident  
7 Base assignments are made as needed and the foreign crews  
8 are sent to the appropriate Incident Base as they arrive.  
9

10 **Q.** How does Tampa Electric ensure these foreign crews are  
11 working efficiently and the work is of high quality?  
12

13 **A.** To ensure quality and efficient work of the company's  
14 foreign line crews, each foreign line crew is assigned a  
15 Tampa Electric lineman. The efficiency of their work is  
16 ensured more from effective planning that occurs prior to  
17 assigning these crews work. The company was very pleased  
18 with the overall efficiency and quality of the foreign line  
19 crews that performed work during Hurricane Irma. Their  
20 average work time in a 16-hour work day was approximately  
21 12 hours. Tampa Electric's effective planning on the front  
22 end minimized idle and drive time between jobs during the  
23 restoration and ensured that sufficient materials were on  
24 hand to minimize non-productive time.  
25



1 Each foreign tree trimming crew is assigned a Tampa Electric  
2 supervisor to monitor and ensure the efficiency and quality  
3 of the crew's work. Prior to each day's work during  
4 restoration it is the responsibility of the Tampa Electric  
5 supervisor to lay out the expectations for the work being  
6 assigned. Any quality control issues with tree trimming  
7 are corrected on the spot.

8  
9 **Q.** How does Tampa Electric determine that these foreign crews  
10 are no longer needed?

11  
12 **A.** Tampa Electric's Electric Delivery's Planning section  
13 reviews the number of customers remaining out of service,  
14 the ETR's forecasted and, in collaboration with the  
15 Operations section, evaluates the current needs for foreign  
16 crew resources. Foreign crew resources are released,  
17 either home or to other utilities, as the need for  
18 assistance diminishes as restoration nears completion.

19  
20 **Q.** Is the overall cost of crews taken into consideration in  
21 making the decision as to when and what foreign crews are  
22 released during restoration?

23  
24 **A.** Yes, Tampa Electric does include the overall cost of the  
25 foreign crew in this decision. Tampa Electric's

1 restoration process works to minimize costs for foreign  
2 crew resources by releasing more expensive resources first,  
3 releasing foreign crew resources to other utilities as  
4 early as practical to minimize travel costs even before the  
5 electrical system is fully restored, and keeping the most  
6 efficient resources until the system is fully restored.

7  
8 **Q.** Does Tampa Electric only pay for foreign crew resources  
9 labor and equipment costs or are there other costs that  
10 Tampa Electric also pays to support these crews?

11  
12 **A.** There are other costs. In addition to paying the contracted  
13 labor and equipment price to the company supplying the  
14 foreign crew resources, Tampa Electric also pays for the  
15 costs to fuel their vehicles and to house and feed these  
16 crew members. Examples of these other costs include hotels,  
17 mattresses and bedding if hotels are unavailable, food,  
18 water, ice and laundry services. It is also important to  
19 note that utility crews employed by and responding from  
20 other utilities to assist in restoration are reimbursed at  
21 cost in accordance with pre-existing mutual aid agreements.

22  
23 **Q.** How do these foreign crew resources bill Tampa Electric?

24  
25 **A.** All of the foreign crew resources will send Tampa Electric

1 a formal invoice for their costs to provide the restoration  
2 assistance.

3

4 **Q.** Does Tampa Electric review these invoices prior to paying?

5

6 **A.** Yes, Tampa Electric's FCC unit reviews all invoices prior  
7 to paying.

8

9 **Q.** What does Tampa Electric do if there is a discrepancy in  
10 the invoice submitted by the foreign crew?

11

12 **A.** If there is a discrepancy with the invoice submitted by the  
13 foreign crew, Tampa Electric's FCC unit follows up with the  
14 specific company and work out the discrepancy. No invoice  
15 is released for payment if there are outstanding  
16 discrepancies.

17

18 **Q.** What are the total costs Tampa Electric is seeking to  
19 recover in this proceeding, by each storm, for foreign crew  
20 resources?

21

22 **A.** Tampa Electric is seeking to recover a total cost for  
23 foreign resources of \$70,069,939. This total cost includes  
24 costs from the five named tropical storms as follows:  
25 \$614,471 from TS Erika; \$141,355 from TS Colin; \$772,736

1 from Hurricane Hermine; \$197,748 from Hurricane Matthew;  
2 and \$68,343,628 from Hurricane Irma. The foreign crew  
3 amounts Tampa Electric is seeking to recover in this  
4 proceeding, by each storm, is also detailed in my Exhibit  
5 No. SEY-1, Document No. 1.  
6

7 **III. TAMPA ELECTRIC'S INDIRECT T&D STORM RESTORATION**  
8 **ACTIVITIES**

9 **Q.** Would you describe restoration efforts performed by Tampa  
10 Electric team members that indirectly support T&D  
11 restoration?  
12

13 **A.** During large storm events such as Hurricane Irma, it's an  
14 all-hands-on-deck approach and every team member of Tampa  
15 Electric has a pre-established Emergency Assignment (Storm  
16 Role). During named tropical system restoration  
17 activities, Tampa Electric utilizes the company's Electric  
18 Delivery Department team members as well as many other team  
19 members who work from various departments other than the  
20 Electric Delivery Department to support the necessary  
21 restoration activities. Depending on the projected size  
22 and path of the storm, Tampa Electric may choose to activate  
23 only portions of the company's emergency preparedness plan.  
24 These various departments include: Business Development,  
25 Business Strategy and Renewables, Community Relations,

1 Customer Experience, Energy Supply, Financial Accounting  
2 and Business Planning, Regulatory, Safety and TECO  
3 Services.

4  
5 **Q.** Would you provide some examples of how each of the  
6 departments you have referred to supports restoration?  
7

8 **A.** Yes, I will combine some of the departments as their  
9 activities supporting storm restoration will be similar.  
10

11 **Business Development, Business Strategy and Renewables,**  
12 **Community Relations, Financial Accounting and Business**  
13 **Planning, and Regulatory:** Tampa Electric team members from  
14 these departments support a variety of storm restoration  
15 activities depending on the storm assignment of the  
16 individual team member. Some examples of these storm  
17 restoration functions include the following: leading and  
18 operating incident bases; lodging coordination; family  
19 assistance; meals coordination; laundry coordination;  
20 State, County and City Emergency Operating Center support;  
21 transportation; wire down coordination; debris clearance  
22 support; search and rescue support.  
23

24 **Customer Experience:** Tampa Electric's Customer Experience  
25 Department handles communication with customers reporting

1 outages and hazardous conditions. The Customer Experience  
2 Department also performs outbound calls to verify services  
3 and to provide assurance to customers that they have not  
4 been forgotten and provide updates on restoration progress.  
5 The Customer Experience Department also coordinates  
6 outbound communication such as outbound dialer or emails to  
7 update customers on restoration progress and estimates for  
8 completion. For Hurricane Irma, due to the high call volume  
9 that was projected and ultimately experienced, Tampa  
10 Electric utilized its MARS offsite support services to  
11 assist.

12  
13 **Energy Supply:** Tampa Electric's Energy Supply Department  
14 prepares the company's generation facilities ("power  
15 plants") to minimize any potential damage to the power  
16 plants from the impending storm as well as safely and  
17 efficiently returning the power plants to normal operations  
18 following the storm. The Energy Supply Department performs  
19 a full review of the power plants' status including:  
20 communication, environmental concerns, fuel, water storage,  
21 waste handling, byproducts handling, consumables (ammonia,  
22 hydrogen, sulfuric acid, carbon dioxide), outage  
23 requirements, reliability issues and transportation issues.  
24 For Hurricane Irma, the Energy Supply Department installed  
25 the storm doors at Big Bend and Bayside Power Stations due

1 to potential flooding and shut down Big Bend Units 1 and 2  
2 due to the projected impacts of high winds.

