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TECO's Response to OPC's Second Set
of Interrogatories Nos. 33-50

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20220048-EI
OPC'S SECOND SET OF
INTERROGATORIES
INTERROGATORY NO. 33
BATES PAGE: 1
FILED: MAY 18, 2022**

- 33.** In preparing your SPP, what measures have you implemented, or do you intend to implement in order to drive efficiencies in the costs to be incurred under the SPPCRC?
- A.** First and foremost, Tampa Electric views the Storm Protection Plan ("SPP") as a customer program and not a capital investment recovery program. This view drives all of Tampa Electric's SPP work, including managing the budgets on behalf of our customers. Secondly, as opposed to starting with a large organization or engaging an external program management team, Tampa Electric strategically developed the support staff for SPP through targeted growth. In late 2021, the company added a Construction Management team to ensure proper oversight of the company's construction spending and third-party contractor partners as that activity has ramped up. The company continues to make design decisions based on what is most cost-effective method to achieve the objectives of the SPP statute and Commission Rule. Tampa Electric's SPP team works closely with the company's finance team to understand cost drivers and perform targeted analyses to determine where the company can drive improved efficiency. The company's lateral undergrounding program provides a good example of this effort. In 2021, Tampa Electric identified an opportunity to strategically use the existing right-of-way at the start of a project where it made sense to do so. At a project level, this could result in up to 30 percent savings compared to pursuing easements for all company equipment. Prior to this shift, our policy was to pursue easements for all company equipment and move to the right-of-way only after being denied easements. This method was both costly and time consuming.

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- 34.** Describe how the O&M efficiency measures you announced or discussed in public or private to investors or to analysts apply to O&M expenditures that you intend expect to make under the SPP. Please identify the documents describing such measures and explaining how they apply to SPP programs and projects.
- A.** Tampa Electric has not discussed or announced O&M efficiency measures in public or private to investors or analysts.

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- 35.** Are the O&M expenditures you make that are subject to pass-through clause recovery in Florida included in, or subject to, any company-wide cost control or efficiency measure that you have publicly announced or discussed in public or private to investors or to analysts?
- A.** Tampa Electric has not discussed or announced O&M efficiency measures in public or private to investors or analysts.

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- 36.** Are the type of storm restoration costs that are included in or considered in your cost and benefit comparisons required by Rule 25-6.030, F.A.C. subject to your company-wide cost control or efficiency measure(s)? If yes, please identify all documents describing how such measures apply to storm restoration costs.
- A.** Tampa Electric, since the time of the implementing the company's initial SPP, has not been in a company-wide cost control situation. If the company was in a cost control situation, the storm restoration costs that are included in the costs and benefits comparison would not be part of this cost control situation for the following reason. The storm restoration costs that are included in the costs and benefits in the company's SPP, are costs associated with extreme weather (i.e. – named storms by the National Hurricane Center) and these costs would be necessary to restore the company's electrical system. These costs are subject to their own reasonableness and prudence determination by the Commission. For efficiency measures, it is the expectation of all Tampa Electric employees in the performance of their role to work in a manner that attempts to maximize work efficiency in delivering operational excellence for customers. The company is providing the Emera Leadership Competencies that guides the company in performing work starting on the page below.

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EMERA LEADERSHIP COMPETENCIES GUIDE



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Hi team,

At Emera, we know that having the right people focused on delivering the right strategy is key to our business growth and delivering results.

As a team, we share a strategic focus on meeting our customers' demands for cleaner, affordable and reliable energy, delivered safely.

So how do we connect our individual performance to our business strategy and priorities? We believe that Leadership Competencies are an important part of the answer. They give us clarity on the kinds of behavior and actions that are expected of every team member in order to advance our business strategy and deliver results.

At Emera, we strive to be an employer of choice wherever we work. That means we want to retain and attract the best people. In order to succeed in our rapidly changing industry, we need our team performing at the highest level and focused on the right things to drive our business. We're introducing a consistent set of leadership competencies for every employee in every Emera company. Here's why: It's important for all of us at every level to have a common understanding of the things that will help us both develop in our careers and contribute to the growth of our business.

Our new competencies describe how we need to:

- Speak up on Safety, Health and the Environment
- Take Ownership and Act with Integrity
- Drive Operational Excellence for Customers
- Build Strong, Collaborative Relationships
- Develop People and Teams
- Cultivate Innovation and Embrace Change
- Think Strategically and Exercise Sound Judgement

Our new leadership competencies are the result of a year-long process involving input from more than 400 team members across Emera. I want to thank the many employees who took part, sharing your diverse perspectives. Your contribution is appreciated and has helped to ensure that we got it right.

If we all strive to deliver on these competencies, we will be stronger for it. We will make our teams stronger. And together, we will continue to deliver on our strategy and build a bright future for Emera.

Be safe, and thank you for the leadership.

Scott Balfour
President & CEO, Emera



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EMERA LEADERSHIP COMPETENCIES

LEADING TOGETHER

People depend on us. We provide energy to homes, hospitals, schools, airports, offices, bridges and ports. Every time someone turns on a light switch, gas stove or plugs in their device or their car, they count on us. No matter the customer, their trust in us is the same. And their trust is placed in the right team.

Across Emera, we share a common strategic focus to deliver growth by meeting customer demand for cleaner, affordable and reliable energy.

And we do this by focusing on these principles:



These principles, as described in the Code of Conduct, are foundational for our success, and the leadership competencies are these principles in action.

We're on this path together

Emera is a growing and changing organization. In order to uphold our values and execute on our strategies, we need to work the same, regardless of role, region or affiliate.

In 2017, we began a year-long discovery process, working with people across Emera, to define a set of leadership competencies that would apply to everyone.

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We cannot deliver on any of our leadership competencies without a commitment to inclusion and diversity as well as effective communication. They are underlying principles to the way we work.

A thoughtful approach

In doing this work, we identified some fundamental principles. First, we believe leadership is a mindset and that everyone can be a leader in their work. With that in mind, we worked with employees across the organization to establish common leadership competencies that are applicable to every employee, rather than technical or role-specific competencies. Second, Our Story, the Code of Conduct principles and our values are reflected in the leadership competencies. Third, we worked to ensure that inclusion, diversity and communication are woven into each leadership competency. This means we believe we can only deliver on our leadership competencies with these as underlying principles in our work.

These seven leadership competencies apply to each and every Emera employee and will be integrated into all of our key talent management processes including talent acquisition, performance management, succession planning, and learning & development.

Understanding our leadership competencies

This document is a guide to understanding and embracing the leadership competencies at Emera. For every leadership competency there is a set of expected (on-target) behaviors that have been identified. This isn't an exhaustive list that you need to check off - consider it a guide where the behaviors build and grow with every role category. So, as your role and level of responsibility increases, so too should your mastery of leadership competencies.

At Emera, we are leading together. We are aligned with the business strategy, connected to our values and we will deliver results in a way that demonstrates Emera's commitment to customers, shareholders, communities, and each other.



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LEADERSHIP COMPETENCIES

Why do leadership competencies matter?

Leadership competencies matter because they are designed to help and support our people in their work. Our people are our greatest strength and the competencies guide employees through learning, development and growth opportunities. The leadership competencies will be integrated in our key talent management processes, including the performance management process, to create clarity around what's expected for development and career progression.

Leadership competencies also ensure we're living our values by defining what every employee, regardless of role, region or affiliate, should be proficient in through expected (on-target) behaviors. When we all work the same way, toward common goals, we create a positive and unique culture that enables us to meet our commitments, innovate and deliver the best Emera experience to our customers and shareholders.

Who do these leadership competencies apply to?

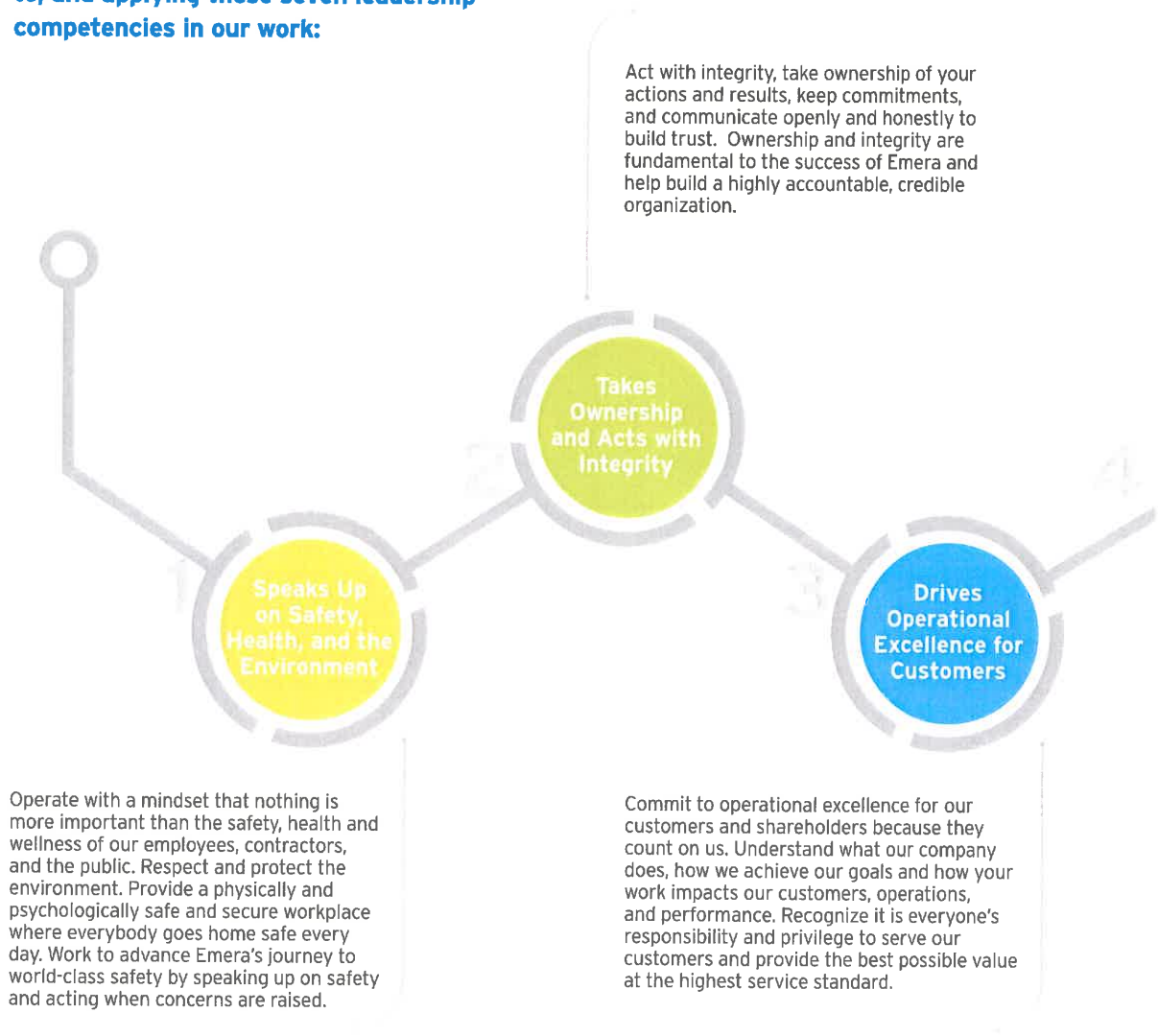
They apply to everyone. Leadership is a mindset and we all have opportunities to demonstrate leadership regardless of our title or role.



