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BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20190110-EI

PETITION FOR LIMITED PROCEEDING  
FOR RECOVERY OF INCREMENTAL STORM  
RESTORATION COSTS RELATED TO  
HURRICANE MICHAEL AND APPROVAL OF  
SECOND IMPLEMENTATION STIPULATION,  
BY DUKE ENERGY FLORIDA, LLC.

\_\_\_\_\_ /

DOCKET NO. 20190222-EI

PETITION FOR LIMITED PROCEEDING  
FOR RECOVERY OF INCREMENTAL STORM  
RESTORATION COSTS RELATED TO HURRICANE  
DORIAN AND TROPICAL STORM NESTOR, BY  
DUKE ENERGY FLORIDA, LLC.

\_\_\_\_\_ /

DOCKET NO. 20210016-EI

PETITION FOR LIMITED PROCEEDING TO  
APPROVE 2021 SETTLEMENT AGREEMENT,  
INCLUDING GENERAL BASE RATE INCREASES,  
BY DUKE ENERGY FLORIDA, LLC.

\_\_\_\_\_ /

VOLUME 2

PAGES 228 - 357

PROCEEDINGS: HEARING

COMMISSIONERS  
PARTICIPATING: CHAIRMAN GARY F. CLARK  
COMMISSIONER ART GRAHAM  
COMMISSIONER ANDREW GILES FAY  
COMMISSIONER MIKE LA ROSA

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DATE: Tuesday, May 4, 2021  
TIME: Commenced: 1:39 p.m.  
Concluded: 3:10 p.m.  
PLACE: Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida  
REPORTED BY: DEBRA R. KRICK  
Court Reporter  
APPEARANCES: (As heretofore noted.)

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

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## I N D E X

## WITNESSES

NAME :	PAGE
JASON WILLIAMS	
Prefiled Direct Testimony inserted (Docket No. 20190110)	233
THOMAS G. FOSTER	
Prefiled Direct Testimony inserted (Docket No. 20190222)	253
JASON CUTLIFFE	
Prefiled Direct Testimony inserted (Docket No. 20190222)	258
TOM MORRIS	
Prefiled Direct Testimony inserted (Docket No. 20190222)	288
JASON WILLIAMS	
Prefiled Direct Testimony inserted (Docket No. 20190222)	306
WITNESS PANEL	330
(MARCIA OLIVIER, LANG REYNOLDS, LESLIE QUICK, THOMAS G. FOSTER, BEN BORSCH & LON HUBER)	
Examination by Ms. Corman	332
Examination by Ms. Weisenfeld	335

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3  
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13  
14  
15  
16  
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EXHIBITS

NUMBER:		ID	ADMITTED
1	Comprehensive Exhibit List	328	328
2-41	As identified on the CEL	328	328

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

(Transcript follows in sequence from  
Volume 2.

(Whereupon, prefiled direct testimony of Jason  
S. Williams, Docket No. 20190110, was inserted.)

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: PETITION FOR LIMITED PROCEEDING FOR RECOVERY OF  
INCREMENTAL STORM RESTORATION COSTS RELATED TO HURRICANE  
MICHAEL AND TROPICAL STORM ALBERTO BY DUKE ENERGY  
FLORIDA, LLC.**

**FPSC DOCKET NO. 20190110-EI**

**DIRECT TESTIMONY OF JASON S. WILLIAMS**

**NOVEMBER 22, 2019**

1 **I. INTRODUCTION AND QUALIFICATIONS**

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

3 **A.** My name is Jason S. Williams and I am employed by Duke Energy Florida, LLC  
4 ("DEF" or the "Company"). My business address is 420 Quail Trail, Monticello  
5 Florida, 32344.

6

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

9 **A.** I am the Vice President of Construction and Maintenance ("C&M") in the  
10 Transmission Department for DEF. In this role, I am responsible for the  
11 maintenance, new construction and system modifications to DEF's Transmission  
12 System. I am also the Transmission Regional Incident Commander ("RIC") for

1 DEF's Incident Command Structure in the event of a severe storm or other  
2 emergency event. As the Transmission RIC, I am responsible for the  
3 implementation of the Transmission System Storm Operational Plan ("TSSOP").  
4

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

6 **A.** I earned a Bachelor of Science degree in Information Studies from Florida State  
7 University and began my career with DEF in 2002 as a distribution lineman  
8 apprentice in Port St. Joe, Florida. I was given the opportunity to serve in several  
9 positions of increasing responsibility and leadership, including work management,  
10 construction management, and maintenance, providing experience leading teams  
11 in a variety of work and emergency environments. Before assuming my current  
12 position, I was the Manager of North Florida Transmission Maintenance for Duke  
13 Energy. In this capacity, I was responsible for north Florida's transmission  
14 system, which delivers power to customers spanning portions of more than 30  
15 counties in the state of Florida. I also served as Construction Manager for Florida  
16 Transmission leading internal and external (contract) construction resources.  
17 With more than 17 years of experience in the energy industry, a proven track  
18 record with leading crews, C&M operations, resource management, asset plan  
19 development and execution, and organizational dynamics, I have been prepared  
20 for my role as Transmission RIC during emergency events.  
21

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

23 **Q. Please describe the purpose of your direct testimony.**

1 A. I am testifying on behalf of the Company in support of recovery of the Company's  
2 storm-related transmission costs due to Hurricane Michael. I will begin by  
3 providing an overview of the Company's transmission facilities. Next, I will  
4 provide a summary of the DEF's TSSOP, and the activation and implementation  
5 of that plan for Hurricane Michael. In summarizing the plan, I will address  
6 Transmission's use of resources and logistical efforts to support those resources  
7 during the storm. Finally, I will testify about the damage caused to DEF's  
8 transmission system by Hurricane Michael, including an explanation of the scope  
9 and extent of that storm damage, and the Company's efforts to prepare for,  
10 respond to, and recover from the storm.

11  
12 **Q. Did DEF comply with the Storm Restoration Cost Process Improvements**  
13 **included as part of the Storm Cost Settlement Agreement in Order No. PSC-**  
14 **2019-0232-AS-EI ("Agreement")?**

15 A. The Agreement was entered and approved after Hurricane Michael made landfall  
16 and restoration efforts were largely complete. Per the terms of the Agreement, its  
17 provisions and process modifications became applicable as of the date the  
18 Commission approved the Agreement, or June 13, 2019. Therefore, Hurricane  
19 Michael restoration and rebuild efforts were undertaken pursuant to the same  
20 policies and procedures that existed prior to the Agreement.

21  
22 **Q. Are you sponsoring any exhibits to your testimony?**

23 A. No.

24



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

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

3 **A.** The Company's transmission system transmits nearly 9,500MW of generating  
4 capacity stepping down through over 5,200 circuit miles of transmission lines and  
5 489 substations to serve approximately 1.8 million customers in 35 of the state's  
6 67 counties covering over 20,000 square miles of DEF's service territory.  
7 Transmission lines are supported by a variety of different structure types  
8 including aluminum-alloy and steel towers as well as concrete, steel and wood  
9 poles in various configurations. These various structure types include a variety of  
10 associated conductors, insulators, overhead ground wires, optical ground wires,  
11 connectors, ground rods and accompanying hardware.

12  
13 **Q. How is the Company's transmission system organized and managed?**

14 **A.** The Company's transmission system is divided into three Transmission  
15 Maintenance Areas ("TMA"): North Florida, Coastal Florida and Central Florida.  
16 Each of these three areas serve as an Area Incident Command ("AIC") post with a  
17 specific storm / emergency plan aligned through DEF's Transmission RIC  
18 direction and TSSOP.

19  
20 Transmission manages and maintains the system with internal leadership and  
21 crews assigned to the three areas: Line, Substation, Relay and Vegetation  
22 Management that are augmented with on-system contract crews as needed for  
23 construction and maintenance work and other initiatives.

24

1 **IV. OVERVIEW OF TRANSMISSION SYSTEM STORM OPERATIONAL**  
2 **PLAN, RESOURCES UTILIZED AND LOGISTICAL SUPPORT IN**  
3 **RESPONSE TO HURRICANE MICHAEL.**  
4

5 **Q. Please describe the overall approach to emergency/storm response captured**  
6 **in the TSSOP.**

7 **A.** Duke Energy (“DE”) has adopted the Incident Command System / Structure  
8 (“ICS”) outlined by National Incident Management System (“NIMS”) - Federal  
9 Emergency Management Agency (“FEMA”). Similarly, DEF has developed its  
10 TSSOP to follow the general ICS for planning, operations and logistics actions to  
11 activate and respond to an emergency / storm event. In responding to a storm or  
12 emergency event, DEF considers not only the transmission system in its territory  
13 but the entire state electrical grid along with other transmission providers. The  
14 TSSOP is designed to provide scalability and immediate communications, while  
15 assuring grid stability and decision-making among the Energy Control Center  
16 (“ECC”), Distribution Control Center (“DCC”), Distribution system and  
17 Transmission system leadership. Appropriately, the TSSOP is structured  
18 separately but is aligned with Distribution’s storm plan in order to respond safely,  
19 efficiently and effectively to any storm event that impacts DEF's transmission  
20 system assets.

21  
22 As Transmission RIC, I work directly with the Distribution RIC to declare an  
23 event, activate resources needed for storm restoration, determine the state of the  
24 system, and establish a realistic Estimated Time to Restore (“ETR”), while our  
25 Incident Management Team prepares and stages resources (based on  
26 Meteorology, Planning Sections’ modeling, and leadership experience decisions).

1

2 **Q. Was planning for Hurricane Michael different than recent past storms and**  
3 **was having a plan in place useful?**

4 **A.** Yes. Due to the Michael's intense strength and speed of development from a  
5 tropical system to major hurricane, having an emergency preparedness / storm  
6 plan in place allowed DEF leaders and restoration teams to respond to the storm  
7 event as soon as it was safe to do so.

8

9 Often, hurricanes late in the season develop off Africa and form over the Atlantic  
10 giving utilities as much as 120 hours to prepare for impact. Michael turned from  
11 a tropical storm to a Category 5 hurricane in approximately 48 hours. National  
12 and utility meteorological reports had been focused on Hurricane Leslie, and  
13 reported on Friday, October 5, 2018, a gulf tropical system with low chance of  
14 forming. Leadership's first situation awareness and planning call regarding  
15 Michael occurred on Sunday, October 7, 2018. Situational awareness calls turned  
16 into preparatory calls later that day.

17

18 On Monday, the incident management team ("IMT") and logistical team were  
19 activated. These teams reviewed the storm's projected impacts, and began to plan  
20 and make decisions around the volume and skill of restoration resources needed  
21 and logistics support. At the same time, the ECC reviewed the configuration of  
22 the transmission system considering any C&M work in-progress. The ECC and  
23 RIC provided direction to C&M and vegetation management for internal and on-

1 system crews needed to restore the transmission system to 'ready' state as quickly  
2 as possible.

3  
4 Additionally, internal and on-system crews were instructed to prepare to report to  
5 duty for restoration efforts after impact (which was expected Tuesday late night /  
6 Wednesday early morning). Off-system crews were notified and placed on  
7 standby to report after landfall and damage assessment. Under these  
8 circumstances, having a plan in place allowed for immediate decision making and  
9 preparations to begin.

10  
11 The speed at which Hurricane Michael developed and impacted DEF's service  
12 territory is what was different about preparing and responding to this storm event  
13 than recent past storms. Without a plan in place, DEF Transmission would not  
14 have been able to respond as quickly.

15  
16 **Q. How did Transmission determine the number of resources/labor to acquire**  
17 **for Hurricane Michael transmission restoration support?**

18 **A.** With Hurricane Michael, there was little time to determine and acquire resources  
19 needed. Transmission always has a core set of resources ready to activate based  
20 on existing employee and on-system crews working on any given day. Events  
21 like Hurricane Michael (low probability yet high impact), are part of the reason  
22 Transmission is structured with both types of crews to maintain and manage the  
23 system. The strength of Hurricane Michael along with meteorological and  
24 estimated impact models, and geographical landfall area, supported Transmission

1 to acquire resources in addition to its available crews. Through its Distribution  
2 and Transmission RICs, DEF contacted other DE regions for additional  
3 transmission crews and on-system contractors. However, these resources were  
4 not deployed until there was a high level of confidence they were needed and their  
5 support would increase the efficient and effective restoration of the transmission  
6 system. More is not always better in emergency response; knowing what is  
7 damaged, how it is damaged, and where the damage is, provides the details for  
8 acquiring the right volume of resources to restore swiftly and safely.

9  
10 **Q. When did the Company's mutual aid costs for Hurricane Michael begin to**  
11 **accrue?**

12 A. Costs for Hurricane Michael began to accrue on October 8, 2018. As it is  
13 industry standard, mutual aid costs begin to accrue when the responding entities  
14 begin action directly related to travel and work on DEF's system (examples  
15 include preparing trucks and equipment for travel and stocking material).

16  
17 **Q. Please describe how damage assessment assists in providing accuracy around**  
18 **resource assignment and logistical support.**

19 A. Damage assessment is critical to efficient and effective deployment of resources  
20 and storm restoration efforts. Initially, prioritization of system restoration is  
21 determined by the ECC; however, the AIC must assess damage and develop a  
22 strategic plan to get the transmission system restored and stable. Once safe to do  
23 so, DEF assesses damage to the system using a combination of helicopters,  
24 Unmanned Aerial Vehicles ("UAV" or drones), and trucks / vehicles to review

1 every mile of transmission line potentially impacted by the storm. The ground  
2 assessment teams remove debris / trees in lines and do minor repairs to the  
3 system. The aerial damage assessment team records storm damage, observes,  
4 and passes damage information to the RIC, AIC and ECC. The RIC and AIC use  
5 the damage information to create restoration plans. Depending on the extent of  
6 damage observed and recorded, DEF's Transmission planning team and crew  
7 management determine personnel and equipment needed to restore the  
8 transmission system. It is at this point (usually within 24-48 hours), that  
9 Transmission can determine if additional resources should be deployed to DEF's  
10 system.

11  
12 Once resource needs are determined, logistics obtains and arranges for material  
13 and equipment to be supplied to line and vegetation crews as needed. Logistics  
14 also acquires housing, activates base camp sites, and ensures vendors and  
15 resources are in place to provide meals, fuel and beds to restoration crews.

16  
17 Determining estimated resource needs prior to storm impact and reviewing actual  
18 needs after / during damage assessment allows DEF Transmission to gain  
19 accuracy in resource acquisition.

20  
21 **Q. Describe the volume and skills of resources deployed during the Hurricane  
22 Michael storm response.**

23 **A.** During Hurricane Michael, DEF utilized over 5,100 resources. Approximately  
24 850 of those resources were specifically transmission skilled resources including

1 transmission linemen, electricians, and relay technicians, along with tree trimming  
2 personnel working on storm restoration. DEF activated 350 on-system  
3 transmission linemen, electricians, relay technicians and tree trimming personnel,  
4 and 150 logistics / crew support personnel before acquiring off-system contractors  
5 and transmission crews from other DE regions or through Southeastern Electric  
6 Exchange (“SEE”) / mutual assistance. An additional 350 line and vegetation  
7 crews were brought on from the DE Midwest region after impact and initial  
8 damage assessments were completed.

9  
10 The command center staff (RIC and AIC), logistics teams, including base camp /  
11 site teams, and damage assessment teams were some of the first to be deployed to  
12 make travel clear / safe, identify the types of damage causing outage, and ready  
13 base camps (parking, fueling, materials laydown yards), beds, and meals for  
14 restoration crews. Damage Assessment teams of ground-crews and air-teams  
15 strategically traveled the transmission system to identify and clear hazards (fallen  
16 trees, poles, lines) to make the way safe for the restoration crews to work.  
17 Logistics supported restoration crews by ensuring they had the necessary  
18 equipment, materials and tools to perform restoration work. Logistics also  
19 monitored restoration crew travel, booked and assigned lodging / beds, and  
20 provided three meals a day whether from a base camp or other arrangements due  
21 to work site location / distance / timing.

22  
23 Due to specialty equipment needed for restoration work, Transmission used  
24 resources that were skilled / certified to operate numerous pieces of assessment

1 and construction equipment such as helicopters, cranes, track digger derricks,  
2 marsh masters, light towers, water trucks, tractors, lull type forklifts, backhoes,  
3 dump trucks, bulldozers, generators and fuel tanker trucks. Additionally, logistics  
4 secured skilled resources in nursing / emergency medical care, flagging and traffic  
5 direction, security, environmental and safety.

6  
7 Just as DEF prioritizes the use of its skilled employees and on-system crews, DEF  
8 utilizes all company-owned resources and equipment before it secures additional  
9 rental equipment needed during a storm.

10  
11 **Q. Because of the skilled resources required to restore utility services to its**  
12 **customers, how does DEF assure the availability of resources during an**  
13 **emergency event like Hurricane Michael?**

14 **A.** As previously mentioned, Transmission has a core team of employees and on-  
15 system contractors that can respond to a local emergency event. If modeling and  
16 experience prove that additional resources are needed for any skilled roles, DEF  
17 relies first on resources from other DE regions, second on previously negotiated  
18 contract agreements with other in-state vendors and out-of-state vendors in DE  
19 regions, and third on mutual assistance contractors / vendors, specifically SEE.

20  
21 **V. HURRICANE MICHAEL**

22 **Q. Was the Transmission's Storm Plan implemented for Hurricane Michael?**

23 **A.** Yes. The TSSOP was implemented on Monday, October 8, 2018, prior to the  
24 hurricane making landfall.



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

**A.** During Hurricane Michael, 77 transmission circuits (or line segments) were out of service; 20 DEF substations and 23 wholesale points-of-delivery (“PODs”) were out of service at the peak. The Port St. Joe to Callaway tie line with Gulf Power sustained significant damage. Due to severe damage, it was determined that the entire DE section of the line had to be completely rebuilt. In addition to the Port St. Joe to Callaway line, there were 44 transmission wood poles replaced during storm restoration work, allowing nearly immediate restoration of power and stability of the system.

**Q. What was Transmission’s priority during Hurricane Michael restoration?**

**A.** The overall priority of the Company during any emergency response is first, and utmost, the safety of our employees, contractors, public and customers. As with any emergency event, DEF took steps to ensure that the reliability of the state-wide transmission grid was not undermined due to hurricane damage. As part of the TSSOP, we prioritized its transmission lines in terms of grid security for the state and DEF, and economic impact to DEF and its customers. With the devastation to the transmission system across the panhandle region (impacting multiple transmission-providing utilities), we focused on restoring the Bulk Electric System (“BES”) to stable condition until the destroyed lines were rebuilt. We strategically prioritized repairing and restoring damaged assets to support all customers while rebuild projects were completed.

