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May 24, 2019

Mr. Adam J. Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

**Re: In re: Petition of Peoples Gas System for Recovery of Costs Associated
with Hurricane Michael and Replenishment of Storm Reserve
Docket No.: 20190109-GU**

Dear Mr. Teitzman:

Peoples hereby requests that this case be placed on the July agenda conference. Peoples has discussed this matter with counsel for OPC and counsel for the Commission and they are in agreement with the July date. Peoples waives the 60 day decision requirement under Florida Statute § 366.06(3).

Peoples also hereby submits the testimony of Sean Hillary. The testimony adopts the exhibits in the Petition and also has revised tariff sheets. The tariff sheets attached to his testimony should supersede and replace those that are contained in the original Petition. We also submit the testimony of Christopher Barrington.

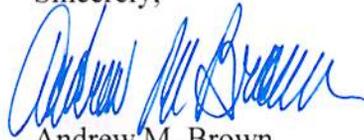
Peoples is also making available for inspection in Tallahassee, the invoices reflecting payments made for the storm recovery efforts. At this time, the invoices will not be filed in order to avoid issues of confidentiality. If the Commission or OPC desires that the invoices be placed in the official record, we will address confidentiality concerns at that time.

Adam J. Teitzman, Commission Clerk
May 24, 2019
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Peoples will be providing 30-days notice to customers of the proposed interim storm recovery surcharge. Those notices will clearly indicate that the surcharge is interim in nature and subject to approval by the Florida Public Service Commission.

If you have any further questions or comments, please do not hesitate to let me know.

Sincerely,



Andrew M. Brown

AB/plb

Attachments

cc: Jennifer S. Crawford (via email: jcrawfor@psc.state.fl.us)
J.R. Kelly (via email: kelly.jr@leg.state.fl.us)
Charles Rehwinkel (via email: Rehwinkel.charles@leg.statef.fl.us)



BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20190109-GU

IN RE: PETITION FOR RECOVERY OF COSTS
ASSOCIATED WITH HURRICANE MICHAEL AND
REPLENISHMENT OF STORM RESERVE SUBJECT TO
FINAL TRUE-UP, PEOPLES GAS SYSTEM

PREPARED DIRECT TESTIMONY AND EXHIBIT
OF
SEAN P. HILLARY

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **PREPARED DIRECT TESTIMONY**

3 **OF**

4 **SEAN P. HILLARY**

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

7
8 **A.** My name is Sean P. Hillary. My business address is 702
9 North Franklin Street, Tampa, Florida 33602. I am employed
10 by Peoples Gas System ("Peoples" or "the company") as
11 Controller, Peoples.

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 Peoples. I am also responsible for budgeting and
20 forecasting 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 the University of South Florida in 1993

1 with a Bachelor of Accounting degree and in 1995 with a
2 Master of Accountancy degree. Prior to joining TECO
3 Energy, I worked for Arthur Andersen and Florida Power
4 Corporation. At Florida Power Corporation, I worked as
5 an internal auditor and financial analyst. In June 2000,
6 I joined TECO Energy and have held various roles with
7 increasing responsibility including Director, Business
8 Planning for Tampa Electric and Peoples and Director,
9 Corporate Financial Reporting for TECO Energy. I am a
10 Certified Public Accountant in the State of Florida, and
11 I have served in my current position as Controller of
12 Peoples since May 2018.

13
14 **Q.** Have you previously testified before the Florida Public
15 Service Commission ("Commission")?

16
17 **A.** No. I have not testified or filed testimony before this
18 Commission.

19
20 **Q.** What is the purpose of your prepared direct testimony in
21 this proceeding?

22
23 **A.** The purpose of my prepared direct testimony is to support
24 Peoples' determination of the costs incurred by the company
25 in pre-storm preparations and mobilization, damage

1 assessment, making the distribution system safe, and
2 restoring gas service related to Hurricane Michael in
3 October 2018, as well as, the recovery of the incremental
4 costs through a temporary storm cost recovery surcharge.
5 My prepared direct testimony supports the storm cost
6 recovery in this proceeding and demonstrates that Peoples'
7 storm response and restoration accounting processes and
8 controls are well established, documented, and implemented
9 by personnel suitably trained to ensure proper storm
10 accounting and ratemaking. Specifically, my prepared
11 direct testimony will show that Peoples' has effective and
12 appropriate controls and accounting procedures for storm
13 events, and that Peoples' accounting for Hurricane Michael
14 was performed in accordance with the Incremental Cost and
15 Capitalization Approach ("ICCA") methodology guidance under
16 Rule 25-6.0143, Florida Administrative Code ("FAC"). My
17 prepared direct testimony also provides the calculation of
18 the proposed Temporary Storm Cost Recovery Surcharge that
19 provides Peoples recovery of the incremental storm costs.

20
21 **Q.** Please provide a summary of your prepared direct testimony?

22
23 **A.** In Peoples' last base rate proceeding, Docket No. 20080317-
24 GU, the company received Commission approval to record a
25 storm accrual of \$57,500 annually, utilizing Rule 25-

1 6.0143, FAC, as the basis for determining applicable
2 incremental storm costs. Therefore, Peoples' maintains a
3 property insurance reserve account (Federal Energy
4 Regulatory Commission ("FERC") Account No. 228.1,
5 Accumulated Provision for Property Insurance), in
6 accordance with Rule 25-6.0143, FAC, which is designated to
7 cover the costs of storm related damages not covered by
8 insurance. Peoples' long-standing accounting control
9 processes and procedures were employed for Hurricane
10 Michael and those control processes continue to ensure
11 proper storm accounting and ratemaking. The ICCA
12 methodology found in Rule 25-6.0143, FAC, was applied to
13 each storm cost type to determine the amount recoverable
14 from Peoples' customers. Document No. 1, of my Exhibit No.
15 SPH-1 titled "Storm Response and Restoration Costs Related
16 to Hurricane Michael" includes a summary of Hurricane
17 Michael's costs by cost type. The total incremental
18 recoverable storm response and restoration costs incurred
19 by Peoples is \$3,312,052. This amount fully depleted and
20 exceeded the \$79,125, September 2018, pre-storm balance in
21 the company's reserve account. Peoples is carrying a debit
22 balance in FERC Account No. 228.1 and is petitioning the
23 Commission for recovery of Peoples' debit balance in that
24 account, plus an amount to replenish the storm reserve to
25 the September 30, 2018 pre-storm balance through a

1 surcharge as permitted under paragraph (1)(j) of Rule 25-
2 6.0143, FAC. Including interest on the unamortized balance
3 and regulatory assessment fees, Peoples is seeking to
4 recover in this proceeding a total of \$3,382,702.

5
6 **Q.** Please summarize the exhibits that support your prepared
7 direct testimony?