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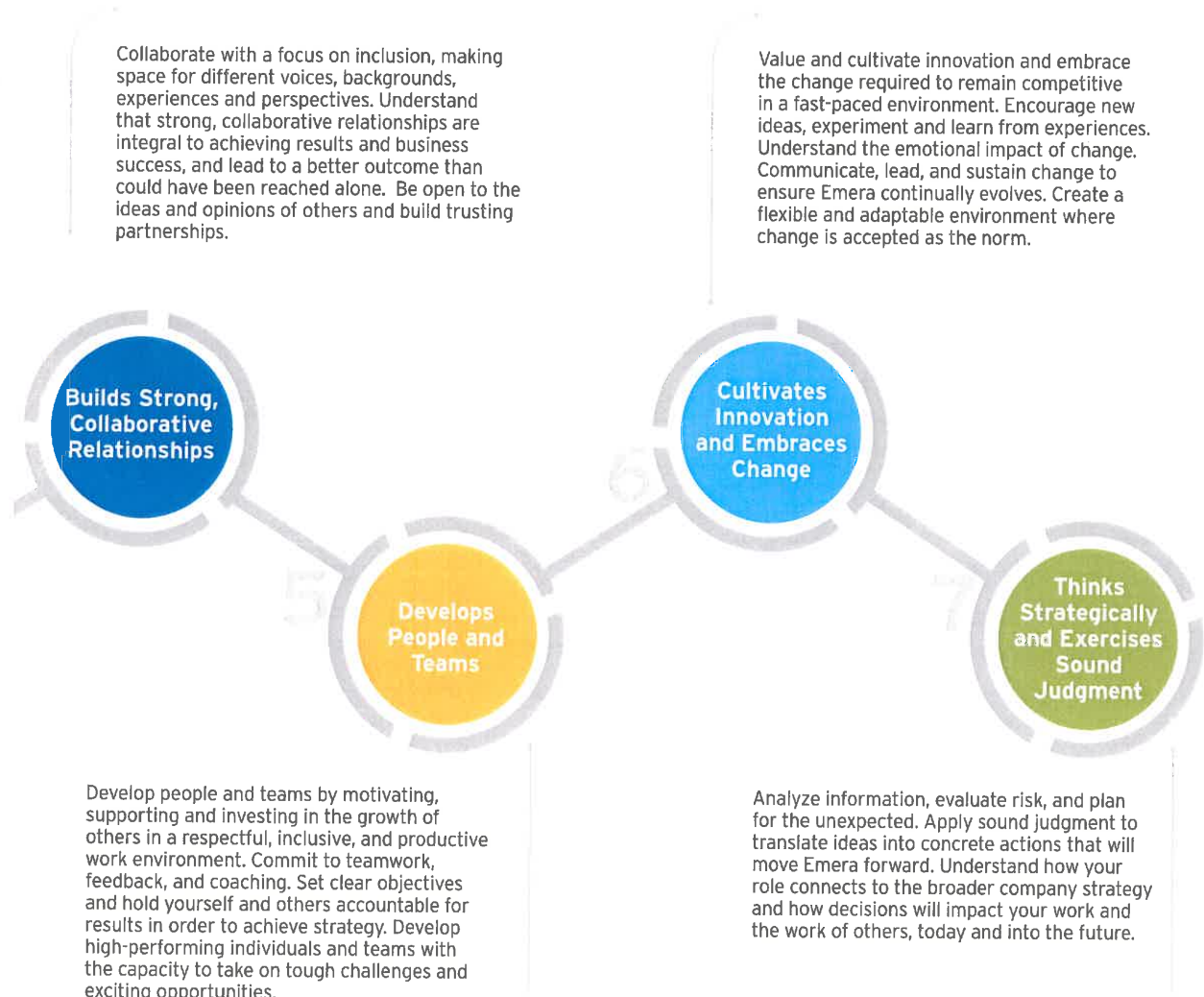
EMERA LEADERSHIP COMPETENCIES

Leadership is a mindset; everyone working in our business is a leader. We lead together by knowing, committing to, and applying these seven leadership competencies in our work:



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LEADERSHIP IN ACTION

The leadership competencies also shed light on what's expected at different levels in the business, which creates a clear path forward for career development.

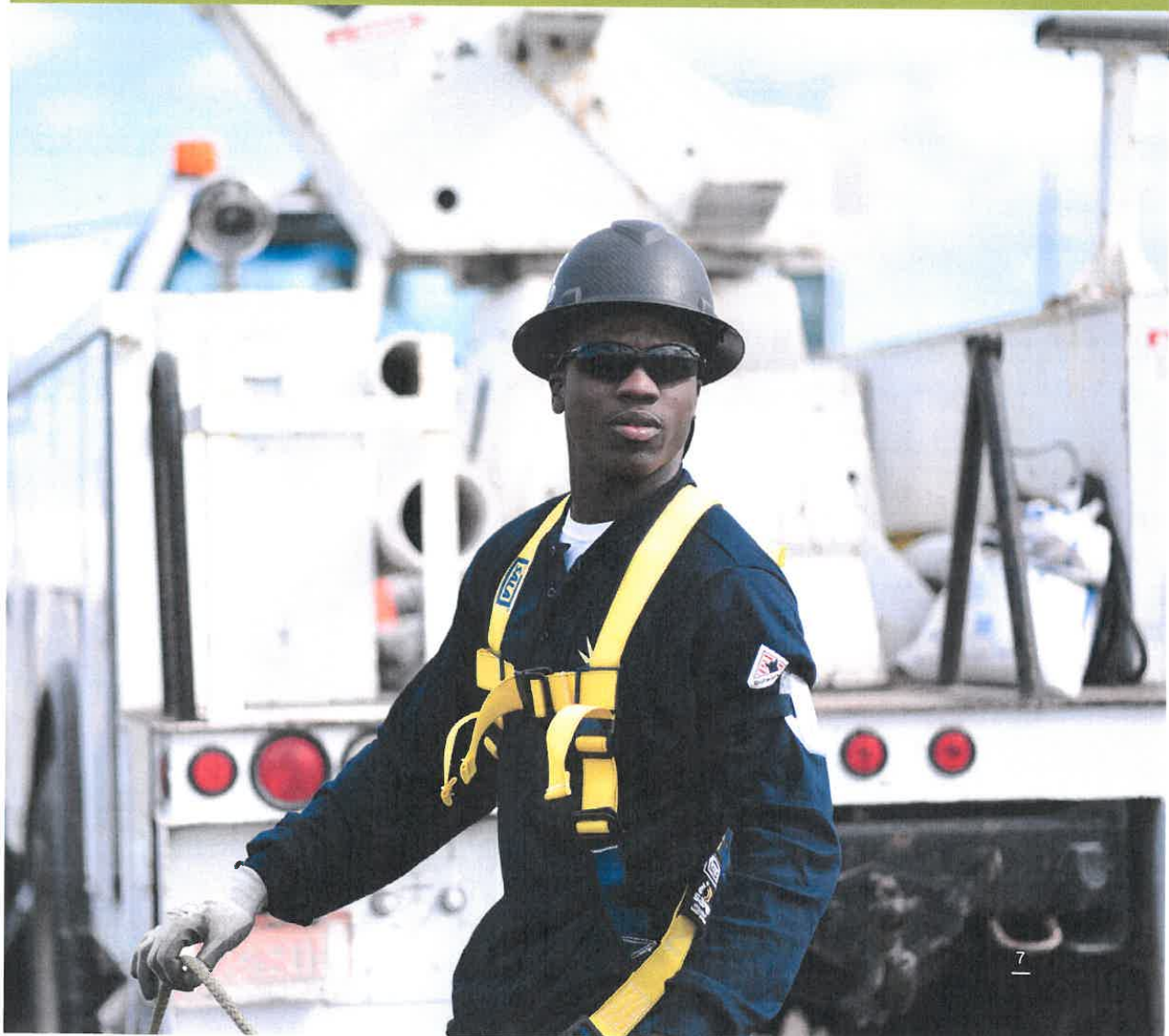
Role categories

We have defined expected (on-target) behaviors for each leadership competency across six role categories. Not every role across every affiliate fits perfectly into one of these categories. Some roles overlap and that's okay. The category definitions are a guide. Work with your manager or supervisor to determine where you fit and which behaviors apply to your role.



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For each leadership competency there is a set of expected behaviors (referred to as on-target behaviors) for each role category. The behaviors build on each other - everyone should be comfortable demonstrating the behaviors up to and including your own role category. This is how we are leading together.



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Leadership competencies & behaviors by role category

These are our leadership competencies. Each leadership competency includes examples of on and off target behaviors organized by role category. You'll notice that for some leadership competencies, the individual contributor and professional role categories have the same expected behaviors.

The behaviors at each level build on each other. This means that, in addition to demonstrating the behaviors at your level, you are expected to be competent at the levels that precede yours. For example, if you are a manager at Emera, you are expected to demonstrate the on-target behaviors for the individual contributor, professional and supervisor, in addition to the on-target behaviors for managers. This is how we are leading together.

Remember, this is a guide to understanding and embracing the leadership competencies, not a check-list. Please review and find the opportunity to discuss with your manager / supervisor.

SPEAKS UP ON SAFETY, HEALTH, AND THE ENVIRONMENT

Definition:

Emera employees successful in this area place safety, health and wellness above any business objective. You are committed to meeting our business objectives in a manner that is respectful and protective of the environment. You are committed to providing a physically and psychologically safe and secure workplace where everybody goes home safe every day. You work to advance Emera's journey to world-class safety by speaking up on safety and acting when concerns are raised. By demonstrating the behaviors in this leadership competency, you contribute to our safety culture, our health and wellness, and the protection of the environment.

Link to Strategy:

We cannot achieve our strategy without a safe and healthy workforce. The work we do directly impacts the environment, and it must be protected. No work is too important to be done in a way that is unsafe or unhealthy for our people or our environment.



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LEADERSHIP COMPETENCIES



ON-TARGET LEADERSHIP BEHAVIORS

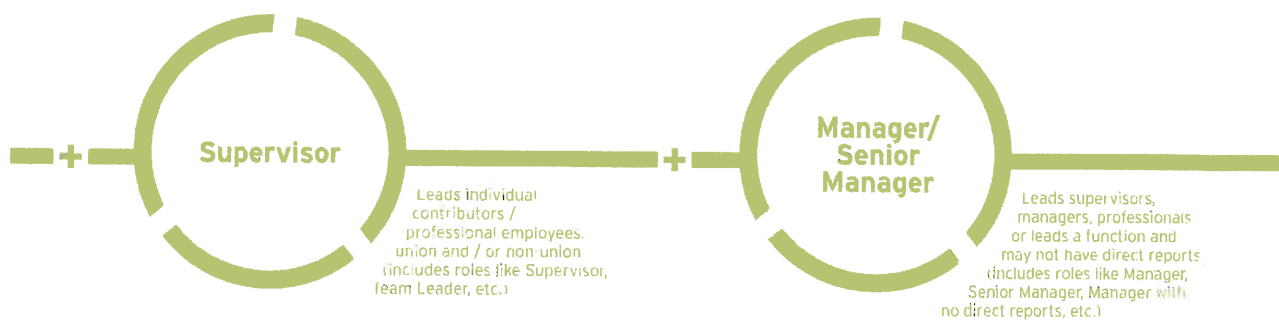
- Demonstrates a belief that all injuries are preventable
- Stops unsafe work and brings it to the attention of their manager / supervisor
- Always speaks up on safety and security issues, intervenes when there are safety concerns, and holds themselves and others accountable to be safe
- Operates with a mindset that nothing is more important than the safety of our employees, contractors and the public
- Demonstrates an understanding and follows company safety, health, and environmental programs, policies, standards, systems and procedures
- Leads by example, walks the talk on safety and health
- Collaborates to achieve departmental or team safety goals
- Reports hazards and near misses proactively, taking action to reduce or mitigate where possible, potential risks to safety, health, and the environment
- Emphasizes the importance of safety and health issues by regularly communicating the need to follow safe work practices
- Demonstrates a sincere personal concern for the safety, health, and wellness of others
- Defines and communicates what they need for a healthy work-life balance
- Practices self-care and looks for help when needed

OFF-TARGET LEADERSHIP BEHAVIORS

- Doesn't follow safety, health or environmental policies, standards, systems or procedures
- Doesn't report safety, health or environmental incidents
- Doesn't use personal protective equipment
- Operates equipment in an unsafe way
- Doesn't stop working when external or personal conditions are unsafe (e.g. too tired)
- Fails to respect the environment around them (e.g. idles vehicle unnecessarily, does not manage waste appropriately, believes that environmental responsibility is not part of their job)

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SPEAKS UP ON SAFETY, HEALTH, AND THE ENVIRONMENT



ON-TARGET LEADERSHIP BEHAVIORS

- Promotes and supports safety, health and environmental initiatives
- Ensures safety, health and environmental processes and procedures are followed and people have received the appropriate training for their role
- Provides advice, guidance and insight to others on how to work safely; coaches others when observing unsafe behaviors
- Ensures all contractors within the work area comply with contractor safety and environmental programs
- Supports employees in safely returning to work as soon as possible following an incident or health event
- Recognizes and celebrates safety, health, and environmental successes
- Encourages and makes time for questions, discussions and reporting on safety, health and environmental issues
- Supports the culture of safety and health, encouraging employees to support it as well (e.g. joining occupational health and safety committees, participating in wellness programs and services, etc.)
- Reviews incident reports to ensure recommended corrective actions are implemented and shared to reduce the likelihood of future similar incidents

OFF-TARGET LEADERSHIP BEHAVIORS

- Doesn't address unsafe or unhealthy work behaviors
- Doesn't lead by example, expects others to do as they say rather than as they do
- Discourages questions, discussions or reporting on safety, health, or environmental issues from their team
- Retaliates if reports are made
- Makes decisions without identifying, and wherever possible mitigating, impacts to the environment

ON-TARGET LEADERSHIP BEHAVIORS

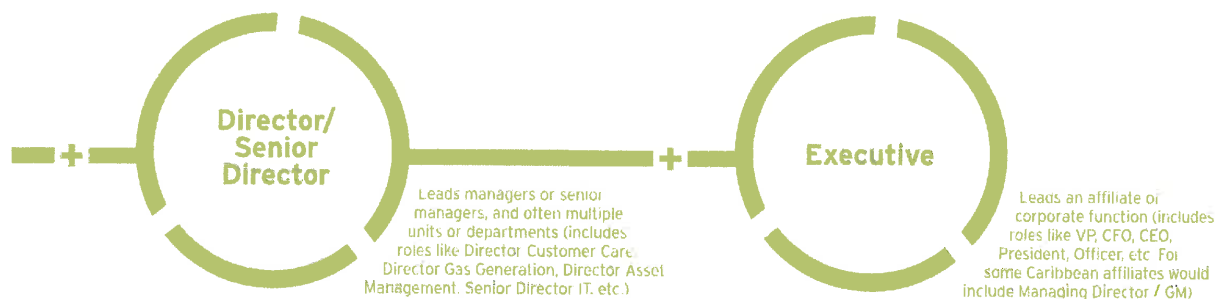
- Ensures safety, health, and environmental policies and procedures are regularly reviewed and makes recommendations as required
- Identifies systemic or emerging safety, health, or environmental issues or hazards by analyzing trends in incident reporting and audit findings, taking action to resolve them
- Sets expectations (targets / goals) regarding safety and environmental performance
- Manages risk by ensuring employees adhere to safety and environmental policies and processes
- Addresses workplace factors (e.g. conflict, lack of clarity or communication, etc.) that could negatively impact mental wellbeing