1       Once the transmission grid was stabilized and connections to generation facilities  
2       were secured, our next priority was to repair de-energized substations. Crews  
3       focused on repairing these substations by establishing at least one connection to  
4       transmission line service that could be energized. Re-establishing substation  
5       service was critical to restoring power to customers.

6  
7       Another priority was to work on the transmission lines with the least damage,  
8       which could be repaired quickly. With ECC and RIC agreement, AIC assigned  
9       crews, outage by outage, transmission line by transmission line, according to  
10      severity of the storm damage. It was in this manner that transmission lines were  
11      cleared of trees / debris and repaired to bring the system back on line as quickly as  
12      possible.

13  
14      During Hurricane Michael, the Transmission RIC took direction from the ECC to  
15      establish system / grid priorities for storm restoration work. The ECC identified  
16      transmission lines that lost power during the storm and prioritized restoration  
17      efforts to maintain grid reliability to support DEF generation facilities and restore  
18      customer service. The Transmission RIC also consulted with the ECC and AIC  
19      regularly, during and following the storm, to determine and adjust restoration  
20      priorities which centered around efforts of TMA / AIC crews in the field. This  
21      information was used to establish and adjust priorities as the restoration process  
22      proceeded.

23

1           Additionally, during Hurricane Michael, the Wholesale Customer Emergency  
2           Center, in conjunction with AIC, worked closely with DEF wholesale customers  
3           to coordinate and prioritize the restoration of the affected POD to their electrical  
4           systems. This was a significant part of the strategy and tactics deployed for  
5           restoring DEF's transmission system in cooperation with neighboring utilities.

6  
7           **Q.    Were there any additional efforts made to coordinate storm restoration?**

8           **A.**    Transmission and Distribution communicated throughout the event at the Incident  
9           Command / leadership levels to assure Estimated Time to Restore ("ETR") goals  
10          were aligned and that the system was coming online effectively. Because of the  
11          damage in the panhandle region of Florida, the Company chose to increase  
12          communications and coordinate closely with wholesale customers impacted  
13          through regularly scheduled calls and sharing of outage and ETR information.

14  
15          **Q.    How do you measure the effectiveness of your storm planning and**  
16          **restoration process?**

17          **A.**    We measure storm restoration effectiveness through daily ETR goals for  
18          energizing substations and restoring system stability. Because the transmission  
19          system must be up and running before customers can receive power, emphasis is  
20          placed on energizing substations that have been damaged by the storm to set the  
21          stage for the restoration of customer service. We set and revise ETR goals for  
22          substations as we learn more about the storm damage from damage assessment  
23          teams and as we prioritize our resources. As with any severe storm event we  
24          strive to meet or exceed daily ETR goals.

1  
2 Specific to Hurricane Michael, Transmission met or exceeded all ETRs. One  
3 transmission circuit (Port St. Joe to Callaway Line) was the only ETR that  
4 remained open without a defined completion date due to the need to rebuild the  
5 entire line. Both the transmission and distribution systems were entirely  
6 devastated in the Mexico Beach area and, consequently, had be completely  
7 rebuilt.

8  
9 **Q. How did the Company implement its storm plan in response to Hurricane**  
10 **Michael?**

11 **A.** The Company began to implement its storm plan before Hurricane Michael's  
12 landfall and continued to follow the Plan through the course of storm restoration.  
13 As soon as the winds died down to a safe level, helicopters were used to fly  
14 damage assessors along every out-of-service mile of the Company's transmission  
15 system affected by the storm. UAVs were also used to assess damage. Damage  
16 assessment crews were also used to assess damage by driving affected  
17 transmission lines, where possible. Every mile of the Company's transmission  
18 system that was possibly affected by the storm was checked, and any storm  
19 damage was assessed and reported back to field construction and engineering  
20 crews.

21  
22 The restoration strategy focused on first restoring lines to generation sites to  
23 ensure that adequate generation capacity was available. Beginning with the  
24 energized lines, the Company worked to put together a grid to restore as many

1 substations as possible. The Company did this by dividing transmission lines  
2 around breakers into sections to isolate damaged lines and get substations back on  
3 line.

4  
5 The Company prioritized restoration work on transmission lines starting with  
6 those with the least damage and then moving on to others according to severity of  
7 damage. The Company worked around-the-clock to plan and restore transmission  
8 service on all lines that were knocked out of service as a result of the storm. After  
9 power was restored to all customers able to receive power, the Company turned to  
10 rebuilding the Callaway line which was completed in October of 2019.

11  
12 **Q. Are the company's storm-related efforts complete when downed**  
13 **transmission lines and substations are re-energized?**

14 **A.** No. Once a hurricane strikes DEF's service territory, the Company works to  
15 restore transmission lines to service as quickly as possible. That is the first step in  
16 the restoration process. Transmission service from generation facilities to  
17 substations must be in place and energized before customer service can be  
18 restored. Therefore, the Company will do whatever is necessary to safely  
19 energize the line.

20  
21 Following Hurricane Michael, Transmission worked to expeditiously and  
22 methodically secure the transmission system and restore customer service. After  
23 customer service was restored, Transmission turned its attention to other storm  
24 damaged facilities and equipment that did not need to be repaired to energize

1 those particular assets. The Company ensured damaged facilities and equipment  
2 were repaired or replaced in accordance with Company and industry standards as  
3 quickly as possible. As mentioned above, during Hurricane Michael, the Port St.  
4 Joe to Callaway line was destroyed. In response, Transmission expedited its  
5 repair efforts with respect to this line to meet system restoration requirements.

6  
7 Following its immediate repair efforts, Transmission conducted sweeps of the  
8 transmission system to identify further storm-related damage that necessitated  
9 repair or replacement. After the sweeps were completed, Transmission sent out  
10 crews to repair any additional storm damage that was identified. In addition,  
11 Transmission vegetation management crews continued clean up and trimming  
12 efforts so that all transmission rights-of-way were in safe, operational condition.

13  
14 **Q. How would you characterize the Company's implementation of its**  
15 **Transmission Department Storm Plan during Hurricane Michael?**

16 **A.** The TSSOP played an important role in the efficient and effective restoration of  
17 DEF's transmission system given very limited time to prepare for the storm and  
18 severe damage caused to parts of the transmission system. The plan assisted the  
19 storm team in developing a strategy and tactics to swiftly execute, and meet or  
20 exceed restoration goals. Overall, Transmission's restoration efforts were quite  
21 successful given the unprecedented nature of Hurricane Michael.

22  
23 **Q. Please identify what incremental costs the Company incurred as a result of**  
24 **Hurricane Michael.**

1 A. Incremental restoration and rebuild costs directly attributable to the Company's  
2 transmission system because of Hurricane Michael are \$35.8 million, as shown on  
3 Mr. Morris's Exhibit No. \_\_ (TM-2).  
4

5 **VI. TROPICAL STORM ALBERTO.**

6 **Q. What was the impact of TS Alberto on DEF's transmission system.**

7 A. There was no impact to DEF's transmission system from TS Alberto.  
8 Transmission treated TS Alberto as a Level 1 event (TMA level), which required  
9 no additional action for the Transmission Department.  
10

11 **Q. Were transmission costs incurred for TS Alberto?**

12 A. No.  
13

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

15 A. Yes.

1           MR. TRIERWEILER: Staff also requests that the  
2           prefiled testimony of Docket No. 20190222-EI, which  
3           includes the direct testimony of Geoff Foster,  
4           Jason Cutliffe, Tom Morris and Jason Williams be  
5           moved into the record as though read.

6           CHAIRMAN CLARK: So moved.

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1 (Whereupon, prefiled direct testimony of  
2 Thomas G. Foster, Docket No. 20190222, was inserted.)

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**RE: PETITION FOR LIMITED PROCEEDING FOR RECOVERY OF  
INCREMENTAL STORM RESTORATION COSTS RELATED TO HURRICANE  
DORIAN AND TROPICAL STORM NESTOR BY DUKE ENERGY FLORIDA,  
LLC.**

**FPSC DOCKET NO. 20190222-EI**

**DIRECT TESTIMONY OF THOMAS G. FOSTER**

**SEPTEMBER 30, 2020**

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

2 A. My name is Thomas G. Foster. My business address is Duke Energy Florida, LLC,  
3 299 1st Avenue North, St. Petersburg, Florida 33701.

4  
5 **Q. By whom are you employed and what is your position?**

6 A. I am employed by Duke Energy Florida, LLC (“DEF” or the “Company”) as  
7 Director of Rates and Regulatory Planning.

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

10 A. I am responsible for the Company’s regulatory planning and cost recovery,  
11 including the Company’s Storm Cost Recovery Filings.

12  
13 **Q. Please describe your educational background and professional experience.**

14 A. I joined the Company on October 31, 2005, in the Regulatory group. In 2012,  
15 following the merger with Duke Energy Corporation (“Duke Energy”), I was

1 promoted to my current position. I have 6 years of experience related to the  
2 operation and maintenance of power plants obtained while serving in the United  
3 States Navy as a Nuclear Operator. I received a Bachelor of Science degree in  
4 Nuclear Engineering Technology from Thomas Edison State College. I received a  
5 Master of Business Administration with a focus on finance from the University of  
6 South Florida and I am a Certified Public Accountant in the State of Florida.

7

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

9 A. The purpose of my testimony is to explain DEF's proposed true-up of any final  
10 over or under recovery amount related to the Interim Storm Restoration Recovery  
11 Charge effective the first billing cycle of March 2020 and ending the earlier of full  
12 recovery or with the last billing cycle of February 2021. This charge was approved  
13 by the Commission in Order No. PSC-2020-0058-PCO-EI.

14

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

16 A. Yes, I am sponsoring Exhibit No. \_\_ (TGF-1) "Recovery of Storm Restoration  
17 Costs." This Exhibit shows the total recoverable restoration costs, along with  
18 monthly revenues and interest collected through August 2020. An update to this  
19 Exhibit will be filed with the Commission on or before April 1, 2021.

20

21 **Q. Please describe the Interim Storm Restoration Recovery Charge.**

22 A. The Interim Storm Restoration Recovery Charge was designed to recover estimated  
23 storm restoration costs related to Hurricane Dorian and Tropical Storm ("TS")  
24 Nestor. In Order No. PSC-2020-0058-PCO-EI, the Commission approved DEF's

1 Interim Storm Restoration Recovery Charge associated with the estimated \$171.3M  
2 of incremental restoration costs for Hurricane Dorian and TS Nestor effective for a  
3 12-month period from March 2020 through February 2021, or until fully recovered.  
4 The Order states “once the total actual storm costs are known, DEF shall file  
5 documentation of the storm costs for our review and true-up of any excess or  
6 shortfall of monies collected pursuant to this charge. We will consider the  
7 disposition of any over or under recovery, and associated interest, at a later date.”  
8

9 **Q. How will DEF determine the final over or under recovery true-up amount**  
10 **related to the Interim Storm Restoration Recovery Charge, and what is DEF’s**  
11 **proposal to refund or charge customers for any excess or shortfall?**

12 A. DEF will compare the final Storm Recovery Amount approved for recovery by the  
13 Commission to actual revenues from the Interim Storm Restoration Recovery  
14 Charge to determine any excess or shortfall. Interest will be applied to this amount  
15 at the 30-day commercial paper rate. Thereafter, DEF proposes to include the  
16 excess or shortfall in the capacity clause for inclusion in customer bills through the  
17 normal true-up process. This true-up of the storm costs is consistent with the 2017  
18 Settlement approved in Order No. PSC-2017-0451-AS-EU.  
19

20 **Q. How will DEF notify the Commission of the actual revenues received from the**  
21 **Interim Storm Restoration Recovery Charge?**

22 A. DEF will file a supplement to my direct testimony in the form of Exhibit No. \_\_\_  
23 (TGF-2), on or before April 1, 2021, that shows actual recoverable restoration costs,

1 along with monthly revenues and interest collected through the earlier of February  
2 2021 or full recovery of the total recoverable storm restoration costs.

3

4 **Q. When do you estimate that the storm restoration costs will be fully recovered?**

5 A. Based on current estimated revenues, DEF believes the storm restoration costs will  
6 be fully recovered by the end of December 2020; otherwise the charge will continue  
7 as necessary until full recovery.

8

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

10 A. Yes.

11

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1                   (Whereupon, prefiled direct testimony of Jason  
2     Cutliffe, Docket No. 20190222, was inserted.)

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: PETITION FOR LIMITED PROCEEDING FOR RECOVERY OF  
INCREMENTAL STORM RESTORATION COSTS RELATED TO HURRICANE  
DORIAN AND TROPICAL STORM NESTOR BY DUKE ENERGY FLORIDA,  
LLC.**

**FPSC DOCKET NO. 20190222-EI**

**DIRECT TESTIMONY OF JASON CUTLIFFE**

**SEPTEMBER 30, 2020**

1 **I. INTRODUCTION AND QUALIFICATIONS.**

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

3 **A.** My name is Jason Cutliffe. I am employed by Duke Energy Florida, LLC ("DEF"  
4 or the "Company"). My business address is 2166 Palmetto St, Clearwater, Florida.  
5

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

8 **A.** I am the General Manager of Emergency Preparedness for Customer Delivery  
9 responsible for DEF's annual hurricane season readiness, and when hurricanes  
10 strike, I serve as the Incident Commander for restoration.  
11

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

13 **A.** I hold a Bachelor of Science in Electrical Engineering from the University of  
14 Maine, MBA from the University of Richmond, and I am a licensed professional

1 engineer. I have held various engineering, operational, and leadership positions  
2 over a 34-year electric utility career.

3  
4 **II. PURPOSE AND SUMMARY OF TESTIMONY**

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

6 **A.** I am testifying on behalf of the Company in support of recovery of DEF's  
7 incremental storm-related costs incurred due to Hurricane Dorian and Tropical  
8 Storm ("TS") Nestor. I will begin by providing an overview of the total distribution  
9 storm-related costs and cost categories. I will discuss the operation of the  
10 Company's storm plan as it relates to DEF's distribution system, including the  
11 Company's goals and priorities as it prepares for, responds to, and recovers from a  
12 storm's impact on its distribution facilities. I will conclude my testimony by  
13 describing DEF's successful efforts at implementing its plan in response to the  
14 storms and, ultimately, to restore electric service safely and efficiently to its  
15 customers.

16  
17 **Q. Are you sponsoring any exhibits to your testimony?**

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

- 19 • Exhibit No. \_\_ (JC-1) – Case studies of utility storm responses involving the pre-  
20 staging of restoration personnel
- 21 • Exhibit No. \_\_ (JC-2) – NHC Forecast tracks for Hurricane Dorian
- 22 • Exhibit No. \_\_ (JC-3) – Hurricane Matthew and Dorian 72 hour forecast tracks
- 23 • Exhibit No. \_\_ (JC-4) – NHC Forecast track for Tropical Storm Nestor and NWS  
24 Tornado map



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**Q. Please summarize your testimony.**

**A. Hurricane Dorian**

Hurricane Dorian made devastating landfall in the Bahamas as a Category 5 hurricane with sustained winds of 185 miles per hour and gusts over 200 miles per hour. In the Bahamas, Hurricane Dorian killed approximately seventy people, caused an estimated \$7 billion of damage, damaged or destroyed approximately 13,000 homes, and left approximately 70,000 people homeless.

On August 28, 2019, the entire state of Florida was in Hurricane Dorian’s cone of uncertainty. Governor DeSantis declared a state of emergency for twenty-six Florida counties and expanded it to the entire state the following day. On August 31, a tropical storm watch was issued along Florida’s east coast from Deerfield Beach to Sebastian Inlet and on September 1, a hurricane watch was issued for Deerfield Beach, Volusia County, and Broward County. The hurricane watch was upgraded to a hurricane warning that same day. DEF remained ready to respond to the Category 5 storm.

DEF activated its Incident Command organization on August 28, 2019. Restoration resources were acquired and pre-staged to support restoration from an expected Category 5 hurricane direct impact to Central Florida. Over the following days, resource plans were adjusted in response to changing National Hurricane Center (“NHC”) forecasts. On September 4, when it was just ninety-five miles off the coast of Daytona Beach, Hurricane Dorian made a gradual turn northward and

1 proceeded up the Florida coast. Once it became clear that Florida would be spared  
2 from Hurricane Dorian's destruction, DEF released all remaining Mutual  
3 Assistance resources to support other electric utilities or to return to their home  
4 locations.

5  
6 Florida's coastline sustained winds estimated to have reached upwards of sixty  
7 miles per hour from Hurricane Dorian. Additionally, central Florida sustained  
8 winds above thirty-nine miles per hour. Approximately 24,000 DEF customers in  
9 central Florida were restored from damage caused by Hurricane Dorian's winds.

10  
11 Tropical Storm Nestor

12 On October 19, 2019, Tropical Storm Nestor hit the Florida panhandle near St.  
13 Vincent Island. Maximum sustained winds were forty-five miles per hour with  
14 wind gusts of sixty-one miles per hour, but TS Nestor's main legacy was five  
15 tornados that touched down in or near DEF service territory causing 709 outage  
16 events affecting 41,669 customers.

17  
18 **Q. Did DEF comply with the Storm Restoration Cost Process Improvements**  
19 **included as part of the Storm Cost Settlement Agreement in Order No. PSC-**  
20 **2019-0232-AS-EI ("Agreement") when calculating costs for Hurricane Dorian**  
21 **and TS Nestor?**

22 **A.** The Agreement's provisions and process modifications did not take effect until the  
23 2020 hurricane season. However, for Hurricane Dorian, DEF made best faith  
24 efforts to implement the Agreement's cost saving measures including GPS tracking

1 for off-system crews traveling to and from Florida, a 5-hour limit for mobilization  
2 preparation time, mobilization/demobilization pay limited to hours worked, and  
3 caps on meal reimbursements. Additionally, in the restoration phase, DEF was  
4 prepared to implement daily timesheet approval, limit pay to hours worked, limit  
5 work to maximum 16 hours per day followed by 8 hours rest, restrict meal and fuel  
6 reimbursements when provided by DEF, and require documentation for exceptions  
7 to meal and fuel provisions.