8
9 **A.** My Exhibit No. SPH-1 consists of five (5) documents titled:
10 Document No. 1: Storm Response and Restoration Costs -
11 Related to Hurricane Michael
12 Document No. 2: Storm Costs Interest Calculation -
13 Related to Hurricane Michael
14 Document No. 3: Temporary Storm Cost Recovery
15 Surcharge - Related to Hurricane
16 Michael
17 Document No. 4: Legislative Tariff Changes -
18 Reflecting the Proposed Temporary
19 Storm Cost Recovery Surcharge
20 Document No. 5: Clean Tariff Sheets - Reflecting the
21 Proposed Temporary Storm Cost Recovery
22 Surcharge

23
24 Document No. 1 of my Exhibit No. SPH-1, provides the total
25 costs that were incurred by Peoples in performing the damage

1 assessment, safety assessment and restoration processes in
2 response to Hurricane Michael. The total response and
3 restoration costs include charges made to the storm
4 reserve, capital and O&M under the ICCA methodology. The
5 charges made to the storm reserve under the ICCA
6 methodology, plus interest on the unamortized costs, make
7 up the adjusted recoverable storm response and restoration
8 costs. Document No. 2 of my Exhibit No. SPH-1, provides
9 the calculation of interest. Document No. 3 of my Exhibit
10 No. SPH-1, provides the calculation of the proposed
11 Temporary Storm Cost Recovery Surcharge factors that have
12 been calculated consistent with the methodology utilized
13 for calculation of Peoples' Natural Gas Conservation Cost
14 Recovery ("NGCCR) Clause factors. Document No. 4 of my
15 Exhibit No. SPH-1, contains the proposed revisions, in
16 legislative format, to Peoples' tariff, which incorporate
17 the Temporary Storm Cost Recovery Surcharge factors.
18 Document No. 5 of my Exhibit No. SPH-1, contains the
19 proposed revisions, in clean format, to Peoples' tariff,
20 which incorporate the Temporary Storm Cost Recovery
21 Surcharge factors.

22
23 **Q.** What is the total storm response and restoration costs
24 incurred by Peoples' for Hurricane Michael?
25

1 **A.** Peoples incurred a total of \$3,872,698 of total storm costs.
2 This total includes \$205,553 of capital costs and \$355,093
3 of non-incremental operations and maintenance ("O&M") costs
4 (per Rule 25-6.0143, FAC) the company is not seeking to
5 recover, which are detailed in Document No. 1 of my Exhibit
6 No. SPH-1.

7

8 **Q.** What are the storm costs Peoples is seeking to recover
9 Hurricane Michael?

10

11 **A.** Peoples is seeking to recover a total of \$3,382,702
12 ("Recoverable Storm Amount") that includes the \$3,312,052
13 of prudently incurred incremental recoverable storm
14 response and restoration costs for Hurricane Michael,
15 \$53,720 of interest on the unamortized costs detailed in
16 Document No. 2 of my Exhibit No. SPH-1, and \$16,930 for
17 Regulatory Assessment Fees, which are also detailed in
18 Document No. 1 of my Exhibit No. SPH-1.

19

20 **Q.** How does Peoples track storm response and restoration
21 costs?

22

23 **A.** Peoples' Finance team established a unique storm order
24 number to account for all storm response and restoration
25 costs incurred for financial reporting and regulatory

1 recovery purposes. The company uses this order number to
2 account for all costs directly associated with storm
3 response and restoration, including costs that will not be
4 charged to Peoples' storm reserve account based on the
5 Commission's requirements under the ICCA methodology. All
6 storm related costs charged to the storm order number are
7 captured in FERC Account No. 186, Miscellaneous Deferred
8 Debits. All incremental storm costs charged to FERC Account
9 No. 186 are subsequently cleared and charged to the storm
10 reserve account. Other storm related costs are charged to
11 capital or O&M, accordingly.

12
13 **Q.** How does Peoples determine when to start charging storms
14 costs?

15
16 **A.** As detailed in the prepared direct testimony of People Gas
17 System's witness Christopher J. Barrington, if a named
18 tropical storm has the potential to threaten Florida and
19 any portion of the company's service area, the Incident
20 Commander will initiate calls with the Gas Operations team.
21 Depending on the named tropical storm's intensity and
22 forecasted track and impacts, at approximately five (5) to
23 seven (7) days from projected landfall, the Incident
24 Commander will initiate a full or partial Incident Command
25 Structure ("ICS"). As the named tropical storm moves closer

1 to landfall, all other areas of the company are quickly
2 activated to execute their storm related responsibilities
3 within the ICS plan. This includes the Peoples' Finance
4 team, which establishes and activates the storm order
5 number to begin tracking costs for the named tropical storm
6 expected to impact Peoples' distribution system. The pre-
7 landfall costs charged to the storm order number includes
8 the mobilization and pre-staging of internal and external
9 resources.

10
11 **Q.** When did Peoples start charging costs to Hurricane Michael?

12
13 **A.** Peoples began charging costs to the storm order number for
14 Hurricane Michael on October 8, 2018.

15
16 **Q.** Did Peoples follow and apply the ICCA methodology, as
17 described in Rule 25-6.0143, FAC, for the storm costs that
18 the company is seeking recovery for in this proceeding?

19
20 **A.** Yes.

21
22 **Q.** What types of costs are included in the amounts for which
23 Peoples is seeking recovery?

24
25 **A.** In accordance with Rule 25-6.0143, FAC, incremental costs

1 that were properly accounted for in Peoples' total
2 recoverable storm costs include, but were not limited to
3 the following: (1) overtime payroll and incremental payroll
4 related costs for utility personnel included in storm
5 restoration activities; (2) incremental affiliate labor
6 directly involved in storm restoration activities; (3)
7 contract labor hired for storm restoration activities; (4)
8 logistics costs of providing meals, lodging, linens,
9 electricity and fuel supply; (5) vehicle and fuel costs for
10 company use during storm restoration activities; (6) non-
11 capital materials and supplies used to repair and restore
12 gas service and facilities to pre-storm condition; (7)
13 travel costs and other employee expenses specifically
14 related to storm restoration activities; and (8) cost of
15 public service announcements regarding key storm related
16 issues.

17
18 **Q.** Please explain how Peoples determines the non-incremental
19 O&M costs incurred from Hurricane Michael?

20
21 **A.** Once all incremental costs were incurred and recorded to
22 FERC Account No. 186, the accounting department completed
23 a detailed review to determine amounts which were not
24 incremental under the ICCA methodology prescribed in Rule
25 25-6.0143, FAC. Per the ICCA methodology, non-incremental

1 costs are those that are included in normal base rate
2 operations. The company excluded the following storm
3 restoration costs that were incurred: (1) payroll costs
4 that are already recovered in base rates; (2) bonuses for
5 utility personnel not eligible for overtime pay; (3)
6 utility call center and customer service budgeted overtime;
7 (4) employee assistance costs; and (5) other non-
8 incremental costs associated with Hurricane Michael.

9
10 **Q.** Does Peoples have any other incremental costs that were
11 incurred and recorded to FERC Account No. 186, but not
12 charged against the storm reserve?

13
14 **A.** Yes. Peoples incurred an uncollectible account expense of
15 \$27,255 related to a write-off of account receivables for
16 service provided prior to Hurricane Michael. As a goodwill
17 gesture, certain Panama City customer accounts were
18 written-off outside the normal write-off process due to
19 those customers' financial difficulties resulting from
20 their home being uninhabitable after Hurricane Michael. As
21 permitted under Rule 25-6.0143, FAC, these costs have been
22 deferred in FERC Account No. 186. The company is seeking
23 Commission's approval to charge the deferred costs to FERC
24 Account No. 228.1 and receive recovery of these
25 uncollectible accounts.

1 Q. Would you explain how Peoples determines the capital costs
2 incurred from the Hurricane Michael?

3
4 A. All storm response and restoration costs (including follow-
5 up work) are charged to FERC Account No. 186. Once the
6 storm restoration was complete, Peoples determined the
7 amount of capital costs in accordance with capitalization
8 guidance provided in the Code of Federal Regulations
9 ("CFR"), Florida Administrative Code ("FAC") and Generally
10 Accepted Accounting Principles ("GAAP"). The listing of
11 all materials used in the restoration and charged to the
12 storm order number were reviewed along with the Operations'
13 team documentation of capital work activities performed
14 during the restoration effort, which primarily involved
15 removal or replacement of damaged service lines, meters and
16 regulators. A minor amount of main replacement was also
17 performed during restoration. The materials used during
18 restoration that are normally used in capital projects were
19 then reviewed for capitalization in accordance with
20 Peoples' capitalization guidance. Using an analysis of
21 pre-storm historical average costs for capital work
22 activities, the normal amount of capital cost, including
23 materials and labor, was credited out of FERC Account No.
24 186 and debited to construction work in progress ("CWIP").
25 Once the capital jobs were completed, the CWIP account was

1 credited and the appropriate functional plant account in
2 FERC Account No. 101, Plant in Service, was debited.
3 Peoples continues to address residual work created by the
4 storm and has accounted for those capital related
5 activities under its normal accounting and capitalization
6 procedures.