OFF-TARGET LEADERSHIP BEHAVIORS

- Allows similar incidents to repeat themselves because systemic or underlying issues haven't been addressed

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EMERA LEADERSHIP COMPETENCIES



ON-TARGET LEADERSHIP BEHAVIORS

- Implements safety, health and environmental standards and programs on a department-wide basis, ensuring adequate resources are available
- Visibly leads safety, health and the environment (e.g. conducts site visits, role models safe and healthy behavior, etc.)
- Openly and proactively communicates on safety, health and environmental performance

OFF-TARGET LEADERSHIP BEHAVIORS

- Doesn't expect that all employees are responsible for safety, health and the environment
- Fails to conduct risk assessments of own business area

ON-TARGET LEADERSHIP BEHAVIORS

- Demonstrates safety leadership by consistently communicating the belief that all injuries are preventable
- Ensures employees can speak up about safety, health, or environmental concerns without fear of negative consequences
- Ensures affiliate consistently delivers on its commitment to safety, health and the environment
- Ensures a process is in place to develop, verify, and continually improve safety, health, and environmental management systems
- Ensures that preventative measures and contingency plans are developed and in place to maintain affiliate safety and health
- Collaborates with other affiliates and external associations / agencies to identify and define best practices in safety, health, and environmental protection
- Holds every employee accountable to the behaviors in this leadership competency to reinforce that safety, health, and the environment are core values

OFF-TARGET LEADERSHIP BEHAVIORS

- Places safety, health, or the environment behind other business objectives

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TAKES OWNERSHIP & ACTS WITH INTEGRITY

Definition:

Emera employees successful in this area understand that ownership and integrity are fundamental to the success of individuals, teams, and our affiliate; they drive pride, engagement, and the commitment of our people. By acting with integrity, taking ownership of your actions and results, consistently keeping commitments, and communicating openly and honestly, you build trust. By demonstrating the behaviors in this leadership competency, you contribute to building a highly accountable, credible organization.

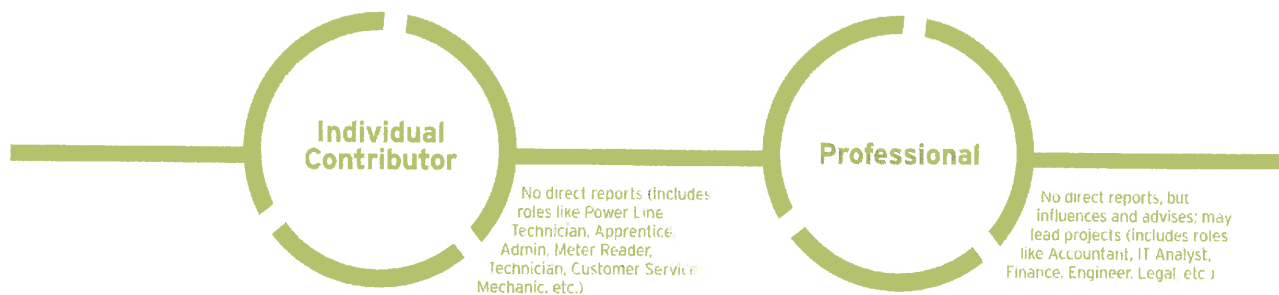
Link to Strategy:

Integrity, ownership and trust are required to deliver on our commitment to excellence, and are aligned with the Emera Code of Conduct. Employees must hold themselves to a high standard of ethics, and take responsibility for themselves and their work.



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ON-TARGET LEADERSHIP BEHAVIORS

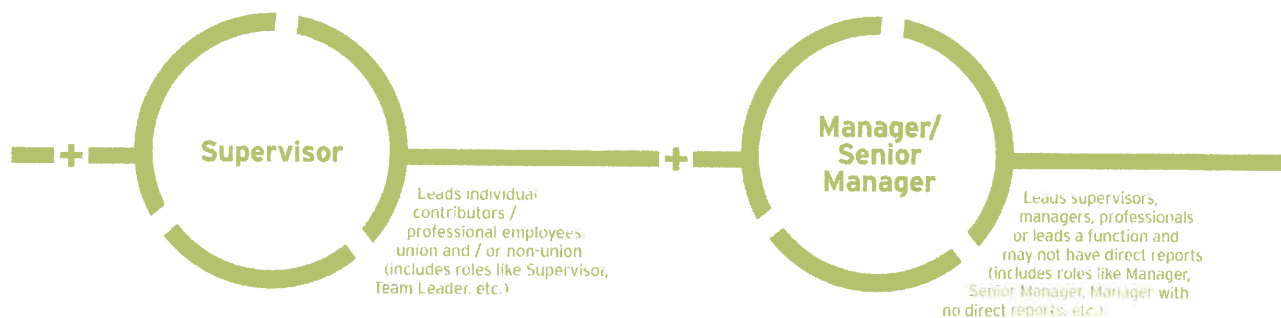
- Acts ethically, with honesty and integrity, consistent with the Emera Code of Conduct and Affiliate Code of Conduct
- Reports unethical behavior
- Respects confidentiality
- Delivers high quality work on time
- Demonstrates reliability by consistently following through on commitments
- Shows consistency between their words and their actions
- Takes responsibility for own mistakes, and works to correct them
- Demonstrates an understanding of how their actions (including non-verbal communication) impact others
- Respects people's time (e.g. books meetings for appropriate length, shows up on time for meetings, prepares for meetings ahead of time, etc.)

OFF-TARGET LEADERSHIP BEHAVIORS

- Acts dishonestly
- Takes credit for others' work
- Doesn't follow through on commitments
- Hides mistakes or blames others for errors
- Ignores or lacks awareness of their impact on others

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TAKES OWNERSHIP & ACTS WITH INTEGRITY



ON-TARGET LEADERSHIP BEHAVIORS

- Ensures everyone on the team is treated fairly and equitably, making employees feel safe and comfortable to speak up
- Understands, identifies and addresses ethical issues and conflicts of interest in a timely manner
- Is open and honest about their motives and decisions
- Lets people know where they stand, honestly and sensitively
- Delivers difficult messages truthfully - not just what they think people want to hear
- Sets a high standard of work performance for themselves and others and holds themselves and others accountable
- Treats problems and mistakes as learning opportunities, and teaches others to do the same
- Listens to direct reports and trusts their knowledge and expertise
- Keeps the team focused and composed in high-stress situations
- Demonstrates interest in their direct reports, and shows empathy for their concerns

OFF-TARGET LEADERSHIP BEHAVIORS

- Shows favoritism
- Minimizes or fails to address employee concerns
- Withholds information from their team, peers or others
- Accepts low-quality work, not holding their team to a high standard
- Blames the company for decisions or actions they may not like
- Delays or ignores difficult conversations
- Assumes that as a leader, they have all the answers

ON-TARGET LEADERSHIP BEHAVIORS

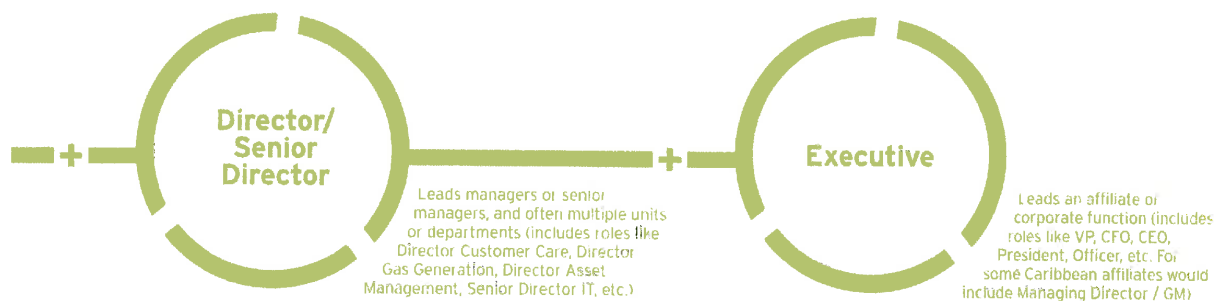
- Sets the expectation that individuals are accountable for their behavior and their work
- Drives team results, getting things done
- Takes ownership of decisions, actions and results of the department
- Faces difficult issues with optimism and confidence, encouraging others to do the same

OFF-TARGET LEADERSHIP BEHAVIORS

- Pushes too hard for results, to the detriment of team health, wellness, and / or cohesion

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EMERA LEADERSHIP COMPETENCIES



ON-TARGET LEADERSHIP BEHAVIORS

- Encourages employees to speak up about ethical concerns and listens when issues are brought forward
- Delivers consistent communication, ensuring alignment with messaging from company and leadership team
- Understands, and helps others understand, the types of information that can be shared with other groups, departments, and externally
- Demonstrates an understanding of the impact their leadership style has on the affiliate and takes action to address issues when needed

OFF-TARGET LEADERSHIP BEHAVIORS

- Is inconsistent in their actions or messages
- Communicates to upper management, not to people reporting to them

ON-TARGET LEADERSHIP BEHAVIORS

- Ensures affiliate complies with the laws, regulations, and policies that govern it, including the Emera Code of Conduct and Affiliate Code of Conduct
- Plays a key role in shaping organizational ethics and values
- Uses internal processes to establish standards and safeguards to protect the affiliate's integrity
- Ensures there are ways for people to speak up about ethical issues or concerns
- Fosters open, honest and timely two-way communication to promote transparency throughout the affiliate
- Articulates expected results and desired outcomes for company and individual performance, holding the organization to a high standard
- Demonstrates an understanding that their behavior sets the tone for the affiliate

OFF-TARGET LEADERSHIP BEHAVIORS

- Doesn't model high standards of trust and integrity
- Sweeps ethical issues under the rug

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DRIVES OPERATIONAL EXCELLENCE FOR CUSTOMERS

Definition:

Emera employees successful in this area are committed to operational excellence for our customers and shareholders because our customers count on us every day. You understand it is our privilege and duty to serve them. You have in-depth knowledge and understanding of what our company does, how we achieve our goals, and the financial side of the business (from how we make money to how decisions impact the bottom line). You clearly communicate inside and outside our affiliate and you understand how your work and your decisions impact our customers, our operations, and our performance. You recognize that regardless of role, each person is ultimately here to serve our customers. By demonstrating the behaviors in this leadership competency you contribute to an organization that provides the best possible value to our customers at the highest service standard.

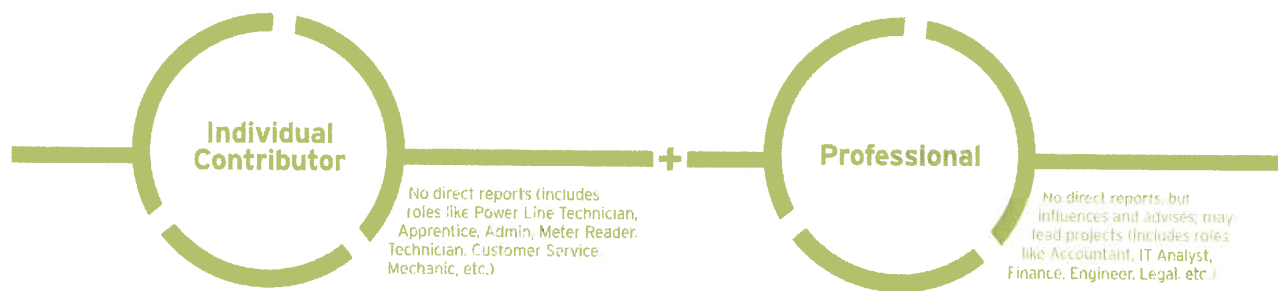
Link to Strategy:

Our customers count on us for energy for every moment of every day and for solutions for a sustainable tomorrow. The behaviors in this leadership competency enable us to deliver on this promise reliably and consistently, meeting the needs of our customers in a timely and cost-effective way.