3  
4 **Safety:** Tampa Electric's Safety Department provides the  
5 safety onboarding briefing for all foreign crew resources.  
6 During the restoration efforts, the Safety Department  
7 provides daily storm safety messages and performs field  
8 safety observations to ensure all personnel maintain a  
9 heightened focus on being safe during this very challenging  
10 time of high workload, pressure to restore quickly and in  
11 the hot Florida climate. The Safety Department also  
12 performs accident investigations when needed and collect  
13 all first aid and recordable injury cases.

14  
15 **TECO Services:** TECO Services includes the business  
16 functions of Corporate Communication, Facilities, Finance  
17 and Treasury, and Human Resources and Information  
18 Technology and Telecom ("IT"). Corporate Communications  
19 provides messaging on the company's website to provide  
20 updates on the restoration progress and estimates for  
21 completion. Corporate Communications also develops social  
22 media messaging, press releases and interface with media  
23 (television and radio) to ensure restoration information is  
24 reaching customers. Facilities prepares Tampa Electric's  
25 buildings to minimize any potential damage from the storm

1 such as installing storm screens and shutters, preparing  
2 the buildings to ride out the storm in case of certain  
3 failures such as ensuring all emergency generator fuel  
4 tanks are topped off, providing technical engineering  
5 support for the company incident bases such as installing  
6 portable generators and outdoor/indoor lighting, and  
7 responding to facility repair requests during the storm  
8 such as roof and water damage repairs. In addition,  
9 Facilities team members are stationed on standby at key  
10 facilities during the storm to handle any emergencies. IT  
11 provides technical support before, during and after the  
12 storm to ensure all Tampa Electric electronic systems and  
13 communication systems and connections operate as intended  
14 to fully support restoration efforts.

15  
16 **Q.** Please identify which of the departments have restoration  
17 costs included in the costs that Tampa Electric is seeking  
18 for recovery in this proceeding (Business Development,  
19 Business Strategy and Renewables, Community Relations,  
20 Customer Experience, Energy Supply, Financial Accounting  
21 and Business Planning, Regulatory, Safety and TECO  
22 Services).

23  
24 **A.** All the departments listed indirectly supported restoration  
25 activities during at least one of the named tropical systems



1 identified in the company's Amended Petition, filed on  
2 January 30, 2018 and the associated costs that are  
3 appropriate for recovery in this proceeding are included.  
4

5 **Q.** Please provide examples of restoration costs that would  
6 have been incurred by the following departments that are  
7 not included in the costs that Tampa Electric is seeking  
8 for recovery in this proceeding (Business Development,  
9 Business Strategy and Renewables, Community Relations,  
10 Customer Experience, Energy Supply, Financial Accounting  
11 and Business Planning, Regulatory, Safety and TECO  
12 Services).

13  
14 **A.** Tampa Electric followed the Incremental Cost and  
15 Capitalization Approach ("ICCA") which is addressed in  
16 Tampa Electric's Witness Jeffrey S. Chronister's Direct  
17 Testimony. Under this ICCA approach, Tampa Electric  
18 excluded the following restoration costs that were  
19 incurred: any payroll costs from any of these departments  
20 that is already recovered in base rates and utility call  
21 center and customer service non-incremental costs  
22 associated with the storm events. In addition, for  
23 Hurricane Irma, Energy Supply had repairs at two power  
24 plants that were charged to capital and not to the storm  
25 reserve. These included replacements of a circulating

1 water pump, a GSU fire protection system, several low  
2 voltage breakers due to water intrusion, and a 13kV/480V  
3 transformer. Also, all of these departments annually  
4 review, train and perform mock exercises. The costs  
5 associated with this annual training are not included in  
6 the costs for which Tampa Electric is seeking recovery.  
7

8 **Q.** Did Tampa Electric need to bring in any additional personnel  
9 to support these indirect restoration activities for any of  
10 the five named tropical storms?  
11

12 **A.** Yes, Tampa Electric utilized its MARS to provide call center  
13 assistance during and following Hurricane Irma. MARS  
14 provided an additional 112 call center resources during the  
15 storm and had a peak level of 137 additional resources  
16 following the storm to support restoration activities.  
17

18 **Q.** Please provide the costs from these non-T&D departments  
19 that are included in the costs that Tampa Electric is  
20 seeking for recovery in this proceeding for each of the  
21 five named tropical storms.  
22

23 **A.** Tampa Electric is seeking to recover a total of \$4,223,741  
24 prudently incurred storm costs. This total cost includes  
25 costs from non-T&D storm support activities for the five

1 named tropical storms as follows: \$3,538 from TS Erika;  
2 \$8,301 from TS Colin; \$97,067 from Hurricane Hermine;  
3 \$11,093 from Hurricane Matthew; and \$4,103,741 from  
4 Hurricane Irma. These amounts are also detailed in my  
5 Exhibit No. SEY-1, Document No. 2.  
6

7 **Q.** Were these costs incurred for indirect restoration related  
8 duties prudent and necessary for Tampa Electric's  
9 restoration?  
10

11 **A.** Yes, they were prudent and necessary. Tampa Electric's  
12 Energy Supply Department took steps prior to the storm to  
13 protect the plants and those efforts minimized the repair  
14 needed to return the plants to normal operation. Customer  
15 Experience and Corporate Communications provided crucial  
16 messages to customers experiencing outages as well as for  
17 public safety. Facilities took steps to protect Tampa  
18 Electric facilities from the high winds, so they could be  
19 fully utilized following the storm to support the  
20 restoration and return to normal business.  
21

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

24 **A.** Yes, it does.  
25

1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**2                   **REVISED PREPARED DIRECT TESTIMONY**3                   **OF**4                   **S. BETH YOUNG**5  
6           **I. INTRODUCTION**7           **Q.** Please state your name, address, occupation and employer.8  
9           **A.** My name is S. Beth Young. My business address is 820 S.  
10           78th St, Tampa, Florida 33619. I am employed by Tampa  
11           Electric Company ("Tampa Electric" or "the company") in the  
12           Electric Delivery department as the Director, Asset  
13           Management, Planning, & Support.14  
15           **Q.** Please describe your duties and responsibilities in that  
16           position.17  
18           **A.** My duties and responsibilities include the governance and  
19           oversight of Tampa Electric's transmission and distribution  
20           assets, including capital allocation, system planning,  
21           reliability planning and system maintenance, in addition to  
22           responsibilities for studies in support of transmission  
23           service. My duties and responsibilities also include  
24           support for the Electric Delivery department's operations  
25           in the area of geographic information system ("GIS") and

1 mapping services.

2

3 **Q.** Please describe your educational background and  
4 professional experience.

5

6 **A.** I received my Bachelor of Science degree in Electrical  
7 Engineering from the University of South Florida in 1983.  
8 I am a registered professional engineer in the state of  
9 Florida. I joined Tampa Electric as a co-operative  
10 education student in 1980 and became a full-time team member  
11 as an associate engineer in 1983. From 1983 through  
12 present, I have held various positions as an engineer,  
13 manager, and director in Tampa Electric's Electric Delivery  
14 department working in Transmission, Substation,  
15 Distribution, System Operations, Project Management,  
16 Lighting, Emergency Management and Support Services.