7
8 **Q.** Please describe the process followed by Peoples to ensure
9 the outside embedded contractor costs are appropriate?

10
11 **A.** Peoples' Gas Operations team, which directed the outside
12 embedded contractors work during the storm restoration
13 effort, reviewed the invoices and support documentation
14 before approving for payment. In addition, Peoples'
15 Finance team performed a detailed review of the
16 documentation related to the outside embedded contractor
17 costs, which is included on line 4 of Document No. 1 of my
18 Exhibit No. SPH-1.

19
20 **Q.** Please provide background on Peoples' storm reserve.

21
22 **A.** Peoples' maintains a property insurance reserve account,
23 (FERC Account No. 228.1), in accordance with Rule 25-
24 6.0143, FAC, which is designated to cover the costs of
25 storm-related damages to the utility's own property or

1 property leased by others that is not covered by insurance.

2

3 In Peoples' last base rate increase proceeding, Docket No.
4 20080318-GU, the company sought approval to establish the
5 storm reserve accrual utilizing Rule 25-6.0143, FAC, as the
6 basis for determining applicable incremental storm costs.
7 The Commission issued Order No. PSC-2009-0411-FOF-GU
8 approving a storm accrual amount \$57,500 annually and
9 established a storm reserve target balance of \$1,000,000.
10 Prior to 2018, Peoples incurred storm costs related to
11 Hurricane Irma and Hurricane Mathew in the amount of
12 \$354,520 and \$103,023, respectively, resulting in a storm
13 reserve balance of \$79,125 at September 30, 2018.

14

15 **Q.** Does or will Peoples expect to receive any insurance
16 reimbursement from Hurricane Michael?

17

18 **A.** No.

19

20 **Q.** Does or will Peoples expect to receive any third-party
21 reimbursement from Hurricane Michael?

22

23 **A.** No.

24

25 **Q.** Do all the costs that Peoples is seeking to recover for

1 Hurricane Michael and the cost calculation methodologies
2 used to develop these costs in this petition, comply with
3 Commission issued Order No. PSC-2009-0411-FOF-GU?
4

5 **A.** Yes.

6
7 **Q.** Is Peoples seeking approval to recover its incremental
8 costs related to Hurricane Michael?
9

10 **A.** Yes. Peoples incurred \$3,312,052 of incremental storm
11 response and restoration costs as a result of Hurricane
12 Michael. Due to the severity of Hurricane Michael and
13 the proximity of its landfall to Peoples' service area,
14 the storm response, logistics requirements, and
15 restoration effort was unprecedented. The incremental
16 storm costs related to the impact of Hurricane Michael
17 far exceeded the pre-storm reserve balance, leaving it
18 fully depleted. As a result, Peoples is carrying a debit
19 balance in FERC Account No. 228.1 and is petitioning the
20 Commission for approval to recover the debit balance in
21 that account, plus the amount to replenish the storm
22 reserve to the September 30, 2018 pre-storm balance
23 through a temporary storm cost recovery surcharge, as
24 permitted under paragraph (1)(j) of Rule 25-6.0143, FAC.
25

1 **Q.** When does Peoples propose to start billing the Temporary
2 Storm Cost Recovery Surcharge and what is the duration of
3 the proposed surcharge on customer bills?
4

5 **A.** Peoples proposes that the Temporary Storm Cost Recovery
6 Surcharge be applied to all customer bills starting with
7 the first billing cycle of August 2019 and remain in
8 effect until the proposed Recoverable Storm Amount, as
9 approved by the Commission, has been recovered and the
10 reserve has been restored to its September 30, 2018 pre-
11 storm level. Peoples anticipates that the storm cost
12 recovery would be completed by December 31, 2019.
13

14 **Q.** Since Hurricane Michael, has Peoples continued to accrue
15 for storm costs in the storm reserve, FERC Account 228.1?
16

17 **A.** Yes. Since September 30, 2018, Peoples has continued to
18 accrue \$4,792 per month (\$57,500 approved annual accrual
19 amount divided by 12 months) to the storm reserve FERC
20 Account No. 228.1. From September 30, 2018 through the
21 anticipated storm cost recovery date of December 31, 2019,
22 Peoples will have accrued 15 months or \$71,875 of
23 additional storm reserve. Peoples believes the \$71,875
24 of additional storm reserve accruals should not reduce
25 the Recoverable Storm Amount for Hurricane Michael and

1 should be added to the storm reserve to cover the cost of
2 future storms. Assuming no named tropical storms in
3 2019 and recovery of the proposed Recoverable Storm
4 Amount, Peoples' storm reserve balance in FERC Account
5 No. 228.1 would be \$151,000 at December 31, 2019, or the
6 sum of \$79,125 pre-storm September 30, 2018 balance plus
7 the \$71,875 of additional storm reserve accruals through
8 December 31, 2019.

9
10 **Q.** What are the proposed Temporary Storm Cost Recovery
11 Surcharge factors and what methodology was utilized in
12 determining factors?

13
14 **A.** Peoples requests approval of the following proposed
15 Temporary Storm Cost Recovery Surcharge using volumetric
16 cents-per-therm factors. The cents-per-therm surcharge
17 factors were determined in the same manner used by Peoples
18 to allocate and recover costs under the Natural Gas
19 Conservation Cost Recovery Clause factors. The
20 calculations contained in Document No. 3 of my Exhibit No.
21 SPH-1 for each rate class and the rates are identified as
22 follows:

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<u>Rate Schedule</u>	<u>(cents per therm)</u>
RS, RS-SG & RS-GHP	0.05921
SGS	0.03173
GS-1, CS-SG & CS-GHP	0.01476
GS-2	0.01060
GS-3	0.00874
GS-4	0.00640
GS-5	0.00471
SIS	0.00295
IS	0.00143
NGVS	0.00941
CSLS	0.00757

Q. How would Peoples treat an over-recovery of the recoverable storm amount related to Hurricane Michael?

A. Peoples anticipates the collection of the Temporary Storm Cost Recovery Surcharge over a 5-month period, beginning with the first billing cycle in August 2019. Peoples proposes the Temporary Storm Cost Recovery Surcharge remain in effect until the approved recoverable storm amount has been recovered, subject to refund after final true-up adjustments.

Q. Does Peoples have revised tariff sheets reflecting the Temporary Storm Cost Recovery Surcharge factors?

A. Yes. Document Nos. 4 and 5 of my Exhibit No. SPH-1, shows Peoples' proposed legislative and clean tariff sheets reflecting the addition of the Temporary Storm Cost Recovery Surcharge and incorporating the appropriate

1 recovery factors designed to allow the company to recover
2 its prudently incurred storm restoration costs.

3
4 **Q.** What is the expected impact of the Temporary Storm Cost
5 Recovery Surcharge on a typical residential bill?

6
7 **A.** The Temporary Storm Cost Recovery Surcharge represents an
8 incremental charge of approximately \$0.76 per month on
9 the typical residential customer bill during the 5-month
10 timeframe Peoples' anticipates recovery.

11
12 **Q.** When will Peoples provide customers notification that the
13 Temporary Storm Cost Recovery Surcharge is being added to
14 the bills?

15
16 **A.** It is Peoples' intent to provide a 30-day customer
17 notification prior to the commencement of the Temporary
18 Storm Cost Recovery Surcharge, which is anticipated to be
19 effective with the first billing cycle in August 2019.