8  
9 **III. THE COMPANY'S DISTRIBUTION STORM PLAN AND ITS**  
10 **EXECUTION DURING THE 2019 STORM SEASON**

11  
12 **Q. Please describe DEF's distribution system storm plan.**

13 **A.** DEF prepares for major storms year-round. Hurricane season readiness begins  
14 several months before the start of the season and includes training, drills, and  
15 implementation of lessons learned from the prior year. DEF's comprehensive  
16 storm plan is modeled on Homeland Security's Incident Command Structure  
17 ("ICS") and incorporates the best practices the Company has developed from  
18 experiences with past storms. The ICS affords rapid scalability in response to a  
19 specific threat.

20  
21 The scalability of ICS is reflected in DEF's three distinct levels of restoration  
22 response. Level 1 is for restoration events lasting 6-12 hours, Level 2 is for 12-24-  
23 hour events, and level 3 is for major events exceeding 24 hours and is designed for  
24 restoration on the scale of a hurricane. The same basic functions are performed at  
25 all storm levels, but as resources increase to match the storm's anticipated threat,

1 the organization expands to ensure efficient restoration of the Company's system.  
2 While it is appropriate for an individual in a lower level event, to perform parts of  
3 several storm roles, those same roles are broken out and staffed by an increasing  
4 number of dedicated resources as the scope of restoration work increases. The  
5 decision to activate at a particular response level is made by the storm management  
6 team, and is guided by weather forecasts, resource modeling and expected  
7 restoration duration. The flexibility of the storm plan is such that, for any given  
8 restoration event, DEF may have an area operating at Level 2 while another area is  
9 activated at Level 3. This allows areas within the Company operating at a lower  
10 restoration level to finish sooner and release resources to work in regions operating  
11 at higher restoration levels.

12  
13 The ICS plan is built upon three phases of storm restoration: (1) pre-storm  
14 activation, (2) outage repair and restoration, and (3) returning the distribution grid  
15 to normal. Pre-storm activation begins as early as 120 hours prior to landfall, and  
16 includes detailed weather forecasting, modeling of potential damage and resource  
17 requirements, and preparation for support of logistics needs. The outage repair and  
18 restoration phase includes operational activities after storm impact to restore  
19 service to all customers capable of receiving it. Returning the grid to normal is  
20 necessary to restore DEF's electrical infrastructure to its pre-hurricane condition.

21  
22 **Q. Can you please describe the different roles within DEF's storm plan?**

23 **A.** Yes. Within the storm plan there are a multitude of roles that facilitate an efficient  
24 restoration process. These roles are organized along five functional lines:

- 1 (1) Operations (restoration of service);
- 2 (2) Planning (forecasts, modeling, damage assessment, and situational
- 3 awareness);
- 4 (3) Logistics (staging, material, and supplies);
- 5 (4) Governmental Liaison (coordination with state and county
- 6 Governmental Agencies); and
- 7 (5) External Communication (outreach and communication to
- 8 customers, community leaders, and media).

9

10 Personnel are assigned roles under the storm plan that may differ from their regular

11 daily responsibilities and, as a result, it is imperative that they are effectively

12 trained. This training is normally completed in the second quarter of each year

13 throughout the Company and within each of the functional areas of responsibility.

14 To further ensure storm preparedness, DEF conducts storm readiness drills to test

15 the effectiveness of the training program and employees' ability to execute their

16 assigned storm roles. DEF's storm restoration plan is coordinated with the state-

17 wide storm preparedness efforts through participation in the state Emergency

18 Operations Center ("EOC") coordinated storm drill conducted each May.

19

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

21 **A.** DEF's formal ICS activation process kicks off as soon as a threat is identified,

22 which is typically 72 to 96 hours prior to forecasted landfall. DEF's initial focus is

23 to ascertain the most detailed weather information available including date, time,

24 and strength of the storm, path, size and wind fields, precipitation, and exact time

1 when wind is anticipated to diminish and fall below 39 mph (DEF's limit for safe  
2 travel).

3  
4 At 48 to 72 hours, DEF uses storm modeling tools to predict the amount of damage  
5 to DEF's system, where that damage will likely occur, and the quantity of resources  
6 required to quickly restore outages. Also considered are potential forecast variables  
7 including track and intensity changes, early hurricane arrival, and when travel  
8 conditions will deteriorate effecting travel to the DEF mustering locations. More  
9 specifically, the modeling tools estimate the number of personnel required, such as  
10 linemen, tree trimmers and damage assessors, providing the Company an estimate  
11 of the necessary scale of restoration response. At this point, efforts are focused on  
12 notifying DEF customers and employees of potential impact, and beginning storm  
13 readiness activities and initial efforts to acquire resources. A progression of pre-  
14 landfall checklists is followed to ensure orderly preparation each day thereafter.

15  
16 **Q. How does DEF use the information from predictive hurricane damage**  
17 **models?**

18 **A.** Once DEF has estimated the amount of resources required and where and to what  
19 extent each region within DEF's territory will be impacted, several processes begin  
20 in unison. DEF's Resource Management function secures commitments for  
21 restoration manpower and Staging and Logistics prepares to open mustering and  
22 base camp sites to receive them.

23  
24 Resource Management

1 Resource Management first secures internal line and tree resource commitments  
2 from other Duke Energy jurisdictions. Internal Duke Energy personnel are  
3 available immediately and can be moved into forward positions to expedite  
4 restoration. Next, DEF contacts the Southeastern Electric Exchange ("SEE")  
5 Mutual Assistance Group to secure commitments from the participating companies  
6 for remaining resource needs. SEE Mutual Assistance is governed by an existing  
7 agreement between all participating utilities. Most Mutual Assistance utilities  
8 assess the impact of the storm on their systems and, hold resources until their utility  
9 is in the clear. Utilities not in the storm's projected path typically must travel from  
10 significant distances and must be activated several days prior to landfall.

#### 11 Staging

12  
13 Depending on the time, path, and confidence in the storm's expected impact,  
14 decisions concerning when committed crews are activated, paid to be mobilized,  
15 and sent to an off-site mustering location are made prior to landfall. To expedite  
16 the restoration process, DEF mobilizes crews to mustering sites located along  
17 Interstates 75, 4, and 95. Safety is the highest priority, so the sites ultimately used  
18 depend upon the path of the storm; DEF seeks sites as close as possible to expected  
19 damage without unnecessarily placing crews in harm's way. The number of crews  
20 mobilized and where they are mustered depends greatly on confidence in the  
21 weather forecast. Restoration is fastest when resources are pre-staged before  
22 driving conditions deteriorate.

#### 23 Logistics

1 Concurrent with the acquisition of resources, DEF's Logistics function establishes  
2 a coordinated schedule to open mustering sites and base camps, and to secure  
3 anticipated lodging needs. The use of mustering sites allows the Company to  
4 validate rosters and crew compliments for billing; orient non-native crews to DEF's  
5 safety policies, switching practices, and technical specifications; and prepare crews  
6 for reassignment to a restoration base camp that accommodates truck parking,  
7 inventory storage, refueling, meals, and lodging.

8  
9  
10 **Q. Is pre-staging restoration crews part of DEF's hurricane plan, and is the**  
11 **practice supported by industry experience and regulatory guidance?**

12 **A.** Yes. About 24 hours before impact DEF focuses on pre-staging, which is an  
13 integral part of DEF's hurricane plan, a well-established industry best practice, and  
14 a hedge against uncertain hurricane forecasts (timing and location). When  
15 combined with strong logistics and operational procedures, acquiring resources  
16 prior to landfall reduces restoration time. Case studies across the utility industry  
17 are summarized in Exhibit No. \_\_ (JC-3).

18  
19 Rebuilding and repairing the electric grid after a hurricane requires more resources  
20 than native staffing. Not only must the area of impact and extent of direct damage  
21 be considered, but also the hurricane's subsequent path that could affect travel to  
22 the state, access to damage, and availability of remaining resources. Securing,  
23 mobilizing, on-boarding, and strategically locating Mutual Assistance crews takes  
24 several days and must be initiated before weather impact is certain. Pre-staging



1 decisions are based on detailed forecast data and advanced modeling tools  
2 developed and continuously improved through years of experience.

3  
4 Pre-staging reduces overall restoration days and total customer outage hours.  
5 During a hurricane state of emergency, communities suffer economic loss and deal  
6 with threats to public health and safety. For these reasons, DEF's primary objective  
7 in storm response is the safest, fastest, most transparent restoration managed  
8 responsibly from a cost perspective as required by Rule 25-6.044(3).

9  
10 Pre-staging greatly improves the accuracy of Estimated Times of Restoration  
11 ("ETRs"). Accurate and early ETRs are vital to community first responders who  
12 are managing threats to public health and safety, and to customers who evacuated  
13 and are seeking to return home. ETRs are a combination of estimated repair man-  
14 hours and resources available to do the work. When available resources are in place  
15 and engaged in work, the resulting ETRs can be provided sooner and are far more  
16 accurate than when acquisition and mobilization uncertainties must be included.

17  
18 **Q. Did DEF successfully pre-stage resources ahead of Hurricane Michael in**  
19 **2018? If so, please explain how this reduced overall restoration time.**

20 **A.** Yes. DEF's mature logistics support enabled housing of crews east of the  
21 hurricane's forecasted track. Partnership with county and state road clearing crews  
22 contributed to opening travel as soon as possible for utility restoration workers and  
23 other first responders. The Assess, Isolate, and Restore ("AIR") process enabled  
24 Mutual Assistance crews to begin productive restoration work almost immediately.

1 AIR provides a means to restore circuit backbones in the first 24-48 hours after a  
2 storm passes. Energizing backbones yields many restoration benefits including the  
3 rapid identification of second stage fuse work locations where Mutual Assistance  
4 crews are most effective and can be immediately engaged. Analysis in Exhibit JC-  
5 1 shows that by prestaging resources instead of mobilizing after damage was  
6 certain, Hurricane Michael restoration times were shortened by at least 1-2 days.

7  
8 **Q. How does the Company on-board crews and what steps does the Company**  
9 **take to ensure that they are effectively utilized?**

10 **A.** The Company on-boards newly arriving crews at staging and logistics sites where  
11 rosters are verified, and arrival times documented. Crews go through a detailed  
12 overview of Company safety rules and protocols, as well as information on  
13 construction standards. Once restoration begins, crews are assigned to Area  
14 Restoration Coordinators (ARC). The ARC is a key oversight role for managing  
15 work. ARCs assign their crews daily work packages that are prepared in advance  
16 and monitor progress of restoration. ARC's also review time sheets and provide  
17 feedback to the storm center about crew effectiveness. This information is used by  
18 Operations and Logistics during demobilization to sequence crew releases so that  
19 the costliest, least productive crews are considered for earliest release.

20  
21 **Q. How is DEF's resource plan developed?**

22 **A.** Resource plan commitments must be made far enough in advance to allow  
23 mobilization to strategically place mustering sites. The timing of crew mobilization  
24 is based on getting resources into position before driving conditions deteriorate and

1 crew safety is endangered. The resource plan is continuously checked and adjusted  
2 as information becomes more certain. Adjustments can include both additions and  
3 releases of resources.

4  
5 Predictive damage modeling provides a target number of resources and is the basis  
6 for Mutual Assistance requests. For Dorian, some committed crews were moved  
7 into position and strategically staged outside of the hurricane's path, while others  
8 were instructed to prepare for travel and await further instructions. The resource  
9 plan covers many risks including early hurricane arrival and increased strength (as  
10 Hurricane Michael quickly did in 2018, attaining Category 5 status at landfall),  
11 shifting of storm track, widening of wind field, tornados, and flooding. These risks  
12 are mitigated by the number of resources secured, skill type (e.g., line, tree, damage  
13 assessment), pre-position location, and if not pre-positioned, the influence of the  
14 hurricane on post-landfall highway travel. While these decisions are made, by  
15 necessity, with imperfect forecast information, the consequences of inaction are  
16 enormous and well-documented as shown in Exhibit JC-1 case studies.

17  
18 **Q. What occurs as the storm begins to impact DEF's service territory?**

19 **A.** When the storm-force winds commence in DEF's service territory, the Distribution  
20 Control Center ("DCC") is in constant communication with the Energy Control  
21 Center ("ECC") and the Transmission storm center. The ECC gives both storm  
22 centers a thorough description of what transmission lines and substations are  
23 dropping out of service as the storm passes, giving the Company a real-time  
24 assessment of the location of the storm damage. Crews in the hurricane's direct

1 path shelter in place when safe to do so, while crews on the boundaries respond to  
2 emergency calls. The ECC and the Distribution and Transmission storm centers  
3 jointly establish restoration priorities and coordinate restoration strategies to  
4 maintain grid stability.

5  
6 **Q. What happens after the storm passes?**

7 **A.** DEF's storm response has three main components: (1) governmental and EOC  
8 support and response; (2) statistical damage assessment; and (3) feeder backbone  
9 restoration. These three components enable local and state governments to respond  
10 to the storm's impact and allows DEF to both estimate the amount of storm damage  
11 actually incurred by the distribution system and begin restoration of the highest  
12 priority feeders.

13  
14 DEF can promptly respond as local governments and county EOCs encounter issues  
15 that require immediate attention. These issues may involve, for example, support  
16 for road clearing teams, or removing a downed power line with police personnel  
17 standing by at the site. By having DEF personnel assigned to county EOCs, DEF  
18 can facilitate communication with various governmental agencies also at the EOCs,  
19 such as fire departments, to quickly respond to the site, take care of the downed  
20 line, and allow the government agency staff to pursue other critical assignments.

21  
22 Concurrent with these activities, DEF rapidly assesses a statistically valid sample  
23 of its total facilities to validate the damage and associated resources that were  
24 predicted by the model, and to provide operations management more information

1 for determining the best restoration strategy. As part of pre-storm season  
2 preparation, DEF identifies segments of feeders and associated branch lines in each  
3 area served by an operations center that are representative of the overall network of  
4 feeders and branch lines for the local area. As soon as the storm winds drop below  
5 39 miles per hour, damage assessment teams are activated to get a better  
6 understanding of the damage to the distribution system. The previously identified  
7 representative distribution line segments are assigned to damage assessment teams  
8 who are responsible for a pole-by-pole survey of those segments, to inventory the  
9 extent of damage incurred, and return damage information to be compiled and  
10 analyzed. Based upon the storm damage found in this representative sample, DEF  
11 extrapolates the amount of storm damage for the rest of the local distribution  
12 network and aggregates these assessments to get a system-wide storm damage  
13 estimate. These estimates are used to confirm damage and to adjust the pre-landfall  
14 resource mobilization plan as needed.

15  
16 The feeder backbone process is a method by which DEF restores service and  
17 catalogues storm damage for further repair. This process is intended to quickly  
18 restore the feeder backbone through the operation of switches only, inventory  
19 sections of the feeder that DEF is not able to immediately restore, and identify  
20 devices off the feeder that are not in service. DEF begins planning for the AIR  
21 effort prior to the storm season when each of the local management teams prioritize  
22 the order of restoration for critical feeders within their jurisdiction. Highest priority  
23 is assigned to feeders that are crucial to the health, safety, and welfare of the general  
24 public.

1

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

3 **A.** At this juncture of the restoration efforts, DEF is beginning to deploy resources to  
4 the local operating areas to include them in the storm restoration plan. To  
5 efficiently use this first wave of resources, DEF assigns them to the storm damage  
6 that was identified through the feeder AIR process. This allows the Company to  
7 assign the first wave to the highest priority work on the most critical components  
8 of the distribution infrastructure. Based upon the information collected from the  
9 statistical assessment, including aerial storm damage assessments using drones and  
10 helicopters, information reported to DEF's outage management system, and the  
11 knowledge of local management, the management team has the information it needs  
12 to determine what feeders require detailed damage assessment. When the detailed  
13 assessment of a feeder segment is complete, the results of that effort are compiled  
14 into an associated work package. This work package allows DEF to effectively  
15 communicate the scope of the work to be done and further assists the Company in  
16 managing productivity expectations of line and tree crew resources. Additionally,  
17 the work package information assists local management in allocating resources and  
18 determining ETRs.

19

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

22 **A.** Before a storm, the Company issues news releases, posts social media information  
23 related to storm and safety tips, issues public service announcements, sends  
24 customers emails focused on preparedness, and proactively shares stories with the

1 media focused on DEF's preparedness efforts to inform customers. To address the  
2 needs of customers with medical or special needs, DEF conducts outbound call  
3 campaigns to ensure these customers are aware of pending severe weather and to  
4 prepare for potentially extended outages. The Company also launches a dedicated  
5 webpage focused on the specific storm event where the public can find news  
6 releases, safety tips, videos, restoration information and links to other valuable  
7 resources. Banners on the Company's main page direct customers to the storm and  
8 safety information and eventually to the dedicated storm webpage once it is  
9 launched. All pre-storm communications include storm and safety tips and  
10 instructions on how to report outages. DEF's proactive outreach to the media often  
11 results in interviews and stories focused on storm preparedness.

12  
13 During a storm, the Company develops daily messages to be used with media,  
14 customers, and field personnel. The Company publishes daily updates via news  
15 releases and social media on various topics, including storm damage, ETRs, and  
16 out of town resources. DEF secures TV, print, and radio advertising to provide  
17 restoration updates. Customers participating in DEF outage communication  
18 programs receive updates via email, phone, and text on restoration progress and  
19 ETRs. Ongoing updates regarding storm restoration are also provided on the  
20 Company's dedicated storm page which includes updated outage maps.  
21 Furthermore, during a storm event, updates are continuously provided to elected  
22 officials, community leaders and other stakeholders to ensure that they have the  
23 information needed to share with the public and to plan accordingly.

24

1 After a storm, the Company prepares wrap-up messages to share with customers,  
2 community leaders, and other stakeholders. News releases are published to provide  
3 final outage-related numbers, thank customers for their patience, and thank local  
4 first responders, and thank the companies that provided off-system resources.

5  
6 **Q. Does the Company update ETRs during the restoration process?**

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

22  
23 **Q. How does the Company wind down its restoration process?**



1 A. As the Company nears the completion of storm restoration work within any part of  
2 the service territory, DEF begins demobilization efforts. DEF makes a best faith  
3 effort to use the most productive and cost-effective resources during restoration.  
4 As a part of the demobilization plan, DEF surveys local management and ARCs to  
5 determine their assessment on the productivity of the non-native line and tree  
6 personnel. Combining this information with the daily cost of the personnel, DEF  
7 builds a restoration plan that retains the safest, most productive, cost-effective  
8 resources until no longer needed.