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LEADERSHIP COMPETENCIES



ON-TARGET LEADERSHIP BEHAVIORS

- Demonstrates an understanding of who their customer is, internal or external, and how the work they do impacts that customer
- Asks questions and listens carefully to understand the needs, expectations and perspectives of customers
- Works quickly and safely to resolve customer issues
- Delivers high-quality, consistent, and reliable service to customers
- Demonstrates an understanding of affiliate's products, services, and industry (e.g. energy industry)
- Learns and quickly applies information required to complete a job
- Recognizes their impact on financial performance of the affiliate and uses company resources responsibly
- Summarizes or paraphrases their understanding of what others have said to verify understanding and prevent miscommunication

OFF-TARGET LEADERSHIP BEHAVIORS

- Acts as though internal / external customers get in the way of day-to-day activities
- Fails to respond to requests and / or complaints in a timely way
- Makes assumptions about others' needs and / or expectations without verifying them
- Communicates in an unclear or disorganized way

ON-TARGET LEADERSHIP BEHAVIORS

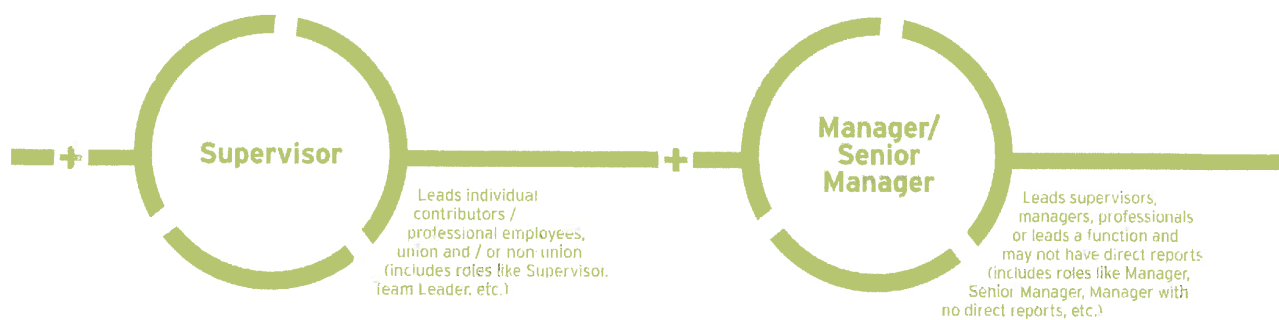
- Looks for ways to improve the customer experience
- Demonstrates an understanding of how the work the team does impacts other teams, internal / external customers
- Expresses ideas clearly and concisely, tailoring the message to the level and experience of the audience

OFF-TARGET LEADERSHIP BEHAVIORS

- Ignores or goes against company policy / standards to make a customer happy
- Doesn't adapt messages to the needs of the audience

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DRIVES OPERATIONAL EXCELLENCE FOR CUSTOMERS



ON-TARGET LEADERSHIP BEHAVIORS

- Takes responsibility for ensuring customer satisfaction
- Models service delivery and teaches others to deliver excellent service
- Resolves escalated issues in a timely manner
- Ensures team understands how their work fits and contributes to the affiliate strategy
- Shares business knowledge and updates with their team
- Demonstrates an understanding of the meaning and implications of key financial, customer, operational or other important indicators
- Prepares for important or difficult meetings and presentations (e.g. practicing, identifying key messages, anticipating questions and objections)

OFF-TARGET LEADERSHIP BEHAVIORS

- Doesn't follow through on internal / external customer escalations
- Doesn't address issues of poor internal / external customer service
- Doesn't stay within the approved budget
- Pays little attention to the impact of decisions / actions on finances, operations, or customers

ON-TARGET LEADERSHIP BEHAVIORS

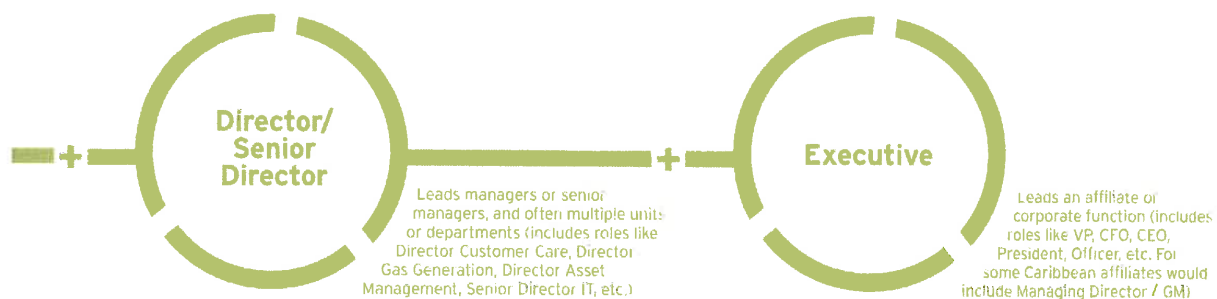
- Ensures processes are in place to understand and meet customer and business needs
- Identifies and implements ways to improve the customer experience proactively
- Incorporates customer, operational, regulatory, legal, and financial impact into decision making process
- Demonstrates an understanding of how own affiliate fits into Emera overall and contributes to overall success
- Demonstrates an understanding of how to operate in a regulated business (where applicable)
- Demonstrates an understanding of foundational financial concepts, and can read, interpret, and use budgets and forecasts
- Takes a lead role in preparing and monitoring budgets and forecasts
- Makes operational decisions on how to execute within budget, identifying and taking action when off budget
- Demonstrates confidence and composure when presenting to internal / external customers and / or more senior audiences

OFF-TARGET LEADERSHIP BEHAVIORS

- Waits for customer complaints before making changes to processes
- Uses only one performance indicator (e.g. customer, financial, operational) as decision criteria
- Is unclear about the cause-and-effect relationships among different business functions and overall financial performance

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EMERA LEADERSHIP COMPETENCIES



ON-TARGET LEADERSHIP BEHAVIORS

- Empowers teams to deliver exceptional service to internal / external customers (e.g. giving authority, removing barriers, providing resources)
- Supports the team through complex internal / external customer problems
- Identifies and analyzes key customer, operational, and financial indicators to evaluate performance, identify trends, and make recommendations
- Demonstrates understanding of the broad profitability of our products, services, and customers
- Demonstrates in-depth knowledge of market conditions, industry complexity, and how that impacts the affiliate
- Demonstrates an understanding of financial concepts including debt / equity, capital, how own company makes money, the financial levers of the organization, and what it means to be part of a publicly traded company

OFF-TARGET LEADERSHIP BEHAVIORS

- Fails to demonstrate an understanding of the affiliate's market position, opportunities, capabilities, and competitive threats

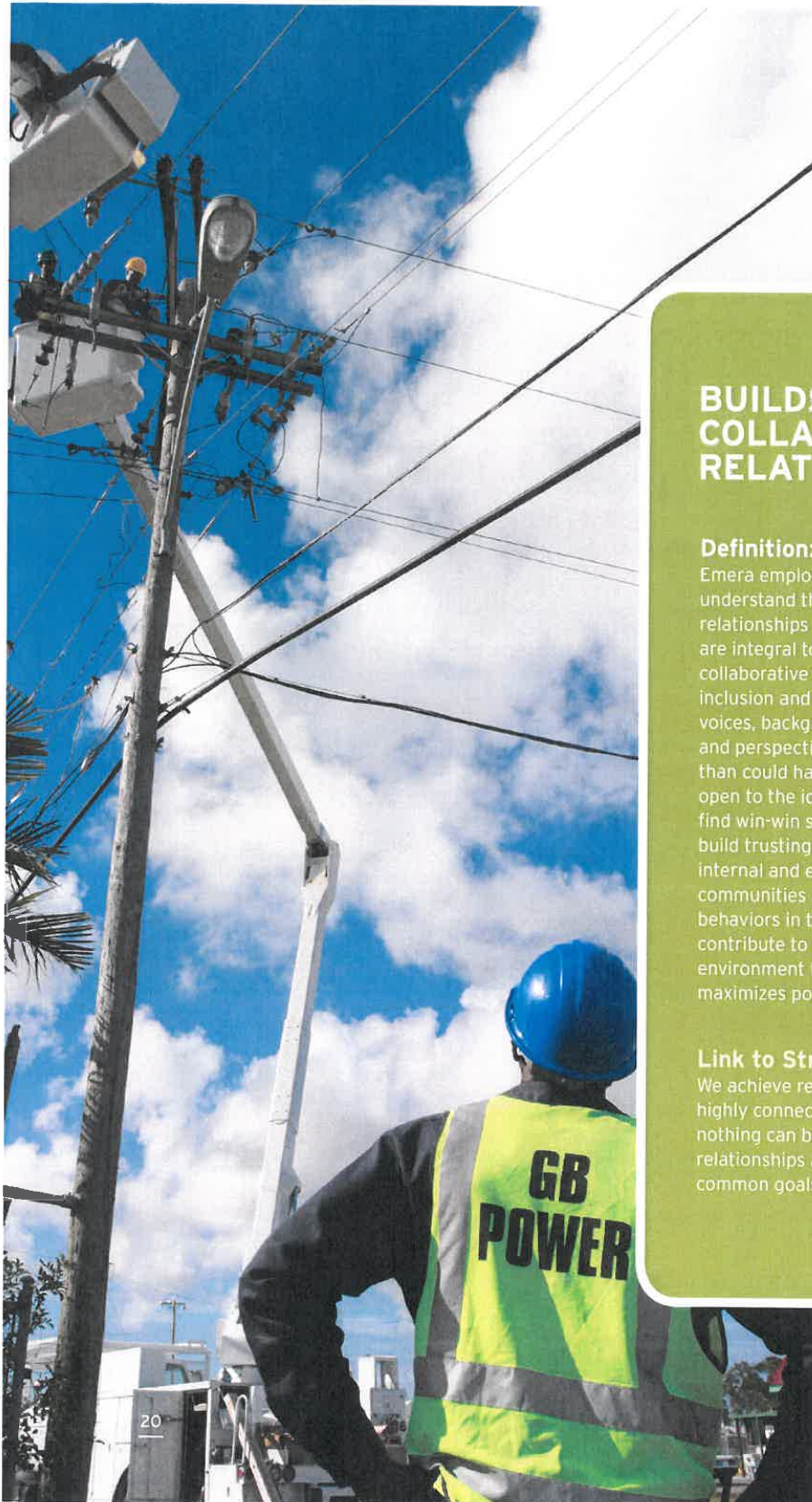
ON-TARGET LEADERSHIP BEHAVIORS

- Evaluates and, when needed, updates the customer service model and service standards
- Sets the tone that serving our customers is our duty and privilege
- Creates systems and processes that improve the affiliate and benefit customers, employees and shareholders
- Prioritizes organizational efforts on work that adds significant value to shareholders
- Demonstrates an understanding of how the affiliate fits into the broader community, governmental and political landscape
- Ensures the organization consistently delivers on current business objectives while continually looking for ways to innovate
- Uses customer, legal, regulatory and financial analysis to generate, evaluate, prioritize and act on strategic options and opportunities
- Pursues profitable growth, interprets market intelligence, sets deal objectives and ensures the deal fits the broader direction of the affiliate
- Negotiates skillfully by identifying value propositions, reading others to determine what motivates them, what they ideally want, and how they operate through negotiations

OFF-TARGET LEADERSHIP BEHAVIORS

- Prioritizes the needs of the affiliate ahead of the needs of customers or shareholders
- Does not appropriately consider the lens of the customer
- Sacrifices long-term business objectives for short-term financial gains
- Not persistent in pursuing / maintaining efficiency when the pressure is off

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BUILDS STRONG, COLLABORATIVE RELATIONSHIPS

Definition:

Emera employees successful in this area understand that strong, collaborative relationships drive business success and are integral to achieving results. You build collaborative relationships with a focus on inclusion and making space for different voices, backgrounds, experiences, opinions and perspectives to get a better outcome than could have been reached alone. You are open to the ideas and opinions of others, and find win-win solutions whenever possible. You build trusting partnerships with co-workers, internal and external stakeholders, customers, communities and others. By demonstrating the behaviors in this leadership competency you contribute to creating an inclusive and diverse environment that values differences and maximizes potential.

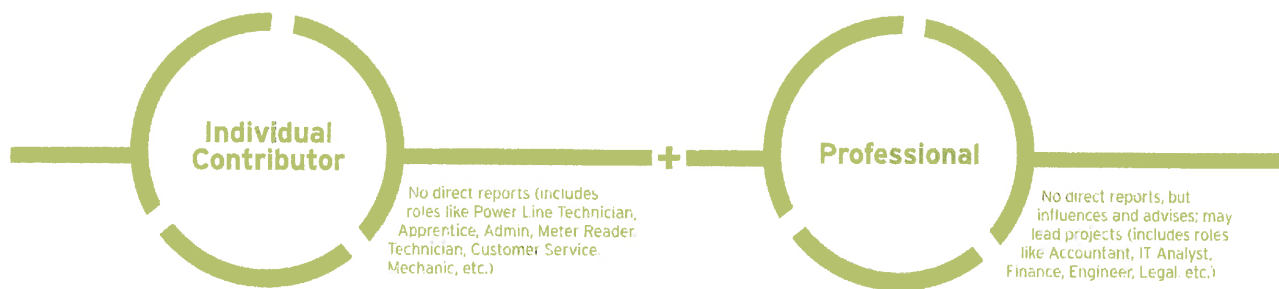
Link to Strategy:

We achieve results through collaboration. In a highly connected and interdependent world, nothing can be achieved without trusting relationships and working together towards common goals.



