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**DEF's response to staff's first set of  
interrogatories Nos. 1-5**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Storm protection plan cost recovery  
clause.

DOCKET NO. 20220010-EI

DATED: May 16, 2022

**DUKE ENERGY FLORIDA, LLC'S  
RESPONSE TO STAFF'S FIRST SET OF INTERROGATORIES (NOS. 1-5)**

Duke Energy Florida, LLC ("DEF") responds to the Staff of the Florida Public Service Commission's ("Staff") First Set of Interrogatories to DEF (Nos. 1-5) as follows:

**INTERROGATORIES**

1. Please identify all documents that establish or memorialize any of the policies and practices DEF used during the 2021 period for program oversight, program deployment, program costs controls, and accounting for each of the following:
  - a. Feeder Hardening – Distribution;
  - b. Lateral Hardening – Overhead;
  - c. Lateral Hardening – Underground;
  - d. Self-Optimizing - Capacity and Connectivity;
  - e. Self-Optimizing Grid – Automation;
  - f. Structure Hardening - Transmission: Tower Upgrades;
  - g. Structure Hardening - Transmission: Tower Drone Inspections;
  - h. Structure Hardening - Transmission: Tower Cathodic Protection;
  - i. Structure Hardening - Transmission - Overhead Ground Wire; and
  - j. Substation Hardening- Transmission - Breaker Replacements.

**RESPONSE:**

DEF uses a range of policies and procedures to provide oversight of program, deployment, cost controls and accounting. Some of these policies and procedures apply to all work DEF performs (whether SPP-related or not) and others have been developed specifically for SPP programs. In addition to the policies and procedures identified below, SPP work, like all work performed by or for DEF, is required to be performed in compliance with DEF's general policies and procedures related to, for example, safety, contractor oversight, physical and cyber-security, environmental regulations, etc.

DEF utilized exhibits JWO-1, JWO-2 and JWO-3 filed in DEF's SPP 2020 Docket No. 20200069-EI for program deployment.

DEF utilized "PMCoE Goldcard.pdf" for overall program oversight.

DEF utilizes the process described in "SPP Program Cost Controls and Accounting Process" as well as "Duke Energy Capitalization Guidelines-Consolidated 2021.pdf" and "Florida Storm Protection Plan Charging Guidance" for program cost controls and accounting principles.

Transmission utilizes "ADMP-ADM-TRM-00056-Rev 003 Transmission Work Processes for work management.

Additional program specific documents are noted below; programs not listed do not have SPP-specific polies or procedures, but nonetheless are executed in compliance with the general procedures identified above:

- A. Feeder Hardening – Distribution; "SPP Overhead Hardening – Design – Scope and Application Guide Rev 3" outlines program guidelines.
- B. Lateral Hardening – Overhead; "SPP Overhead Hardening – Design – Scope and Application Guide Rev 3" outlines program guidelines.
- C. Lateral Hardening – Underground; "SPP Underground Hardening Application Guide" outlines program guidelines.
- D. Self-Optimizing - Capacity and Connectivity; "Self-Optimizing Grid Application Guide Rev 1" outlines program guidelines.
- E. Self-Optimizing Grid – Automation; "Self-Optimizing Grid Application Guide Rev 1" outlines program guidelines.
- G. Structure Hardening - Transmission: Tower Drone Inspections;  
DEF utilizes TECP-TRM-MIM-00121 - Rev. 002 procedure "Transmission Non-Wood Structure Visual Inspection Guideline" to identify towers that would meet the program parameters.

2. If DEF has not documented any of the policies and practices for oversight, deployment, and control it used for any of the following during the 2021 period, please explain why.
  - a. Feeder Hardening – Distribution;
  - b. Lateral Hardening – Overhead;
  - c. Lateral Hardening – Underground;
  - d. Self-Optimizing - Capacity and Connectivity;
  - e. Self-Optimizing Grid – Automation;
  - f. Structure Hardening - Transmission: Tower Upgrades;
  - g. Structure Hardening - Transmission: Tower Drone Inspections;
  - h. Structure Hardening - Transmission: Tower Cathodic Protection;
  - i. Structure Hardening - Transmission - Overhead Ground Wire; and
  - j. Substation Hardening- Transmission - Breaker Replacements.

**RESPONSE:**

Please see DEF's Response to Interrogatory number 1.

3. Please refer to Exhibit CAM-1, Form 8A, in Witness Menendez's April 1, 2022 testimony.
  - a. By percentage, how much of DEF's Feeder Hardening - Distribution program was completed at the end of 2021?
  - b. By percentage, how much of DEF's Lateral Hardening - Distribution program was completed at the end of 2021?
  - c. By percentage, how much of DEF's Structure Hardening Transmission: Wood to Non-Wood Pole Replacement program was completed at the end of 2021?

**RESPONSE:**

- a. DEF had completed 83% of the 2021 projected program work by the end of 2021.