9  
10 **Q. Is there anything else that must be done after restoration of customers is**  
11 **complete?**

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

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

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

**A.** Beginning with restoration effectiveness, one of the main measures that the Company uses is the cumulative percentage of customers restored versus the projection of where DEF should be at the end of each day. Moving backward from DEF’s final ETR goals, the Company sets milestones that must be achieved each day in order to achieve the overall goal. DEF generates these milestones down to the operations center level based on the amount of storm damage on DEF’s system, the level of resources at the Company’s disposal, and DEF’s restoration history. This analysis tells DEF whether it is being as effective as it needs to be and, if not, helps to highlight or correct any issues that may be impacting the Company’s performance.

1 Effective planning comes down to ensuring that the Company has the processes in  
2 place to provide maximum flexibility. Due to the nature of these storms, DEF will  
3 never be able to precisely predict the location and timing of the storms or the extent  
4 of damage they will create. It is more important that DEF's planning process  
5 ensures it has the flexibility to adapt to inevitable changes in the location, timing, and  
6 intensity of storms as they arise. In DEF's judgment, the planning process did in  
7 fact provide DEF with the needed flexibility to cope effectively with the hurricane  
8 season.

9  
10 Finally, another critically important measure of effectiveness is safety; and in 2019  
11 no serious injuries were recorded.

12  
13 **IV. INCREMENTAL COSTS INCURRED BY DEF AS A RESULT OF**  
14 **HURRICANE DORIAN**

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

18 **A.** Incremental distribution storm-related costs incurred by the Company attributable  
19 to Hurricane Dorian are \$136.2 million, as shown on Exhibit No.\_\_(TM-2) in the  
20 direct testimony of Tom Morris.

21  
22 **Q. Please describe Hurricane Dorian and how you implemented the plan you**  
23 **described above.**

1 A. Hurricane Dorian formed August 24th and gradually strengthened as it moved west,  
2 becoming the first major hurricane of the 2019 Atlantic hurricane season on August  
3 28. Dorian quickly intensified into a devastating Category 5 hurricane with  
4 sustained winds of 180 mph and gusts over 200 mph. Initial track forecasts were  
5 influenced by a ridge of high pressure extending into the Southeast that steered  
6 Dorian westward toward Central Florida, where it would lift northward and stall,  
7 increasing the threat for significant rainfall and flooding in DEF's service area.  
8 DEF's territory remained within the NHC's forecasted cone of uncertainty from  
9 August 26, 2019, to September 2, 2019.

10  
11 Dorian's timeline and DEF's response was as follows:

- 12 • August 28, 2019: The NHC forecast shown in Exhibit JC-2 brought the  
13 center of Dorian to Florida's east coast as a major hurricane, then into  
14 Central Florida, and eventually stalling and severely limiting travel into  
15 Florida from the north. DEF activated its ICS storm organization and began  
16 modeling possible resource needs. Over the next 48 hours, based on  
17 predictive damage models and the risks posed by Dorian, DEF began  
18 acquisition of approximately 7,500 line, tree trimming, and damage  
19 assessment resources. Mobilization dates varied based on travel distance  
20 and arrival at a pre-stage locations south of the track before deterioration of  
21 safe driving conditions. Due to the path of the hurricane and threat of  
22 stalling, arrival time for resources attempting to enter the state after landfall  
23 was highly uncertain.

24

- 1           •       August 31, 2019: After rapid intensification Dorian became a Category 4  
2 hurricane. The NHC forecast shifted Dorian’s track to the east (Exhibit JC-  
3 2). Based on continuous assessment of forecast information and potential  
4 damage, DEF adjusted its plan by releasing approximately 3,300 resources.  
5
- 6           •       September 1, 2019: Dorian reached Category 5 intensity and made landfall  
7 in the Bahamas, with maximum sustained winds of 180 mph and gusts over  
8 200 mph. The NHC continued to emphasize that users should not focus on  
9 the exact center track. A Hurricane Warning and Storm Surge Warning  
10 were issued by the NHC for portions of Florida’s Atlantic coast. DEF  
11 remained well within the forecasted cone with the west edge extending  
12 inland to Orlando.  
13
- 14          •       September 2, 2019: The NHC stated that life-threatening storm surge and  
15 dangerous hurricane-force winds were expected along portions of Florida’s  
16 Atlantic coast, and storm surge and hurricane warnings were in effect.  
17 Dorian weakened to a Category 4 and the ridge of high pressure steering the  
18 system collapsed, causing Dorian to stall just north of Grand Bahama and  
19 prolonged the uncertainty regarding potential Florida landfall. Only a slight  
20 deviation to the west of the official forecast would bring the core of Dorian  
21 near or over the Florida coast (Exhibit JC-2).  
22
- 23          •       September 3, 2019: After stalling just over 100 miles east of West Palm  
24 Beach, Dorian tracked north northwestward 80 to 100 miles from the

1 Florida coast. A land-based station at Cape Canaveral recorded wind gusts  
2 of 70 mph.

- 3
- 4 • September 4, 2019: Based on assessment of forecast information and  
5 expected damage, all remaining Mutual Assistance resources were released  
6 in the morning when it was determined that native crews could respond to  
7 the current threat. Dorian's wind and rain bands moved through DEF  
8 service territory (JC-2). Restoration of approximately 24,000 customers  
9 was completed.

10 Distribution assessed the resource plan multiple times per day after weather updates  
11 and damage model changes. However, the resource plan was affirmed except for  
12 changes noted above.

13

14 DEF strives to balance the expectation and responsibility to quickly restore service  
15 with overall cost. Specific to Hurricane Dorian, DEF successfully balanced these  
16 factors by preparing for the serious threat posed by the storm, releasing resources  
17 as the threat changed and it was prudent to do so, and swiftly responding to the  
18 damage caused by the storm.

19

20 **Q. Please describe the Company's process for seeking Mutual Assistance from**  
21 **outside sources and identify the date on which the Company communicated**  
22 **with Mutual Assistance organizations with respect to Hurricane Dorian.**

23 **A.** Once a tropical system is identified that threatens DEF's service territory, the  
24 process to acquire off system restoration personnel is activated. There are primarily

1 two avenues for acquiring off system support. The first is through non-Investor  
2 Owned Utility (“IOU”) vendors using pre-negotiated agreements. DEF had over  
3 90 vendor agreements in place prior to Hurricane Dorian. The second avenue for  
4 off system support is through the SEE Mutual Assistance process. Mutual  
5 Assistance calls are set up to assess resource availability from outside the projected  
6 impact area. Resources typically include linemen, vegetation management, damage  
7 assessment, support, and logistics personnel for both distribution and transmission  
8 restoration work. Depending on the projected event timing and intensity, the  
9 objective is to have resources mobilized and pre-positioned ahead of impact. Due  
10 to the time it takes for crews outside Florida to mobilize, this requires the Company  
11 to incur costs for off-system resources based on NHC tropical weather forecasts,  
12 which are subject to change. The Company’s communications with Mutual  
13 Assistance organizations for Dorian began on August 28, 2019. Mobilization was  
14 based on travel distance and arrival at pre-stage locations south of the track before  
15 deterioration of safe driving conditions.

16  
17 **Q. When did the Company’s Mutual Assistance costs for Hurricane Dorian begin**  
18 **to accrue?**

19 **A.** Costs for Hurricane Dorian began to substantially accrue on August 30 and 31,  
20 2019, as nearly 4000 crews were mobilized. Mobilization was based on travel  
21 distance and arrival at DEF mustering locations before driving conditions  
22 deteriorated to the point of being unsafe. As is industry standard, Mutual  
23 Assistance charging begins when the responding entities prepare to travel and work  
24 on DEF’s system (examples include stocking material and preparing trucks and

1 equipment for highway travel). Although the Irma Settlement Agreement was not  
2 in effect in 2019, DEF's Scope and Method of Payment (SMP) agreements reflected  
3 many of its provisions including payment beginning only upon mobilization and  
4 pay during travel being limited to hours worked.

5  
6 **Q. Did the Company issue public announcements in connection with Hurricane**  
7 **Dorian?**

8 **A.** Yes. To keep customers and the public updated on preparation and restoration  
9 efforts, DEF issued 5 news releases in English and Spanish. In addition, DEF  
10 published daily social media posts which covered several topics including safety,  
11 storm damage, resources, updated outage information and restoration progress.

12  
13 DEF also issued public service announcements through local radio stations and  
14 pushed out messaging through media stories and other multi-media channels. In  
15 total, more than 3.2 million Residential and Business customer contacts were  
16 made through a combination of email, outbound calls and text messaging. The  
17 contacts consisted of:

- 18 ○ 1,650,497 emails sent;
- 19 ○ 329,916 outbound calls placed; and
- 20 ○ 1,241,085 text messages sent.

21

22 **Q. When was the Company fully restored from Hurricane Dorian?**

23 **A.** DEF was fully restored on September 4, 2019. Hurricane Dorian's outer bands  
24 began to directly impact DEF's service territory on September 1, and outage



1 activity continued through the morning hours of September 4, as Dorian's path  
2 paralleled the east coast of Florida as it traveled northward. A Hurricane Warning  
3 issued by the NHC was in effect for portions of Florida from September 1 into  
4 September 4.

5  
6 **Q. Does DEF have experience with recent hurricanes that compare to Hurricane**  
7 **Dorian?**

8 **A.** Yes. As Dorian shifted east along Florida's Atlantic coast its track was comparable  
9 to Hurricane Matthew in 2016. Hurricanes Matthew and Dorian NHC track  
10 forecasts and cones-of-uncertainty at approximately 48 hours from closest Atlantic  
11 coast approach are shown in exhibit JC-4. At that point in time Hurricane Matthew  
12 was a Category 3 (sustained winds to 115 mph), Hurricane Dorian was a  
13 devastating Category 5 (sustained winds to 180 mph), and both cones-of-  
14 uncertainty extended inland to Orlando. The NHC 48 hour forecast period average  
15 track error in the Atlantic Basin is approximately 65 nautical miles.

16  
17 Given that Matthew and Dorian's actual closest approach to Cape Canaveral was  
18 approximately 35 and 74 nautical miles, respectively, their forecasts presented  
19 comparable risk profiles for significant damage in DEF's Service Area. Hurricane  
20 Matthew's outer bands ultimately caused outages to over 316,000 customers and  
21 required replacement of 213 wood poles over 4 days of restoration.

22  
23 Hurricane Dorian posed an enormous threat to Florida, and for days was forecasted  
24 to enter DEF service territory with possible major Hurricane force winds. After

1 devastating the Bahamas, Dorian's track shifted to the east and its most damaging  
2 impacts fortunately remained offshore as it moved north, sparing DEF and Central  
3 Florida from a direct impact, which would have resulted in significant harm and  
4 damage.

5  
6 Based on DEF's prior experience with storms of this magnitude in Central Florida,  
7 preparation and acquisition of resources for Hurricane Dorian was reasonable and  
8 necessary in anticipation of the forecasted direct hit. A delay of these actions would  
9 have significantly hampered restoration of service to customers.

10  
11 **V. INCREMENTAL COSTS INCURRED BY DEF AS A RESULT OF TS**  
12 **NESTOR.**

13 **Q. Please describe your planning and response to TS Nestor and its impact on**  
14 **your system?**

15 **A.** TS Nestor formed in the Gulf of Mexico on October 17, 2019. Weather forecast  
16 data and damage modeling indicated minimal risk of intensification or track shift,  
17 and that DEF could complete restoration safely and quickly with effective use of  
18 its employees, native line, and native tree trimming contractors. TS Nestor brought  
19 significant storm surge to the Florida Panhandle and spawned five NWS confirmed  
20 tornados in Pinellas, Hillsborough, and Polk counties (JC-2). The tornadoes  
21 toppled trees and damaged homes. The damage caused by TS Nestor impacted  
22 41,669 DEF customers. By following DEF's scalable storm plan and efficiently  
23 moving native resources to areas of damage, off-system restoration crews were not  
24 necessary, and costs were minimized.

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**Q. Please identify what incremental costs DEF incurred in connection with TS Nestor.**

**A.** The incremental distribution costs incurred by the Company in connection with TS Nestor are \$0.1M, as shown on Exhibit No.\_\_(TM-2) in the direct testimony of Tom Morris.

**VI. CONCLUSION**

**Q. Do you have an assessment of the Company's implementation of its Storm Plan during the 2019 storm season?**

**A.** Yes. I believe the strength of a storm plan is its flexibility to quickly adapt to changing conditions and enable action to prepare for a range of threats from major hurricanes to tropical storms. As such, DEF's advanced preparation and restoration efforts for Hurricane Dorian and Tropical Storm Nestor were reasonable, prudent, and absolutely necessary. The measures taken by DEF, especially for the potential impact of a devastating Category 5 hurricane, were requisite to meet its responsibility to minimize restoration times and mitigate public safety hazards.

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

**A.** Yes.

1                   (Whereupon, prefiled direct testimony of Tom  
2 Morris, Docket No. 20190222, was inserted.)

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**RE: PETITION FOR LIMITED PROCEEDING FOR RECOVERY OF  
INCREMENTAL STORM RESTORATION COSTS RELATED TO HURRICANE  
DORIAN AND TROPICAL STORM NESTOR BY DUKE ENERGY FLORIDA,  
LLC.**

**FPSC DOCKET NO. 20190222-EI**

**DIRECT TESTIMONY OF TOM MORRIS**

**SEPTEMBER 30, 2020**

1 **I. INTRODUCTION AND QUALIFICATIONS.**

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

3 A. My name is Tom Morris. My current business address is 3300 Exchange Place,  
4 Orlando, Florida 32746.

5

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

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

1 that provide support to the functional groups of DEF that incur expenses during  
2 major storm events.

3

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

5 A. I have a Bachelor of Science in Accounting from The Florida State University.  
6 Following graduation in 1993, I began my career at Ralicki & Thomas CPAs, in  
7 Stuart, Florida. I worked three years at Ralicki & Thomas CPAs, focusing on audits  
8 of GAAP financial statements and preparing personal and corporate tax returns. In  
9 1999, I joined DE in their Distribution Finance organization where I was  
10 responsible for the monthly financial reporting and annual budget preparation. In  
11 October 2015, I was promoted to Director of Customer Delivery Finance.

12

13 **II. PURPOSE OF TESTIMONY.**

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

15 A. On December 19, 2019, DEF filed estimated storm costs in the instant docket  
16 associated with Hurricane Dorian and Tropical Storm (“TS”) Nestor. The purpose  
17 of my testimony is to explain and support the actual storm costs for Hurricane  
18 Dorian and TS Nestor, and to discuss the methods used to comply with Rule 25-  
19 6.0143, FAC., and, where possible, the Storm Cost Settlement Agreement approved  
20 in Order No. PSC-2019-0232-AS-EI (“Agreement”), to identify and remove non-  
21 incremental O&M and capitalized costs from total restoration storm costs. As  
22 stated in the Agreement<sup>1</sup>, DEF adhered to the restoration-related provisions where

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<sup>1</sup> See Agreement, p. 8, section 6.

1 possible during the 2019 storm season and will fully comply with the Agreement  
2 for 2020. This is a provision of the Agreement that was agreed to by both DEF and  
3 OPC.

4

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

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

- 7 • Exhibit No. \_\_ (TM-1) – Storm Costs Recovery Total
- 8 • Exhibit No. \_\_ (TM-2) – Storm Costs by Storm
- 9 • Exhibit No. \_\_ (TM-3) – Storm Costs Interest Calculation

10 These exhibits were prepared under my direction and control, and are true and  
11 accurate to the best of my knowledge.

12

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

14 A. DEF is seeking recovery for those costs that are incremental, as defined under the  
15 Incremental Cost and Capitalization Approach (“ICCA”) methodology required  
16 under Rule 25-6.0143, F.A.C. The Company has prudently incurred \$144.56  
17 million (retail) of incremental restoration costs for Hurricane Dorian and TS Nestor  
18 as shown in Exhibit No. \_\_ (TM-1). These costs exclude all non-incremental costs,  
19 as defined under the ICCA methodology and adopted under the Agreement, and  
20 exclude amounts properly capitalizable under the Company’s capitalization policy.  
21 These costs, plus estimated interest and regulatory assessment fees of \$0.5 million,  
22 total \$145.0 million sought for recovery in this proceeding. Interest expense of  
23 \$0.38 million is shown in Exhibit No. \_\_ (TM-3). March 2020 to August 2020  
24 interest is calculated at the commercial paper rate consistent with that used in the

1 Fuel Cost Recovery Clause. The rates are consistent with A-Schedule A2, Page 2  
2 of 2, Line D8, filed monthly in Docket 20200001-EI. September 2020 forward is  
3 calculated based on the August 2020 rate.

4  
5 **Q. Please explain how storm-related costs are tracked and accounted for during**  
6 **and after each storm, and the process that the Company uses to verify that**  
7 **costs assigned to the storms were in fact related to the storms and were**  
8 **incremental.**

9 A. When a potential major storm event is approaching its service territory, DEF creates  
10 separate project codes for each function (Distribution, Transmission, Customer  
11 Operations, Fossil/Hydro Generation) to be used to process and aggregate the total  
12 amount of storm restoration costs incurred for financial reporting and regulatory  
13 recovery purposes. DEF uses these codes to account for all costs directly related to  
14 storm restoration, including costs that will not be recoverable from DEF's storm  
15 reserve, based on the ICCA methodology and as further clarified in the Agreement.  
16 All storm restoration costs charged to these storm projects are initially captured in  
17 FERC Account 186, Miscellaneous Deferred Debits except for Transmission  
18 capital projects.<sup>2</sup> All costs charged to FERC Account 186 are subsequently  
19 reviewed, and based on the outcome of that review, are cleared and charged to either  
20 the storm reserve (FERC Account 228.1), normal O&M expense or capital. See  
21 below for further discussion of the Company's process to review incurred costs and

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<sup>2</sup> Transmission follows the same process except that any capital work that is done during the major storm is charged directly to specific projects that are mapped to FERC Account 107.



1 ensure only allowable costs as defined in the ICCA methodology and Agreement  
2 are included for recovery.

