

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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In re: Application for limited proceeding for recovery of incremental storm restoration costs related to Hurricanes Irma and Nate by Duke Energy Florida, LLC

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Docket No. 20170272-EI

Dated: March 7, 2019

**DUKE ENERGY FLORIDA, LLC'S RESPONSE TO  
CITIZENS' SIXTH SET OF INTERROGATORIES (NOS. 105-111)**

Duke Energy Florida, LLC ("DEF") responds to the Citizens of the State of Florida, through the Office of the Public Counsel's ("Citizens" or "OPC") Sixth Set of Interrogatories to DEF (Nos. 105-111) as follows:

**INTERROGATORIES**

105. Refer to the response to Citizen's Interrogatory No. 74. Provide a breakdown of the allowed payroll of \$384,726,873 between capital and O&M, if the overtime of \$40,860,669 was all O&M so state otherwise provide a breakdown of that amount between capital and O&M and state whether the overtime allowed was part of the \$384,726,873.

**ANSWER:**

Of the \$384,726,873 base payroll, \$109,938,604 was capital and \$274,788,269 was O&M. The \$40,860,669 overtime was all O&M. This amount was not part of the \$384,726,873.

106. Refer to the response to Citizen's Interrogatory No. 77. The request for support was regarding any documentation of the audit being done in the form of a report or with respect to comments and questions raised. Does that type of documentation exist in support of the review process? If so, what type of documents exist?

**ANSWER:**

Documentation exists in the form of spreadsheets showing the reviewers notes for each invoice. These documents are being produced in excel format in response to OPC POD 18.

107. Refer to the response to Citizen’s Interrogatory No. 78. The response references a use of a 3-year average for Overtime and Vegetation Management but only an average for Regular Payroll. What average was used for Regular Payroll and provide the calculations used.

**ANSWER:**

A 3-year average was used. Below is the schedule that shows the averages for each storm.