17

18 **Q.** Have you previously testified before the Florida Public  
19 Service Commission ("Commission")?

20

21 **A.** Yes, I testified before the Commission in Docket No.  
22 20120234-EI, Tampa Electric's Petition to Determine Need  
23 for Polk 2-5 Combined Cycle Conversion and in Docket No.  
24 20130040-EI, Tampa Electric's 2013 petition for an increase  
25 in base rates and miscellaneous charges.

1     **Q.**    What is the purpose of your revised direct testimony in  
2            this proceeding?

3  
4     **A.**    The purpose of my Revised Direct Testimony is to describe  
5            the use of foreign crew resources in assisting with large  
6            scale system restoration efforts and the indirect costs  
7            of this restoration.  I will first begin with an overview  
8            of Tampa Electric's indirect transmission and  
9            distribution ("T&D") restoration efforts and cost details  
10           related to restoration activities of the company during  
11           the five named tropical storms in 2015, 2016 and 2017.  
12           These named tropical systems include:  Tropical Storm  
13           ("TS") Erika, TS Colin, Hurricane Hermine, Hurricane  
14           Matthew and Hurricane Irma.

15  
16           Next, my Revised Direct Testimony will describe how Tampa  
17           Electric acquires, stages and manages foreign crew  
18           resources in assisting with large scale restoration  
19           efforts as well as explain why the costs incurred for  
20           those activities were prudent in order to achieve timely  
21           restoration of the company's electric system.  I will  
22           discuss the operating challenges presented by Hurricane  
23           Irma, explain the role the Electric Delivery team played  
24           in our supplemental review of foreign crew invoices, and  
25           support the reasonableness and prudence of those

1 restoration activities and the associated costs for which  
2 Tampa Electric is seeking recovery. I will also explain  
3 the new business and storm management practices around  
4 payment for restorations services we developed as a result  
5 of Irma and plan to utilize in future storm restoration  
6 activities.

7  
8 **Q.** Are you sponsoring any exhibits in this proceeding?

9  
10 **A.** Yes. I am sponsoring Revised Exhibit No. \_\_\_\_ (SEY-1),  
11 consisting of five documents that were prepared under my  
12 direction and supervision.

13  
14 Document No. 1 of my Revised Exhibit No. \_\_\_\_ (SEY-1),  
15 entitled "Tampa Electric's Indirect Recoverable  
16 Restoration Costs by Storm and Function," details the  
17 company's costs incurred by Tampa Electric Non-  
18 Transmission and Non-Distribution personnel that  
19 supported the restoration of the company's electrical  
20 systems in the five named tropical storms in this  
21 proceeding.

22  
23 Document No. 2, of my Revised Exhibit No. \_\_\_\_ (SEY-1),  
24 entitled "Tampa Electric's Recoverable Restoration Costs  
25 of Foreign and Native Crews," details the company's

1 recoverable foreign and native crew restoration storm  
2 costs by function and by storm. The amounts shown on  
3 this document reflect the costs of the vendors that  
4 assisted Tampa Electric with restoration of the company's  
5 T&D electrical systems in the five named tropical storms  
6 in this proceeding.

7  
8 Document No. 3 of my Revised Exhibit No. \_\_\_\_ (SEY-1),  
9 entitled "Tampa Electric's Summary of Changes Due to  
10 Supplemental Review," which provides a summary of the  
11 storm cost changes by cost type (labor, equipment,  
12 lodging, meals, per diem, fuel, mileage and other) that  
13 occurred due to the supplemental review.

14  
15 Document No. 4 of my Revised Exhibit No. \_\_\_\_ (SEY-1),  
16 entitled "Tampa Electric's Supplemental Review Summary,"  
17 summarizes the results of our supplemental review by  
18 assigned vendor number. For each vendor, it shows the  
19 amount originally billed and paid by Tampa Electric, the  
20 total amount the company concluded should not be recovered  
21 from customers based on our supplemental review and the  
22 net amount for which the company seeks cost recovery in  
23 this docket. This document is the subject of a Request  
24 for Confidential Classification and Motion for Temporary  
25 Protective Order which is being simultaneously filed



1 herewith. A redacted version of this document accompanies  
2 my publicly filed testimony.

3  
4 Document No. 5 of my Revised Exhibit No. \_\_\_\_ (SEY-1),  
5 entitled "Vendor Key" is a confidential key that  
6 identifies the name of the vendor to the assigned vendor  
7 number. This document is also the subject of a Request  
8 for Confidential Classification and Motion for Temporary  
9 Protective Order which is being simultaneously filed  
10 herewith. A redacted version of this document accompanies  
11 my publicly filed testimony.

12  
13 **II. TAMPA ELECTRIC'S INDIRECT T&D STORM RESTORATION ACTIVITIES**

14 **Q.** Would you describe restoration efforts performed by Tampa  
15 Electric team members that indirectly support T&D  
16 restoration?

17  
18 **A.** During large storm events such as Hurricane Irma, we take  
19 an all-hands-on-deck approach with every team member of  
20 Tampa Electric having a pre-established Emergency  
21 Assignment (Storm Role). During named tropical storm  
22 system restoration activities, Tampa Electric utilizes the  
23 company's Electric Delivery department team members as well  
24 as many other team members across the TECO Energy family  
25 who work from various departments to support the necessary

1 restoration activities. Depending on the projected size  
2 and path of the storm, Tampa Electric may choose to activate  
3 only portions of the company's emergency preparedness plan.  
4 These various departments include: Business Development,  
5 Business Strategy and Renewables, Community Relations,  
6 Customer Experience, Energy Supply, Financial Accounting  
7 and Business Planning, Regulatory, Safety, TECO Services  
8 and Peoples Gas.

9  
10 **Q.** Would you provide some examples of how each of the  
11 departments you have referred to supports restoration?  
12

13 **A.** Yes, I will combine some of the departments as their  
14 activities supporting storm restoration will be similar.  
15

16 **Business Development, Business Strategy and Renewables,**  
17 **Community Relations, Financial Accounting and Business**  
18 **Planning, and Regulatory:** Tampa Electric team members from  
19 these departments support a variety of storm restoration  
20 activities depending on the storm assignment of the  
21 individual team member. Some examples of these storm  
22 restoration functions include the following: leading and  
23 operating incident bases; lodging coordination; family  
24 assistance; meals coordination; laundry coordination and  
25 transportation. They also support State, County and City

1 Emergency Operating Centers; wire down coordination; debris  
2 clearance support; search and rescue support and coordinate  
3 and communicate with critical and at-risk customers.  
4

5 **Customer Experience:** Tampa Electric's Customer Experience  
6 department handles communication with customers reporting  
7 outages and hazardous conditions. The Customer Experience  
8 department also performs outbound calls to verify services  
9 and to provide assurance to customers that they have not  
10 been forgotten and provide updates on restoration progress.  
11 The Customer Experience department also coordinates  
12 outbound communication such as outbound dialer or emails to  
13 update customers on restoration progress and estimates for  
14 completion. For Hurricane Irma, due to the high call volume  
15 that was projected and ultimately experienced, Tampa  
16 Electric utilized its Mutual Assistance Routing Systems  
17 ("MARS") offsite call center support services to assist.  
18

19 **Energy Supply:** Tampa Electric's Energy Supply department  
20 prepares the company's generation facilities ("power  
21 plants") to minimize any potential damage to the power  
22 plants from the impending storm as well as safely and  
23 efficiently returning the power plants to normal operations  
24 following the storm. The Energy Supply department performs  
25 a full review of the power plants' status including:

1 communication, environmental concerns, fuel, water storage,  
2 waste handling, byproducts handling, consumables (ammonia,  
3 hydrogen, sulfuric acid, carbon dioxide), outage  
4 requirements, reliability issues and transportation issues.  
5 They also coordinate with Electric Delivery to balance  
6 energy supply and demand and the need for any outside  
7 purchases or sales. For Hurricane Irma, the Energy Supply  
8 department installed the storm doors at Big Bend and Bayside  
9 Power Stations due to potential flooding and shut down Big  
10 Bend Units 1 and 2 due to the projected impacts of high  
11 winds.