3  
4 **Q. Please further explain the process for accumulating accounting data related to**  
5 **storm costs.**

6 A. For Distribution, major storm costs are initially accumulated in FERC Account 186,  
7 including charges that are considered non-incremental or capital. Using the ICCA  
8 methodology and Agreement, non-incremental amounts are identified and  
9 subsequently credited from FERC Account 186 and debited to base rate O&M  
10 expense. Capital costs are also identified and subsequently credited from FERC  
11 Account 186 and debited to FERC Account 107, Construction Work in Progress.  
12 After non-incremental and capital costs are removed from FERC Account 186, the  
13 remaining balance is then credited, and FERC Account 228.1 is debited to bring  
14 FERC Account 186 to zero leaving only allowable costs for recovery in Account  
15 228.1. Transmission follows the same process except that any capital work that is  
16 done during the major storm is charged directly to specific projects that are mapped  
17 to FERC Account 107.

18  
19 **Q. Please explain costs incurred by DEF for Hurricane Dorian and TS Nestor?**

20 A. Exhibit No. \_\_ (TM-1) summarizes total recoverable storm costs for both storms:

- 21 • Hurricane Dorian (2019): \$144.4 million
- 22 • TS Nestor (2019): \$0.2 million

1 Exhibit No.\_\_(TM-2) breaks out recoverable storm costs by function for each  
2 storm.

3  
4 While most costs were incurred for Hurricane Dorian, and my testimony below is  
5 in reference to that storm, DEF's cost accumulation and review processes were  
6 similar for both storms. As previously mentioned, all storm-related costs, except  
7 for Transmission capital projects,<sup>3</sup> were recorded to FERC Account 186 and  
8 subsequently reviewed to determine the amount that was considered non-  
9 incremental under the ICCA methodology and Agreement, and excluded from this  
10 storm recovery request.

11  
12 In discussing the nature of the costs incurred for Hurricane Dorian and TS Nestor,  
13 it is essential to have a clear understanding of Rule 25-6.0143, F.A.C. and the  
14 Agreement. I will focus on allowable costs, then address the types of costs  
15 specifically prohibited under the ICCA methodology in my testimony below.

16  
17 As shown on Exhibit No.\_\_(TM-2), DEF's incurred costs for Hurricane Dorian and  
18 TS Nestor fall into the following categories, and, when netted with non-incremental  
19 costs, are consistent with the ICCA methodology and the Agreement.

- 20  
21 1. Regular payroll – Amounts in this category represent regular payroll for  
22 employee time spent in direct support of storm restoration and exclude

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<sup>3</sup> See footnote 2.

1 bonuses. During both storms, payroll costs were incurred related to DEF  
2 employees as well as DE affiliate employees assisting in the storm response.  
3 To identify the non-incremental amount, the three-year historical average  
4 (September of 2016-2018) of non-storm O&M base regular payroll is  
5 compared to the actual non-storm amount charged to O&M base regular  
6 payroll in September 2019 for Transmission and Distribution (“T&D”). If the  
7 average is higher than the amount incurred in September 2019, that difference  
8 is removed from FERC Account 186 as the non-incremental amount and  
9 charged to Income Statement O&M. If the amount incurred in September 2019  
10 is higher than the three-year historical average, then the entire base regular  
11 payroll is considered incremental in FERC Account 186.

- 12
- 13 2. Overtime Payroll – Amounts in this category represent overtime payroll for  
14 employee time spent in direct support of storm restoration for DEF personnel  
15 as well as DE affiliates, such as linemen from DE affiliates in the Carolinas  
16 and Midwest. To identify the non-incremental amount, the three-year  
17 historical average (September of 2016-2018) of non-storm O&M base  
18 overtime payroll is compared to the actual non-storm amount charged to O&M  
19 base overtime payroll in September 2019 for T&D. If the average is higher  
20 than the amount incurred in September 2019, that difference is removed from  
21 FERC Account 186 as the non-incremental amount and charged to Income  
22 Statement O&M. If the amount incurred in September 2019 is higher than the  
23 three-year historical average, then the entire base overtime payroll is  
24 considered incremental in FERC Account 186.

- 1
- 2 3. Labor Burdens/Incentives – Amounts in this category include employee
- 3 bonuses and labor burdens.

4

5 Bonuses paid to employees for their extraordinary efforts and dedication to

6 DEF's customers were removed from this recovery request. Note, while the

7 Company believes the bonuses paid to employees are properly recoverable,

8 DEF is not seeking recovery of those costs.

9

10 Labor burdens represent costs associated with direct payroll and overtime

11 charges, such as 401-K and pension match, medical, payroll tax, and other

12 benefits. To identify the non-incremental amount, the three-year historical

13 average (September of 2016-2018) of non-storm labor burdens is compared to

14 the actual non-storm amount charged to O&M in September 2019 for T&D. If

15 the average is higher than the amount incurred in September 2019, that

16 difference is removed from FERC Account 186 as the non-incremental amount

17 and charged to Income Statement O&M. If the amount incurred in September

18 2019 is higher than the three-year historical average, then all labor burdens are

19 considered incremental in FERC Account 186.

- 20
- 21 4. Overhead Allocations – Amounts in this category include cost allocations
- 22 related to management and supervision as well as Service Company costs that
- 23 were allocated to the project based on payroll, overtime, materials, contractors

1 and fleet charges incurred. Costs associated with DEF employees were  
2 removed as either non-incremental or included as part of capital.

3  
4 5. Employee Expenses – Amounts in this category include the cost of lodging  
5 such as hotel rooms, as well as other employee expenses such as meals and  
6 mileage reimbursement for employees using their personal vehicles.

7  
8 6. Contractor Costs – Amounts in this category include costs associated with  
9 mutual aid utilities, line contractors, vegetation contractors, staging and  
10 logistics personnel and other outside contractors used in storm-restoration  
11 related activities.

12  
13 7. Materials and Supplies – Amounts in this category include the materials and  
14 supplies used to repair and restore service and facilities to pre-storm condition,  
15 and exclude the portion of materials and supplies used in restoration activities  
16 that are included in capitalized cost. Fuel costs associated with fueling services  
17 utilized during restoration to re-fuel contractor vehicles are coded as part of  
18 materials and supplies.

19  
20 8. Internal Fleet Costs – The costs included in the net recoverable request are  
21 only the fuel for fleet vehicles.

22  
23 9. Uncollectible Account Expenses – Refer to the section below regarding the  
24 storm impacts to Customer Operations.

1  
2 10. Other Expenses – Amounts in this category include other minor amounts of  
3 storm-related expenses not coded to one of the categories above.  
4

5 The Company has support for all storm costs on Exhibit No.\_\_(TM-2) available  
6 for Commission review.  
7

8 **Q. Is the Company including for recovery in this filing any costs prohibited from**  
9 **recovery under the ICCA methodology and the Agreement?**

10 A. No. DEF is not including any costs prohibited from recovery under the ICCA  
11 methodology or the Agreement. In the preceding section of my testimony, I  
12 discussed allowable costs as well as amounts DEF excluded from this recovery  
13 request based on DEF's determination that certain of the costs were non-  
14 incremental or capitalizable. In this section, I will address the types of costs  
15 prohibited for recovery through the storm reserve based on the following sections  
16 of Rule 25-6.0143, F.A.C. and the Agreement.  
17

18 Prohibited costs under the ICCA methodology and the Agreement:

19 The types of storm related costs prohibited from being charged to the reserve  
20 under the ICCA methodology and the Agreement include, but are not limited  
21 to, the following:<sup>4</sup>

22 1. Base rate recoverable regular payroll and regular payroll-related costs for

---

<sup>4</sup> Rule 25-6.0143(1)(f), F.A.C.; Agreement.

1 utility managerial and non-managerial personnel

- 2 • *Company response – as discussed in the previous section, T&D has*  
3 *excluded from its recovery request the difference between the three-year*  
4 *average and the actual amount incurred in the month of September.*

5  
6 2. Bonuses or any other special compensation for utility personnel not  
7 eligible for overtime pay

- 8 • *Company response – as previously discussed, although the Company*  
9 *believes the bonuses paid to employees for their extraordinary efforts and*  
10 *dedication to DEF customers are properly recoverable, DEF is not*  
11 *seeking recovery of those costs in this filing and has removed them from*  
12 *this recovery request.*

13  
14 3. Base rate recoverable depreciation expenses, insurance costs and lease  
15 expenses for utility-owned or utility-leased vehicles and aircraft

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

1                    *restoration efforts included Unmanned Aerial Vehicles (“UAV”) or*  
2                    *Drones expenses and contractor UAV operators, as well as helicopter*  
3                    *expenses.*

4  
5                    4. Utility employee assistance costs

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

8  
9                    5. Utility employee training costs incurred prior to 72 hours before the storm  
10                    event

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

13  
14                    6. Utility advertising, media relations or public relations costs, except for  
15                    public service announcements regarding key storm-related issues as listed  
16                    above in subparagraph (1)(e)10

- 17                    • *Company response – DEF has not included these types of costs in this*  
18                    *cost recovery filing, except for allowable public service announcements.*  
19                    *For example, advertisements that were placed to distribute needed*  
20                    *information related to power restoration and/or safety precautions were*  
21                    *charged to the storm reserve. This would have included messaging such*  
22                    *as how to report power outages and to urge customers not to touch*  
23                    *downed power lines. However, advertisements that related to corporate*  
24                    *image were not charged to the storm reserve. This would have included*



1                    *all “Thank You” ads that were placed.*

2  
3                    7. Utility call center and customer service costs, except for non-budgeted  
4                    overtime or other non-budgeted incremental costs associated with the  
5                    storm event

6                    • *Company response – DEF has only included non-budgeted overtime and*  
7                    *other incremental costs associated with its Customer Operations*  
8                    *organization in this cost recovery filing.*

9  
10                    8. T&D Non-Vegetation Management Contractor Costs incurred in any  
11                    month(s) in which storm damage restoration activities are conducted, that  
12                    are less than the actual monthly average of native contractor costs charged  
13                    to operation and maintenance expense for the same month(s) in the three  
14                    previous calendar years

15                    • *Company response – DEF has performed the necessary calculations*  
16                    *required by the Agreement and has properly removed non-vegetation*  
17                    *management contractor costs consistent with the Agreement, resulting in*  
18                    *recovery amounts that comply with the ICCA methodology.*

19  
20                    9. Tree trimming expenses, incurred in any month(s) in which storm damage  
21                    restoration activities are conducted, that are less than the actual monthly  
22                    average of tree trimming costs charged to operation and maintenance  
23                    expense for the same month(s) in the three previous calendar years

24                    • *Company response – DEF has performed the necessary calculations*

1                    *required by this rule and has properly removed vegetation management*  
2                    *costs consistent with this rule, resulting in recovery amounts that comply*  
3                    *with the ICCA methodology.*

4  
5                    10. Utility lost revenues from services not provided

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

8  
9                    11. Replenishment of the utility’s materials and supplies inventories

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

12  
13                  **Q. Please explain the amounts capitalized to property, plant and equipment by**  
14                  **the Company.**

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

19  
20                  DEF has a process to ensure all units of property installed during storm restoration  
21                  are capitalized at reasonable material and labor amounts (i.e., resulting in capital  
22                  amounts at the normal cost for the removal, retirement and replacement of those  
23                  facilities), resulting in a storm cost recovery request that is incremental under the

1           ICCA methodology. During Hurricane Dorian, only the Company's T&D  
2           Operations installed capital units of property.

3  
4           For Transmission Operations, specific projects were issued for capital work,  
5           allowing real-time tracking of those projects. As capital work was performed,  
6           associated labor, material and equipment costs were charged to the capital projects.

7  
8           With respect to Distribution Operations, the Company's tracking of materials  
9           allows for accounting of all units of property used during storm restoration,  
10          resulting in the proper capitalization of those units of property. This is  
11          accomplished by having DEF's Supply Chain organization issue materials directly  
12          to the storm project when shipped from the distribution center to the various base  
13          camps, and by having Supply Chain personnel at Operating Centers issue materials  
14          used during the storm to the storm project. Once the restoration effort has been  
15          completed, all materials from the base camps were picked up and brought back to  
16          the distribution center where they were placed in a specific area for return  
17          processing. All returned materials were segregated and tagged to be identified as  
18          materials initially charged to the storm restoration. The materials were then  
19          returned by applying the same accounting that was used during the restoration  
20          effort. As a result, only the actual units installed during storm restoration were  
21          capitalized.

22

1 Once the number of units of property (“UOP”) were confirmed, the Company’s  
2 Finance organization determined a normal, reasonable total dollar amount to  
3 capitalize for those units of property.

4 • Materials Costs – As noted above, the number of UOP were identified and  
5 grouped (e.g., poles, transformers, wire, etc.). The material costs associated  
6 with the UOP and the number of UOP then became the basis of the calculation  
7 to determine the estimated total capital amount. A material burden was applied  
8 to all materials which represents the cost associated with warehousing, handling  
9 and shipping, and was reflected in the capital calculation. A working stock  
10 burden was also applied for all the ancillary materials needed to install that unit  
11 of property.

12 • Contract Labor - For each grouping of UOP, DEF’s Resource Optimization  
13 group estimated the average number of hours to install under normal conditions  
14 for that type of UOP and number of line resources needed. The average number  
15 of hours multiplied by the number of resources generated the total hours to  
16 install that UOP. Then a simple average was calculated of internal labor and  
17 native contractor rates and that rate was multiplied by the number of hours for  
18 each UOP to come up with the estimated capital labor to install.

19 • Other costs – As part of the normal amount of capital cost for a UOP, an  
20 overhead allocation rate was applied based on the total number of estimated  
21 hours to install the units of property. This overhead rate is consistent with the  
22 rate used in DEF’s work management system – Maximo.

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

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24

**Q. In addition to T&D, please describe the other functional areas that incurred costs related to the storms.**

A. Customer Operations incurred incremental costs that include the same categories of costs as T&D. Customer Operations did not follow the same process as described above for T&D, however; only incremental costs as defined under the ICCA methodology are requested for recovery in this filing.

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

A. As of the date of this filing, the Company has not yet finalized payment of all contractor services related to Hurricane Dorian. The Company reserves the right to file supplemental schedules with any necessary adjustments with the Commission as appropriate.

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

A. Yes.

1                   (Whereupon, prefiled direct testimony of Jason  
2 Williams, Docket No. 20190222, was inserted.)

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: PETITION FOR LIMITED PROCEEDING FOR RECOVERY OF  
INCREMENTAL STORM RESTORATION COSTS RELATED TO HURRICANE  
DORIAN AND TROPICAL STORM NESTOR BY DUKE ENERGY FLORIDA,  
LLC.**

**FPSC DOCKET NO. 20190222-EI**

**DIRECT TESTIMONY OF JASON S. WILLIAMS**

**September 30, 2020**

1 **I. INTRODUCTION AND QUALIFICATIONS**

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

3 **A.** My name is Jason S. Williams and I am employed by Duke Energy Florida, LLC  
4 ("DEF" or the "Company"). My business address is 420 Quail Trail, Monticello  
5 Florida, 32344.

6

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

9 **A.** I am the Vice President of Construction and Maintenance ("C&M") in the  
10 Transmission Department for DEF. In this role, I am responsible for the  
11 maintenance, new construction and system modifications to DEF's Transmission  
12 System. I am also the Transmission Regional Incident Commander ("RIC") for

1 DEF's Incident Command Structure in the event of a severe storm or other  
2 emergency event. As the Transmission RIC, I am responsible for the  
3 implementation of the Transmission System Storm Operational Plan ("TSSOP").  
4

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

6 **A.** I earned a Bachelor of Science degree in Information Studies from Florida State  
7 University and began my career with DEF in 2002 as a distribution lineman  
8 apprentice in Port St. Joe, Florida. I was given the opportunity to serve in several  
9 positions of increasing responsibility and leadership including work management,  
10 construction management, and maintenance, all of which provided me with  
11 valuable experience leading teams in a variety of work and emergency  
12 environments. Before assuming my current position, I was the Manager of North  
13 Florida Transmission Maintenance for Duke Energy. In this capacity, I was  
14 responsible for north Florida's transmission system, which delivers power to  
15 customers located across 30 Florida counties. I also served as Construction  
16 Manager for Florida Transmission, where I served as lead for internal and external  
17 (contract) construction resources. In summary, more than 18 years of experience  
18 in the energy industry have prepared me to serve as Transmission RIC during  
19 emergency events.  
20

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

22 **Q. Please describe the purpose of your direct testimony.**

23 **A.** I am testifying on behalf of the Company in support of recovery of the Company's  
24 storm-related transmission costs due to Hurricane Dorian and Tropical Storm



1 Nestor. I will begin by providing an overview of the Company's transmission  
2 facilities. Next, I will provide a summary of DEF's TSSOP, and the activation and  
3 implementation of that plan for Hurricane Dorian. In summarizing the plan, I will  
4 address Transmission's use of emergency preparedness and restoration readiness in  
5 making just-in-time decisions regarding acquisition of resources and logistical  
6 efforts to support those resources during the storm. Finally, I will testify to the  
7 rapid, yet systematic release/transfer of resources as Hurricane Dorian changed  
8 course and ultimately spared Florida and DEF's customers the devastation of a  
9 Category 5 storm.

10  
11 **Q. Did DEF comply with the Storm Restoration Cost Process Improvements**  
12 **included as part of the Storm Cost Settlement Agreement in Order No. PSC-**  
13 **2019-0232-AS-EI (the "Agreement")?**

14 A. The Agreement's provisions and process modifications did not take effect until the  
15 2020 hurricane season. However, for Hurricane Dorian, DEF made best faith  
16 efforts to implement the Agreement's cost saving measures including utilizing  
17 updated storm contracts, where available GPS tracking for off-system crews  
18 traveling to and from Florida, and caps on meal reimbursements. Additionally, in  
19 the restoration phase, DEF was prepared to implement daily timesheet approval,  
20 limit pay to hours worked, limit work to maximum 16 hours per day followed by 8  
21 hours rest, restrict meal and fuel reimbursements when provided by DEF, and  
22 require documentation for exceptions to meal and fuel provisions.

23

24

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

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

- 3 • Exhibit No.\_\_(JW-1) – Spreadsheet of crew numbers by day.
- 4

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

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

7 **A.** The Company's transmission system transmits nearly 9,500MW of generating  
8 capacity stepping down through over 5,200 circuit miles of transmission lines and  
9 510 substations to serve approximately 1.8 million retail and wholesale customers  
10 in 35 of the state's 67 counties covering over 20,000 square miles of DEF's service  
11 territory. Transmission lines are supported by a variety of different structure types  
12 including aluminum-alloy and steel towers as well as concrete, steel and wood poles  
13 in various configurations. These structure types include a variety of associated  
14 conductors, insulators, overhead ground wires, optical ground wires, relays,  
15 switches, connectors, ground rods and accompanying hardware.