Distribution Labor Averages															
	IRMA					NATE									
<b>2014- 2016</b>	September					October									
<b>3 Year Avg Actuals</b>	Capital	O&M	Total	% Capital	% O&M	Capital	O&M	Total	% Capital	% O&M					
Regular Payroll - Bargaining unit	\$ 1.1	\$ 1.7	\$ 2.8	38%	62%	\$ 1.3	\$ 2.0	\$ 3.3	40%	60%					
Overtime - Bargaining Unit	0.4	1.3	1.7	24%	76%	0.5	1.1	1.6	29%	71%					
<b>Total Bargaining Unit Payroll</b>	<b>\$ 1.5</b>	<b>\$ 3.0</b>	<b>\$ 4.5</b>	<b>33%</b>	<b>67%</b>	<b>\$ 1.8</b>	<b>\$ 3.1</b>	<b>\$ 4.8</b>	<b>36%</b>	<b>64%</b>					
Regular Payroll - Non Bargaining	\$ 0.8	\$ 0.3	\$ 1.0	75%	25%	\$ 0.8	\$ 0.3	\$ 1.0	73%	27%					
Overtime-Non Bargaining Unit	0.0	0.0	0.0	55%	45%	0.0	0.0	0.0	41%	59%					
<b>Total Non-Bargaining Unit Payroll</b>	<b>\$ 0.8</b>	<b>\$ 0.3</b>	<b>\$ 1.0</b>	<b>74%</b>	<b>26%</b>	<b>\$ 0.8</b>	<b>\$ 0.3</b>	<b>\$ 1.1</b>	<b>73%</b>	<b>27%</b>					
<b>Total Payroll</b>	<b>\$ 1.8</b>	<b>\$ 2.0</b>	<b>\$ 3.8</b>	<b>48%</b>	<b>52%</b>	<b>\$ 2.1</b>	<b>\$ 2.2</b>	<b>\$ 4.3</b>	<b>48%</b>	<b>52%</b>					
<b>Total Overtime</b>	<b>\$ 0.4</b>	<b>\$ 1.3</b>	<b>\$ 1.7</b>	<b>24%</b>	<b>76%</b>	<b>\$ 0.5</b>	<b>\$ 1.1</b>	<b>\$ 1.6</b>	<b>29%</b>	<b>71%</b>					
	COLIN					HERMINE					MATTHEW				
<b>2013- 2015</b>	June					September					October				
<b>3 Year Avg Actuals</b>	Capital	O&M	Total	% Capital	% O&M	Capital	O&M	Total	% Capital	% O&M	Capital	O&M	Total	% Capital	% O&M
Regular Payroll - Bargaining unit	\$ 0.9	\$ 1.4	\$ 2.3	39%	61%	\$ 1.0	\$ 1.5	\$ 2.5	40%	60%	\$ 1.4	\$ 2.0	\$ 3.4	41%	59%
Overtime - Bargaining Unit	0.2	1.1	1.3	18%	82%	0.2	1.1	1.4	18%	82%	0.4	1.1	1.5	25%	75%
<b>Total Bargaining Unit Payroll</b>	<b>\$ 1.1</b>	<b>\$ 2.5</b>	<b>\$ 3.6</b>	<b>31%</b>	<b>69%</b>	<b>\$ 1.2</b>	<b>\$ 2.6</b>	<b>\$ 3.9</b>	<b>32%</b>	<b>68%</b>	<b>\$ 1.8</b>	<b>\$ 3.1</b>	<b>\$ 4.9</b>	<b>36%</b>	<b>64%</b>
Regular Payroll - Non Bargaining	\$ 0.6	\$ 0.4	\$ 1.0	60%	40%	\$ 0.6	\$ 0.4	\$ 1.1	60%	40%	\$ 0.7	\$ 0.5	\$ 1.1	59%	41%
Overtime-Non Bargaining Unit	0.0	0.0	0.0	40%	60%	0.0	0.0	0.0	45%	55%	0.0	0.0	0.1	39%	61%
<b>Total Non-Bargaining Unit Payroll</b>	<b>\$ 0.6</b>	<b>\$ 0.4</b>	<b>\$ 1.1</b>	<b>60%</b>	<b>40%</b>	<b>\$ 0.6</b>	<b>\$ 0.4</b>	<b>\$ 1.1</b>	<b>59%</b>	<b>41%</b>	<b>\$ 0.7</b>	<b>\$ 0.5</b>	<b>\$ 1.2</b>	<b>58%</b>	<b>42%</b>
<b>Total Payroll</b>	<b>\$ 1.5</b>	<b>\$ 1.8</b>	<b>\$ 3.3</b>	<b>45%</b>	<b>55%</b>	<b>\$ 1.6</b>	<b>\$ 1.9</b>	<b>\$ 3.5</b>	<b>46%</b>	<b>54%</b>	<b>\$ 2.1</b>	<b>\$ 2.5</b>	<b>\$ 4.5</b>	<b>45%</b>	<b>55%</b>
<b>Total Overtime</b>	<b>\$ 0.3</b>	<b>\$ 1.1</b>	<b>\$ 1.4</b>	<b>19%</b>	<b>81%</b>	<b>\$ 0.3</b>	<b>\$ 1.1</b>	<b>\$ 1.4</b>	<b>18%</b>	<b>82%</b>	<b>\$ 0.4</b>	<b>\$ 1.2</b>	<b>\$ 1.5</b>	<b>25%</b>	<b>75%</b>
	DEBBY					ISAAC									
<b>2009- 2011</b>	June					August									
<b>3 Year Avg Actuals</b>	Capital	O&M	Total	% Capital	% O&M	Capital	O&M	Total	% Capital	% O&M					
Regular Payroll - Bargaining unit	\$ 1.0	\$ 1.7	\$ 2.8	38%	62%	\$ 1.0	\$ 1.9	\$ 3.0	34.8%	65.2%					
Overtime - Bargaining Unit	0.3	1.0	1.3	22%	78%	0.3	1.0	1.3	22.9%	77.1%					
<b>Total Bargaining Unit Payroll</b>	<b>\$ 1.3</b>	<b>\$ 2.7</b>	<b>\$ 4.1</b>	<b>33%</b>	<b>67%</b>	<b>\$ 1.3</b>	<b>\$ 2.9</b>	<b>\$ 4.3</b>	<b>31.2%</b>	<b>68.8%</b>					
Regular Payroll - Non Bargaining	\$ 1.0	\$ 1.3	\$ 2.3	46%	54%	\$ 1.2	\$ 1.3	\$ 2.5	48.1%	51.9%					
Overtime-Non Bargaining Unit	0.1	0.1	0.1	52%	48%	0.1	0.1	0.2	51.3%	48.7%					
<b>Total Non-Bargaining Unit Payroll</b>	<b>\$ 1.1</b>	<b>\$ 1.3</b>	<b>\$ 2.5</b>	<b>46%</b>	<b>54%</b>	<b>\$ 1.3</b>	<b>\$ 1.4</b>	<b>\$ 2.6</b>	<b>48.3%</b>	<b>51.7%</b>					
<b>Total Payroll</b>	<b>\$ 2.1</b>	<b>\$ 3.0</b>	<b>\$ 5.1</b>	<b>41%</b>	<b>59%</b>	<b>\$ 2.2</b>	<b>\$ 3.2</b>	<b>\$ 5.4</b>	<b>40.8%</b>	<b>59.2%</b>					
<b>Total Overtime</b>	<b>\$ 0.4</b>	<b>\$ 1.1</b>	<b>\$ 1.4</b>	<b>25%</b>	<b>75%</b>	<b>\$ 0.4</b>	<b>\$ 1.1</b>	<b>\$ 1.5</b>	<b>26.2%</b>	<b>73.8%</b>					