20
21 **Q.** Does this conclude your prepared direct testimony?

22
23 **A.** Yes, it does.
24
25

EXHIBIT

OF

SEAN P. HILLARY

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Peoples Gas System

Storm Response and Restoration Costs
Related to Hurricane Michael

22

Line No.			
1	Regular Payroll and Related Costs	\$	470,960
2	Overtime Labor		789,630
3	Affiliated Payroll and Related Costs ¹		221,827
4	Outside Services - Contractors		470,478
5	Logistics		1,577,230
6	Vehicle & Fuel		51,730
7	Materials & Supply		213,387
8	Safety Public Service Announcements		50,200
9	Uncollectible Account Expense		27,255
10	Total Storm-Related Costs	\$	3,872,698
11	Non-Incremental Costs (per FAC Rule 25-6.0143)		(355,093)
12	Capital Costs		(205,553)
13	Recoverable Storm Response and Restoration Costs		3,312,052
14	Interest on Unamortized Costs		53,720
15	Adjusted Recoverable Storm Response and Restoration Costs		3,365,772
16	Regulatory Assessment Fee Multiplier		1.00503
17	Total System Storm to be Recovered from Customers ("Recoverable Storm Amount")	\$	3,382,702

Notes: ¹ Includes incremental labor provided by New Mexico Gas Company, TECO Services Inc., and Tampa Electric Company.

Peoples Gas System

Storm Costs Interest Calculation Related to Hurricane Michael (In \$ Thousands)

Line No.		Beginning Balance	Amortization	Interest Cost	Ending Balance	Average Balance	Interest Rate
1	March	3,312	-	6	3,318	3,312	2.25%
2	April	3,318	-	6	3,324	3,315	2.25%
3	May	3,324	-	6	3,331	3,321	2.25%
4	June	3,331	-	6	3,337	3,328	2.25%
5	July	3,337	-	6	3,343	3,334	2.25%
6	August	3,343	574	6	2,776	3,340	2.25%
7	September	2,776	582	6	2,200	3,060	2.25%
8	October	2,200	603	5	1,602	2,488	2.25%
9	November	1,602	703	4	903	1,901	2.25%
10	December	903	906	2	(0)	1,253	2.25%
11	Total		3,366	54			

Note: Interest Rate calculation begins in March, as not all Storm Cost payments were paid until March 2019.

PEOPLES GAS SYSTEM
DOCKET NO. 20190109-GU
EXHIBIT NO. _____ (SPH-1)
WITNESS: HILLARY
DOCUMENT NO. 2
PAGE 1 OF 1
FILED: 05/24/2019

Peoples Gas System

Temporary Storm Cost Recovery Surcharge
Related to Hurricane Michael

Revenue Recovery Amount: \$ **3,382,702**

RATE SCHEDULE	BILLS	THERMS	CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	TOTAL CUST. & ENGY CHG REVENUE	SURCHARGE AS % OF TOTAL REVENUES	SURCHARGE REVENUES	SURCHARGE VOLUMETRIC BILLING FACTOR \$/THERM
RS, RS-SG & RS-GHP	1,801,712	23,011,000	26,406,279	5,859,751	32,266,030	4.2%	1,362,547	0.05921
SGS	57,433	3,179,239	1,364,601	1,023,906	2,388,507	4.2%	100,863	0.03173
GS-1, CS-SG & CS-GHP	95,672	33,580,682	3,182,063	8,552,328	11,734,391	4.2%	495,526	0.01476
GS-2	41,244	56,400,471	1,959,903	12,190,962	14,150,865	4.2%	597,570	0.01060
GS-3	4,858	34,549,345	692,569	6,457,964	7,150,533	4.2%	301,957	0.00874
GS-4	860	29,719,500	204,319	4,297,143	4,501,462	4.2%	190,090	0.00640
GS-5	690	51,082,143	196,712	5,495,417	5,692,129	4.2%	240,370	0.00471
SIS	123	17,358,084	35,066	1,176,357	1,211,423	4.2%	51,157	0.00295
IS	50	28,282,765	22,570	938,422	960,992	4.2%	40,581	0.00143
NGVS	20	17,794	855	3,110	3,965	4.2%	167	0.00941
CSLS	0	247,399	0	44,339	44,339	4.2%	1,872	0.00757
TOTAL	2,002,663	277,428,422	\$ 34,064,937	\$ 46,039,699	\$ 80,104,636	4.2%	\$ 3,382,702	

PEOPLES GAS SYSTEM
DOCKET NO. 20190109-GU
EXHIBIT NO. _____ (SPH-1)
WITNESS: HILLARY
DOCUMENT NO. 3
PAGE 1 OF 1
FILED: 05/24/2019

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Tenth Revised Sheet No. 7.000
Cancels Ninth Revised Sheet No. 7.000

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Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Original Sheet No. 7.101-10

RATE SCHEDULE TEMPORARY STORM RECOVERY SURCHARGE

APPLICABILITY

Applicable to Customers receiving Gas Service under the following rate schedule.

DETERMINATION OF TEMPORARY STORM RECOVERY SURCHARGE

The Temporary Storm Recovery Surcharge will be a per therm rate per month for the bills rendered for meter readings taken on or after August 1, 2019, beginning with the first or applicable billing cycle through the last billing cycle for December 2019. The Customer's monthly bill for Gas Service shall be increased by the Temporary Storm Recovery Surcharge determined in accordance with this tariff.

Temporary Storm Recovery Surcharge factors are shown below:

Rate Schedule	(cents per therm)
RS, RS-SG & RS-GHP	0.05921
SGS	0.03173
GS-1, CS-SG & CS-GHP	0.01476
GS-2	0.01060
GS-3	0.00874
GS-4	0.00640
GS-5	0.00471
SIS	0.00295
IS	0.00143
NGVS	0.00941
CSLS	0.00757

This rate schedule is subject to Rules and Regulations of the Company and the Florida Public Service Commission.

Issued By: T. J. Szelistowski, President
Issued On:

Effective:

**Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3**

**Sixth Revised Sheet No. 7.201-1
Cancels Fifth Revised Sheet No. 7.201-1**

RESIDENTIAL SERVICE (Continued)

Note 1 – Company's BudgetPay plan is available to eligible Customers receiving Gas Service pursuant to this rate schedule (See Sheet No. 5.401-3).

The bill for the Therms billed under this schedule shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1.

Special Conditions:

1. The rates set forth under this schedule shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
2. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
3. Service under this schedule is subject to annual volume review by the Company or any time at the Customer's request. If reclassification to another billing class is appropriate such classification will be prospective.
4. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
5. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
6. A RS-GHP Customer with an annual consumption in excess of 1,999 Therms shall be eligible for transportation service under Rider NCTS.
7. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
8. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

Issued By: T. J. Szelistowski, President
Issued On:

Effective:

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Fifth Revised Sheet No. 7.301-1
Cancels Fourth Revised Sheet No. 7.301-1

SMALL GENERAL SERVICE (Continued)

5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. Service under this schedule is subject to annual volume review by the Company or any time at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
9. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

Note: Company's Budget Billing Plan is available to eligible Customers receiving Gas Service pursuant to this rate schedule (See Sheet No. 5.401-3)

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Fourth Revised Sheet No. 7.302-1
Cancels Third Revised Sheet No. 7.302-1

GENERAL SERVICE – 1 (Continued)

5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. Service under this schedule is subject to annual volume review by the Company or any time at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
9. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

Issued By: T. J. Szelistowski, President
Issued On:

Effective:

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Fifth Revised Sheet No. 7.303-1
Cancels Fourth Revised Sheet No. 7.303-1

