

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 20170272-EI

Dated: June 1, 2018

DUKE ENERGY FLORIDA, LLC’S FIRST SUPPLEMENTAL RESPONSE TO CITIZENS’ FIRST SET OF INTERROGATORIES (NOS. 1-50)

Duke Energy Florida, LLC (“DEF”), subject to and without waiving the contemporaneously served objections to these requests, responds to the Citizens of the State of Florida, through the Office of the Public Counsel’s (“Citizens” or “OPC”) First Set of Interrogatories to DEF (Nos. 1-50) as follows:

1. Storm Timeline. For each of the seven storms listed on Appendix A, Page 1 and Page 7 of the Company’s December 28, 2017 filing, provide a timeline summary indicating when the first costs were incurred, when the majority of the mobilization began, when the storm began, the peak storm time, when the storm ended, when demobilization started, when the majority of final costs were incurred and when the final cost was incurred (i.e., when follow-up work was completed).

Answer:

Storm	1 st cost Incurred (month)	Mobilization Began	Storm Began	Storm Peak	Storm Ended	Demobilization Started	Majority Of Final Cost (month)	Final Cost (month)
Debby	June 2012	6/25/12	6/24/12	6/27/12	6/27/12	6/29/12	June 2012	April 2013
Isaac	August 2012	8/25/12	8/27/12	8/27/12	8/27/12	8/27/12	August/Sept 2012	April 2013
Colin	June 2016	6/2/16	6/5/16	6/5/16	6/6/16	6/6/16	June 2016	May 2017
Hermine	August 2016	8/31/16	9/1/16	9/2/16	9/5/16	9/3/16	August 2016	July 2017
Matthew	October 2016	10/5/16	10/6/16	10/7/16	10/10/16	10/8/16	October 2016	July 2018
Irma	September 2017	9/9/17	9/11/17	9/12/17	9/19/17	9/17/17	September 2017	Final Incurred cost still being received

Nate	October 2017	10/7/17	10/7/17	10/7/17	10/8/17	10/8/17	October 2017	Final Incurred cost still being received
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2. Hurricane Matthew. Refer to Appendix A, page 7. Please explain how the Company incurred approximately \$35,800,000 in Hurricane Matthew related costs when according the NOAA storm track for Hurricane Matthew, the eye of the storm traveled up Florida’s east coast without making landfall in Florida. See https://www.nhc.noaa.gov/data/tcr/AL142016_Matthew.pdf at page 82.

Answer:

Although the eye of Hurricane Matthew never made landfall in Florida, DEF must prepare to respond to a storm’s impact without the benefit of knowing exactly where, or if, the storm will officially make landfall in Florida, and preparation alone can result in significant costs. Moreover, as with Matthew, a storm can cause severe disruptions to electrical service and facilities without making landfall. The center of Matthew tracked just east of Florida’s Atlantic coast causing extensive damage and power outages to the eastern Florida Peninsula, even though Matthew never officially made landfall on the Florida Peninsula. The strongest, hurricane-strength winds and gusts were registered along and near the east coast, and tropical storm-force sustained winds and gusts were generally observed at stations throughout the eastern half of the Peninsula with rain totals ranging from 5-7”.

Deland- 62 mph sustained winds
Orlando-61mph sustained winds
North and south central zones-30-40 mph sustained winds
Pinellas County and neighboring counties-40-50 mph wind gust

Both sustained winds, wind gust and rain associated with Hurricane Matthew resulted in 316,600 customers restored (165,300 Peak Customers Out and 8,094 Outage Events).

3. Vegetation Management. Refer to the Company’s response to Citizens’ Interrogatory No. 5 in Docket No. 20170215-EI. Provide for each year 2012-2017 the amount of vegetation management that was allowed in base rates O&M expense.

Answer: See response previously provided on April 18, 2018.

4. Poles. Refer to the Company’s response to Citizens’ Interrogatory No. 8c in Docket No. 20170215-EI. Provide for each year 2008-2017 the amount of cost capitalized for the replacements listed.