Storm Month	Description	3 Year Average of Normal Vegetation Costs Charged in the Respective Month of Storm	Actual Vegetation Costs Charged to Normal Vegetation Operations in the Month of the Storm	Difference between Average and Actual Amount	Distribution Vegetation Costs Charged to the Storm	Non-Incremental Vegetation Costs
June 2012	TS Debby	\$ 1,988,350	\$ 1,569,717	\$ 418,633	\$ 921,810	\$ 418,633
August 2012	TS Isaac	\$ 2,731,216	\$ 2,482,728	\$ 248,488	\$ 408,185	\$ 248,488
June 2016	2016 TS Colin	\$ 2,891,090	\$ 1,944,700	\$ 946,390	\$ 510,110	\$ 510,110
September 2016	Hurricane Hermine	\$ 2,715,364	\$ 2,030,321	\$ 685,043	\$ 2,027,830	\$ 685,043
October 2016	Hurricane Matthew	\$ 3,508,642	\$ 3,095,468	\$ 413,174	\$ 2,043,861	\$ 413,174
September 2017	Hurricane Irma	\$ 2,591,741	\$ 785,587	\$ 1,806,154	\$ 26,861,539	\$ 1,806,154
October 2017	Hurricane Nate	\$ 3,463,228	\$ 1,391,444	\$ 2,071,783	\$ 219	\$ 219

108. Refer to the response to Citizen’s Interrogatory No. 78. The response references a use of a 3-year average for Overtime and Vegetation Management. Provide the calculations of the averages relied on.

**ANSWER:**

Please refer to Interrogatory No. 107 to see support for Distribution’s Overtime and Vegetation Management.

Transmission’s storm costs charged to storm codes are identified by the following:

- **Region** - jurisdictional cost origination (e.g., Duke Energy Florida, Duke Energy Carolinas, Duke Energy Indiana, etc.) are identified by Responsibility Center. In other words, the Responsibility Center code specifically identifies from where which Affiliate costs originated.
- **Cost category** – each cost has an associated Resource Type, which identifies what type of cost it is (e.g., Payroll, Overtime, Materials, Contractor, Employee Expenses, etc.)