GENERAL SERVICE - 2 (Continued)

5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. Service under this schedule is subject to annual volume review by the Company or anytime at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
9. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Third Revised Sheet No. 7.303-3
Cancels Second Sheet No. 7.303-3

GENERAL SERVICE - 3 (Continued)

5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. Service under this schedule is subject to annual volume review by the Company or anytime at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
9. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

Issued By: T. J. Szelistowski, President
Issued On:

Effective:

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Third Revised Sheet No. 7.303-5
Cancels Second Revised Sheet No. 7.303-5

GENERAL SERVICE - 4 (Continued)

5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. Service under this schedule is subject to annual volume review by the Company or anytime at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
9. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

Issued By: T. J. Szelistowski, President
Issued On:

Effective:

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Fifth Revised Sheet No. 7.304-1
Cancels Fourth Revised Sheet No. 7.304-1

GENERAL SERVICE - 5 (Continued)

5. Service under this schedule (unless otherwise indicated herein) shall be subject to the Rules and Regulations set forth in this tariff.
6. Service under this schedule is subject to annual volume review by the Company or anytime at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
9. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Fourth Revised Sheet No. 7.306-1
Cancels Third Revised Sheet No. 7.306-1

COMMERCIAL STREET LIGHTING SERVICE (Continued)

7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
9. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge.

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Fifth Revised Sheet No. 7.401-1
Cancels Fourth Revised Sheet No. 7.401-1

NATURAL GAS VEHICLE SERVICE-1 (Continued)

6. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
7. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
8. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge.

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Third Revised Sheet No. 7.402-2
Cancels Second Revised Sheet No. 7.402-2

RESIDENTIAL STANDBY GENERATOR SERVICE (Continued)

6. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
7. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
8. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

Issued By: T. J. Szelistowski, President
Issued On:

Effective:

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Third Revised Sheet No. 7.403-1
Cancels Second Revised Sheet No. 7.403-1

COMMERCIAL STANDBY GENERATOR SERVICE
Rate Schedule CS-SG (Continued)

5. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider NCTS.
6. Subject to Special Condition 7 below, a Customer receiving Gas Service under this schedule shall remain obligated to remain on this schedule for 12 months. This 12-month requirement shall be renewed at the end of each 12-month period unless customer terminates Gas Service at the end of any 12-month period.
7. If Customer installs an additional Gas appliance at the premise at which service is provided hereunder, then Customer will be transferred to the otherwise applicable rate schedule.
8. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
9. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
10. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

**Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3**

**First Revised Sheet No. 7.405-1
Cancels Original Sheet No. 7.405-1**

COMMERCIAL GAS HEAT PUMP SERVICE (Continued)

8. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
9. Service under this schedule is subject to annual volume review by the Company or any time at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
10. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
11. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Fourth Revised Sheet No. 7.601-1
Cancels Third Revised Sheet No. 7.601-1

SMALL INTERRUPTIBLE SERVICE (Continued)

4. Interruption and curtailment:
The Company may notify the Customer at any time to reduce or cease using Gas. The Company will endeavor to give as much notice as possible to the Customer.

Any gas taken in excess of the volume allocated to the Customer in an interruption or curtailment order shall be considered to be unauthorized overrun gas. Company may bill and Customer shall pay for such unauthorized overrun gas at the greater of (i) five (5) times the highest Gas Daily mid-point price for gas delivered to a Gulf Coast pipeline plus FGT's FTS-2 reservation, usage, fuel and applicable surcharges or (ii) five (5) times the Gas Daily FGT Florida City gate price for gas for the calendar day on which such unauthorized overrun gas was taken.
5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. As a condition for receiving service pursuant to this rate schedule, Customer agrees that it will give notice to Company at least 120 days prior to the effective date of any termination of service under this rate schedule which is to be followed by the Company's establishment of service to Customer under a rate schedule providing for firm service.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Fourth Revised Sheet No. 7.603-1
Cancels Third Revised Sheet No. 7.603-1

INTERRUPTIBLE SERVICE (Continued)

3. Interruption and curtailment:
The Company may notify the Customer at any time to reduce or cease using Gas. The Company will endeavor to give as much notice as possible to the Customer.

Any Gas taken in excess of the volume allocated to the Customer in an interruption or curtailment order shall be considered to be unauthorized overrun Gas. Company may bill and Customer shall pay for such unauthorized overrun Gas at the greater of (i) five (5) times the highest Gas Daily mid-point price for gas delivered to a Gulf Coast pipeline plus FGT's FTS-2 reservation, usage, fuel and applicable surcharges or (ii) five (5) times the Gas Daily FGT Florida City gate price for gas for the calendar day on which such unauthorized overrun gas was taken.
4. The rates set forth under this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.
5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. A Customer which qualifies for service under this rate schedule shall continue to qualify for service hereunder if its usage is decreased below 4,000,000 Therms per year due solely to the Customer's taking thermal energy from a cogeneration facility to which the Company sells Gas or provides transportation service.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~TenthNinth~~ Revised Sheet No. 7.000
Cancels ~~NinthEighth~~ Revised Sheet No. 7.000

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RATE SCHEDULES

RESIDENTIAL RATES:

Residential Service (RS) 7.201

GENERAL SERVICE RATES:

Small General Service (SGS) 7.301
General Service - 1 (GS-1) 7.302
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Natural Gas Vehicle Service-1 (NGVS-1) 7.401
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Residential Standby Generator Service (RS-SG) 7.402-1
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WHOLESALE RATES:

Wholesale Service - Firm (WHS) 7.501

INTERRUPTIBLE RATES:

Small Interruptible Service (SIS) 7.601
Interruptible Service (IS) 7.603
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Contract Interruptible Service (CIS) 7.607

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Original Sheet No. 7.101-10

RATE SCHEDULE TEMPORARY STORM RECOVERY SURCHARGE

APPLICABILITY

Applicable to Customers receiving Gas Service under the following rate schedule.

DETERMINATION OF TEMPORARY STORM RECOVERY SURCHARGE

The Temporary Storm Recovery Surcharge will be a per therm rate per month for the bills rendered for meter readings taken on or after August 1, 2019, beginning with the first or applicable billing cycle through the last billing cycle for December 2019. The Customer's monthly bill for Gas Service shall be increased by the Temporary Storm Recovery Surcharge determined in accordance with this tariff.

Temporary Storm Recovery Surcharge factors are shown below:

<u>Rate Schedule</u>	<u>(cents per therm)</u>
<u>RS, RS-SG & RS-GHP</u>	<u>0.05921</u>
<u>SGS</u>	<u>0.03173</u>
<u>GS-1, CS-SG & CS-GHP</u>	<u>0.01476</u>
<u>GS-2</u>	<u>0.01060</u>
<u>GS-3</u>	<u>0.00874</u>
<u>GS-4</u>	<u>0.00640</u>
<u>GS-5</u>	<u>0.00471</u>
<u>SIS</u>	<u>0.00295</u>
<u>IS</u>	<u>0.00143</u>
<u>NGVS</u>	<u>0.00941</u>
<u>CSLS</u>	<u>0.00757</u>

This rate schedule is subject to Rules and Regulations of the Company and the Florida Public Service Commission.

Issued By: T. J. Szelistowski, President
Issued On:

Effective:

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~SixthFifth~~ Revised Sheet No. 7.201-1
Cancels ~~FifthFourth~~ Revised Sheet No. 7.201-1

RESIDENTIAL SERVICE (Continued)

Note 1 – Company's BudgetPay plan is available to eligible Customers receiving Gas Service pursuant to this rate schedule (See Sheet No. 5.401-3).

The bill for the Therms billed under this schedule shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1.