12  
13 **Safety:** Tampa Electric's Safety department provides the  
14 safety onboarding briefing for all foreign crew resources.  
15 During the restoration efforts, the Safety department  
16 provides daily storm safety messages and performs field  
17 safety observations to ensure all personnel maintain a  
18 heightened focus on being safe during this very challenging  
19 time of high workload, pressure to restore quickly in the  
20 hot Florida climate. They also provide supplemental safety  
21 related equipment such as safety glasses, gloves, bug  
22 spray, etc. The Safety department also performs accident  
23 investigations when needed and collects all first aid and  
24 recordable injury cases.

25

1       **TECO Services:**   TECO Services includes the business  
2       functions of Corporate Communication, Facilities, Finance  
3       and Treasury, and Human Resources and Information  
4       Technology and Telecom ("IT"). Corporate Communications  
5       provides messaging on the company's website to provide  
6       updates on the restoration progress and estimates for  
7       completion. Corporate Communications also develops social  
8       media messaging, press releases and interface with media  
9       (television and radio) to ensure restoration information is  
10      reaching customers. Facilities prepares Tampa Electric's  
11      buildings to minimize any potential damage from the storm  
12      such as installing storm screens and shutters, preparing  
13      the buildings to ride out the storm in case of certain  
14      failures such as ensuring all emergency generator fuel  
15      tanks are topped off, providing technical engineering  
16      support for the company incident bases such as installing  
17      portable generators and outdoor/indoor lighting, and  
18      responding to facility repair requests during the storm  
19      such as roof and water damage repairs. In addition,  
20      Facilities team members are stationed on standby at key  
21      facilities during the storm to handle any emergencies.  
22      Facilities performs or supervises contractors for  
23      setup/breakdown activities at Incident Bases, including  
24      ensuring sanitation and refuse management is properly  
25      handled. IT provides technical support before, during and

1 after the storm to ensure all Tampa Electric IT systems and  
2 communication systems and connections operate as intended  
3 to fully support restoration efforts.

4  
5 **Q.** Please identify which of the departments have restoration  
6 costs included in the costs that Tampa Electric is seeking  
7 for recovery in this proceeding (Business Development,  
8 Business Strategy and Renewables, Community Relations,  
9 Customer Experience, Energy Supply, Financial Accounting  
10 and Business Planning, Regulatory, Safety and TECO  
11 Services).

12  
13 **A.** All the departments listed indirectly supported restoration  
14 activities during at least one of the named tropical storm  
15 systems identified in the company's Revised Petition, filed  
16 on February 8, 2019 and the associated costs that are  
17 appropriate for recovery in this proceeding are included.

18  
19 **Q.** Please provide examples of restoration costs that would  
20 have been incurred by the following departments that are  
21 not included in the costs that Tampa Electric is seeking  
22 for recovery in this proceeding (Business Development,  
23 Business Strategy and Renewables, Community Relations,  
24 Customer Experience, Energy Supply, Financial Accounting  
25 and Business Planning, Regulatory, Safety and TECO

1 Services).

2

3 **A.** Tampa Electric followed the Incremental Cost and  
4 Capitalization Approach ("ICCA") which is addressed in  
5 Tampa Electric's Witness Jeffrey S. Chronister's Direct  
6 Testimony. Under this ICCA approach, Tampa Electric  
7 excluded the following restoration costs that were  
8 incurred: any payroll costs from any of these departments  
9 that is already recovered in base rates and utility call  
10 center and customer service non-incremental costs  
11 associated with the storm events. In addition, for  
12 Hurricane Irma, Energy Supply had repairs at two power  
13 plants that were charged to capital and not to the storm  
14 reserve. These included replacements of a circulating  
15 water pump, a GSU fire protection system, several low  
16 voltage breakers due to water intrusion, and a 13kV/480V  
17 transformer. Also, all of these departments annually  
18 review, train and perform mock exercises. The costs  
19 associated with this annual training, along with any costs  
20 associated with general preparedness or the maintaining of  
21 that general preparedness are not included in the costs for  
22 which Tampa Electric is seeking recovery.

23

24 **Q.** Did Tampa Electric need to bring in any additional personnel  
25 to support these indirect restoration activities for any of

1 the five named tropical storms?

2

3 **A.** Yes, Tampa Electric utilized MARS to provide call center  
4 assistance during and following Hurricane Irma. MARS  
5 provided an additional 112 call center resources during the  
6 storm and had a peak level of 137 additional resources  
7 following the storm to support restoration activities.

8

9 **Q.** Please provide the costs from these non-T&D departments  
10 that are included in the costs that Tampa Electric is  
11 seeking for recovery in this proceeding for each of the  
12 five named tropical storms.

13

14 **A.** Tampa Electric is seeking to recover a total of \$4,177,239  
15 prudently incurred indirect recoverable restoration costs.  
16 This total indirect cost includes costs from non-T&D storm  
17 support activities for the named tropical storms as  
18 follows: \$14,978 from TS Collin; \$198,634 from Hurricane  
19 Hermine; \$7,479 from Hurricane Matthew; and \$3,956,147 from  
20 Hurricane Irma. These amounts are also detailed in Document  
21 No. 1 of my Revised Exhibit No. \_\_\_\_ (SEY-1).

22

23 **Q.** Were these costs incurred for indirect restoration related  
24 duties prudent and necessary for Tampa Electric's  
25 restoration?



1 **A.** Yes, they were prudent and necessary. Tampa Electric's  
2 Energy Supply department took steps prior to the storm to  
3 protect the plants and those efforts minimized the repair  
4 needed to return the plants to normal operation. Customer  
5 Experience and Corporate Communications provided crucial  
6 messaging to customers experiencing outages as well as for  
7 public safety. Facilities took steps to protect Tampa  
8 Electric facilities from the high winds, so they could be  
9 fully utilized following the storm to support the  
10 restoration and return to normal business.

11  
12 **III. Acquiring, Staging and Managing Foreign Crew Resources**

13 **Q.** Would you explain what a "foreign crew resource" is and  
14 provide an overview of how Tampa Electric acquires foreign  
15 crew resources?

16  
17 **A.** A foreign crew resource is a work crew supplied by a third-  
18 party (not native utility nor native contractor employees)  
19 that is contracted to work on emergency or storm restoration  
20 activities for the native utility. Tampa Electric monitors  
21 all storms that could potentially impact the company's  
22 service area. Tampa Electric's Electric Delivery  
23 department conducts numerous conference calls in advance of  
24 a storm to discuss the readiness of the company to restore  
25 from the impending storm. During these calls, projected

1 outages and required resources are discussed. Depending on  
2 the projected number of outages, the number of foreign crew  
3 resources necessary to restore service in a timely manner  
4 is identified. If necessary, the company communicates with  
5 the Southeastern Electric Exchange ("SEE") and non-SEE  
6 companies to obtain additional resources.