**Overtime**

For Hurricane Irma, DEF Transmission’s non-capitalized overtime was factored against a DEF 2-year average of routine workload overtime to calculate a portion of non-incremental overtime. See the Transmission Overtime Non-Incremental spreadsheet attached bearing bates numbers 20170272-DEF-OPC- POD 5-108-000001.

**Vegetation Management**

The 3-year average of Vegetation Management costs (for the month where the storm occurred) were calculated and compared to the storm month’s actuals. In the event the storm month’s actuals were less than the respective 3-year average of the same month, the difference was determined to be "Disallowed". See the Transmission Vegetation Management Non-Incremental spreadsheet attached bearing bates numbers 20170272-DEF-OPC POD 5-108-000002 through 20170272-DEF-OPC POD 5-108-000003.

109. Refer to the responses to Citizen’s Interrogatory No. 78 and 79. Explain why the distribution non-incremental amount for incentives is different for Hermine, Matthew and Irma.

**ANSWER:**

The schedule provided in Interrogatory No. 79 had a formula error and was not picking up all the incentive amounts. The schedule below has been corrected and reflects the correct amounts that tie to the schedule provided on Interrogatory No. 78

<b>Distribution</b>								
Labor Burdens / Incentives (000's)								
	<b>Debby</b>	<b>Isaac</b>	<b>Colin</b>	<b>Hermine</b>	<b>Matthew</b>	<b>Irma</b>	<b>Nate</b>	<b>Total</b>
Labor Burdens	\$ 295	\$ 230	\$ 221	\$ 824	\$ 1,220	\$ 5,968	\$ 61	8,818
Incentives	\$ 154	\$ 61	\$ 24	\$ 192	\$ 216	\$ 1,711	\$ 14	2,373
	<b>\$ 449</b>	<b>\$ 291</b>	<b>\$ 245</b>	<b>\$ 1,015</b>	<b>\$ 1,436</b>	<b>\$ 7,679</b>	<b>\$ 76</b>	<b>\$11,191</b>

110. Refer to the response to Citizen’s Interrogatory No. 81. Provide the incremental amounts for Duke Energy affiliate employees included in the filing by cost type listed on Exhibit BB-2.

**ANSWER:**

**Duke Energy Distribution Response:**

All storm costs charged to storm codes are identified by the following:

- **Region** - jurisdictional cost origination (e.g., Duke Energy Florida, Duke Energy Carolinas, Duke Energy Indiana, etc.) are identified by Responsibility Center. In other words, the Responsibility Center code specifically identifies from where which Affiliate costs originated.
- **Cost category** – each cost has an associated Resource Type, which identifies what type of cost it is (e.g., Payroll, Overtime, Materials, Contractor, Employee Expenses, etc.)

See a breakdown of incremental affiliate cost categories below:

<b>Incremental Affiliate Costs (000's thousands)</b>						
	<b>Colin</b>	<b>Hermine</b>	<b>Matthew</b>	<b>Irma</b>	<b>Nate</b>	<b>Total</b>
Regular Payroll	\$ 1	\$ 70	\$ 213	\$ 2,528	\$ 0	\$ 2,813
Overtime Payroll	\$ 3	\$ 159	\$ 738	\$ 7,823	\$ 20	\$ 8,743
Labor Burdens	\$ 2	\$ 95	\$ 396	\$ 3,674	\$ 11	\$ 4,179
Overhead Allocations	\$ -	\$ 52	\$ 110	\$ 3,223	\$ 1	\$ 3,386
Employee Expense	\$ -	\$ 60	\$ 2,618	\$ 1,219	\$ 3	\$ 3,899
Contractor Cost	\$ -	\$ 314	\$ 38	\$ 8,266	\$ 4	\$ 8,622
Materials	\$ -	\$ 367	\$ 611	\$ 8,771	\$ 166	\$ 9,914
Internal Fleet Costs	\$ -	\$ 1	\$ 99	\$ 442	\$ 2	\$ 544
Other	\$ -	\$ -	\$ 0	\$ 22	\$ -	\$ 22
	<b>\$ 7</b>	<b>\$ 1,118</b>	<b>\$ 4,822</b>	<b>\$ 35,969</b>	<b>\$ 205</b>	<b>\$ 42,121</b>

Incentives related to Affiliate employees were not considered incremental and were removed and are part of the Non-incremental schedule reflected on BB-2.