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LEADERSHIP COMPETENCIES



ON-TARGET LEADERSHIP BEHAVIORS

- Asks questions and listens carefully to understand the needs, expectations, and perspectives of others
- Takes time to build rapport and establish a connection with others
- Expresses appreciation to others who have offered information, assistance or support
- Demonstrates respect for the cultures and traditions of those around us
- Speaks up if people are excluded or disrespected
- Remains calm under stress and maintains a positive attitude when working with others
- Provides assistance, information, and support to others

OFF-TARGET LEADERSHIP BEHAVIORS

- Acts in an unprofessional, rude or disrespectful manner when interacting with others
- Excludes or dismisses others
- Doesn't speak up when others are excluded or disrespected
- Jumps to conclusions / makes assumptions about another's needs or intentions
- Consistently allows personal emotions to get the better of them in stressful situations

ON-TARGET LEADERSHIP BEHAVIORS

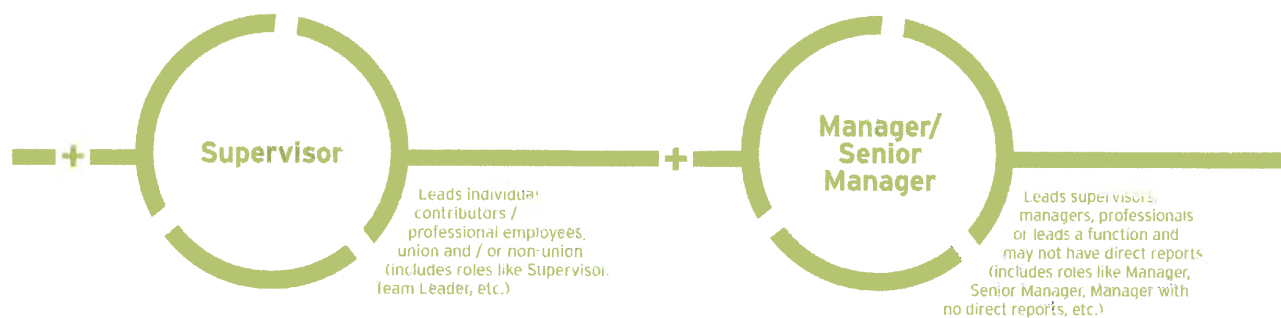
- Seeks out multiple points of view from others with diverse backgrounds, thoughts, and ideas before making decisions whenever possible
- Notices what others are feeling based on non-verbal behaviors (e.g. words, tone of voice, facial expressions, etc.) and responds appropriately

OFF-TARGET LEADERSHIP BEHAVIORS

- Makes decisions without seeking different perspectives
- Ignores or belittles the feelings or emotional reactions of others

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BUILDS STRONG, COLLABORATIVE RELATIONSHIPS



ON-TARGET LEADERSHIP BEHAVIORS

- Identifies and proposes solutions that weigh the needs and interests of everyone involved
- Models respectful and inclusive behavior (e.g. pays attention to the words they use, the perspectives they seek out, etc.)
- Supports people who speak up if others are excluded or disrespected
- Balances participation by ensuring everyone has a chance to share their perspectives / ideas
- Encourages employees to invest in and / or give back to their communities when and how they are able
- Creates effective two-way communication channels with team members and other stakeholders (e.g. using an open-door policy, hosting weekly meetings, phone calls, virtual sessions, etc.)
- Shares information freely with stakeholders and seeks to understand their perspectives

OFF-TARGET LEADERSHIP BEHAVIORS

- Tells jokes that could be offensive or disrespectful to other people or groups
- Works in isolation and sees departments as separate entities with little impact on each other
- Disregards contrary points of view

ON-TARGET LEADERSHIP BEHAVIORS

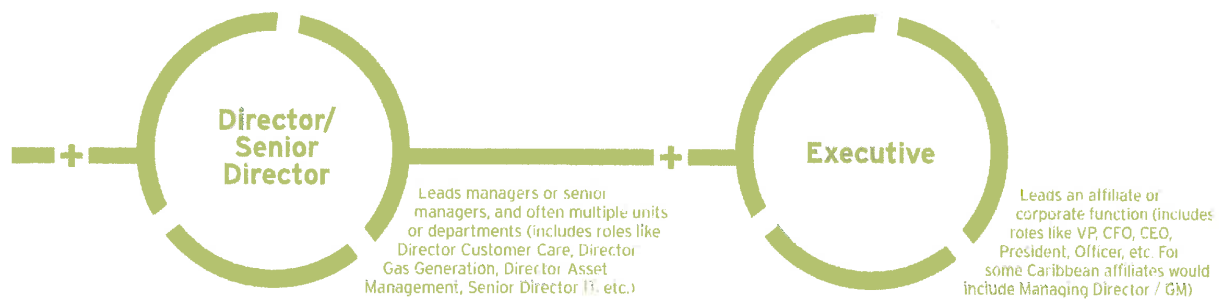
- Encourages respectful debate where discussion is focused on the issue / idea rather than the person
- Facilitates and rewards partnering and collaborating with other individuals, teams, and departments
- Includes others when developing / implementing new processes or systems to gain their insights, perspectives and support
- Helps team members gain exposure to customers and / or other departments in own or other affiliate to build relationships and broaden knowledge where possible
- Seeks feedback to understand how to improve relationships with key stakeholders

OFF-TARGET LEADERSHIP BEHAVIORS

- Encourages and rewards unhealthy competition amongst teammates (e.g. promotes the idea that there is only ever one winner and one loser in any interaction)
- Doesn't participate / engage when invited to collaborate

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EMERA LEADERSHIP COMPETENCIES



ON-TARGET LEADERSHIP BEHAVIORS

- Creates the structure to allow collaboration to happen (e.g. cross-functional meetings, decision boards, etc.)
- Partners with other affiliate leaders to share and leverage best practices while adhering to Affiliate Code of Conduct
- Creates and maintains open dialogue with key external stakeholders (e.g. government, community leaders, media, union representatives, etc.)
- Works with key stakeholders (e.g. external customers) to identify solutions that meet the needs of both parties whenever possible
- Engages in the community in which we operate and looks for opportunities to build strategic partnerships

OFF-TARGET LEADERSHIP BEHAVIORS

- Doesn't engage with internal / external stakeholders when making decisions that could impact them (e.g. doesn't share information, doesn't consult, etc.)

ON-TARGET LEADERSHIP BEHAVIORS

- Communicates openly and honestly with team members, stakeholders, and shareholders by establishing and maintaining appropriate channels for sharing information
- Role models collaborative behavior, visibly collaborating with internal and external stakeholders
- Acts as a conduit to improve collaboration between affiliates, balancing compliance requirements
- Builds relationships for mutual benefit, balancing all self-interests in resolving issues and problems
- Builds desire to partner versus compete
- Identifies and acts on opportunities for building community relationships

OFF-TARGET LEADERSHIP BEHAVIORS

- Is dismissive of government or regulators
- Doesn't address conflict with external stakeholders (e.g. municipalities, communities, etc.)

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DEVELOPS PEOPLE AND TEAMS

Definition:

Emera employees successful in this area develop people and teams by motivating, supporting and investing in the growth of others in a respectful, inclusive, and productive work environment. You are committed to teamwork, feedback, and coaching. You set clear objectives and hold yourself and others accountable for results in order to achieve our affiliate's strategy. By demonstrating the behaviors in this leadership competency, you contribute to developing high-performing individuals and teams with the capacity to take on tough challenges and exciting opportunities.

Link to Strategy:

Our people are our greatest strength. Investing in the development of our people and teams today ensures we have the skills, talent and capacity to achieve our strategy now and in the future.



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EMERA LEADERSHIP COMPETENCIES



ON-TARGET LEADERSHIP BEHAVIORS

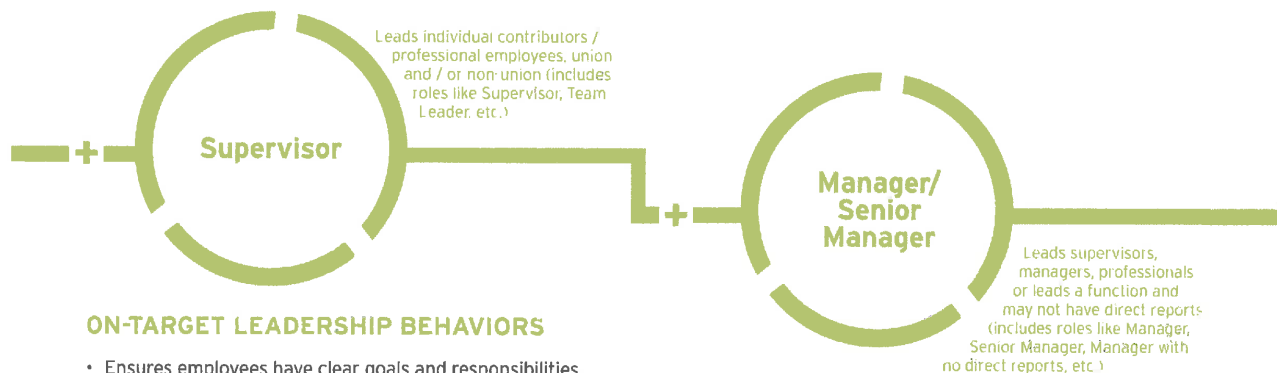
- Sets specific and measurable goals with their manager / supervisor for job performance and future development that are realistic and challenging
- Works with manager / supervisor to get the information, resources and training to do their job effectively
- Stays current on trends in area of work or expertise and applies learning to improve performance
- Seeks feedback and takes action to address it
- Offers positive and constructive feedback to others (e.g. peers, manager, etc.)
- Listens and responds constructively to other team members' ideas, and expresses any disagreement respectfully
- Shares knowledge and expertise with others (e.g. through formal / informal mentoring or training, etc.)

OFF-TARGET LEADERSHIP BEHAVIORS

- Reacts negatively to feedback
- Ignores or avoids feedback from others
- Doesn't keep up-to-date on certifications or industry / job knowledge as applicable
- Tries to compete with teammates rather than work towards common goals
- Criticizes others rather than offering feedback or an alternative solution
- Keeps information / knowledge to themselves

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DEVELOPS PEOPLE AND TEAMS



ON-TARGET LEADERSHIP BEHAVIORS

- Ensures employees have clear goals and responsibilities, and regularly meets with them to review job performance and progress on development objectives
- Promotes an environment of continuous learning by ensuring all direct reports have Personal Development Plans, and have access to appropriate training and development opportunities
- Has open and ongoing conversations with direct reports on their development and career planning goals
- Shares information, advice, and suggestions to help others be more successful; provides effective coaching (formal and informal)
- Provides specific and timely feedback, both positive and corrective
- Delegates by choosing appropriate tasks based on individuals' strengths, role, ambition and team / affiliate objectives
- Encourages, fosters and celebrates individual successes and teamwork (formally and informally)
- Encourages and empowers people to make decisions in their own area of work
- Treats direct reports as individuals. Demonstrates an understanding of the needs, motivations, and preferences of each
- Demonstrates an understanding of group dynamics, works to build a cohesive team and addresses problems if they arise (e.g. conflict)
- Supports their team members when they succeed and when they have set backs
- Deals promptly with performance problems, working with HR and / or manager to develop a plan of action

OFF-TARGET LEADERSHIP BEHAVIORS

- Operates independently with little interaction with their team (e.g. doesn't regularly meet with team members)
- Leaves team members to cope with difficult situations without any support
- Doesn't address performance issues through feedback, coaching, or termination
- Doesn't address issues of conflict, exclusion or disrespect
- Avoids giving feedback, or provides feedback that is not specific, actionable, or timely
- Micromanages

ON-TARGET LEADERSHIP BEHAVIORS

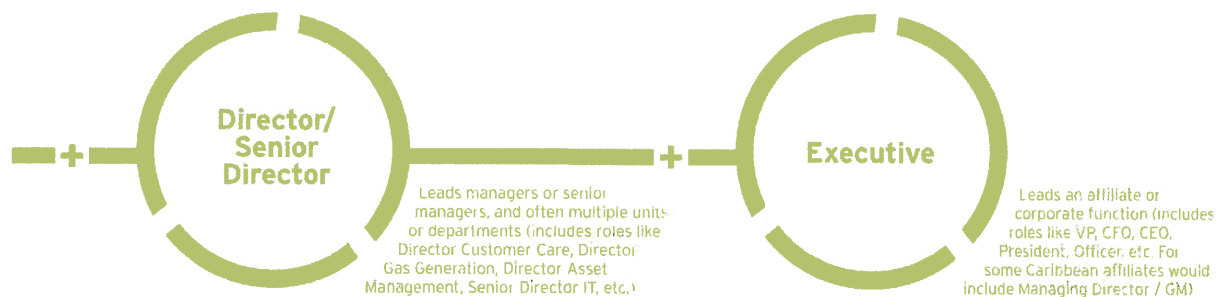
- Helps employees seek out development opportunities and ensures the resources are available for employees to work towards realistic development goals
- Ensures that resources and time are available to employees for development opportunities
- Mentors others, formally and / or informally, and encourages / assists employees to seek out mentors and other resources for development support (e.g. peers, other leaders, external support, etc.)
- Works with HR to ensure team members are fully qualified, suited to, and performing well in their roles, and takes action when changes need to be made (including role changes, moves and / or termination)
- Identifies high-potential employees and works with senior leaders on succession planning, creating targeted / accelerated development plans
- Selects high-quality people with diverse backgrounds, skills and abilities to meet the needs of the affiliate and the team