16

17 **Q. How is the Company's transmission system organized and managed?**

18 **A.** DEF's transmission system is divided into three Transmission Maintenance Areas  
19 ("TMA"): North Florida, Coastal Florida and Central Florida. Each of these three  
20 areas serve as an Area Incident Command ("AIC") post with a specific  
21 storm/emergency plan aligned through DEF's Transmission RIC direction and  
22 TSSOP.

23

1 Transmission manages and maintains the system with internal leadership and DEF  
 2 skilled crews assigned to the three areas as well as internal traveling crews that  
 3 support the TMA Crews. All Transmission crews are highly skilled and specialize  
 4 in Line, Substation, Relay or Vegetation Management. The three TMA's are also  
 5 augmented with on-system contract crews as needed for construction and  
 6 maintenance work and other initiatives.

7  
 8 Transmission also manages the interconnections to other utilities within Florida,  
 9 across state lines and within DEF's system (IOUs, municipalities and co-operative  
 10 utility groups like Florida Municipal Power Agency ("FMPPA") and Seminole  
 11 Electric Cooperative, Inc. ("SECI")). Each TMA is organized and regularly works  
 12 with these partners through DEF's Wholesale Account Management. It is the  
 13 responsibility of the TMA Directors, Wholesale Account Management, and me to  
 14 communicate and interface with these other utilities regarding operation and  
 15 maintenance of DEF transmission assets and inter-connections, especially during  
 16 potential emergency response or a potential major weather event.

17

18 **IV. OVERVIEW OF TSSOP, EMERGENCY PREPAREDNESS, THE**  
 19 **PROCESSES TO ACQUIRE AND STAGE RESOURCES, AND THE**  
 20 **LOGISTICAL SUPPORT ESTABLISHED IN PREPARATION TO**  
 21 **RESPOND SWIFTLY TO CATEGORY 5 HURRICANE DORIAN.**

22

23 **Q. Please describe the overall approach to emergency/storm response captured**  
 24 **in the TSSOP.**

25 **A.** Duke Energy ("DE") has adopted the Incident Command System/Structure ("ICS")  
 26 outlined by National Incident Management System ("NIMS") - Federal Emergency

1 Management Agency (“FEMA”). Similarly, DEF has developed its TSSOP to  
2 follow the general ICS for planning, operations and logistics actions to activate and  
3 respond to an emergency/storm event. In responding to a storm or emergency  
4 event, DEF considers not only the transmission system in its territory but also the  
5 transmission systems of other utilities in the state. The TSSOP is designed to  
6 provide scalability and immediate communications, while assuring grid stability  
7 and decision-making among the Energy Control Center (“ECC”), Distribution  
8 Control Center (“DCC”), distribution system and Transmission leadership. The  
9 TSSOP is structured separately but aligned with DEF’s Distribution System Storm  
10 Operational Plan (“DSSOP”) in order to respond safely, efficiently and effectively  
11 to any storm event that impacts DEF's transmission system assets.

12  
13 As Transmission RIC, I work directly with the Distribution RIC to declare an event,  
14 activate resources needed for storm restoration, determine the state of the system,  
15 and establish a realistic Estimated Time of Restoration (“ETR”), while our Incident  
16 Management Team (“IMT”) prepares and stages resources (based on Meteorology,  
17 Planning Section’s modeling, and leadership experience decisions).

18  
19 The TSSOP is a seven-chapter document that references, or houses plans,  
20 processes, tools, training, roles, organizational charts, checklists, and action plans  
21 that purposefully drive the Transmission organization toward emergency  
22 preparedness. The ongoing, annual readiness model within the plan provides year-  
23 round storm roles and responsibilities. As the first half of the year closes and DEF’s  
24 system becomes more exposed to tropical storm events during the second half of

1 the year, storm role preparedness and training increase to ensure that the  
2 Transmission organization is adequately equipped for storm restoration efforts.

3  
4 Emergency Preparedness and Restoration Readiness rely on planning, preparing,  
5 practicing, and performing in accordance with the TSSOP. The Storm Organization  
6 and the TSSOP are designed to use ‘blue sky’ expertise in ‘red sky’ conditions.  
7 Each section of the TSSOP defines the plan and protocols at which the RIC and  
8 IMT, Operations, Planning, and Logistics work together through the emergency  
9 event. Together, they methodically determine level of activation, volume of  
10 resources, and timing of deployment of resources. These leadership teams are the  
11 experts that lead and direct the maintenance, monitoring, and repairs/construction  
12 of the DEF transmission system during non-emergency times; therefore, the  
13 TSSOP supports using knowledgeable and experienced resources to swiftly  
14 respond to an emergency event in a scalable manner.

15  
16 **Q. Was planning for Hurricane Dorian different than planning implemented by**  
17 **DEF during past storms and was having a plan in place for Hurricane Dorian**  
18 **useful?**

19 **A.** Yes. Having an ICS, flexible, adaptable plan is imperative, because every major  
20 storm event is unique. Over the course of several days, Dorian developed into a  
21 Category 5 hurricane heading directly at the heart of DEF’s service territory. Its  
22 slow development from a tropical system to a catastrophic storm provided the  
23 opportunity for Transmission to methodically work the TSSOP. Having an  
24 emergency preparedness/storm plan in place allowed DEF leadership to make

1 decisions so that the Company was ready for impact and possible devastation, or  
2 able to release and transfer crews swiftly to other service territories as needed.

3  
4 **Q. What was unique or difficult about planning for Hurricane Dorian?**

5 Dorian's initial forecast called for the storm to make landfall on the east coast of  
6 Florida, move across the state, enter the Gulf of Mexico and then make landfall a  
7 second time in the Florida panhandle. This forecast quickly changed to one calling  
8 for Dorian to make landfall on the east coast, stall temporarily, and then move north  
9 through the center of the state. With this revised forecast, rain fall totals for the  
10 center of the state were predicted to range from six to eighteen inches, with a  
11 potential for flooding and closures of both I-95 and I-75. Dorian intensified to a  
12 Category 5 hurricane with 185 mph sustained winds and over 200 mph gusts before  
13 stalling over the Bahamas, where it caused massive destruction. As Dorian's path  
14 shifted towards Florida at Category 5 hurricane strength, DEF moved quickly to  
15 implement its plan for addressing the anticipated aftermath of this major storm  
16 event.

17  
18 Hurricane Dorian was the fifth Category 5 hurricane to form in the Atlantic in  
19 recent history, following Matthew (2016), Irma (2017), Maria (2017) and Michael  
20 (2018). Florida utilities have an obligation to both serve customers and to restore  
21 power as safely and swiftly as possible. Considering Dorian's forecasted strength  
22 and trajectory and the recent history of Category 5 storms in the Atlantic, DEF's  
23 decision to prepare for recovery from a direct hit by a Category 5 hurricane was  
24 prudent and responsible. DEF had to make difficult decisions on an expedited basis

1 to acquire the proper balance of resources with enough time to respond to the  
2 anticipated impact of a Category 5 hurricane.

3  
4 DEF Transmission is fortunate to have skilled contractual resources available for  
5 ‘blue sky’ work that can transition to emergency restoration work efficiently and  
6 quickly. Planning for a Category 5 storm adds a level of complexity with respect  
7 to contractual resources because infrastructure in the path of the storm may be  
8 destroyed. On-system resources (internal and contractor) are assigned work based  
9 on skill and geographic area.

10

11 As stated above, Hurricane Dorian was initially forecasted to cut across Florida. In  
12 planning for that path of destruction, experience would suggest placing  
13 approximately half resources in the north and half in the south portions of DEF’s  
14 transmission system. In addition, Transmission considered possible destruction of  
15 roadways and evacuation traffic which would have impeded any swift travel to  
16 locations of restoration. DEF’s process of evaluating, identifying, and acquiring  
17 necessary resources pursuant to the projected damage demonstrated a need for DEF  
18 to have additional resources outside of the state ready to respond. Transmission  
19 considered the many uncertainties surrounding a Category 5 storm, including the  
20 impact area, magnitude of the impact, system/grid stability, the time needed to  
21 restore service, and the ability to shift resources both north and south of the storm’s  
22 projected path.

23

1 **Q. Explain the challenge with acquiring resources and assets needed for swift**  
2 **restoration.**

3 The supply of skilled transmission resources available in a blue-sky day is limited.  
4 Following a Category 5 direct hit, the supply is severely limited. The supply of  
5 assets to support those resources, such as sleeper trailers and mobile kitchens is also  
6 drastically limited during a Category 5 storm because every utility and emergency  
7 facility in the storm's path is forced to compete for the same resources.

8  
9 Pre-negotiated contracts for skilled work force provides a level of confidence that  
10 DEF can secure resources when needed. Any delays in securing the skilled  
11 contractual resources needed to respond to a Category 5 storm can cause significant  
12 detriment to a utility's storm restoration plan. Waiting too long, puts the utility at  
13 risk of having to secure resources from longer travel distances or of not being able  
14 to secure skilled resources at all.

15  
16 **Q. How did Transmission determine the number of restoration resources to**  
17 **acquire for Hurricane Dorian transmission restoration support?**

18 **A.** Transmission's resource plan always has a core set of resources ready to activate  
19 based on existing employee and on-system/native contract crews. A potentially  
20 catastrophic hurricane like Dorian is part of the reason Transmission is structured  
21 with both types of crews in all DE jurisdictions.

22  
23 Transmission organized the response of its resources to Hurricane Dorian in three  
24 separate waves. Wave 1 consisted of on-system/native crews staged in place



1 through landfall and ready to mobilize anywhere within the State. Wave 2 was  
2 comprised of crews from other DE jurisdictions or those with DEF agreements that  
3 were acquired and mobilized or ready-to-mobilize to mustering sites located in  
4 nearby states, including Georgia and Tennessee. Wave 3 was made up of  
5 Southeastern Electric Exchange (“SEE”)/mutual assistance resources that were  
6 acquired and remained on stand-by/ready to travel or work at their home locations.  
7 Acquiring crews in ‘waves’ provided flexibility to increase or decrease the  
8 resources required for the DEF system response as needed.

9

10 To reiterate, DEF Transmission utilizes the appropriate Level of Event protocols in  
11 making decisions regarding resources as defined in the TSSOP. Transmission  
12 secures on-system, most familiar and readily available resources first, secures  
13 transmission resources within other DE jurisdictions second, and SEE Mutual  
14 Assistance resources third. In all cases, DEF requests restoration resources that are  
15 the furthest away from the impacted area to travel and muster nearby to be ready to  
16 respond as soon as safely feasible.

17

18 In addition, Transmission secured Logistics and Site Vendor Agreements for two  
19 of four possible staging sites and sleeper trailers (where available) and hotel beds  
20 to house expected crews.

21

22 **Q. When did the Company’s mutual assistance costs for Hurricane Dorian begin**  
23 **to accrue?**

1 A. Costs for Hurricane Dorian began to accrue at the end of August 2019. Per industry  
2 standard, costs related to contractor crews, mutual assistance, and logistics assets  
3 begin to accrue when the responding entities begin action directly related to travel  
4 and work on DEF's system.

5  
6 **Q. Please describe how resource planning and damage assessment assists in**  
7 **providing accuracy around resource assignment and logistical support.**

8 A. The resource planning process begins in the pre-event planning timeframe and  
9 continues throughout the storm event; resource planning feeds the damage  
10 assessment plan. For a significant storm event like Dorian, both the projected and  
11 actual paths of impact affect Transmission Damage Assessment ("DA") plans. DA  
12 assets including helicopters, Unmanned Aerial Vehicles ("UAV" or drones) teams,  
13 pilots, aerial teams and video/cameras are critical to the success of the storm plan.  
14 Therefore, these resources are some of the earliest that must be acquired by  
15 Transmission and last to be released when the path or impact of the storm changes.

16  
17 DA is critical to efficient and effective deployment of resources and storm  
18 restoration efforts. Initially, prioritization of system restoration is determined by  
19 the ECC; however, the AIC must assess damage and develop a strategic plan to get  
20 the transmission system restored and stable. Once it is safe to do so, DEF assesses  
21 damage to the system using a combination of helicopters, UAV, and ground  
22 vehicles to review every mile of transmission line potentially impacted by the  
23 storm. The ground assessment teams remove debris and trees in lines and complete  
24 minor repairs to the system. The aerial damage assessment team records storm

1 damage, and passes damage information to the RIC, AIC, and ECC. The RIC and  
2 AIC use the damage information to create restoration plans. Depending on the  
3 extent of damage observed and recorded, DEF's Transmission planning team and  
4 crew management determine personnel and equipment needed to restore the  
5 transmission system. It is at this point (usually within 24-48 hours after the storm  
6 passes) that Transmission can determine if additional resources should be deployed  
7 to DEF's system or if resources are not needed and can be released.

8  
9 After the storm has passed, Logistics completes the acquisition of logistics vendors  
10 and assets, and arranges for material and equipment to be supplied to line and  
11 vegetation crews as needed. Logistics also acquires housing, activates base camp  
12 sites, and ensures vendors and resources are in place to provide meals, fuel, and  
13 beds to restoration crews.

14  
15 Determining estimated resource needs prior to a storm's impact and reviewing  
16 actual needs during and after damage assessment allows DEF Transmission to gain  
17 accuracy in resource acquisition. This process is followed during planning and  
18 after landfall for every event.

19  
20 **Q. Please explain the timing of the decisions made to assure availability of**  
21 **transmission resources for the impending Category 5 Hurricane Dorian.**

22 As shown in Exhibit JW-1, Transmission continuously requested, acquired and  
23 released crews according to Dorian's projected path and the estimated necessity of  
24 actual needs. The timing of Transmission's decisions was as follows:

- 1 • August 27, 2019: Dorian was identified as a potential threat to DEF's  
2 transmission system. Transmission began by first identifying resources  
3 currently working on-system that could be utilized for this event.  
4 Approximately 450 internal and native contractor resources were identified as  
5 available but not yet activated.
- 6 • August 28, 2019: Dorian showed signs of strengthening and its projected path  
7 posed an increased threat of impact to DEF's transmission system. DEF  
8 requested an additional 150 resources from other DE jurisdictions.  
9 Transmission began to develop a plan to acquire additional resources, if needed,  
10 by initiating mutual assistance calls to identify an additional 600 resources.
- 11 • August 29, 2019: Transmission acquired nearly 600 total resources, consisting  
12 of approximately 450 DEF crews and 150 crews from other DE jurisdictions.  
13 DEF requested 600 resources from Mutual Assistance (SEE and other DE  
14 jurisdictions) but did not yet incur costs for the requested crews.
- 15 • August 30, 2019: DEF's request to Mutual Assistance was increased from  
16 approximately 600 to 900 resources. By close of business, DEF confirmed an  
17 additional approximately 700 resources were activated and able to travel,  
18 muster, and make ready to work for a total of approximately 1300 crews  
19 acquired and activated. As transmission teams were preparing to travel and  
20 muster in Georgia, FEMA took over the mustering site that Transmission had  
21 prepared. Transmission was forced to acquire new accommodations at a nearby  
22 town and divert traveling crews there. As the acquisition of resources was  
23 nearing completion, Dorian was continuing to strengthen to a Category 4 storm.

- 1 • August 31, 2019: Due to Dorian's projected trajectory, DEF released  
2 approximately 450 Mutual Assistance crews acquired on August 30, back to the  
3 Carolinas and acquired nearly 200 crews from other DE jurisdictions.  
4 Transmission held the acquired crews consisting of approximately 550 on-  
5 system/native and contractor crews in Florida, approximately 200 crews in  
6 Georgia, and approximately 300 Mutual Assistance.
- 7 • September 1, 2019: Dorian became a Category 5 storm with a projected  
8 trajectory that encompassed Central Florida, DEF's Transmission Central Area.  
9 DEF added SEE crews due to the crews released to DE Carolinas jurisdictions,  
10 the total number of crews increased by less than 100 from August 31.
- 11 • September 2, 2019: Dorian showed signs of weakening and turning away from  
12 Florida. Transmission held the crews where they were and released selected  
13 specialty equipment items, including helicopters to the Carolinas and barges  
14 held in case of flooding in the gulf. DEF began to release hotel rooms reserved  
15 for potential coastal impacts. Crews were held until the certainty of threat was  
16 removed.
- 17 • September 3, 2019: DEF held approximately: 550 on-system Line and  
18 Vegetation crew members standing by in Florida; 200 off-system DE crews  
19 (CMV & Contract) standing by in base camps and mustering sites in Tifton and  
20 Macon; 300 SEE crews for Line and Vegetation standing by in their respective  
21 home locations; DEF completed the release of all coastal hotel beds; and kept  
22 1400 hotel beds in Florida and Georgia on hold.
- 23 • September 4, 2019: Dorian no longer posed a threat to DEF's system.  
24 Transmission methodically released the majority of remaining crews over the

1 next 48 hours including the remaining DE crews and SEE crews for possible  
2 transition to Carolinas, on-system crews and base camp teams, and remaining  
3 contract vegetation management and a small core group of line contractors to  
4 support sweeps.

5  
6 **Q. Describe the volume and skills of resources deployed during the Hurricane**  
7 **Dorian storm response.**

8 **A.** During Hurricane Dorian, DEF was prepared to deploy up to a total of  
9 approximately 1,500 skilled transmission resources, including linemen,  
10 electricians, relay technicians, tree trimming personnel and logistics personnel. As  
11 indicated above, the majority of these resources were maintained in muster  
12 locations and ready to work status during Hurricane Dorian. Of this total  
13 deployment number, approximately 900 were released on or before September 4,  
14 2019. On September 5, approximately 400 more were released. Approximately  
15 250 resources made up of approximately 200 vegetation workers and 50 line  
16 workers were kept on the system until September 6 to complete sweeps and assure  
17 no damage from leaning or fallen trees. These remaining crews consisted of half  
18 on-system and half off-system resources.

19  
20 The command center's staff (RIC and AIC), logistics staff, including base camp  
21 and site teams, and damage assessment teams were some of the first to be deployed  
22 to make travel clear and safe, identify the types of damage causing outages, and

1 prepare base camps (parking, fueling, materials laydown yards), beds, and meals  
2 for restoration crews.