**Duke Energy Transmission Response:**

All storm costs charged to storm codes are identified by the following:

- **Region** - jurisdictional cost origination (e.g., Duke Energy Florida, Duke Energy Carolinas, Duke Energy Indiana, etc.) are identified by Responsibility Center. In other words, the Responsibility Center code specifically identifies from where which Affiliate costs originated.
- **Cost category** – each cost has an associated Resource Type, which identifies what type of cost it is (e.g., Payroll, Overtime, Materials, Contractor, Employee Expenses, etc.)

See a breakdown of incremental affiliate cost categories below:

<b>Category (in the 000s)</b>	<b>Debby</b>	<b>Isaac</b>	<b>Hermine</b>	<b>Matthew</b>	<b>Irma</b>	<b>Nate</b>
Regular Payroll	-	-	4	2	225	0
Overtime Payroll	-	-	5	7	780	1
Labor Burdens/Incentives	-	-	-	-	-	-
Overhead Allocations	326	-	-	0	402	1
Employee Expenses	-	-	0	-	1,388	1
Contractor Costs	-	-	1	2	1,144	1
Materials & Supplies	-	-	5	88	141	-
Internal Fleet Costs	-	-	-	-	76	-
Uncollectible Account Expenses	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Incremental Affiliate Total</b>	<b>326</b>	<b>-</b>	<b>15</b>	<b>100</b>	<b>4,157</b>	<b>3</b>

Note: Colin did not incur Affiliate related costs for Transmission.

111. Refer to the response to Citizen's Interrogatory No. 86. Provide the calculation of the amount classified as incremental in the Company's request.

**ANSWER:**

Please see DEF's response to OPC Request for Production of Documents #26.

**AFFIDAVIT**

STATE OF FLORIDA

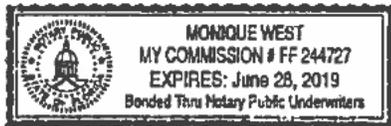
COUNTY OF PINELLAS

I hereby certify that on this 5<sup>th</sup> day of March, 2019, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared MARCIA OLIVIER, who is personally known to me, and she acknowledged before me that she provided the answers to interrogatory number 105, of OPC'S SIXTH SET OF INTERROGATORIES TO DUKE ENERGY FLORIDA, LLC (NOS. 105-111) in Docket No. 20170272-EI, and that the responses are true and correct based on her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 5<sup>th</sup> day of March, 2019.

Marcia Olivier  
MARCIA OLIVIER

Monique West  
Notary Public  
State of Florida, at Large



My Commission Expires:  
June 28, 2019

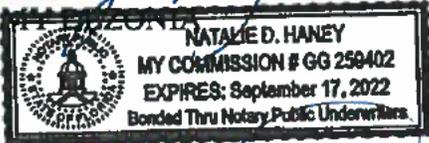
**AFFIDAVIT**

STATE OF FLORIDA

COUNTY OF PINELLAS

I hereby certify that on this 5<sup>th</sup> day of March, 2019, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared AMY DEZONIA, who is personally known to me, and she acknowledged before me that she provided the answers to interrogatory number 106, of OPC'S SIXTH SET OF INTERROGATORIES TO DUKE ENERGY FLORIDA, LLC (NOS. 105-111) in Docket No. 20170272-EI, and that the responses are true and correct based on her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 5<sup>th</sup> day of March, 2019.