OFF-TARGET LEADERSHIP BEHAVIORS

- Allows poor performers to stay in their role rather than have a difficult conversation

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EMERA LEADERSHIP COMPETENCIES



ON-TARGET LEADERSHIP BEHAVIORS

- Pursues challenging experiences to help in their own growth and development
- Sets stretch goals and objectives for the department, pushing individuals and teams to perform at higher levels
- Works with HR to ensure department is properly structured and resourced to achieve short and long term goals

OFF-TARGET LEADERSHIP BEHAVIORS

- Doesn't take advantage of formal or informal opportunities to learn and develop themselves
- Focuses too much on what people achieve rather than on how they achieve it
- Consistently places the growth and development of others behind other priorities, particularly when time or money is a factor
- Doesn't identify or develop successors

ON-TARGET LEADERSHIP BEHAVIORS

- Ensures talent processes support the affiliate's overall strategy and encourage inclusion and diversity
- Leverages internal processes (e.g. MAPP / Performance Review (PR), Leadership Assessment) to encourage and promote continuous learning and development across the affiliate
- Identifies skills and knowledge needed long-term based on the affiliate's strategic direction
- Views talent development and succession planning as an organizational imperative
- Works collaboratively with leaders of affiliates to share talent for the purposes of succession planning and talent development

OFF-TARGET LEADERSHIP BEHAVIORS

- Doesn't identify or address potential skill or knowledge gaps in the organization

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CULTIVATES INNOVATION & EMBRACES CHANGE

Definition:

Emera employees successful in this area value and cultivate innovation and embrace change which is required to remain competitive in a fast-paced environment. You are committed to innovation by encouraging new ideas, experimentation, and learning from experiences. You understand the emotional impact of change, and use a systematic approach to communicate, lead and sustain change to ensure our affiliate continually evolves. By demonstrating the behaviors in this leadership competency you contribute to creating an environment where change is accepted as the norm, which reduces the disruption change has on the workforce and encourages flexibility and adaptability.

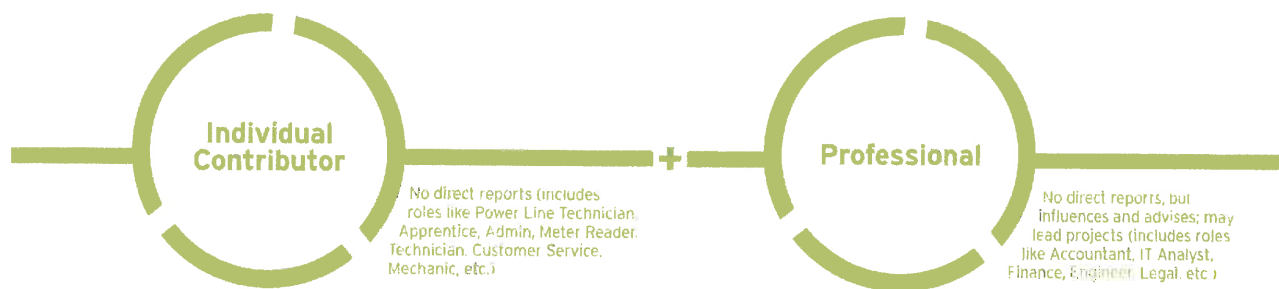
Link to Strategy:

Encouraging innovation and effectively leading and managing change significantly contribute to organizational performance. In the face of continually shifting customer demands, market conditions, competition and technology, we must innovate to get ahead, or adapt to keep pace with the changes.



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EMERA LEADERSHIP COMPETENCIES



ON-TARGET LEADERSHIP BEHAVIORS

- Stays open to changes and new ideas
- Reflects on successes and failures to identify what they can do better next time
- Keeps a realistic and constructive attitude during change
- Asks questions to understand the change (e.g. why is this happening, what impact will it have on my role and the team)

OFF-TARGET LEADERSHIP BEHAVIORS

- Quickly rejects new ideas (e.g. "We tried that before, it'll never work")
- Allows own negative feelings about the change to impact their performance or work environment (e.g. team member attitudes)
- Refuses to adopt the change
- Doesn't ask questions to understand the change when something is unclear

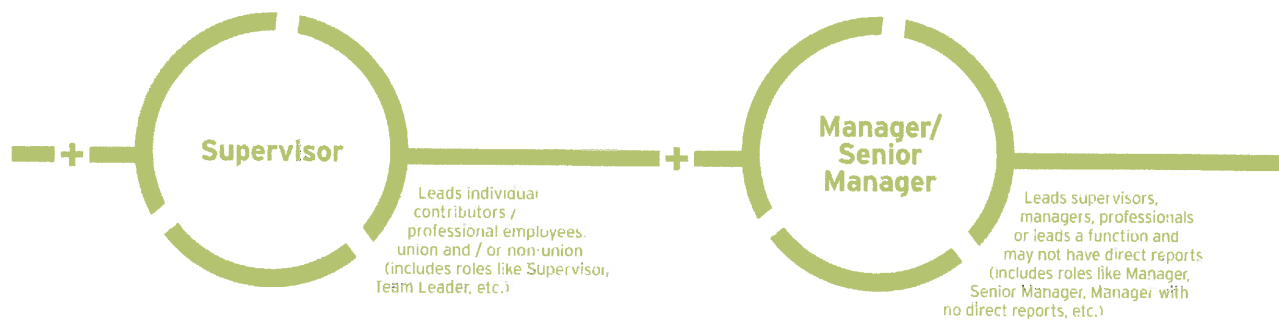
ON-TARGET LEADERSHIP BEHAVIORS

- Seeks to improve the status quo, continually looking for new or innovative ways of doing things
- Readily adjusts to change, staying productive and using available tools and resources, and asking for support when needed
- Supports the change by identifying and communicating potential barriers

OFF-TARGET LEADERSHIP BEHAVIORS

- Sticks with the status quo rather than experimenting with new ways of looking at things
- Doesn't use the tools or resources, where available, to navigate change

CULTIVATES INNOVATION & EMBRACES CHANGE



ON-TARGET LEADERSHIP BEHAVIORS

- Champions the change by frequently communicating a clear and consistent message, including explaining the why and "what's in it for me / us?"
- Helps people take ownership of their role in the change by involving them early and soliciting their ideas for making the changes work
- Identifies and, where possible, removes potential barriers for team members to adopt the change
- Encourages team members to share new ideas, helps identify potential barriers and solutions, and encourages them to test those ideas on a small scale
- Identifies and respects emotional impact / reactions to change (e.g. resistance, anxiety, excitement, etc.) and provides support (e.g. sharing information, advice, suggestions to help others be more successful)
- Recognizes and celebrates successful change and key milestones
- Reinforces change that has already happened, and ensures new processes are followed

OFF-TARGET LEADERSHIP BEHAVIORS

- Doesn't prepare for or lead team through change
- Doesn't communicate / explain changing procedures and / or practices, or the impact to the team
- Dismisses ideas and solutions brought to them by their team without fully understanding the idea or communicating the reason why it was not accepted
- Discourages experimentation
- Dismisses the emotional impact of change
- Doesn't sustain / reinforce change in their area

ON-TARGET LEADERSHIP BEHAVIORS

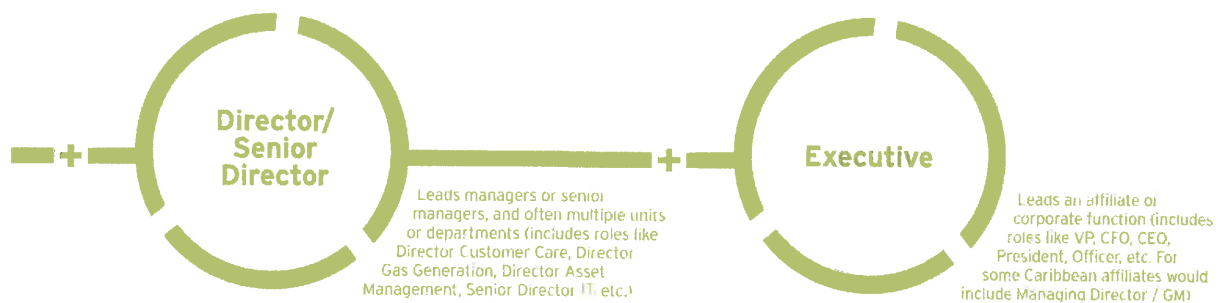
- Introduces new ways of looking at problems
- Takes creative ideas and puts them into practice, getting approval when needed
- Implements the change through formal planning and execution (including developing communication plans)
- Makes process improvements within span of control to better serve internal / external customers or support strategy
- Identifies opportunities to innovate and change and encourages others to do so
- Involves frontline leaders in the change and supports them in removing barriers to adoption for team members
- Develops a plan to translate organizational change into specific goals and actions with their team
- Engages stakeholders to build commitment to the change
- Encourages experimentation and uses failure as a learning opportunity
- Responds effectively to change and disruption by adapting existing goals, behaviors, plans and processes, or develops new ones
- Sustains and reinforces change by monitoring adoption and providing support and additional resources where available

OFF-TARGET LEADERSHIP BEHAVIORS

- Implements the change in a silo, focusing only on their department's success (rather than the affiliate's success)
- Lacks patience and tolerance for people's reactions, not giving people the time to accept the change

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EMERA LEADERSHIP COMPETENCIES



ON-TARGET LEADERSHIP BEHAVIORS

- Visibly supports the change by continuously communicating and reinforcing the reasons for change
- Evaluates the value and impact (e.g. human, operational, financial, other KPIs, etc.) of proposed changes, engaging others with diverse perspectives
- Identifies potential risks of change and creates plans to reduce or remove where possible
- Creates / adapts systems (e.g. goals, resource planning, training, processes) to encourage innovation / experimentation and change
- Shares information, advice, and suggestions to help others be more successful in leading change

OFF-TARGET LEADERSHIP BEHAVIORS

- Doesn't provide their team with the required resources or information to support the change

ON-TARGET LEADERSHIP BEHAVIORS

- Inspires and steers the affiliate through change, communicating a clear and compelling vision and reason for the change
- Communicates the importance of innovation to the continued growth of the affiliate
- Recognizes and celebrates innovative thinking and ideas in others
- Communicates changes to stakeholders across affiliates as appropriate
- Finds the balance between the need for change and innovation and stable day-to-day business operation

OFF-TARGET LEADERSHIP BEHAVIORS

- Fails to visibly encourage innovation or lead organizational changes
- Fails to engage and align the broader executive team with the change
- Underestimates the impact (e.g. financial, operational, human, etc.) the change will have on the affiliate

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THINKS STRATEGICALLY & EXERCISES SOUND JUDGMENT

Definition:

Emera employees successful in this area think strategically and exercise sound judgment at every level and in every area of our affiliate. You understand how your role fits into the affiliate, and connect every decision to the broader company strategy. As a strategic thinker, you take a broad perspective and understand how decisions can impact yourself and others today and into the future. By demonstrating the behaviors in this leadership competency you analyze information, evaluate risk, plan for the unexpected, and apply sound judgment to translate ideas into concrete actions that will move our affiliate forward.

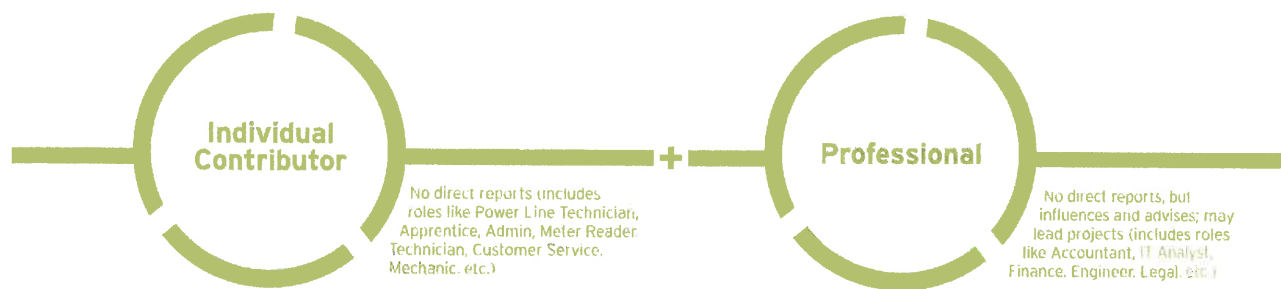
Link to Strategy:

Our strategy is focused on change through innovation and growth; it requires everyone to understand and take a broad view of our affiliate and our future, to analyze the world in which we operate, and make decisions every day that will move us toward our future state.