7  
8 For example, in Hurricane Irma, requests for resources were  
9 made through the SEE but available resources were quickly  
10 exhausted within the SEE due to Duke, Florida Power and  
11 Light, Tampa Electric, Florida Public Utilities and others  
12 all requesting resources. The SEE Executive Director then  
13 contacted the Executive Directors of the other Regional  
14 Mutual Assistance Groups ("RMAG's") to request their  
15 members to offer resources. Multiple SEE calls were held  
16 expanding the numbers of RMAG's responding each time to the  
17 point where resources from Canada to California were  
18 offered and many secured.

19  
20 **Q.** What types of foreign crew resources does Tampa Electric  
21 utilize?

22  
23 **A.** Depending on the projected and actual needs for additional  
24 assistance, Tampa Electric acquires and utilizes foreign  
25 crew resources that perform transmission and distribution

1 line work, tree trimming, MARS, damage assessment,  
 2 substation repair and Incident Base Management.  
 3 Specialized equipment is also acquired, as needed.  
 4

5 **Q.** Which of the named tropical systems that the company is  
 6 seeking cost recovery for in this proceeding did Tampa  
 7 Electric acquire foreign or additional native crew  
 8 resources?  
 9

10 **A.** Tampa Electric acquired foreign or additional native crew  
 11 resources to assist with restoration efforts in TS Erika,  
 12 TS Colin, Hurricane Hermine and Hurricane Irma.  
 13

14 **Q.** Please identify what type of foreign crew resources Tampa  
 15 Electric acquired for each named tropical system that the  
 16 company is seeking cost recovery for in this proceeding.  
 17

18 **A.** Tampa Electric acquired the following foreign or additional  
 19 native crew resources in these named tropical systems:  
 20

21 TS Erika: distribution line crew and tree  
 22 trimming

23 TS Colin: distribution line crew and damage  
 24 assessment

25 Hurricane Hermine: distribution line crew, tree trimming

1 and damage assessment

2 Hurricane Irma: transmission and distribution line  
3 crew, tree trimming, MARS and damage  
4 assessment

5  
6 **Q.** Could Tampa Electric have restored service to its customers  
7 in a timely manner without the aid of foreign crew  
8 resources?

9  
10 **A.** Not in a timely manner. For Tampa Electric to restore  
11 service without the aid of foreign crew resources depends  
12 on the actual magnitude of outages, the necessary work to  
13 restore and how many days would be allowed to perform the  
14 restoration. Tampa Electric currently employs 250 T&D line  
15 personnel. Tampa Electric also has 146 contract line  
16 personnel on the system. Tampa Electric's 63 damage  
17 assessors are internal team members who are familiar with  
18 the transmission and distribution systems and there are 42  
19 native contractor damage assessors as well. The company  
20 subcontracts 230 line clearing personnel. In order to  
21 restore service during Hurricane Irma in a timely manner  
22 Tampa Electric utilized the following foreign crew  
23 resources: 2,523 line personnel, 194 damage assessors, 622  
24 line clearing personnel and 137 MARS support personnel, for  
25 a total of almost 3,400 additional resources. That is more

1 than five (5) times the number of people we normally have  
2 working on our system.

3  
4 **Q.** Please explain how the company determines how many foreign  
5 crew resources to acquire.

6  
7 **A.** Tampa Electric determines the number of foreign crew  
8 resources to acquire by utilizing a model that takes as an  
9 input the track, size and intensity of the storm. The model  
10 output estimates the number of customer outages, the amount  
11 of damage and the overall number of man-hours required to  
12 restore the system. Utilizing this information, the  
13 company determines how many foreign crew resources to  
14 request based on the targeted number of days to restore.  
15 Tampa Electric also evaluates this information against  
16 prior storm restoration events to validate the results.

17  
18 **Q.** Does Tampa Electric take cost into consideration when  
19 acquiring resources for storm restoration?

20  
21 **A.** Yes, Tampa Electric considers the cost of acquiring foreign  
22 crew resources for storm restoration assistance. Tampa  
23 Electric's restoration process works to minimize costs for  
24 foreign crew resources by securing resources close to its  
25 territory, if available, to minimize travel times,

1 releasing less productive resources first, releasing  
2 foreign crew resources to other utilities as early as  
3 practical to minimize travel costs even before the  
4 electrical system is fully restored, and keeping the most  
5 efficient resources until the system is fully restored.

6  
7 **Q.** Does Tampa Electric have business controls in place for the  
8 acquisition of foreign crew resources?

9  
10 **A.** Yes, the company has a documented process to control the  
11 acquisition of foreign crew resources. Tampa Electric's  
12 Electric Delivery Command will determine the required  
13 number of resources based on the projected damage estimates  
14 and the targeted estimated time to restore ("ETR"). In  
15 most cases, we obtain resources from the SEE member  
16 companies; however, in the case of larger storms, like  
17 Hurricane Irma, we supplement SEE resources with other RMAG  
18 resources and contractor resources in order to meet  
19 acceptable restoration timeframes. All foreign resources  
20 obtained are communicated with and are tracked by the  
21 company's Foreign Crew Coordination ("FCC") unit, who  
22 communicates with other groups such as Logistics and  
23 Planning the timing and number of resources so they can  
24 determine the necessary logistical services. Once the  
25 foreign resources are no longer required, Electric

1 Delivery's Planning Section notifies the FCC unit and the  
2 appropriate notifications of the crew members and their  
3 home companies are made.

4  
5 **Q.** How and when do these foreign crew resources get to Tampa  
6 Electric's service area?

7  
8 **A.** Tampa Electric provides foreign crew resources with  
9 requested arrival times and dates. The foreign crew  
10 resources generally "stage" at a safe location out of the  
11 projected path of the storm, typically a day's travel or  
12 less away from our service territory, so as not to put  
13 either the crews or their equipment/bucket trucks in the  
14 path of the impending storm. After the storm has passed  
15 and it is safe for these foreign crews to travel, the crews  
16 will finish their travels to Tampa Electric's service area.  
17 Once the crews arrive, they are provided a safety briefing  
18 and then assigned a Tampa Electric lineman who directs the  
19 crew to the restoration work area assigned and supervises  
20 their work.

21  
22 **Q.** Does staging the resources away from the company's service  
23 area cause a delay in restoration?

24  
25 **A.** This method of staging, in and of itself, typically does

1 not cause a delay. If there is a delay from staging the  
2 resources remotely, it is caused by storm impacts occurring  
3 between the staging area and Tampa Electric's service area.  
4 For example, during Hurricane Irma, with the size and path  
5 projection, some of the foreign crews staged in Georgia to  
6 keep themselves out of harm's way. Once Hurricane Irma  
7 passed Florida and it was safe to travel, the road  
8 congestion issues on Interstate 75 caused a delay in getting  
9 these resources to the company's service area. Even though  
10 there was this delay due to traffic, when the crews arrived  
11 all their equipment was in working order and they  
12 immediately began assisting Tampa Electric with service  
13 restoration.

14  
15 **Q.** Please explain how these foreign crews are assigned to  
16 Incident Bases to perform restoration work.