*Amy DeZonia*  
AMY DEZONIA  
  
*Natalie D. Haney*

Notary Public  
State of Florida, at Large

My Commission Expires:

9/17/2022

**AFFIDAVIT**

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

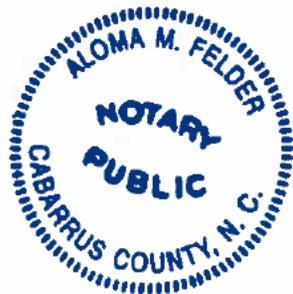
I hereby certify that on this 5<sup>th</sup> day of March, 2019, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared BRYAN BUCKLER, who is personally known to me, and has acknowledged before me that he provided the answers to interrogatory numbers 107, 108, 109, 110, and 111 of OPC'S SIXTH SET OF INTERROGATORIES TO DUKE ENERGY FLORIDA, LLC (NOS. 105-111) in Docket No. 20170272-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 5<sup>th</sup> day of March, 2019.

Bryan Buckler  
BRYAN BUCKLER

Aloma M. Felder  
Notary Public Aloma M. Felder  
State of North Carolina

My Commission Expires July 21, 2020



Category	Resp Center Location	Resource Type ID	CB	Sum of Monetary Amount	JD
Overtime Payroll	DEF TO DEF	12000		32,750	
		12004		950,199	
		13000		376,567	
<b>Overtime Payroll Total</b>				<b>1,359,516</b>	
<b>Grand Total</b>				<b>1,359,516</b>	

DEF Employees Overtime	Overtime Percentage
1,359,516 Irma DEF Overtime	2017 14.36%
14.30% DEF 2 year OT average	2016 14.24%
	Average 14.30%
<b>194,360</b> Overtime to Disallow from Storm	

		Tree Trimming				
Storm Month	Description	3-year Average	Actual	Favorability	Total Storm Veg Costs	Non-Incremental Veg
June 2012	TS Debby	241,451	1,193,173	-	-	-
August 2012	TS Isaac	359,281	221,890	137,391	-	-
June 2016	2016 TS Colin	813,723	411,533	402,189	11,804	11,804
September 2016	Hurricane Hermine	451,803	344,012	107,791	72,232	72,232
October 2016	Hurricane Matthew	620,289	304,964	315,325	62,056	62,056
September 2017	Hurricane Irma	433,240	143,745	289,496	1,897,232	289,496
October 2017	Hurricane Nate	510,591	529,481	-		-

Total Costs

	January	February	March	April	May	June	July	August	September	October	November	December	Total
2017	87,094	515,282	388,392	351,852	259,601	201,745	218,310	399,842	143,745	529,481	600,201	228,659	3,924,203
2016	256,803	414,319	571,799	401,758	370,319	411,533	394,489	500,666	344,012	304,964	399,504	796,151	5,166,317
2015	430,050	629,830	624,418	666,505	549,386	542,355	441,114	344,642	328,108	366,659	285,422	807,528	6,016,019
2014	367,549	361,613	259,313	684,061	239,473	1,247,732	599,546	568,982	627,601	860,151	590,842	328,993	6,735,857
2013	624,005	378,579	193,737	250,201	20,620	651,081	471,582	510,731	399,699	634,058	757,298	735,760	5,627,351
2012	(134,530)	668,976	212,183	218,271	311,649	1,193,173	85,764	221,890	325,218	528,377	437,022	360,831	4,428,824
2011	8,341	830,203	424,374	342,904	259,421	365,922	111,780	369,366	478,699	354,072	673,667	1,115,245	5,333,994
2010	270,008	99,312	299,929	242,587	485,471	31,572	175,789	335,949	239,399	162,254	15,910	1,055,793	3,413,973
2009	266,663	206,234	74,967	156,624	360,609	326,860	309,478	372,528	365,898	529,789	166,519	823,320	3,959,489

Storm Month	Description	3-year Averag	Actual
June 2012	TS Debby	241,451	1,193,173
August 2012	TS Isaac	359,281	221,890
June 2016	2016 TS Colin	813,723	411,533
September 2016	Hurricane Hermine	451,803	344,012
October 2016	Hurricane Matthew	620,289	304,964
September 2017	Hurricane Irma	433,240	143,745
October 2017	Hurricane Nate	510,591	529,481