3  
4 Four Damage Assessment teams of ground-crews and air-teams strategically  
5 traveled DEF's transmission system to identify and clear hazards, such as fallen  
6 trees, poles, and lines to make the route safe for the restoration crews to complete  
7 work.

8  
9 Just as DEF prioritizes the use of its skilled employees and on-system crews, DEF  
10 utilizes all company-owned equipment before it secures additional rental  
11 equipment needed during a storm. Because specialty equipment was needed for  
12 restoration work, Transmission acquired resources that were skilled and certified to  
13 operate numerous pieces of assessment and construction equipment such as  
14 helicopters, cranes, track digger derricks, marsh masters, light towers, water trucks,  
15 tractors, lull type forklifts, backhoes, dump trucks, bulldozers, generators, and fuel  
16 tanker trucks.

17  
18 **Q. How does DEF assure the availability of skilled resources necessary to restore**  
19 **utility services to its customers during an emergency event like Hurricane**  
20 **Dorian?**

21 **A.** As previously mentioned, Transmission has a core team of employees and on-  
22 system contractors that can respond to a local emergency event. If modeling and  
23 experience suggest that additional skilled resources are needed, DEF relies first on  
24 resources from other DE jurisdictions, second on previously negotiated contract

1 agreements with other in-state and out-of-state vendors, and third on SEE Mutual  
2 Assistance contractors and vendors.

3  
4 **V. HURRICANE DORIAN**

5 **Q. Was the Transmission's Storm Plan implemented for Hurricane Dorian?**

6 **A.** Yes. DEF Transmission began monitoring TS Dorian on Monday, August 26,  
7 2019, and implemented the TSSOP on Wednesday, August 28, 2019. RIC, AIC,  
8 and System Storm Centers were activated beginning on August 28, 2019.

9  
10 **Q. What was the impact of Hurricane Dorian on DEF's Transmission system?**

11 **A.** Fortunately for the state and for DEF, on September 2, 2019, Hurricane Dorian  
12 made a northward turn up Florida's east coast and spared DEF's transmission's  
13 service territory from a direct hit. During Hurricane Dorian, seven DEF  
14 transmission circuits (or line segments), two DEF substations, and two DEF  
15 wholesale points-of-delivery ("POD") went out of service.

16  
17 **Q. What were Transmission's planning and restoration priorities during**  
18 **Hurricane Dorian?**

19 **A.** The overall priority of the Company during any emergency response is the safety  
20 of DEF employees, contractors, customers, and the public. As with any emergency  
21 event, DEF took steps to ensure that the reliability of the state-wide transmission  
22 grid was not undermined due to hurricane damage. At the outset, the Company  
23 implemented measures to ensure that the proper balance of resources, equipment,  
24 and logistical support were acquired and ready to deploy when it was safe to do so.



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As part of the TSSOP, transmission lines are prioritized in order to establish grid security for the state and DEF, and limit economic impact to DEF and its customers. During Hurricane Dorian, the Wholesale Customer Emergency Center, in conjunction with AIC, worked closely with DEF wholesale customers to coordinate and prioritize the restoration of the affected POD to their electrical systems. This is a significant part of the strategy and tactics deployed for restoring DEF's transmission system in cooperation with neighboring utilities.

**Q. Were there any additional efforts made to coordinate storm restoration?**

**A.** As part of DEF's emergency response, Transmission and Distribution communicate continuously throughout an event through the Incident Command and leadership levels to assure ETR goals are aligned, and that the system comes online effectively. As Transmission and Distribution confirm the 'initial system level ETR' first and then Transmission focuses on Substation ETRs and 230kV (and above) Line ETRs, Transmission is responsible for working with other utilities to assure Bulk Electric System/Grid stability. Together, Distribution and Transmission work toward a coordinated effort for impacted counties/cities (municipalities; utility co-operatives, etc.). Even though the actual damage caused by Hurricane Dorian to the transmission system was minimal, Wholesale Customer Emergency Center remained engaged until Hurricane Dorian was no longer a threat.

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

1 A. First, Transmission evaluates storm restoration effectiveness through daily ETR  
2 goals for energizing substations and restoring system stability. Because the  
3 transmission system must be up and running before customers can receive power,  
4 emphasis is placed on energizing substations that have been damaged by the storm  
5 in order to set the stage for the restoration of customer service. Transmission sets  
6 and revises ETR goals for substations as it learns more about storm damage from  
7 damage assessment teams and as resources are prioritized. Transmission met or  
8 exceeded all ETR goals for Hurricane Dorian.

9  
10 Second, Transmission evaluates whether it timely released off-system resources.  
11 In order to keep response costs as low as possible, Transmission strives to maintain  
12 a balance between the need to respond to the threat posed by a storm and the desire  
13 to keep response costs to a minimum. Specific to Hurricane Dorian, Transmission  
14 successfully balanced these factors by prudently preparing to respond to the threat  
15 posed by the storm and swiftly responding to the damage caused by the storm and  
16 then releasing resources as early as feasible.

17  
18 **Q. Were the Company's storm-related efforts complete when downed**  
19 **transmission lines and substations were re-energized?**

20 A. No. Re-energization is not the end of restoration for the transmission system;  
21 'sweeps' across the system is a requirement to assure everything has been restored  
22 as required for grid stability and system functionality. Following the immediate  
23 repair efforts for Hurricane Dorian, Transmission conducted sweeps of the  
24 transmission system to identify further storm-related damage that necessitated

1 repair or replacement. After the sweeps were completed, Transmission sent out  
2 crews to repair any additional storm damage that was identified. In addition,  
3 Transmission vegetation management crews continued clean up and trimming  
4 efforts so that all transmission rights-of-way were in safe, operational condition.  
5

6 **Q. How would you characterize the Company's implementation of its**  
7 **Transmission Department Storm Plan during Hurricane Dorian?**

8 **A.** The TSSOP played an important role in the efficient and effective preparations to  
9 Hurricane Dorian's threat to DEF's transmission system. The plan assisted the  
10 storm team in developing its strategy and tactics to swiftly execute and meet or  
11 exceed Transmission's expected system restoration. Overall, Transmission's  
12 planning and restoration efforts were quite successful given the unprecedented  
13 nature of Hurricane Dorian.  
14

15 **Q. Please identify what incremental costs the Company incurred as a result of**  
16 **Hurricane Dorian.**

17 **A.** Incremental restoration and rebuild costs directly attributable to the Company's  
18 transmission system because of Hurricane Dorian are \$7.8 million, as shown in Mr.  
19 Morris's Exhibit No. \_\_ (TM-2).  
20

21 **VI. TROPICAL STORM NESTOR.**

22 **Q. What was the impact of TS Nestor on DEF's transmission system.**

23 **A.** There was no impact to DEF's transmission system from TS Nestor.  
24

1 **Q. Were transmission costs incurred for TS Nestor?**

2 A. Yes, Transmission staged some Vegetation Management crews in Perry, Florida to  
3 support any transmission line right of way impacts (trees falling into lines). These  
4 costs are shown on Mr. Morris's Exhibit No. \_\_ (TM-2).

5  
6 **Q. Please identify what incremental costs that Transmission incurred as a result  
7 of TS Nestor.**

8 A. Incremental restoration and rebuild costs directly attributable to the Company's  
9 transmission system because of TS Nestor are \$22,000, as shown in Mr. Morris's  
10 Exhibit No. \_\_ (TM-2).

11

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

13 A. Yes.

1           MR. TRIERWEILER: Staff has prepared a  
2           Comprehensive Exhibit List which includes Exhibits  
3           1 through 41. The list and the identified exhibits  
4           have been provided to the parties, Commissioners  
5           and the court reporter and staff.

6           Staff requests that the Comprehensive Exhibit  
7           List itself be marked as Exhibit No. 1, with all  
8           subsequent exhibits marked as identified on the  
9           list.

10          CHAIRMAN CLARK: All right. The exhibits are  
11          so marked.

12          (Whereupon, Exhibits Nos. 1-41 were marked for  
13          identification.)

14          MR. TRIERWEILER: It's staff's understanding  
15          that the parties do not object to the entry of the  
16          Exhibits 1 through 41 into the record. Staff  
17          requests that Exhibits 1 through 41 be entered into  
18          the record at this time.

19          CHAIRMAN CLARK: I through 41 or 42, Mr.  
20          Trierweiler?

21          MR. TRIERWEILER: It's 41.

22          CHAIRMAN CLARK: 41, all right.

23          Without objection they are moved into the  
24          record.

25          (Whereupon, Exhibit Nos. 1-41 were received

1 into evidence.)

2 CHAIRMAN CLARK: All right. Let's move on to  
3 witnesses.

4 I am going to ask Duke counsel, if they would,  
5 to introduce their witnesses, confirm their areas  
6 of expertise as it relates to the settlement  
7 agreement, if you would, please.

8 MS. TRIPLETT: Yes, sir.

9 So let me just wait for everyone testifying to  
10 get on to the camera. Here we go.

11 Okay. So with me in the conference room is  
12 Marcia Olivier. She will be answering general  
13 questions about many of the provisions of the  
14 settlement agreement. And this will be a panel  
15 witness team, and so she where it makes sense, Ms.  
16 Olivier will try to quarterback, if you will,  
17 unless it falls clearly in an area, I imagine Mr.  
18 Reynolds will get a lot of the questions today.

19 So Ms. Olivier will be our quarterback, Mr.  
20 Foster will also be available to answer general  
21 questions about the terms of the settlement.

22 Mr. Reynolds is on to answer questions about  
23 electric vehicles.

24 Lon Huber will of address questions regarding  
25 rate design.

1           Mr. Borsch will answer questions regarding CR4  
2           and 5 retirement, and any general system planning  
3           questions.

4           And Ms. Quick will be available to answer  
5           questions about the inclusion of residential credit  
6           card fees and the cost of service.

7           CHAIRMAN CLARK: All right. Seems like a  
8           qualified panel to me, so let's just get through a  
9           few things real quick here.

10          I want to give everybody the opportunity they  
11          need to ask the questions and to do the job they  
12          are here to do. I do remind everyone to be mindful  
13          and respectful.

14          I also would like to ask the parties not be --  
15          not to conduct discovery during the proceeding.

16          All witnesses are subject to cross-examination  
17          by the parties. Staff is then going to have an  
18          opportunity to ask questions, followed by the  
19          Commissioners.

20          I am going to swear each of our panelists in  
21          right now. If you would all raise your right  
22          hands, please, and confirm the following statement.

23          Whereupon,

24                 MARCIA OLIVIER, LANG REYNOLDS, LESLIE QUICK,

25                 THOMAS G. FOSTER, BEN BORSCH & LON HUBER

1 were called as a witness, having been first duly sworn  
2 to speak the truth, the whole truth, and nothing but the  
3 truth, was examined and testified as follows:

4 CHAIRMAN CLARK: All right. Consider  
5 yourselves sworn in.

6 All right. I am going to begin with OPC.

7 Do you have any questions, OPC, for the  
8 witnesses?

9 MS. PIRRELLO: No, Mr. Chairman, we do not --

10 CHAIRMAN CLARK: I am sorry, go ahead, Ms.  
11 Pirrello. I am sorry.

12 MS. PIRRELLO: Oh, I am sorry. No, Mr.  
13 Chairman, we don't have any questions.

14 CHAIRMAN CLARK: I am just going to go ahead  
15 and make a general statement.

16 FIPUG, PCS, Nucor, Walmart, do you have any  
17 questions for the witnesses?

18 MR. MOYLE: No.

19 MR. LAVANGA: No questions.

20 MR. BREW: This is PCS. No questions.

21 CHAIRMAN CLARK: All right, then we will --

22 MS. EATON: No questions --

23 CHAIRMAN CLARK: I am sorry? Who said that?

24 MS. EATON: No questions for Walmart.

25 CHAIRMAN CLARK: Okay. All right. Thank you.



1 All right. We will move straight into EVgo.

2 Ms. Corman, do you have questions?

3 MS. CORMAN: Yes, and only a handful, and they  
4 are on EVgo Exhibit 1, and if we may look at CEL  
5 Exhibit 34, CEL Exhibit 34 which was EVgo's first  
6 request.

7 CHAIRMAN CLARK: All right. Direct your  
8 questions.

9 MS. CORMAN: Thank you.

10 EXAMINATION

11 BY MS. CORMAN:

12 Q Please looking at -- look at EVgo Exhibit 1  
13 first, please. To me, this is Mr. Reynolds. I am  
14 looking for where he is on the screen.

15 EVgo Exhibit 1 is Duke's Exhibit 5 to its  
16 petition, correct?

17 CHAIRMAN CLARK: Yes, that is correct.

18 THE WITNESS: (Reynolds) That's correct.

19 BY MS. CORMAN:

20 Q Thank you.

21 And Duke's Exhibit 5 shows Duke's proposed  
22 rebate levels and caps for its new EV program, correct?

23 A (Reynolds) correct.

24 Q Thank you.

25 I am going to focus on the proposed rebate for

1 public DCFC, which is a little more than two-thirds of  
2 the way down the table. Duke's Exhibit 5 shows that  
3 Duke has proposed a rebate value of 4,195 for public  
4 DCFC ports, correct?

5 A (Reynolds) That's correct.

6 Q Thank you.

7 And then if I could look at CEL, or ask you to  
8 please take a look at CEL Exhibit 34, which is EVgo's  
9 first data request. And specifically, if you could  
10 please look at question two on page two. Do you have  
11 that?

12 A (Reynolds) I am sorry, give me one minute.

13 Q Sure.

14 A (Reynolds) Okay.

15 Q Thank you.

16 Am I correct that the methodology Duke used to  
17 derive the value of the rebate came from its comparing  
18 the revenue generated from the average DCFC charging  
19 station to the incremental cost to serve that load over  
20 the full life of the station?

21 A (Reynolds) That's correct.

22 Q Thank you.

23 Did Duke consider any different methodologies,  
24 such as an amount calculated as the percentage of the  
25 cost of the equipment and installation?



1           **Q**     After afternoon, Mr. Reynolds. My name is  
2     Ashley Weisenfeld, and I am with Commission staff. I  
3     have some questions about the EV charging program, and  
4     if you need me to repeat any of the questions, just let  
5     me know.

6                     So for the first question, if DEF receives  
7     federal grants in the future for EV infrastructure will  
8     the money be credited to the customers?

9           A     (Reynolds) So in terms of potential future  
10    grants, there is a lot of uncertainty around the timing  
11    and structure of those grants. So I think what we can  
12    say about future grants is that if there are  
13    opportunities for DEF to apply for grants that offset  
14    costs that are ultimately recovered, we would pursue  
15    those grants, but it -- again, I would highlight the  
16    uncertainty of the timing, the structure, whether DEF is  
17    eligible for those grants, and other considerations like  
18    that.

19           **Q**     Thank you.

20                     Is it correct that if the 2021 settlement  
21    agreement is approved, DEF does not intend to file  
22    reports with the Commission for the proposed EV  
23    programs?

24           A     (Reynolds) I am sorry, can you repeat that?

25           **Q**     Sure.

1           I was wondering that is it correct that if the  
2 2021 settlement agreement is approved, that DEF does not  
3 intend to file reports with the Commission for the  
4 proposed EV programs?

5           A     (Reynolds) We do intend to file reports,  
6 annual reports for the EV program.

7           Q     You do intend to, okay.

8                     For the next question, is it also correct that  
9 if the 2021 settlement agreement is approved, that DEF  
10 intends to solicit bids for services related to the  
11 proposed DC fast charge EV program but not for the CNI  
12 rebate program?

13          A     (Reynolds) The CNI rebate program is customer  
14 deployed infrastructure, so it's correct that Duke  
15 Energy Florida will not be opening any bid processes for  
16 the CNI rebate program. That's a -- it's a financial  
17 incentive that is distributed to the customer, and they  
18 make all of the decisions around procurement and  
19 installation.

20                     As you mentioned with the DC fast charge  
21 program, we will conduct a competitive bid process for  
22 the deployment of that infrastructure.

23          Q     Thank you.

24                     And my next question is about the DC fast  
25 charge EV program.

1           Is it correct that DEF anticipates that the  
2 new fast charge fee tariff will offset the costs  
3 associated with the installation of new DC fast charge  
4 stations by approximately \$1 million over the life of  
5 the assets?

6           A     (Reynolds) Yes, that is correct.

7           Q     Thank you.

8           And my next question is about the EV  
9 non-time-of-use program. Is correct that DEF intends to  
10 determine whether or not a customer has observed off  
11 peak charging in order to be eligible to receive the \$10  
12 credit through AMI disaggregation or vehicle telematics?

13          A     (Reynolds) It is correct that we will  
14 determine whether the customer is observing that  
15 behavior, yes.

16          Q     Thank you.

17          And I have another question about the EV  
18 non-time-of-use program.

19                Is it correct that the \$10 credit is  
20 comparable to the anticipated customer savings?

21          A     (Reynolds) I am sorry, the anticipated  
22 customer savings as far as compared to what?

23          Q     As far as for the non-time-of-use, so the  
24 timing.

25          A     (Reynolds) I am not sure I understand your

1 question. I am sorry.

2 Q Okay. That's no problem.

3 If you don't mind, if you have the company's  
4 response to staff's fourth data request. I am just  
5 looking at 1D. If you let me know when you are getting  
6 there, and I can ask the question again when you do.

7 A (Reynolds) Sure. Go ahead.

8 Q Great. And so for the EV non-time-of-use  
9 program, is it correct that the \$10 credit is comparable  
10 to the anticipated customer savings as compared to a  
11 customer on a time-of-use?

12 A (Reynolds) Yes, that's correct.

13 Q Okay. Great. Thank you.

14 So my next question is about cost benefit  
15 analysis.

16 Is it correct that cost benefit analyses were  
17 conducted to determine the cost-effectiveness of the  
18 proposed EV programs?

19 A (Reynolds) Yes, that is correct.

20 Q Thank you.

21 And I have some follow-up on cost benefit  
22 analysis.

23 So is it correct that cost benefit analysis  
24 resulted in net benefits of approximately half a million  
25 dollars for the EV non-time-of-use program, subject to

1 check?

2 A (Reynolds) Yes. That's correct.

3 Q Thank you.

4 And another one on costing benefit analysis.

5 Is it also correct that cost benefit analysis  
6 resulted in total net benefits of \$53 million, subject  
7 to check?