17  
18 **A.** Prior to the storm impacting Tampa Electric, the Planning  
19 section utilizes the planning model to forecast the  
20 estimated damage by Incident Base area and makes a  
21 preliminary determination of which Incident Bases to open  
22 and the assignment of the foreign crews to each. The goal  
23 is to complete each of the preliminary Incident Base areas  
24 assignments prior to the storm. After the storm has passed,  
25 an initial damage assessment is performed and damage by



1 Incident Base area is projected. Adjustments to Incident  
2 Base assignments are made as needed and the foreign crews  
3 are sent to the appropriate Incident Base as they arrive.  
4

5 **Q.** How does Tampa Electric ensure these foreign crews are  
6 working efficiently and the work is of high quality?  
7

8 **A.** To ensure quality and efficient work of the company's  
9 foreign line crews, foreign line crews are assigned a Tampa  
10 Electric lineman. Any quality control or productivity  
11 issues with the foreign line crews are then able to be  
12 corrected on the spot. The efficiency though of their work  
13 is ensured more from effective planning that occurs prior  
14 to assigning these crews work. The company was very pleased  
15 with the overall efficiency and quality of the foreign line  
16 crews that performed work during Hurricane Irma. With the  
17 productivity of the foreign lines crews, Tampa Electric was  
18 able meet its global ETR established at the beginning of  
19 storm restoration, but was able to restore service to more  
20 customers at a faster rate on a daily basis than initially  
21 projected. Tampa Electric's effective planning on the  
22 front end minimized idle and drive time between jobs during  
23 the restoration and ensured that sufficient materials were  
24 on hand to minimize non-productive time.  
25

1 Foreign tree trimming crews are assigned a Tampa Electric  
2 supervisor to monitor and ensure the efficiency and quality  
3 of the crew's work. This allows us to correct quality  
4 control issues with tree trimming on the spot. Prior to  
5 each day's work during restoration it is the responsibility  
6 of the Tampa Electric supervisor to lay out the expectations  
7 for the work being assigned.

8  
9 **Q.** How does Tampa Electric determine that these foreign crews  
10 are no longer needed?

11  
12 **A.** The company's Electric Delivery's Planning section on a  
13 periodic basis reviews the number of customers remaining  
14 out of service, the ETR's forecasted and, in collaboration  
15 with the Operations section, evaluates the current needs  
16 for foreign crew resources. Foreign crew resources are  
17 released, either to their home or to other utilities, as  
18 the need for assistance diminishes as restoration nears  
19 completion.

20  
21 **Q.** Is the overall cost of crews taken into consideration in  
22 making the decision as to when and what foreign crews are  
23 released during restoration?

24  
25 **A.** Yes, Tampa Electric does include the overall cost of the

1 foreign crew in this decision. Tampa Electric's  
2 restoration process works to minimize costs for foreign  
3 crew resources by attempting to secure foreign crews closer  
4 to Tampa Electric's service territory to minimize travel  
5 costs, releasing less productive resources first, releasing  
6 foreign crew resources to other utilities as early as  
7 practical to eliminate return travel costs even before the  
8 electrical system is fully restored, and keeping the most  
9 efficient resources until the system is fully restored.

10  
11 **Q.** Does Tampa Electric only pay for foreign crew resources  
12 labor and equipment costs or are there other costs that  
13 Tampa Electric also pays to support these crews?

14  
15 **A.** There are other costs. In addition to paying the contracted  
16 labor and equipment price to the company supplying the  
17 foreign crew resources, there are travel costs that include  
18 lodging, meals, and fuel. In addition, there can be  
19 miscellaneous charges the can include repair of trucks,  
20 rental vehicles, overheads, etc. Once the foreign  
21 resources arrive, Tampa Electric also pays for the costs to  
22 fuel their vehicles and to house and feed these crew  
23 members. Examples of these other costs include hotels, air  
24 mattresses and bedding if hotels are unavailable, food,  
25 water, ice and laundry services. It is also important to

1 note that SEE and RMAG utility crews employed by and  
2 responding from other utilities to assist in restoration  
3 are reimbursed "at cost" in accordance with pre-existing  
4 mutual aid agreements.

5  
6 **Q.** How do these foreign crew resources bill Tampa Electric?  
7

8 **A.** All of the foreign crew resources will send Tampa Electric  
9 a formal invoice for their costs to provide the restoration  
10 assistance. Unfortunately, for Hurricane Irma, not all  
11 provided sufficient detail supporting the invoice.  
12

13 **Q.** Please describe the foreign resources used in the Hurricane  
14 Irma restoration effort.  
15

16 **A.** As noted in the Revised Direct Testimony of Tampa Electric's  
17 Witness Gerald R. Chasse, Hurricane Irma was a record-  
18 breaking storm for Tampa Electric. We employed 72 foreign  
19 crew vendors, which supplemented our internal resources  
20 with over 3,400 people. Over 91 percent of the foreign and  
21 native resource costs for which we are seeking recovery are  
22 attributable to Hurricane Irma.  
23

24 **Q.** Were you and members of your team involved in the initial  
25 and supplemental review of foreign vendor invoices?

1     **A.**    Yes.  Members of my team and I performed the initial review  
2            and approved payment for foreign crew resources.  We also  
3            were deeply involved in the supplemental review of those  
4            invoices.

5  
6     **Q.**    Why did the company decide to conduct a supplemental review  
7            of foreign vendor invoices?

8  
9     **A.**    The number of documents reviewed by the company was  
10           voluminous.  No single individual would be capable of  
11           reviewing all of these documents to ensure the information  
12           was complete and appropriate for inclusion in a timely  
13           manner.  Although we thought we did a good job with our  
14           initial review and approval of foreign vendor invoices, the  
15           discovery process in this docket revealed multiple  
16           instances where our documentation was lacking, we did not  
17           organize our documentation in a way it could be easily  
18           reviewed and failed to identify some items that should not  
19           have been billed to, or paid by, the company.  Examples  
20           include lodging costs for hotel rooms in the territories of  
21           other Florida utilities, meal charges incurred during times  
22           when Tampa Electric was providing meals to foreign crews  
23           and duplicate charges for fuel while traveling to our  
24           service territory.  When the Office of Public Counsel  
25           brought items like these to our attention, we quickly

1 decided that we should take another look at the foreign  
2 vendor invoices. We appreciate that the consumer parties  
3 and Commission agreed to give us additional time to conduct  
4 the review.

5  
6 **Q.** Please generally describe how the supplemental review was  
7 conducted.

8  
9 **A.** Our supplemental review occurred from August 2018 to  
10 January 2019. It covered every dollar of every foreign  
11 resource invoice and native contractor invoices from all  
12 five tropical systems. Our Corporate Audit Services  
13 department created a review methodology, a detailed list of  
14 items for review and an Excel-based template to assist with  
15 and allow us to document the results of our review. Our  
16 Accounting department helped the Electric Delivery  
17 department evaluate invoices by applying a set of  
18 "recoverability guidelines" or filters to identify  
19 questionable charges. The Accounting department also  
20 worked with my team in an iterative process to ensure that  
21 the charges my team had approved for recovery were properly  
22 validated with invoice details and that our business  
23 judgments about appropriateness were adequately documented.  
24 Our Corporate Audit Services department provided oversight  
25 and assistance throughout the process, but in the end the

1 final determination about whether we would seek recovery of  
2 foreign and native resources was made by the Electric  
3 Delivery team. Tampa Electric's Witness Sarah L. Djak  
4 describes this detailed review process in more detail in  
5 her Direct Testimony.

6  
7 **Q.** How did the company evaluate labor charges from foreign  
8 vendors for reasonableness?