Special Conditions:

1. The rates set forth under this schedule shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
2. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
3. Service under this schedule is subject to annual volume review by the Company or any time at the Customer's request. If reclassification to another billing class is appropriate such classification will be prospective.
4. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
5. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
6. A RS-GHP Customer with an annual consumption in excess of 1,999 Therms shall be eligible for transportation service under Rider NCTS.
7. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
8. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~Fifth~~Fourth Revised Sheet No. 7.301-1
Cancels ~~Fourth~~Third Revised Sheet No. 7.301-1

SMALL GENERAL SERVICE (Continued)

5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. Service under this schedule is subject to annual volume review by the Company or any time at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
9. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

Note: Company's Budget Billing Plan is available to eligible Customers receiving Gas Service pursuant to this rate schedule (See Sheet No. 5.401-3)

Peoples Gas System
a Division of Tampa Electric Company
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~~Fourth~~ Revised Sheet No. 7.302-1
Cancels ~~Third~~ Revised Sheet No. 7.302-1

GENERAL SERVICE – 1 (Continued)

5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. Service under this schedule is subject to annual volume review by the Company or any time at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
9. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

Issued By: ~~G. L. Gillette~~ T. J. Szelistowski, President
Issued On: ~~December 14, 2011~~

Effective: ~~January 1, 2013~~

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~Fifth~~Fourth Revised Sheet No. 7.303-1
Cancels ~~Fourth~~Third Revised Sheet No. 7.303-1

GENERAL SERVICE - 2 (Continued)

5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. Service under this schedule is subject to annual volume review by the Company or anytime at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
9. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~Third~~~~Second~~ Revised Sheet No. 7.303-3
Cancels ~~Second~~~~First~~ Sheet No. 7.303-3

GENERAL SERVICE - 3 (Continued)

5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. Service under this schedule is subject to annual volume review by the Company or anytime at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
9. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

Peoples Gas System ~~Third~~ Revised Sheet No. 7.303-5
a Division of Tampa Electric Company Cancels ~~Second~~ Revised Sheet No. 7.303-5
Original Volume No. 3

GENERAL SERVICE - 4 (Continued)

5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. Service under this schedule is subject to annual volume review by the Company or anytime at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
- ~~8.~~ The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
- ~~8-9.~~ Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

Issued By: ~~G. L. Gillette~~ T. J. Szelistowski, President
Issued On: ~~December 14, 2014~~

Effective: ~~January 1, 2013~~

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~Fifth~~^{Fourth} Revised Sheet No. 7.304-1
Cancels ~~Fourth~~^{Third} Revised Sheet No. 7.304-1

GENERAL SERVICE - 5 (Continued)

5. Service under this schedule (unless otherwise indicated herein) shall be subject to the Rules and Regulations set forth in this tariff.
6. Service under this schedule is subject to annual volume review by the Company or anytime at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
9. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

Issued By: ~~G. L. Gillette~~^{T. J. Szelistowski}, President
Issued On: ~~December 14, 2014~~

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Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~Fourth~~Third Revised Sheet No. 7.306-1
Cancels ~~Third~~Second Revised Sheet No. 7.306-1

COMMERCIAL STREET LIGHTING SERVICE (Continued)

7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
9. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge as set forth on Sheet No. 7.101-10.

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~Fifth~~^{Fourth} Revised Sheet No. 7.401-1
Cancels ~~Fourth~~^{Third} Revised Sheet No. 7.401-1

NATURAL GAS VEHICLE SERVICE-1 (Continued)

6. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
7. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
8. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge as set forth on Sheet No. 7.101-10.

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~Third~~~~Second~~ Revised Sheet No. 7.402-2
Cancels ~~Second~~~~First~~ Revised Sheet No. 7.402-2

RESIDENTIAL STANDBY GENERATOR SERVICE (Continued)

6. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
7. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
8. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

Issued By: ~~G. L. Gillette~~ T. J. Szelistowski, President
Issued On: ~~December 14, 2014~~

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Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~Third~~~~Second~~ Revised Sheet No. 7.403-1
Cancels ~~Second~~~~First~~ Revised Sheet No. 7.403-1

COMMERCIAL STANDBY GENERATOR SERVICE
Rate Schedule CS-SG (Continued)

5. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider NCTS.
6. Subject to Special Condition 7 below, a Customer receiving Gas Service under this schedule shall remain obligated to remain on this schedule for 12 months. This 12-month requirement shall be renewed at the end of each 12-month period unless customer terminates Gas Service at the end of any 12-month period.
7. If Customer installs an additional Gas appliance at the premise at which service is provided hereunder, then Customer will be transferred to the otherwise applicable rate schedule.
8. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
9. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
10. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

Issued By: ~~G. L. Gillette~~ T. J. Szelistowski, President
Issued On: ~~December 14, 2014~~

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Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

First Revised~~Original~~ Sheet No. 7.405-1
Cancels Original Sheet No. 7.405-1

COMMERCIAL GAS HEAT PUMP SERVICE (~~Continued~~Continued)

8. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
9. Service under this schedule is subject to annual volume review by the Company or any time at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
10. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.
11. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~FourthThird~~ Revised Sheet No. 7.601-1
Cancels ~~ThirdSecond~~ Revised Sheet No. 7.601-1

SMALL INTERRUPTIBLE SERVICE (Continued)

4. Interruption and curtailment:
The Company may notify the Customer at any time to reduce or cease using Gas. The Company will endeavor to give as much notice as possible to the Customer.

Any gas taken in excess of the volume allocated to the Customer in an interruption or curtailment order shall be considered to be unauthorized overrun gas. Company may bill and Customer shall pay for such unauthorized overrun gas at the greater of (i) five (5) times the highest Gas Daily mid-point price for gas delivered to a Gulf Coast pipeline plus FGT's FTS-2 reservation, usage, fuel and applicable surcharges or (ii) five (5) times the Gas Daily FGT Florida City gate price for gas for the calendar day on which such unauthorized overrun gas was taken.
5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. As a condition for receiving service pursuant to this rate schedule, Customer agrees that it will give notice to Company at least 120 days prior to the effective date of any termination of service under this rate schedule which is to be followed by the Company's establishment of service to Customer under a rate schedule providing for firm service.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~FourthThird~~ Revised Sheet No. 7.603-1
Cancels ~~ThirdSecond~~ Revised Sheet No. 7.603-1

INTERRUPTIBLE SERVICE (Continued)

3. Interruption and curtailment:
The Company may notify the Customer at any time to reduce or cease using Gas. The Company will endeavor to give as much notice as possible to the Customer.

Any Gas taken in excess of the volume allocated to the Customer in an interruption or curtailment order shall be considered to be unauthorized overrun Gas. Company may bill and Customer shall pay for such unauthorized overrun Gas at the greater of (i) five (5) times the highest Gas Daily mid-point price for gas delivered to a Gulf Coast pipeline plus FGT's FTS-2 reservation, usage, fuel and applicable surcharges or (ii) five (5) times the Gas Daily FGT Florida City gate price for gas for the calendar day on which such unauthorized overrun gas was taken.
4. The rates set forth under this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.
5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
6. A Customer which qualifies for service under this rate schedule shall continue to qualify for service hereunder if its usage is decreased below 4,000,000 Therms per year due solely to the Customer's taking thermal energy from a cogeneration facility to which the Company sells Gas or provides transportation service.
7. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
8. Service under this schedule is subject to the applicable Temporary Storm Recovery Surcharge set forth on Sheet No. 7.101-10.



BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20190109-GU

IN RE: PETITION FOR RECOVERY OF COSTS
ASSOCIATED WITH HURRICANE MICHAEL AND
REPLENISHMENT OF STORM RESERVE SUBJECT TO
FINAL TRUE-UP, PEOPLES GAS SYSTEM

PREPARED DIRECT TESTIMONY
OF
CHRISTOPHER J. BARRINGTON

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **PREPARED DIRECT TESTIMONY**

3 **OF**

4 **CHRISTOPHER J. BARRINGTON**

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

7
8 **A.** My name is Christopher J. Barrington. My business address
9 is 4040 Philips Highway Jacksonville, Florida 32207. I am
10 employed by Peoples Gas System ("Peoples" or "the company")
11 as Territory Manager, Florida Gas Operations.

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

15
16 **A.** My duties and responsibilities include the direct oversight
17 of five (5) operating divisions and their management teams
18 in Northern Florida and ensuring the safe and efficient
19 delivery of natural gas to our customers in these areas.
20 These duties include management oversight of new pipeline
21 construction, directing general operations, maintenance,
22 and emergency response activities and ensuring compliance
23 with required regulations related to the Peoples'
24 distribution pipeline systems in these areas. As it relates
25 to this filing, I am responsible for the safe, timely, and

1 efficient implementation of Peoples' Storm Response and
2 Restoration Plan.

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

6
7 **A.** I graduated from the University of North Florida in 1992
8 with a Bachelor of Technology degree in Industrial
9 Technology. I joined Peoples in 1993 as an Engineering
10 Supervisor in the Jacksonville division office and have
11 held various roles with increasing responsibility
12 including Local Operations Manager, Regional Operations
13 Manager, and Division Manager. I have served in my
14 current position of Territory Manager, Florida Gas
15 Operations since April 2014.

16
17 **Q.** What is the purpose of your prepared direct testimony?

18
19 **A.** The purpose of my prepared direct testimony is to describe
20 Peoples' Gas Delivery Emergency Preparedness Plan and to
21 provide details of the work and costs incurred by Peoples
22 during Hurricane Michael related to storm response and
23 restoration activities. My prepared direct testimony
24 supports the reasonableness and prudence of the storm costs
25 recovery for which Peoples is seeking recovery.

1 **Q.** Does Peoples has an Emergency Preparedness Plan?

2

3 **A.** Yes. Peoples has a Gas Delivery Emergency Preparedness
4 Plan that aligns with the FEMA's Incident Command System
5 that it follows during events such as Hurricane Michael.
6 The company updates the Gas Delivery Emergency Preparedness
7 Plan annually based on new improvements identified and
8 organizational or personnel changes.

9

10 **Q.** What is the objective of Peoples' Gas Delivery Emergency
11 Preparedness Plan?

12

13 **A.** The objective of Peoples' Gas Delivery Emergency
14 Preparedness Plan is to ensure that the company's
15 distribution system can safely and reliably provide gas
16 service to customers promptly during and following a severe
17 weather event. This is accomplished in accordance with all
18 regulatory, legislative and industry rules, including the
19 Occupational Safety and Health Administration and Pipeline
20 and Hazardous Materials Safety Administration. The
21 company's Gas Delivery Emergency Preparedness Plan is
22 accomplished in close coordination with all applicable
23 local, regional, state and federal governmental agencies
24 and is reviewed annually for improvements. Safety of the
25 company's distribution system is of utmost importance to

1 Peoples. Facilities, equipment and critical customers are
2 assessed using both a predetermined prioritization process
3 and a methodology to ensure safety and gas service is
4 provided to the largest number of customers as promptly as
5 possible. The Gas Delivery Emergency Preparedness Plan is
6 readily scalable to the size and impacts of the emergency
7 event. In addition, employees are regularly trained on
8 their emergency response roles. The scale of the
9 implementation of the Gas Delivery Emergency Preparedness
10 Plan may extend on a small scale to only internal resources
11 and possibly local contractor resources all the way to
12 opening multiple incident bases, acquiring resources from
13 regional mutual aid groups across the country, as well as
14 affiliates and contractor resources.

15
16 **Q.** What steps does Peoples take to prepare for storm season?

17
18 **A.** Peoples regularly takes several steps each year to prepare
19 the company and team members for each storm season including
20 implementing the company's mock storm exercises,
21 communication with local, county, and state emergency
22 response centers, reviewing inventory levels for critical
23 materials and distribution equipment that has the potential
24 to be damaged, and implementation of new technologies, such
25 as National Oceanic and Atmospheric Administration ("NOAA")

1 flood mapping to make storm management and execution more
2 efficient.

3
4 **Q.** How does Peoples respond when a named tropical storm
5 threatens a division?

6
7 **A.** Peoples begins an initiation of its storm response by
8 closely monitoring of weather forecasts. Peoples' Safety
9 department provides updates on weather forecasts throughout
10 the year. During the hurricane season, potential storms
11 are identified as early as seven (7) to 10 days ahead of
12 potential impacts to peninsular Florida and the company's
13 divisions throughout the state. Peoples subscribes to a
14 paid weather forecasting service and monitors the National
15 Weather Service. If the named tropical storm has the
16 potential to threaten Florida and one (1) or more of the
17 company's divisions throughout the state, calls will be
18 initiated with Peoples' Gas Operations team. Depending on
19 the tropical named storm's intensity and forecasted track
20 and impacts, generally five (5) to seven (7) days before
21 projected landfall, the Vice President of Operations or the
22 Gas Incident Commander will initiate full or partial Gas
23 Incident Command Structure along with daily to twice daily
24 calls using the established pre-storm agenda. The primary
25 focus is to engage the key responsible process owners in

1 the areas of Emergency Management and Mutual Assistance,
2 Safety, Environmental, Customer Experience, Human
3 Resources, Corporate Communications, Gas Supply, Gas
4 Operations, Gas Control, Logistics Support, Information
5 Technology, and Planning and Finance. Initial activities
6 are focused on weather forecasts and planning which
7 includes storm modeling and assessing the need for recovery
8 resources. If forecasts for impacts continue to hold, all
9 other areas of the company are quickly activated to execute
10 their storm responsibilities within the company's Gas
11 Delivery Emergency Preparedness Plan.

12
13 **Q.** Has Peoples had previous opportunities to exercise its Gas
14 Delivery Emergency Preparedness Plan?

15
16 **A.** Yes. Peoples has had opportunities to exercise the
17 company's Gas Delivery Emergency Preparedness Plan. The
18 company exercised the plan at various levels for all the
19 storms that are a threat to Peoples' divisions. In
20 addition, Peoples exercises the Gas Delivery Emergency
21 Preparedness Plan annually prior to the upcoming hurricane
22 season by conducting training, preparation and mock storm
23 exercises.

24
25 **Q.** How does Peoples ensure that its Gas Delivery Emergency

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Preparedness Plan is consistently followed?

A. Peoples' ensures that the company's Gas Delivery Emergency Preparedness Plan is consistently followed through annual training and preparation and mock storm exercises, as well as, having a well-defined plan where internal resources understand and have been trained on their roles and responsibilities. The Gas Delivery Emergency Preparedness Plan is reviewed and updated annually. Each employee with a storm assignment within the Gas Delivery Emergency Preparedness Plan is notified and trained. In most cases, there are primary personnel and backup personnel for each storm assignment role within the Gas Delivery Emergency Preparedness Plan. All documentation on the Gas Delivery Emergency Preparedness Plan is readily accessible by all employees through Peoples' intranet.

Q. How does Peoples assess its recovery workload requirements?

A. Peoples assesses its response and recovery workload requirements for named tropical storm events through two (2) primary methods. The first is through storm modeling, where the specific attributes of the forecasted weather are modelled based on a history of storm impacts from other events. The storm modeling is specific to each one of the

1 Peoples' divisions. Based on the anticipated damage
2 projections and number of leak calls expected, the resource
3 requirements necessary to fully assess the system, perform
4 emergency response and repair damage are estimated and
5 established. If the resource requirement is greater than
6 the internal availability, then external resources will be
7 acquired.