- b. DEF did not have any planned construction under SPP for the Lateral Hardening program.
  - c. DEF completed 85% of the 2021 projected program work by the end of 2021.
- 4. What percentage of the Distribution Lateral Undergrounding program was completed at the end of 2021?

**RESPONSE:**

DEF did not have any planned construction in 2021 for the SPP Lateral Hardening Underground Program.

- 5. Did your April 1, 2022 filings include an adjustment to reflect a change in the Florida state tax rate from 4.458% to 3.535%?
  - a. Did the change in Florida state tax rate impact your 2020 and 2021 clause revenue requirement amounts?
  - b. If the answer to (a) is “yes,” please describe how you addressed the reduction in tax rate for 2020 and 2021.
  - c. If the answer to (a) is “no,” please provide a full explanation of your answer.

**RESPONSE:**

- a. 2020 N/A; DEF did not seek to recover any revenue requirements in 2020.  
2021 Yes.
- b. 2020 is N/A

In 2021, DEF originally reflected the Florida state tax rate of 4.458% when calculating its Combined Statutory Tax Rate of 24.522% which was then used to calculate its pre-tax cost of Equity in its Weighted Average Cost of Capital (WACC) schedule shown on Form 9E in CAM-1 in Docket No 20210010-EI in its SPPCRC 2021 Estimate/Actual Filing.

In 2022, DEF reflected the updated Florida state tax rate of 3.535% when calculating its Combined Statutory Tax Rate of 23.793% which was then used to calculate its pre-tax cost of Equity in its Weighted Average Cost of Capital (WACC) schedule shown

on Form 9A in CAM-1 in Docket No 2022020-EI in its SPPCRC 2021 Actual True-Up Filing.

- c. 2020 N/A; DEF did not seek to recover any revenue requirements in 2020.

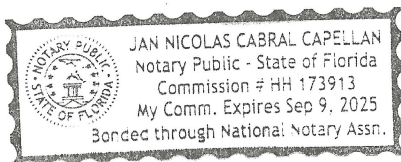
**AFFIDAVIT**

STATE OF FLORIDA

COUNTY OF SEMINOLE

I hereby certify that on this 12<sup>th</sup> day of May, 2022, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared **ROBERT BRONG**, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory number 1 (f-g), and 3(c), from Staff's First Set of Interrogatories to Duke Energy Florida, LLC D/B/A Duke Energy (Nos. 1-5) in Docket No. 20220010-EI, and that the responses are true and correct based on his personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 12<sup>th</sup> day of May, 2022.



Robert Brong  
Robert Brong  
Jan Nicolas Cabral Capellan  
Notary Public  
State of Florida, at Large

My Commission Expires:

Sep 09, 2025


**AFFIDAVIT**

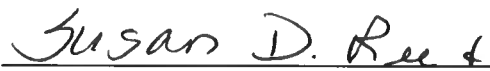
STATE OF FLORIDA

COUNTY OF ORANGE

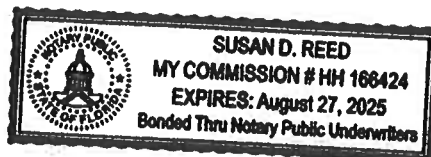
I hereby certify that on this 12 day of MAY, 2022, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared **BRIAN LLOYD**, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory numbers 1 (a-e), 2, 3 (a-b), and 4, from Staff's First Set of Interrogatories to Duke Energy Florida, LLC D/B/A Duke Energy (Nos. 1-5) in Docket No. 20220010-EI, and that the responses are true and correct based on his personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 12 day of MAY, 2022.

  
\_\_\_\_\_  
Brian Lloyd

  
\_\_\_\_\_  
Notary Public  
State of Florida, at Large

My Commission Expires:  
Aug - 27, 2025





**AFFIDAVIT**


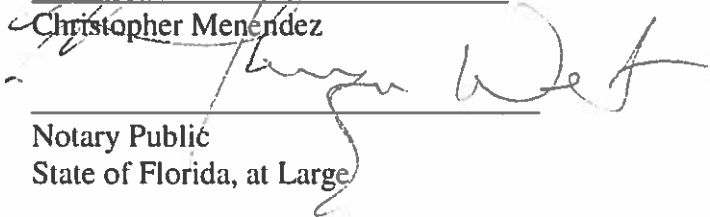
STATE OF FLORIDA

COUNTY OF PINELLAS

I hereby certify that on this 26<sup>th</sup> day of August, 2022, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared CHRISTOPHER MENENDEZ, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory number 5, from STAFF'S FIRST SET OF INTERROGATORIES TO DUKE ENERGY FLORIDA, LLC D/B/A DUKE ENERGY (NOS. 1-5) in Docket No. 20220010-EI, and that the responses are true and correct based on his personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 26<sup>th</sup> day of August, 2022.



  
\_\_\_\_\_  
Christopher Menendez  
  
\_\_\_\_\_  
Notary Public  
State of Florida, at Large

My Commission Expires:  
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