9  
10 **A.** Electric Delivery would review the items that Accounting  
11 had identified that were outside of the "Recoverability  
12 Guidelines". Most of the items that were flagged were time  
13 charged greater than 16 hours, OT or DT that started prior  
14 to 40 hours, or hours that were outside of the "Secured  
15 Date" and the "Release Date" window. The typical work day  
16 for the foreign resources was from 06:00 to 22:00 or 16  
17 hours. Electric Delivery determined some hours above 16  
18 were warranted because of travel time to their hotel. There  
19 were a few companies that had specific labor contracts that  
20 specified a minimum number of hours paid for storm  
21 restoration work. There was another company that reflected  
22 DT by doubling the hours that were applicable but using the  
23 ST rate. When reviewing labor charges to ensure the OT and  
24 DT rates were applied correctly, the rate sheet was  
25 consulted for company rules, the day of the week was

1 reviewed, and whether they had come from Hurricane Harvey  
2 was factored in. Hours that were identified outside of the  
3 window, were mostly attributed to incorrect charges when  
4 released to another Florida utility. These charges were  
5 removed from the Storm Reserve.

6  
7 **Q.** Have you evaluated the effective hourly rates charged by  
8 foreign and native crews for system restoration assistance  
9 for the five named tropical storms?

10  
11 **A.** Yes, and I believe they are reasonable. For the five named  
12 tropical storms, the average effective hourly rate (direct  
13 labor rates plus any overhead charges billed separately)  
14 for our native contractors was \$97.95 and for SEE foreign  
15 resources was \$104.95, for RMAG foreign resources was  
16 \$139.68, and for foreign contractors not from a mutual  
17 assistance company \$157.11. The difference reflects the  
18 fact that native contractors were working under long-term  
19 service contracts and the SEE resources reflect similar  
20 labor rates due to the similar geographic region. The RMGA  
21 foreign resources reflect the higher labor rates from other  
22 regions, specifically the northeastern United States where  
23 costs are generally higher. The foreign contractors other  
24 than those from a mutual assistance company are generally  
25 the highest and the last resource that we choose. One of



1 these charged us more than \$300 per hour but that rate  
2 included their equipment costs, so comparing that rate to  
3 the rest is not a fair comparison.

4  
5 Importantly, although the way we dissected vendor invoices  
6 in our supplemental review implies that the company was  
7 buying individual units of labor hours and leasing specific  
8 pieces of equipment, that was really not the case. Rather,  
9 the company purchased storm restoration services from other  
10 regulated utilities and contractors with considerable  
11 experience restoring electric systems damaged by storms and  
12 who willingly stopped what they were doing and came to our  
13 assistance. Although it may be possible to quibble with  
14 the rates we paid months after service was restored, we can  
15 thank the vendors who helped us for safely and promptly  
16 getting our customers back in service.

17  
18 **Q.** How did the company evaluate miscellaneous charges from  
19 foreign vendors for reasonableness?

20  
21 **A.** The company used SEE/EEI Guidelines to evaluate  
22 miscellaneous charges. These guidelines provide direction  
23 as to what requesting companies will and will not reimburse.  
24 Hotel related expenses other than lodging such as phone  
25 calls made from rooms, room service, in-room movies, mini

1 bar usage should not occur. Cell phone usage, and satellite  
2 phone usage when cell service is unavailable, is  
3 reimbursable. Repair or replacement cost of equipment  
4 damaged or lost is reimbursed, but normal maintenance  
5 items, such as wiper blades, are routine maintenance and  
6 typically covered in the equipment charge out rates. Towing  
7 charges for vehicle breakdowns and vehicle rentals are  
8 allowed. Reasonable costs for meals are reimbursed,  
9 provided sufficient detail is provided such as the number  
10 of team members eating and a detailed receipt showing no  
11 alcohol is being charged. Consumables are allowed, such as  
12 bug spray, sunscreen, snacks, drinks (water, Gatorade,  
13 PowerAde, etc.), Diesel Exhaust Fluid, but 'hard' items  
14 such as cell phone chargers, USB cords, tools or other items  
15 that can be taken home and used (or were 'forgotten' to  
16 begin with) are not allowed.

17  
18 **Q.** What actions did the company take on foreign crew meals  
19 incurred while working in Tampa Electric's service  
20 territory?

21  
22 **A.** The company excluded most vendor meals purchased while  
23 working in Tampa Electric's service territory. Some of our  
24 vendors arrived after the caterers had left on September 11  
25 and 12, 2017, so we considered the cost of those meals to

1 be recoverable.

2  
3 **Q.** What is your overall assessment of the results of the  
4 company's supplemental review?

5  
6 **A.** Our supplemental review revealed many instances in which we  
7 had not documented our review work adequately or did not  
8 present it in a way that it could be easily reviewed, by  
9 others. In addition, we also missed some things that we  
10 should have caught. Our initial review of foreign crew  
11 invoices missed items that we should not have included in  
12 our original Direct Testimony, filed May 21, 2018. Our  
13 supplemental review allowed us to create and apply a  
14 rigorous review framework and analytical process to foreign  
15 and native crew invoices, helped us improve and better  
16 organize our documentation and caused us to more  
17 specifically and deliberately memorialize our business  
18 decisions on reasonableness. I view these as positive  
19 outcomes from the review and believe that the lessons  
20 learned from it will form a solid foundation for future  
21 process improvements.

22  
23 **Q.** During the course of the supplemental review, did the  
24 company analyze the questionable items identified during  
25 the discovery process?

1     **A.**    Yes.  We carefully reviewed each of those items, documented  
2            our conclusions about recoverability and informally shared  
3            the results with the consumer parties for their use in this  
4            docket.

5  
6     **Q.**    What were the original total costs Tampa Electric was  
7            seeking to recover in this proceeding for foreign crew  
8            resources?

9  
10    **A.**    The total costs amounted to \$77,856,061 in the original  
11            filing.

12  
13    **Q.**    What are the revised total costs Tampa Electric is seeking  
14            to recover in this proceeding, by each storm, for foreign  
15            and native crew resources?

16  
17    **A.**    After the detailed and thorough supplemental review of both  
18            foreign and native crew invoices.  Tampa Electric is seeking  
19            to recover a total cost for foreign and native crew  
20            resources after the supplemental review of \$75,586,404.  
21            This total cost included costs from the five named tropical  
22            storms as follows: \$611,389 from TS Erika; \$1,726,175 from  
23            TS Colin; \$3,960,790 from Hurricane Hermine; \$775,485 from  
24            Hurricane Matthew; and \$68,512,566 from Hurricane Irma.  
25            These revised foreign and native crew amounts after our

1 supplemental review are detailed in Document No. 2 of my  
2 Revised Exhibit No. \_\_\_\_ (SEY-1).

3  
4 **Q.** Could you explain why the company is seeking to recover a  
5 lower storm costs amount?

6  
7 **A.** As a result of our supplemental review, we have reduced our  
8 request for recovery of foreign and native resource costs  
9 by \$2,269,657 which is detailed in Document No. 3 of my  
10 Revised Exhibit No. \_\_\_\_ (SEY-1). Most of the reduction is  
11 attributable to costs for which the underlying cost support  
12 and documentation was not up to our standards.

13  
14 **Q.** Please provide a summary of the total invoiced amount by  
15 vendor and the resulting amount included in the storm  
16 reserve filing.