8 A (Reynolds) Yes.

9 Q Okay. Great. And thank you.

10 And I have a cost benefit question about the  
11 DC fast charge program.

12 So is it correct that cost benefit analysis  
13 resulted in net benefits of \$1 million for the DC fast  
14 charge program, subject to check?

15 A (Reynolds) Yes.

16 Q Okay. Thank you.

17 And I am just going to take one moment here to  
18 make sure that we've covered all the EV questions that  
19 staff has.

20 And at this time, I believe staff has no  
21 further vest questions. Thank you, Mr. Reynolds.

22 CHAIRMAN CLARK: All right. Thank you, Ms.  
23 Weisenfeld.

24 Mr. Trierweiler, anything from you?

25 MR. TRIERWEILER: No, Chairman.



1           CHAIRMAN CLARK: All right. Let's move into  
2           Commissioners.

3           Commissioners, do you have any questions for  
4           the witnesses?

5           I am going to go through my thought,  
6           Commissioners, was to go through the settlement  
7           agreement. I kind of laid it out in blocks of  
8           areas I think of like areas and we might can ask  
9           some questions from. I am certainly inclined to go  
10          through those blocks one at a time and get through  
11          the settlement agreement, but I don't want to push  
12          you if you have got questions of any specific  
13          witness here, to give you that opportunity as well.

14          Commissioner Fay.

15          COMMISSIONER FAY: Just a comment, Mr.  
16          Chairman. My questions should be limited to the EV  
17          program --

18          CHAIRMAN CLARK: To the EV program.

19          COMMISSIONER FAY: -- but if you want to take  
20          them in blocks, otherwise it's fine with me.

21          CHAIRMAN CLARK: Okay. That will fit in my  
22          blocks perfectly.

23          Commissioner La Rosa?

24          COMMISSIONER LA ROSA: Thank you, Mr.

25          Chairman. My -- one of my quick questions is

1 relating to a question that was just asked about  
2 the EV program. Is now appropriate? Or we can  
3 hold off until we get to the block as well.

4 CHAIRMAN CLARK: It will fit in the blocks  
5 perfectly, too. If -- that way, I think we may can  
6 get through this kind of quick that way. If you  
7 can hold it one second.

8 Commissioner Graham, you are good with this?  
9 All right. I got a thumbs up from Commissioner  
10 Graham.

11 All right. Let's go through the settlement  
12 agreement, Commissioners. And as we go through the  
13 specific items of the settlement agreement, if  
14 there are questions related to those areas, we can  
15 pose those directly to the witnesses that we have  
16 here.

17 I blocked these out in the first 10 items in  
18 the settlement agreement. Any questions on the  
19 first 10 items? Items one through 10?

20 Next ones were, Commissioners, was 11 through  
21 16.

22 And then I am going to hold number 17. I  
23 think that's where everybody is at. All right.  
24 Let's talk EV.

25 Commissioner Fay, you are recognized.

1           COMMISSIONER FAY: Thank you, Mr. Chairman.  
2           And thank you, Mr. Reynolds, for your testimony.

3           I am going to -- I have got -- my first  
4           question for you is related to the RS1 tariff. I  
5           don't know if you really need the tariff in front  
6           of you, but if you do, I can give you time to do  
7           that.

8           The program essentially creates this  
9           non-time-of-use option copings for the customer,  
10          which allows for the rebate, which was stated in a  
11          little bit of Ms. Weisenfeld's questioning. And  
12          my -- my question is regarding the exceptions that  
13          were created in there.

14          So there is essentially two exceptions to be  
15          on -- on peak time before that credit would not  
16          apply with a consumer, and I am just wondering if  
17          you could give me a little bit of background how  
18          that was developed. Mainly just recognition being  
19          that some folks who charge their EVs go home at  
20          night, plug them in in their residence and, you  
21          know, get up in the morning past some of times  
22          where that peak time would kick in, and how would  
23          those folks not be potentially excluded from the  
24          program?

25          WITNESS REYNOLDS: So at a high level, the

1 program is designed to provide an incentive to  
2 shift load to off peak hours. So the -- it sounds  
3 like you had kind of two parts to the question  
4 about the opt-out capability for customers; is that  
5 correct?

6 COMMISSIONER FAY: Right. Right. So  
7 essentially they are -- they are in compliance with  
8 it to receive the credit unless they -- they exceed  
9 the two exceptions on to the on peak time.

10 WITNESS REYNOLDS: Right. That's correct.

11 So we -- we wanted to give some ability for  
12 customers in the case where they have an emergency,  
13 or they really need to charge during that time  
14 period, while they could set their timer and most  
15 days charge overnight off peak, if they did have  
16 such an emergency event, they could -- they could  
17 charge on peak one or two times a month and not  
18 lose the credit for that month.

19 COMMISSIONER FAY: Okay, great.

20 And then Ms. Weisenfeld asked this question,  
21 but I just want to make sure I am clear going  
22 forward.

23 There would -- there would be reports  
24 submitted related to this -- well, I should say to  
25 all of these programs going forward, but would it

1 include some -- some level of that data? In other  
2 words if we -- if -- if the Commission is able to  
3 review down the road some customer patterns or  
4 needs that are brought forward -- I am not asking  
5 on a micro level. We -- we wouldn't need to see  
6 that customer's name, or their specific charges, or  
7 anything like that, but just holistically an idea  
8 of what -- where the main components are of demand  
9 that are out there. Are those things we would be  
10 able to see with the information that's provided  
11 annually?

12 WITNESS REYNOLDS: Yes, aggregated and  
13 itemized data around charging behavior is something  
14 that we can share on an annual basis.

15 COMMISSIONER FAY: Okay, great.

16 Mr. Chairman, that's all I had. Thank you.

17 CHAIRMAN CLARK: All right. Thank you.

18 Commissioner La Rosa.

19 COMMISSIONER LA ROSA: Thank you, Chairman.

20 And Commissioner Fay certainly hit on a couple of  
21 good points.

22 To the last point that was just made, would  
23 the reports -- staff had asked -- the question was  
24 asked, does the continue -- or plan to continue to  
25 report to the agency, the answer was yes. Would

1           those reports look any different than they have in  
2           the past moving forward? And I now we just kind of  
3           talked a little bit about that, but could you maybe  
4           go a little deeper?

5                   WITNESS REYNOLDS: Sure, so the reports that  
6           we have been filing for the Park & Plug pilot have  
7           included utilization and cost data from all  
8           segments of the infrastructure installed into the  
9           pilot. I think going forward you could expect the  
10          same level of details and reports about these  
11          permanent EV programs.

12                   COMMISSIONER LA ROSA: Okay.

13                   Follow-up question relating also to EVs.

14                   Does DEF -- or how does DEF consider some of  
15          the evacuation routs when looking at the, you know,  
16          its charging ports and where they ultimately place  
17          them?

18                   WITNESS REYNOLDS: Sure. So going forward  
19          with this proposal, we have created some -- some  
20          additional requirements for the locations for the  
21          DC fast charge program, and those include highway  
22          corridors, including interstates, state highways,  
23          toll roads and roads otherwise designated  
24          evacuation routes.

25                   So evacuation routes are a key component of

1           those criteria for the future installation under  
2           the fast charge program.

3           COMMISSIONER LA ROSA:   Got you.

4           A follow-up to that.  Do -- do you plan on  
5           reporting back -- going back to the report question  
6           and what you just mentioned -- do you plan on  
7           reporting back when considering any hurricane  
8           preparedness when looking at, hey, when was use,  
9           obviously, assuming use would have gone up, would  
10          that be considered and maybe reporting back when --  
11          when those are ultimately installed?

12          WITNESS REYNOLDS:  We haven't included that  
13          level of reporting in the planning so far, but I  
14          think along the lines of the data that we have been  
15          supplying under the pilot, it's not a large  
16          incremental additional amount of data that would  
17          have to be added for that, so that's something that  
18          we could include in future reporting.

19          COMMISSIONER LA ROSA:  Thank you.

20          Chairman, I am good.

21          CHAIRMAN CLARK:  Thank you, Commissioner La  
22          Rosa.

23          Any other questions?

24          No other questions.  I believe that resolves  
25          everybody's issues.

1 All right. Ms. Triplett, do you have any  
2 redirect?

3 MS. TRIPLETT: No, sir. No redirect.

4 CHAIRMAN CLARK: All right. Would you like  
5 your witnesses to be excused?

6 MS. TRIPLETT: Yes, please. Although, the  
7 witnesses here in the room, I am going to make them  
8 stay so they don't interfere with us, but  
9 otherwise, I would ask them to be excused. Thank  
10 you.

11 CHAIRMAN CLARK: All right. The rest of the  
12 witnesses are excused. Thank you so much for your  
13 testimony today.

14 (Witness panel excused.)

15 CHAIRMAN CLARK: Staff, are there any  
16 additional exhibits that need to be moved into the  
17 record.

18 MR. TRIERWEILER: No, Chairman, there are no  
19 additional exhibits.

20 CHAIRMAN CLARK: All right. Do any of the  
21 parties have any other matters that need to be  
22 addressed today? Any party have any matter to be  
23 addressed?

24 Mr. Trierweiler?

25 MR. TRIERWEILER: Chairman, staff would ask if



1           there is a party that isn't willing to waive the  
2           filing of briefs at this time?

3           CHAIRMAN CLARK: All right. Any of the  
4           parties not willing to waive briefs?

5           Okay. Everybody is willing to waive briefs.  
6           I am taking it, so briefs are here by waived. So  
7           we are going to be, I assume, taking this up as a  
8           bench decision, Mr. Trierweiler, is that correct?

9           MR. TRIERWEILER: Yes, Mr. Chairman. With the  
10          waiver of briefs, this matter may be taken up as a  
11          bench decision if the Commission wishes to do so.

12          CHAIRMAN CLARK: Any objection, Commissioners?

13          All right. Then we will open the floor for  
14          discussion prior to entertaining a motion on the  
15          settlement agreement.

16          I would make one observation, I did not have  
17          any -- any questions during the witness portion of  
18          it, just a couple of, I guess, points and  
19          observations.

20          Again, my hat is off to all of the parties  
21          involved. This was a massive undertaking to have  
22          reached a settlement agreement. My hat is off to  
23          all of the parties that were involved and to our  
24          staff for the outstanding work that you have done.  
25          I know a lot went into it. There was a lot of

1 information. I think we were all getting kind of  
2 boggled down with the amount of information that  
3 was being exchanged. But as I reviewed and came to  
4 some final conclusions regarding the settlement  
5 agreement, the summary, as I was going through it,  
6 there were some things that stuck out there to me  
7 that I wanted to acknowledge it and make a couple  
8 of observations on.

9 I think that the parties did an outstanding  
10 job at coming to an agreement and consensus on ROE.

11 I think that some of the programs that you  
12 guys were developing and working on are going to be  
13 outstanding benefits to the customers in the  
14 future. I think some of the off peak/on peak  
15 rates -- rate periods, I think the minimum bill  
16 that you have designed as part of your new rate  
17 design is a home run. I think that is absolutely  
18 something that should be taken a look at and  
19 followed by other utilities.

20 I am not as tickled and pleased with the EV  
21 part of the program, I think, probably as some of  
22 the other Commissioners are, but I think, again,  
23 all in all said, I think that you did an  
24 outstanding job of negotiating what is a fair deal  
25 and is in the public interest for all of the

1 ratepayers of Duke Energy. And for that, I think  
2 that you are to be commended. And I think that  
3 there is no question in my mind that this  
4 settlement is in the public interest, and certainly  
5 best for our ratepayers, so hats off. Great job,  
6 guys. I appreciate it.

7 Any comments from other Commissioners?

8 Commissioner Graham.

9 COMMISSIONER GRAHAM: Thank you, Mr. Chairman.  
10 I have to echo some of your remarks.

11 I think this is one of the better settlement  
12 agreements I have seen in my years. I am glad I  
13 didn't have to sit in the room as they were going  
14 through most of this stuff. But you can definitely  
15 tell there was a lot of -- a lot of sweat that was  
16 put into this, and I do appreciate all parties  
17 coming together, and as I said before, singing  
18 Kumbaya and bringing this deal to us. Thank you.

19 CHAIRMAN CLARK: Thank you.

20 Commissioner La Rosa.

21 COMMISSIONER LA ROSA: Thank you, Chairman.

22 And, yes, similar -- similar thoughts. You  
23 know, I think over all, this is -- this is a great  
24 product, and I kept on writing down a comment that  
25 was continuously mentioned is that all major

1 customer groups and this is ultimately in the  
2 public best interest. And I echo that, and I do  
3 agree.

4 And, you know, I have got similar thoughts as  
5 you do as in the fact that maybe some of these  
6 areas could have landed slightly different, but I  
7 think at the end of the day, this is truly the best  
8 product.

9 I think this also incorporates a lot of  
10 innovation, so I think this is going to be unique  
11 and interesting as technology continues to emerge,  
12 and interested to see what comes out of this four  
13 or five years from now.

14 And also, you know, the EV charging, you know,  
15 situation is unique. And I think, at the end of  
16 the day, we need to embrace what's coming before  
17 us, but at the same time we've got to balance  
18 what's in the best though and idea and product for  
19 the ratepayers.

20 So -- I mean, that certainly goes into all of  
21 my thoughts and questions, which is why I was a  
22 little bit hard on -- on the reporting side. I  
23 want to understand what this looks like as time  
24 goes on.

25 But I do want to thank everyone involved. And

1           this certainly is a long and painstaking process,  
2           but I think, at the end of the day, you know, a  
3           good result and a good outcome.

4                     So thank you, and again congrats to all those  
5           involved to bring this to us.

6                     CHAIRMAN CLARK: Thank you, Commissioner La  
7           Rosa.

8                     Commissioner Fay.

9                     COMMISSIONER FAY: Thank you, Mr. Chairman.

10                    And -- and I can't help but to echo my  
11           colleagues of the significance of coming to this  
12           settlement agreement. I -- I spent a lot of time  
13           with staff going through different components of  
14           the agreement, and some -- some allowed for more  
15           focus than others, but what impressed me was just  
16           the level of detail that -- that the parties  
17           provided, the level of detail that the utility  
18           provided to get to some of these components of the  
19           settlement, and I think -- I think counsel for OPC  
20           said it very well, it's just a very robust record.  
21           It's very impressive to see the level of detail  
22           that's put into it for what is a very significant  
23           decision related to a rate case settlement.

24                    I -- I would be remiss if I didn't recognize  
25           that the EV issue was -- was probably out of the

1           30 -- 33 substantive components broken out in the  
2           settlement was really one of the only components  
3           that had some -- some arguments on both sides as to  
4           if it makes sense to move forward or not.

5           And I have said this before here as a member  
6           of the Commission, I am in full recognition that --  
7           that our Governor and the Department of  
8           Environmental Protection are moving forward with  
9           significant investment in EV infrastructure. The  
10          Legislature has sent us a number of bills in  
11          support of moving forward with some of that  
12          infrastructure, and I think the Commission should  
13          do what it can do to continue to be supportive of  
14          that.

15          Mr. Jones, who spoke on public comment for the  
16          Alliance for Transportation Electrification, stole  
17          my thunder a bit, in that as I look as a state  
18          moving toward forward with this, that  
19          infrastructure is absolutely necessary to see the  
20          growth of consumers investing in those types of  
21          vehicles going forward.

22          And the idea behind that, of course, is if  
23          invested and used in those Level 2 charging and  
24          residential charging, for example, the credit  
25          program that was put forward here, you have an

1 increased off peak load that's used and essentially  
2 applies downward pressure to the rates.

3 So I think there is a number of reasons that  
4 that investment is so key to seeing our state move  
5 forward. And, you know, I think the record  
6 reflects those who -- who are happy with what's  
7 being moved forward, and those who aren't, but I do  
8 think the -- the correspondence filed in this  
9 docket, which was extensive, took to review shows  
10 that, you know, an Orlando based company that is  
11 100 percent minority owned business investing in  
12 this type of program seems like a win for our  
13 state. And so I appreciate the amount of diligence  
14 that goes into moving forward with these  
15 investments.

16 And probably just -- just last, related to the  
17 EV component. I think we all need to be mindful of  
18 that balance of the ratepayer impact and the  
19 investment of that infrastructure, as much as I  
20 will be the first to stand up here and advocate,  
21 maybe stronger than others. I do think that's  
22 something that the Commission has to continue to  
23 take into account when it makes decisions that are  
24 not just within the public interest, as the  
25 settlement requires, but consistent with the

1 statutes, and what's been put in front of us to  
2 implement those provisions.

3 So with that, Mr. Chairman, this might have  
4 been one of the better, more comprehensive  
5 settlements, also probably may have been the most  
6 long-winded closing that I've had on my --

7 CHAIRMAN CLARK: Second, yeah.

8 COMMISSIONER FAY: -- on my decision, but I  
9 just -- I feel very strongly that every party that  
10 touches the settlement should be proud of what was  
11 put in front of us, and I greatly appreciate the  
12 amount of work that went into it.

13 Mr. Chairman, I am prepared to move, but my  
14 colleagues also may want to.

15 CHAIRMAN CLARK: I think they are ready for  
16 you to make a motion.

17 COMMISSIONER FAY: Sounds good, Mr. Chairman.

18 I would motion that the Commission approve the  
19 settlement as proposed.

20 CHAIRMAN CLARK: All right. I have a motion  
21 to approve the settlement in the public interest.

22 Is there a second?

23 COMMISSIONER GRAHAM: Second.

24 CHAIRMAN CLARK: I have a second.

25 Any discussion?



1           On the motion, all in favor say aye.

2           (Chorus of ayes.)

3           CHAIRMAN CLARK: And opposed?

4           (No response.)

5           CHAIRMAN CLARK: The motion carries.

6           Thank you very much. The settlement is  
7 approved.

8           All right. Mr. Trierweiler, are there any  
9 other matters that need to come before the  
10 Commission today?

11           MR. TRIERWEILER: Staff notes that a final  
12 order is due to be issued on or before May 24th,  
13 2021.

14           CHAIRMAN CLARK: All right. Commissioners,  
15 any final comments before we adjourn?

16           Thank you so much for your attendance and  
17 participation today. See you next time.

18           We stand adjourned.

19           (Proceedings concluded.)

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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 14th day of May, 2021.



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DEBRA R. KRICK  
NOTARY PUBLIC  
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EXPIRES AUGUST 13, 2024