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EMERA LEADERSHIP COMPETENCIES



ON-TARGET LEADERSHIP BEHAVIORS

- Demonstrates an understanding of the affiliate strategy and how own role fits into it
- Works with manager / supervisor to plan and organize own workload, and prioritizes accordingly
- Identifies potential obstacles or challenges to completing work, and makes recommendations on how to address them
- Seeks information and asks questions to understand and make decisions, getting guidance and approval when necessary

OFF-TARGET LEADERSHIP BEHAVIORS

- Fails to understand how own role fits into the affiliate's strategy
- Doesn't align individual work goals with team goals
- Uses only the most convenient sources of information when deciding on a plan of action
- Doesn't think through the consequences of decisions or whether it conflicts with other priorities ahead of time

ON-TARGET LEADERSHIP BEHAVIORS

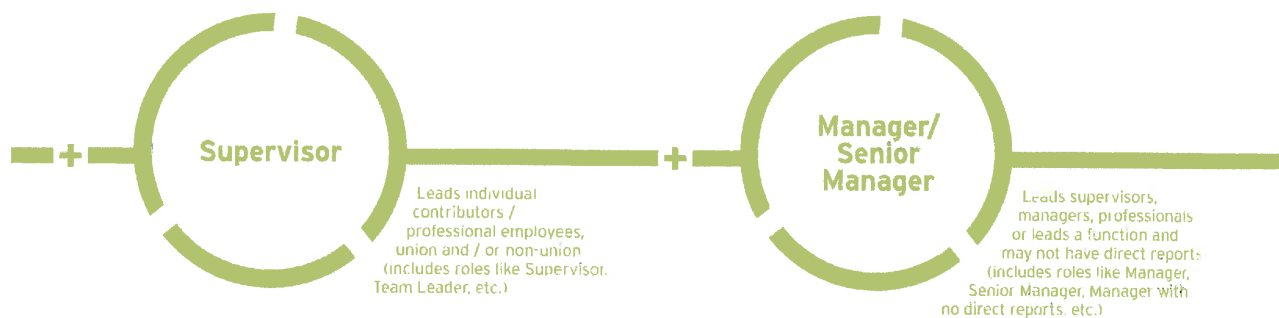
- Demonstrates an understanding and evaluates the scope, risk, and impact of decisions / recommendations before making them
- Clearly communicates options, advice, and solutions when presenting recommendations

OFF-TARGET LEADERSHIP BEHAVIORS

- Works in a silo
- Doesn't understand the team's impact on the affiliate
- Makes decisions without evaluating relevant or critical factors
- Over-analyzes information to the point of inaction

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THINKS STRATEGICALLY & EXERCISES SOUND JUDGMENT



ON-TARGET LEADERSHIP BEHAVIORS

- Helps team members understand the affiliate vision and strategy and how their work relates to it
- Asks questions to get to the root cause of problems, and generates solutions
- Identifies and selects a course of action after reviewing alternative options, getting approval when necessary
- Determines how to implement decisions with resources available (e.g. people, budget)
- Communicates decisions clearly to all impacted stakeholders and follows up to ensure understanding

OFF-TARGET LEADERSHIP BEHAVIORS

- Doesn't align team activities with the affiliate's vision and strategy
- Fails to identify underlying cause(s) of problems
- Is deterred too quickly by even small amounts of risk, without understanding the potential benefits of decisions
- Demonstrates unwillingness to make difficult or unpopular decisions
- Doesn't identify or communicate how a decision will impact all team members

ON-TARGET LEADERSHIP BEHAVIORS

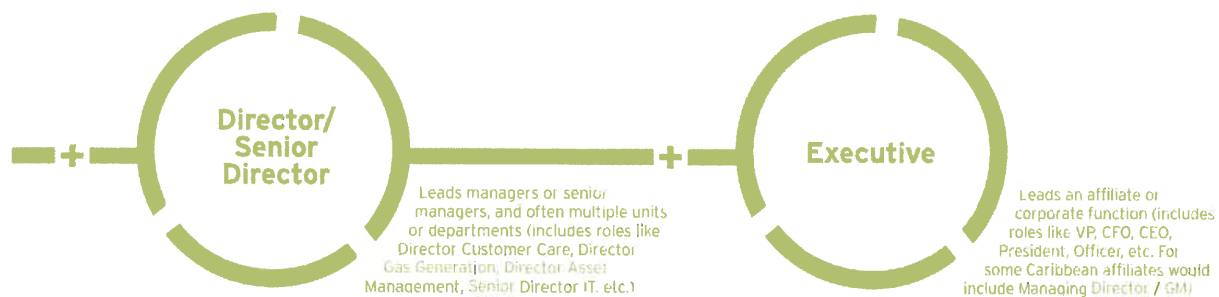
- Makes time for thinking and long-term planning
- Uses big-picture thinking to generate ideas about what's possible for the current and future work of the team
- Translates visions and strategies into concrete actions, and communicates it to stakeholders
- Asks questions to understand the link between the business plan and the broader strategy
- Shifts course quickly if off track
- Uses judgement to determine when to give people decision making authority, considering confidentiality, importance, etc.
- Helps their direct reports evolve their thinking by asking "what if" questions
- Applies broad knowledge and experience to address complex / critical issues, consulting subject matter experts when making decisions outside their scope of knowledge
- Distills complex information, quickly determining what information is relevant

OFF-TARGET LEADERSHIP BEHAVIORS

- Takes narrow, short-term view of business or opportunities, doesn't think about what's possible
- Frequently changes decisions or direction without awareness of or regard for consequences
- Doesn't plan for the skills and resources needed from their team before committing to a course of action
- Doesn't communicate strategies or action plans to key stakeholders

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EMERA LEADERSHIP COMPETENCIES



ON-TARGET LEADERSHIP BEHAVIORS

- Anticipates future trends and implications on the affiliate
- Sets strategic goals for short-, mid-, and long-term
- Identifies the impact of long-term decisions on the department in the immediate and short-term
- Develops departmental strategies to achieve and sustain competitive advantage
- Deals constructively with problems that do not have clear solutions or outcomes
- Communicates a compelling vision and sense of purpose for the affiliate that engages others

OFF-TARGET LEADERSHIP BEHAVIORS

- Focuses solely on short-term goals
- Makes decisions in a silo, without identifying the impact on other departments
- Doesn't prepare contingency plans to address potential problems

ON-TARGET LEADERSHIP BEHAVIORS

- Develops the affiliate's strategy based on analysis of trends, market forces, risk and profitability sorting through what's noise versus what's meaningful
- Develops and communicates a clear vision for the future growth of the affiliate
- Identifies approaches to deal with situations for which no known precedent exists, making decisions not directly covered by policies and procedures, while remaining in line with company goals and values
- Gathers knowledge, second opinions, and diverse ideas from others when deciding on company goals and direction
- Extends their view beyond the company, region or industry and continually broadens this world view through active participation in external organizations and networks
- Positions the company competitively within the industry

OFF-TARGET LEADERSHIP BEHAVIORS

- Fails to anticipate and address trends, opportunities, or issues facing our industry and areas in which we operate
- Fails to communicate strategic direction to the affiliate

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APPENDIX



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EMERA LEADERSHIP COMPETENCIES

CODE PRINCIPLES



GLOSSARY OF KEY TERMS

Affiliate Code of Conduct - Affiliate Codes of Conduct provide guidance on how one affiliate interacts with other affiliates to ensure we are able to demonstrate that these interactions are in the best interest of our customers.

Communication - At Emera we believe that open and honest two-way communication is critical to the success of our business, which means we can't deliver on any of our leadership competencies without it. Communications are developed with the goal of being clear, transparent, timely, informative, relevant, respectful and supportive.

Customer - We are all here to serve our customers - the people external to our organization that use our products and services. We also all have internal customers, people we work and interact with on a daily basis to whom we provide information, services, and / or support. Whether internal or external, all customers deserve high-quality service.

Diversity - Diversity is expressed in different ways including (but not limited to) age, gender, race, culture, sexual orientation, religion, belief, education, physical ability, personality, experiences, and approaches to work.

Emera Code of Conduct - Emera has a published Code of Conduct which is central to how we go about our business. The Code affirms the expectation that we will act with integrity and treat others with respect and it includes the organization's values. Our Code guides how we deliver on our responsibilities to our customers, our shareholders, our partners and communities, and our team members.

Emera Code Principles - Our Emera Code Principles are foundational to everything we do. They are: Safety, Health, and the Environment; Customers; Integrity; Respect and Collaboration; and Excellence.

Inclusion - In its simplest form, inclusion is the state of being included. It's a sense of belonging and feeling respected, and valued for who you are; feeling supported by others so you can do your best.

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Inclusion and Diversity¹ - Through inclusion and diversity, we create stronger teams that drive innovation and growth and better serves our customers. It is the variety of diverse people and ideas within the company, and the creation of an environment in which people feel involved, respected, valued, connected, and able to bring their "authentic" selves (e.g., their ideas, backgrounds, values, and perspectives) to the team and to the business. By valuing differences, we will maximize our employees' potential, draw on their talents, and achieve our organizational goals.

Leader - We are all leaders at Emera; leadership is a mindset.

Off-Target Behaviors - Off-target behaviors are any actions that are off track or are missing the mark to being successful in a particular leadership competency. The behaviors in the leadership competency model provide examples of what leadership does and doesn't look like and help guide performance and create clarity about what is expected.

On-Target Behaviors - For every leadership competency we have a defined set of expected (on-target) behaviors. Behaviors help employees understand how to be leaders in their respective roles as it relates to each competency.

Our Story - Our Story is a common way to talk about why we work, what we do and how we do it - right across Emera companies.

Self-Care - Self-care is an active choice to engage in the activities required to gain or maintain an optimal level of overall health. Overall health includes not just the physical, but the psychological, emotional, social, and spiritual components of your wellbeing.

Shareholder - Any person, company or other institution that owns at least one share of our company's stock.

Stakeholder - A person, team, group, or organization, who may affect, be affected by, or perceive itself to be affected by a decision, activity or project, and can be internal or external to our organization.

¹ From *Global Diversity & Inclusion Benchmarks: Standards for Organizations Around the World*
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Strategy - Each affiliate has a targeted strategy focused on achieving results that are in the best interests of its customers. By delivering on these strategies, our companies help to deliver the Emera strategy and create value for shareholders. Our strategic focus is to continue to deliver growth by meeting customer demand for cleaner, affordable and reliable energy, delivered safely.

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FREQUENTLY ASKED QUESTIONS

What are leadership competencies?

- A leadership competency is a combination of observable knowledge, skills, abilities and behaviors that contribute to strong employee performance. Sometimes they are grouped by technical competencies, role specific competencies or leadership competencies.
- Leadership competencies are broad and apply to everyone in an organization, whereas technical competencies are typically specific to particular roles.

Why are these called leadership competencies if they apply to all employees?

- Leadership is a mindset and as such these leadership competencies apply to everyone, whether or not people report to you. We all have opportunities to demonstrate leadership.

Why are we using leadership competencies?

- Leadership is a critical element in achieving organizational success. We need to ensure that everyone is aligned with our business strategies and values, helping to deliver results in a way that demonstrates Emera's commitment to customers, shareholders, communities and each other.
- Our leadership competencies, which are based on Emera's values and strategy, will help create that alignment and help everyone across our business continue to grow and develop.

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Why do we need these now?

- As our strategy continues to evolve, what is expected of us has continued to grow and evolve as well. With our changing landscape and the integration with TECO, an opportunity emerged for Emera to articulate what leadership looks like across all Emera companies.
- With the continued pace of change, providing clarity about what's expected will help us keep pace with what is going on around us and how every employee can contribute to our success.

What are the leadership competencies used for?

- Emera leadership competencies will be included in our key talent management processes including talent acquisition, performance management, succession planning, and learning & development as a way to consistently guide development across our business.
- As an organization, these leadership competencies will help us determine where to focus our learning and development efforts.

Why do leadership competencies matter?

- Every one of us contributes to the success of our business and when we are all aligned and working together, our people are our greatest strength.
- Leadership competencies provide clarity of what's expected of our people in their current role and how they achieve their goals. It's not just about what we do, but how we do it.
- The Emera leadership competencies also shed light on what's expected at different levels in the business, which helps create a clear path forward for career development and progression.

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How were these created?

- Employees from across Emera companies were engaged in this process and had the opportunity to speak up and share their perspectives through surveys, focus groups and interviews. The leadership competencies you are reading today have been shaped by people throughout the organizations to ensure they are the right ones to enable us to be successful and achieve on strategy today and in the future.
- For those of you in affiliates that were using a competency model, you'll likely recognize some of the key ideas and behaviors in the new Emera leadership competencies. Speak with your HR Business Partner to understand how the old competencies map to the new leadership competencies.

Why have you created role categories as it relates to the leadership competencies and behaviors?

- How you are expected to demonstrate each leadership competency depends on your role. There are behaviors defined for each leadership competency and each role (i.e. individual contributor, professional, supervisor, manager, director and executive).
- These categories create clarity of what behaviors are expected as your level of responsibility changes and can be used to help create realistic development plans.
- Not every role across every affiliate will fit perfectly into one of these six categories. If you are unsure of where you fit, speak with your manager / supervisor to determine the category that best represents the work you do.

What are off-target behaviors?