8
9 The second method for determining storm response and
10 restoration workload requirements is through damage
11 assessment. After the named tropical storm has passed,
12 damage assessors are sent out to inspect gas facilities,
13 gate stations, district regulator stations, perform leak
14 surveys identifying hazardous conditions, gather general
15 damage information and return that information to Peoples'
16 Planning section. With that information, adjustments can
17 be made to the resource requirement predictions from the
18 storm modeling and a more accurate recovery time can be
19 established.

20
21 **Q.** Please provide an overview of Hurricane Michael, Peoples'
22 actions and response to the storm and how it impacted
23 Peoples' Panama City division?
24

25 **A.** On Sunday, October 7, 2018, as the tropical depression moved

1 past Central America, the National Hurricane Center ("NHC")
2 upgraded the tropical depression to Tropical Storm Michael
3 and predicted that it would track north through the Gulf of
4 Mexico. On the afternoon of Monday, October 8, 2018,
5 Tropical Storm Michael strengthened into Hurricane Michael
6 and the NHC began issuing hurricane warnings for the Florida
7 Panhandle to brace for a hurricane with 120 mph sustained
8 winds. On the afternoon of Wednesday, October 10, 2018,
9 Hurricane Michael made landfall as a Category 5 hurricane
10 in the Florida Panhandle, east of Panama City near Mexico
11 Beach.

12
13 Prior to Governor Rick Scott declaring a State of Emergency
14 on October 7, 2018, Peoples began conducting calls on
15 Saturday, October 6, 2018, to discuss the storm and start
16 initiating preparatory actions. On Monday, October 8,
17 2018, Peoples began securing additional crews from other
18 Peoples' divisions, additional materials, resources and
19 services to support possible damage assessment, restoration
20 efforts and started internal preparations for the storm.
21 On Wednesday, October 10, 2018, Peoples went into full
22 emergency operations and began to convoy storm responders
23 towards the panhandle to begin damage assessments to make
24 the system safe.

25

1 After Hurricane Michael cleared Peoples' Panama City
2 division, damage assessments to make the system safe began
3 the morning of Thursday, October 11, 2018. Numerous
4 unforeseen challenges due to the extreme devastation, such
5 as the closure of Interstate 10, shortages of fuel in the
6 panhandle, livable accommodations for responders,
7 restaurants, electricity and limited mobile phone service
8 were dealt with and solutions/workarounds were put into
9 place. Communication was a difficult issue to overcome due
10 to the major damage to almost every communication system in
11 the area. Hurricane Michael caused numerous gas leaks when
12 gas infrastructure was damaged due to significant
13 structural damage to homes and buildings and related
14 uprooting of trees. Peoples initially responded to
15 emergency calls from the Emergency Operations Center, fire
16 departments and police departments of reported safety
17 hazards such as blowing gas lines and gas odor calls. To
18 ensure the system was safe, Peoples systematically
19 inspected the entire distribution system in the Panama City
20 division. This activity consisted of patrolling our entire
21 system and visiting each premise inspecting gas lines in
22 the distribution system, conducting leak surveys, cutting
23 and capping service lines, removing meters, and replacing
24 damaged facilities. After Hurricane Michael passed,
25 Peoples responded to approximately 2,400 emergency leak

1 orders. Approximately, 1,700 customers premises were
2 damaged to the point that service could not be restored.
3

4 **Q.** What activity did Peoples undertake at Tyndall Air Force
5 Base?
6

7 **A.** Tyndall Air Force Base sustained severe damage and gas had
8 to be shut off to the base. Tyndall Air Force Base is
9 considered critical infrastructure, as it relates to
10 national security. Therefore, Peoples worked with the base
11 to conduct damage assessments and make required repairs to
12 restore gas on an expedited basis.
13

14 **Q.** When did Peoples demobilize its response team?
15

16 **A.** On Thursday, November 1, 2018, the response team
17 demobilized, and the remaining storm activities were
18 handled by the Panama City division operations team and a
19 few contractors. Peoples remains committed to assisting
20 customers in restoring their gas service as they make
21 repairs to their homes and businesses.
22

23 **Q.** What were the final recoverable restoration costs incurred
24 by Peoples in connection Hurricane Michael?
25

1 **A.** The total incremental recoverable storm response and
2 restoration costs incurred by Peoples is \$3,312,052 as
3 stated in Peoples Gas System's witness Sean P. Hillary's
4 Prepared Direct Testimony.

5
6 **Q.** Did Peoples use any outside contractor employees to respond
7 to Hurricane Michael?

8
9 **A.** Yes. Due to the extensive damage resulting from Hurricane
10 Michael, Peoples contracted two outside embedded
11 contractors to assist with the company's storm response
12 such as: debris removal and repair work on Peoples
13 distribution system.

14
15 **Q.** Did Peoples use any employees from any affiliates to respond
16 to Hurricane Michael?

17
18 **A.** Yes. Peoples utilized seven (7) employees from New Mexico
19 Gas Company to assist with storm damage assessments and
20 distribution system repairs for approximately 10 days.
21 Additionally, affiliate employees from Customer Service,
22 TECO Shared Services Emergency Management and Information
23 Technology departments provided support.

24
25 **Q.** What logistical challenges did Peoples confront in its

1 response to Hurricane Michael?

2

3 **A.** The damage wreaked by Hurricane Michael was unprecedented.
4 Initially, housing responders was a challenge as there was
5 no available lodging in the immediate area for our team
6 members. Peoples was able to contract with Storm Services,
7 LLC to bring in infrastructure to set up a turnkey base
8 camp operation. These services included sleeping trailers,
9 lighting, bathrooms, showers, dining facilities. Peoples
10 also entered into a separate lodging arrangement with local
11 campground.

12

13 **Q.** Would you consider Peoples' restoration plan and its
14 execution Hurricane Michael to be effective?

15

16 **A.** Yes. I am confident that the execution of Peoples' Gas
17 Delivery Emergency Preparedness Plan resulted in a response
18 that was very effective in Hurricane Michael.

19

20 **Q.** What key factors contributed to the effectiveness of
21 Peoples' restoration plan and execution for Hurricane
22 Michael?

23

24 **A.** There were several key factors that contributed to the
25 effectiveness of Peoples' recovery plan and execution for

1 Hurricane Michael in this proceeding. Employees were
2 trained in their storm roles. Annual mock storm exercises
3 were critical to preparation for storm season. Expanded
4 access to external resources for large events through,
5 contractor networks, and affiliate companies also were
6 important to accomplishing restoration activities as
7 efficiently and timely as practical. Additionally, clear
8 and frequent communication with the various external
9 stakeholders through multiple channels became nearly, if
10 not as important, as the work itself. Intensive efforts
11 for communications with customers and other key external
12 groups was an important key to the company's success.

13
14 **Q.** What are your conclusions regarding Peoples' recovery
15 efforts with respect to Hurricane Michael?

16
17 **A.** My conclusion is that Peoples' Gas Delivery Emergency
18 Preparedness Plan and response were effective and efficient
19 in safely restoring gas service after Hurricane Michael.
20 Hurricane Michael quickly went from being a named tropical
21 storm, with 40 mph winds, to a Category 5 hurricane that
22 made landfall as one of the most powerful hurricanes in U.
23 S. history. Despite the speed with which Hurricane Michael
24 developed from a tropical storm to making landfall in the
25 Florida Panhandle as a major hurricane, Peoples was

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nonetheless able to respond quickly due to the efficient communication and execution of the Gas Delivery Emergency Preparedness Plan recovery efforts. Peoples will learn from the lessons of Hurricane Michael and will make further improvements to make future storm events even more efficient.

Q. Does this conclude your prepared direct testimony?

A. Yes, it does.