17  
18 **A.** Document No. 4, of my Revised Exhibit No. \_\_\_\_ (SEY-1),  
19 summarizes the results of our supplemental review by  
20 vendor. For each vendor, it shows the amount originally  
21 billed and paid by Tampa Electric, the total amount the  
22 company concluded should not be recovered from customers  
23 based on our supplemental review and the net amount for  
24 which the company seeks cost recovery in this docket.  
25 Document No. 4 identifies each vendor with a number, not

1 its name, because the company believes that in some cases  
2 disclosing the names of the vendors and the results of our  
3 review of their invoices will likely harm our ability to  
4 obtain their assistance for future storm restoration  
5 activities. Consequently, the company believes that the  
6 vendor names on Document No. 5 of my Revised Exhibit No.  
7 \_\_\_\_ (SEY-1) are "proprietary confidential business  
8 information" within the meaning of Section 366.093, Florida  
9 Statutes, and Rule 25-22.006, Florida Administrative Code,  
10 and will be referring to the vendors by number, not name in  
11 this proceeding. Document No. 5 is a key that identifies  
12 the vendor names associated with each assigned vendor  
13 number. The company believes that the names of the vendors  
14 on Document No. 5 are confidential, so a confidential  
15 version of Document No. 5 with the vendor names has been  
16 filed with the Office of the Commission Clerk together with  
17 a Request for Confidential Classification as required by  
18 Rule 25-22.006, Florida Administrative Code. The company  
19 believes we should treat all vendor names confidentially,  
20 even when our supplemental review did not reveal issues  
21 with all of them, because identifying vendors that did not  
22 have issues by name would by implication cast vendors  
23 identified by number only in a potentially negative light  
24 without regard to whether our review revealed few or many  
25 issues.

1 A version of Document Nos. 4 and 5 with vendor names and  
2 amounts redacted is included with the public, non-  
3 confidential version of my Revised Direct Testimony.

4  
5 **Q.** Has the company concluded that the charges associated with  
6 the \$2,269,657 identified by the company as "unrecoverable"  
7 during the supplemental review were unreasonable?

8  
9 **A.** No, not all of the charges removed from the storm reserve  
10 were unreasonable. The charges associated with the  
11 lodging, fuel, and meals that were disallowed during the  
12 foreign crews travel due to our strict documentation  
13 standards were typically reasonable expenses during travel  
14 based on our review. In addition, there were some equipment  
15 costs that were within the typical ratio of labor to  
16 equipment costs that were disallowed due to the lack of  
17 specific equipment information.

18  
19 **Q.** Overall, do you believe that the amounts the company spent  
20 on foreign and native crew restoration assistance for  
21 Hurricane Irma and the other four named tropical storms are  
22 reasonable?

23  
24 **A** Yes, although the way we dissected invoices into functional  
25 areas might lead a person to believe that we were procuring

1 labor, vehicles and equipment, what we were really were  
2 procuring was storm restoration services, and we got them  
3 from 72 experienced vendors who were willing to stop what  
4 they were doing to help us restore electric service to our  
5 customers. With their help, we were able to restore service  
6 to approximately 425,000 customers who lost power due to  
7 Hurricane Irma and we did it in a week without significant  
8 injuries to our team members or the crews who helped us.  
9 So, yes, I do think what we paid overall was reasonable and  
10 should be approved for recovery by the Commission.

11  
12 **Q.** What are the "lessons learned" from the supplemental review  
13 in your areas of responsibility?

14  
15 **A.** In general, we learned that we must be very clear about  
16 invoicing and documentation with vendors in advance of  
17 their arrival and that the Electric Delivery department  
18 needs to supplement its documentation collection team with  
19 more people when we have a large storm that requires  
20 significant outside assistance.

21  
22 **Q.** Based on these "lessons learned," what new business and  
23 storm management practices will be implemented for future  
24 storms in your areas of responsibility?

25



1     **A.**    We have already made changes for future storms. We have  
2           prepared a letter to send to potential foreign contractors  
3           each year in May. It will request their storm restoration  
4           rates and outline the documentation Tampa Electric will  
5           require before approving payment. As we are securing  
6           resources to deal with the imminent threat of a storm, we  
7           will re-send the letter to again clarify our expectations  
8           around invoicing.

9  
10          Tampa Electric will use its ARCOS Crew Manager system to  
11          check-in and track the foreign and native resources. This  
12          system is being used by utilities throughout the southeast  
13          and is being used by Tampa Electric on a daily basis to  
14          manage our native and internal crews. Applying it to  
15          foreign crews during storm restoration activities will give  
16          us better information with which to manage restoration  
17          activities and track resource usage.

18  
19          We have decided to add a Foreign Crew Liaison at each  
20          incident base to gather daily timesheets, sign-off on the  
21          equipment check-in, confirm the lodging and meal process  
22          with the foreign vendors and assist in any other logistical  
23          needs. The liaisons will ensure that we collect all the  
24          documentation needed to verify invoices on a daily basis  
25          and give it to the Finance team for estimating storm costs

1 and reviewing invoices when they are received.

2  
3 **Q.** What other follow up will the company be doing as a result  
4 of its supplemental review?

5  
6 **A.** As part of our supplemental review, the company contacted  
7 many of the vendors and requested additional supporting  
8 documentation in order to justify inclusion in the storm  
9 reserve. Some vendors have provided the necessary  
10 documentation and others have promised to reimburse our  
11 company for charges that should not have been billed or  
12 paid.

13  
14 In each instance where the company has determined that  
15 amounts paid to a foreign vendor should not be included in  
16 our request for cost recovery in this proceeding, we will  
17 be assessing whether to seek a refund from the vendor. In  
18 most cases, we will be sending a letter detailing the  
19 results of our review and requesting that the vendor  
20 reimburse the company for certain charges. In other cases,  
21 however, due to the de-minimis dollar amounts involved or  
22 the type of charges, we may decide that it's not worth the  
23 effort to pursue a refund.

24  
25 **Q.** Overall were the costs incurred for indirect and foreign and

1 native crew restoration related duties prudent and necessary  
2 for Tampa Electric's restoration?

3

4 **A.** Yes. For each storm we determined the appropriate resources  
5 that would be required to restore service to our customers  
6 in an appropriate timeframe. In each case we met the date  
7 that we had targeted. We have done an in-depth review of  
8 all the costs for this restoration and have only included  
9 those costs that have met a stringent documentation  
10 standard. Therefore, I believe the costs submitted were  
11 prudent and necessary and should be approved for recovery  
12 by the Commission.

13

14 **Q.** Does this conclude your revised direct testimony?

15

16 **A.** Yes, it does.

17

18

19

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21

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25

1 CHAIRMAN GRAHAM: Exhibits.

2 MR. SCHRADER: We have a stipulated  
3 comprehensive exhibit list which includes the  
4 prefiled exhibits attached to the witness'  
5 testimony in this case, the nonconfidential  
6 discovery answers and discovery responses provided  
7 in this case, the confidential deposition of Wesley  
8 Caldwell with confidential deposition exhibits, and  
9 TECO's replies to staff's data requests.

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

15 (Whereupon, Exhibit No. 1 was marked for  
16 identification.)

17 (Whereupon, Exhibit Nos. 2-29 were marked for  
18 identification.)

19 COMMISSIONER GRAHAM: Okay. So we need to  
20 start moving exhibits then.

21 MR. SCHRADER: At this time, we ask the  
22 comprehensive exhibit list marked as Exhibit No. 1  
23 be entered into the record.

24 CHAIRMAN GRAHAM: If there is no objections,  
25 we will enter the comprehensive exhibit list into

1           the record.

2                   (Whereupon, Exhibit No. 1 was received into  
3 evidence.)

4           MR. SCHRADER: We also ask that Exhibit Nos. 2  
5 through 29 be moved into the record as set forth in  
6 the comprehensive exhibit list.

7           CHAIRMAN GRAHAM: Once again, if there is no  
8 objections, we will enter Exhibits 2 through 29  
9 into the record.

10                   (Whereupon, Exhibit Nos. 2-29 were received  
11 into evidence.)

12                   (Transcript continues in sequence in Volume  
13 2.)

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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 31st day of May, 2019.



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