- The behaviors in the leadership competency model provide examples of what leadership does and doesn't look like and help guide performance and create clarity about what is expected.
- The off-target behaviors act as guide posts to let you know if you are off track or missing the mark in a particular area.

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Why is there a link to strategy for each leadership competency?

- Contributions from all employees within Emera and its affiliates are critical to the fulfillment of Emera's short- and long-term strategies. It's important for leaders to understand how their role supports corporate strategy and how they can contribute to that strategy's success.

Why are there key behaviors listed in the categories that precede mine that are not included in my category?

- The behaviors in each category build on each other. This means that, in addition to demonstrating the behaviors in your role category, you should also be competent in behaviors for the role categories that precede your own. For example, the CEO must demonstrate competence in the behaviors listed from the individual contributor category up to the executive category.
- It may seem like there are a lot of behaviors you are accountable for but keep in mind this is a guide to help you grow and develop your strength as a leader.

Is this document just a check list of the things I have to do?

- On-target behaviors are meant to provide clarity around the types of behaviors expected at a given level, for a given leadership competency. The list is not exhaustive, rather it provides guidelines or examples of what great leadership looks like. There may be other behaviors not on the list that represent great leadership as well.

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What happens if I need to develop in some of these areas?

- The purpose of these leadership competencies is to help us grow and develop our capacity as leaders. We are a high-performing organization that sets a high standard of performance. Our leadership competencies set the standard that we will all continuously work towards as we build our culture of great leadership.
- Please work with your manager / supervisor to identify developmental opportunities. Our learning management system, eKNOWLeDGECentre, is another great resource available to you.

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37. How do you reconcile representations to investors about growth in capital spending related to SPP programs and projects with the rate impacts of such programs and projects?

A. Emera communicated the Florida Storm Protection Legislation and the associated proposed Rulemaking by the Florida Public Service Commission to investors in the 2019 2nd Quarter Investor Conference Call that occurred on August 12, 2019. The company began making reliability investments as required under this legislation in 2020.

To the extent rate impacts are discussed with investors or analysts they are done so from the perspective of total capital investment and not specific to SPP programs or projects. The company's message has been that we are required to provide the lowest cost of service possible while at the same time maintaining a safe and reliable system and staying in compliance with all applicable laws and regulations; and the company is focused on managing affordability and rate stability under this construct.

Tampa Electric is providing eleven investor presentation documents within OPC's Second Request for Production of Documents, Document No. 7, that were covered each quarter starting from Quarter 2, 2019 through Quarter 4, 2021.

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- 38.** How are projected rate impacts from SPP projects and programs factored into the projected SPP spending plans that you share with investors?
- A.** See Response No. 37 above and for further clarity, specific rate impacts associated with the individual SPP projects or programs have not been communicated to investors. On December 1, 2021, Emera communicated a forecasted investment profile specific to SPP programs and projects for 2021 through 2024.

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39. In determining how to deploy capital investment in your pending SPP please describe the steps that were taken to consider customer rate impacts. As a part of any description you undertook, please describe the role that customer rate impacts play compared to your investor-driven financial goals such as the increasing adjusted earnings per share expectations at your publicly traded corporate entity level and yearly expected growth in dividend per share.

A. Tampa Electric evaluated customer rate impacts at the Plan level, as opposed to the individual Program or Project level. This means that specific rate impacts were calculated after the company decided on an overall level of investment for the Plan. It is important to note, however, that potential customer impacts were given significant weight in setting this proposed investment level. The company asked 1898 & Co. to quantify the benefits associated with several proposed levels of investment. This analysis confirmed that customers would receive net benefits from their investment and that the company's proposed investment level is set before the point of diminishing returns where additional investment only provides a minor increase in benefits. Once the investment level was set, and its benefits were confirmed by 1898's analysis, the company calculated the specific bill impact associated with that investment level. The company determined that this expected bill impact was reasonable in comparison with the projected benefits of the investment. The company's financial goals at the publicly traded entity level were not included in the analysis performed by Tampa Electric or 1898 to develop the plan.

Customer rate impacts from the SPP are not included in any comparison to the company's investor-driven financial goals such as the increasing adjusted earnings per share expectations at your publicly traded corporate entity level and yearly expected growth in dividend per share.

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40. Since you began developing your SPP in 2020 (or 2019, if before 2020) please identify each instance where you expressly decided not to deploy capital for an SPP Program or project because it would have had too great an impact on your customers' rates in any single year.

A. Tampa Electric evaluated customer rate impacts at the Plan level, as opposed to the individual Program or Project level. This means that specific rate impacts were calculated after the company decided on an overall level of investment for the Plan. It is important to note, however, that potential customer impacts were given significant weight in setting this proposed investment level. The company asked 1898 & Co. to quantify the benefits associated with several proposed levels of investment. This analysis confirmed that customers would receive net benefits from their investment and that the company's proposed investment level is set before the point of diminishing returns where additional investment only provides a minor increase in benefits. Once the investment level was set, and its benefits were confirmed by 1898's analysis, the company calculated the specific bill impact associated with that investment level. The company determined that this expected bill impact was reasonable in comparison with the projected benefits of the investment.

In line with the above statements, the company made the decision to be more conservative than aggressive in pursuing the annual levelized spending level. As described in the company's SPP filings, higher investment levels would be supported based upon the benefit to cost ratio of the company's proposed SPP programs. The company chose the proposed programs and their spending levels based upon their benefit to cost ratio and did not expressly decide not to deploy capital based upon rate impacts.

Further, as stated above the company views SPP as a customer program and makes numerous decisions daily as projects are being designed and constructed that it believes are the most cost-effective manner to achieve the filed and approved SPP.

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- 41.** Regarding your “‘inventory’ of designed, permitted, and supplied undergrounding projects,” (Pickles Direct Testimony at 20) please describe how carrying costs, if any, are recorded and recognized for (1) recovery in the SPPCRC on specific individual projects spanning more than one year with regard to AFUDC (Allowance for Funds Used During Construction), (2) evaluation of cost effectiveness and (3) determination of abandoned project prudence.
- A.** (1) Tampa Electric does not earn or book AFUDC on any of the SPPCRC programs or projects. For projects within the SPPCRC that may last longer than one year, as soon as the capital expense is spent, those dollars go into the SPPCRC as Capital Work in Progress and beginning earning ROI and thus, are not eligible for AFUDC.
- (2) Carrying costs would be included in the total dollars that a project would be projected to cost. Carrying costs are not calculated for individual projects, as this cost to calculate would most likely exceed the actual carrying cost the project would be impacted by. The carrying cost would be included in the overall historical project costs that would serve the basis for future project cost projections.
- (3) In any abandoned projects, carrying costs would be included in the overall project costs. If an abandoned project occurs, this project would be moved to a new O&M related PMO so that these costs can be transparently tracked for reporting.

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- 42.** How many years will a project be maintained in inventory before the inventoried work becomes obsolete?
- A.** Tampa Electric does not have a definitive number of years where a project would be maintained in inventory before that inventoried work would become obsolete. There are very few instances where a project would become completely obsolete. From a time perspective, permits are generally good for only one year before a re-application is required. Beyond permits, the designed project could be picked up and revised as necessary for any changes that may have occurred while it was inventoried.

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43. How are pole attachments by joint users treated on hardened overhead facilities with regard to the strengthened facility margin created by SPP activities? Specifically, are joint users entitled to add additional attachments to an overhead facility strengthened under the 2020 or 2022 SPP if a new engineering analysis shows that the additional facilities are within the National Electric Safety Code criteria applied to hardened facilities?)

A. Tampa Electric's joint users are treated the same regardless of the pole hardening status.

If a joint user wanted to add additional attachments to an overhead facility strengthened under the 2020 or 2022 SPP, the joint user would be required to submit a permit request to attach to the pole. This permit request would initiate a new engineering analysis to take place at the requesters cost. If the analysis for attachment is met, then the request would be approved, and no other cost would be applied. If the analysis fails, then a cost is provided to the requester to bring it up to National electric Safety Code criteria.

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- 44.** If the answer to Interrogatory 43 is yes, please explain how joint users contribute to the cost of overhead facility hardening facilitated by strengthening of the facility? If joint users do not contribute to overhead facility hardening, please explain why they do not and further explain if there is a law or other legal requirement that forbids the company from seeking contribution from joint users for incremental storm hardening conducted pursuant to Section 366.96, Fla. Stat.
- A.** The joint user would only contribute to the cost, if they are adding additional attachments which would cause the pole to fail the pole loading analysis after the initial hardening was completed.

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- 45.** Do joint users share in the cost of storm restoration activities, specifically with regard to the company facilities that support joint user attachments? If yes, please explain how. If no, please explain why not.
- A.** No, restoration costs are not passed on to the attachers. Joint users pay an annual or monthly attachment fee to have space provided for them.

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- 46.** What is to prevent the company from achieving a restoration cost savings under storm hardening activities conducted pursuant to the SPP and then spending the dollars thus saved to deploy the same level of resources to simply reduce outage time? To illustrate, if in year 0 (before SPP-related hardening) the company spent \$200 million on outside contractors to restore service after a Category 2 hurricane and restored service (to all able to take it) within 5 days, in years 1-3 the company spends \$500 million to harden overhead facilities and in year 4 is impacted by another Category 2 hurricane of similar characteristics, what would prevent the company from spending \$220 million (accounting for inflation) on outside contractors to restore service after (to all able to take it) within 2.5 days?

A.

Tampa Electric believes that this hypothetical ignores an important aspect of the company's SPP, which is that it is designed to reduce both restoration costs and the time it takes to restore service following extreme weather. Additionally, even two storms with the same category rating could have significantly different impacts on the company's system depending on track, direction of approach, and numerous other factors. In a hypothetical like the one presented involving two identical storms several years apart, with all other variables held constant, the company expects that it would be able to restore service faster at a lower cost following the identical second storm. This is in contrast to the hypothetical, where the company restores service faster at the same cost following the identical second storm.

Furthermore, even if this scenario were to occur, the Commission would have a chance to review the company's restoration expenditures and determine whether they were prudent. The Commission could conclude that the benefits to customers and to society resulting from faster restoration outweigh the incremental cost of achieving this faster restoration. Alternatively, the Commission could rule that this decision was imprudent and disallow the incremental cost to restore faster.

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- 47.** Please reconcile the distribution pole replacement cost on Page 98 of the SPP with the corresponding capital and O&M numbers on pages 102 and 105.
- A.** Tampa Electric's projected distribution pole replacement costs (\$82,928,000) identified on Page 98 of the SPP is the revenue requirement over the 10-year SPP period which is reflected on bates stamped page 105. To obtain this 10-year SPP revenue requirement for distribution pole replacements, the capital and O&M revenue requirements must be combined. This revenue requirement supports the 10-year projected SPP costs for distribution pole replacements provided on bates stamped page 102. It is important to note, while this number is embedded within the SPP as a cost, these costs are contained within base rates and do not flow through to the Storm Protection Plan Cost Recovery Clause.

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48. Please describe precisely how your comparison of the cost of each discrete program or project and the benefits to be achieved by implementing that program or project ("cost/benefit") is applied in your decision making regarding whether to implement the project or program. As a part of your description, please indicate each cost/benefit numerical threshold that dictates whether a project or program is proposed for Commission approval. (E.g., what objective test is applied, if any, to determine that the benefits of a program or project do not sufficiently offset the costs of the program or projects such that it is not proposed for cost recovery from customers?)

A. The overall methodology is described in detail in the company's SPP filing and exhibits. Summarily, the company worked with 1898 & Co to establish funding levels for each program and targeted those levels annually during the 10-year time horizon of the plan. Those annual funding levels were established based on constraints to spending more as well as the necessity to develop a steady and reliable workforce. The model prioritized which projects to include in each year for each program and those results were reviewed by the program team. The final proposed SPP was a result of multiple iterations.

As described in the company's plan, a foundational component of the model used for prioritization is the simulation of various weather scenarios. The benefits used in the "cost/benefit" are derived from the 65th percentile weather scenario, i.e. only slightly above the normal weather of 50th percentile. In addition, no blue-sky day benefits are included in the Benefit to Cost Ratio ("BCR") calculations.

The company has not to this point used a hard pass/fail numerical threshold for individual projects. The vast majority of projects in the 10-year plan have a BCR, at the 65th percentile, that is greater than one (1). At higher 'extreme weather' scenarios, those ratios would increase significantly. Very few, projects proposed in the company's SPP have a project at or below one (1).

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- 49.** What role, if any, does customer rate impact have on your decision to propose to undertake any program or project contained in the SPP you have submitted for approval in this docket?
- A.** Customer rate impacts are examined, as stated above, as an end result of the entire SPP. Customer rate impacts are not determined for individual SPP projects or individual SPP programs.

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- 50.** What role, if any, does customer rate impact have on your determination of the total level of (1) capital (2) O&M expense contained in each of the first three years of your pending SPP? Please identify each document discussing, analyzing, and describing such determination in each year.
- A.** As stated above, customer rate impacts are examined as an end result and is not used to determine the total level, either down or up, of (1) capital (2) O&M expense contained in each of the first three years of the company's 2022-2031 SPP.