Answer: See response previously provided on April 18, 2018.

5. Poles. Refer to the Company's response to Citizens Interrogatory No. 8c and 8e in Docket No. 20170215-EI. Are the storm replaced poles included in the pole counts listed in 8c?

Answer: See response previously provided on April 18, 2018.

6. Poles. Provide, for each of the seven storms, a summary of the number of poles replaced, by either Company crews or contractors, by month and location, identifying whether the replacement was capitalized and if capitalized, the cost capitalized.

Answer: Please see the attached document bearing Bates Number 20170272-DEF-OPC-ROG 1-6-00002 which supersedes the document bearing Bates Number 20170272-DEF-OPC-ROG 1-6-00001.

7. System. Starting in 2015, please provide a summary of distribution miles that identifies the number of miles, the number of poles, the amount of conductor, and the number of transformers by district.

Answer: See response previously provided on April 18, 2018.

8. System. For each of the seven storms, please provide the number of miles, the number of poles, the amount of conductor and the number of transformers that were impacted by each of the respective storms.

Answer: See response previously provided on April 18, 2018.

9. Storm Accounting Policies and Procedures. Provide a detailed explanation how the storm costs were accounted for (i.e. by cost code or other designation), including the designation used, how the costs were charged to specific functions, how materials and supplies were accounted for (i.e. withdrawn from inventory and charged to the storm, how vehicle and fuel costs were tracked or assigned, and how contractors and vendors were instructed to account for capital work.

Answer: See response previously provided on April 18, 2018.

10. Storm Accounting Policies and Procedures. Since the storms cover the years 2012 through 2017, please identify any major changes to the accounting policies and procedures and when they occurred.

Answer: See response previously provided on April 18, 2018.

11. Contractors. Explain what measures are taken to determine that contractors rates are reasonable and comparable from contractor to contractor.

Answer:
DEF will provide this response at a later date.

12. Standby. Does the Company have any information that would identify what costs were incurred for standby contractors and mutual assistance? If not, explain why the Company does not analyze this cost, how the Company mitigates standby and how the Company can assert that all the cost requested are reasonable. If yes, please provide the information.

Answer:
As a general practice in the utility industry, the assistance period commences when the responding company begins responding to the requesting utility's needs and ceases when the responding company is released and has returned back to their point of origin. Due to the nature of emergency assistance, mutual assistance agreements are based on labor hours to prepare, respond, and return to home base. Off system contractor and Mutual Assistance resources (line, tree, damage assessment, leadership, and support) record direct hours worked in support of the storm and do not typically differentiate by activity. In general, resources are either "pre-positioned" strategically ahead of landfall or working in direct support of restoration. Pre-positioning is necessary to have resources close to areas of damage so that restoration work can begin as soon as possible; for example in support of county EOC road clearing. Crews staged outside the hurricane path must travel large distances and navigate evacuation traffic to reach affected areas.

Under normal operations crews may be held over from the end of their shift with pay in anticipation of inclement weather in order to accelerate restoration. If weather does not develop, crews receive standby pay. In hurricane Irma all crews charging the event performed restoration work, so no standby was paid. In contrast, DEF incurred costs it considers "standby" costs in response to hurricane Nate; DEF called for mutual aid in

anticipation of the storm impacting DEF's service territory, when the storm's track shifted and DEF escaped the impact of the storm, the aid resources were released.

DEF attempts to secure the assistance it deems necessary to appropriately respond to the storm event, recognizing that these decisions must be made in advance of landfall to both ensure that sufficient resources can be obtained and to allow those resources sufficient time to mobilize and travel to, or as close as possible to, DEF's service territory so those resources are in position to begin response efforts as soon as conditions allow. DEF is mindful of its obligation to prudently manage its costs, but it is nonetheless incumbent on DEF to ensure adequate resources are available to restore service to its customers as quickly and safely as reasonably possible. To that end, DEF "mitigates" standby costs by using its collective judgment and experience to engage the appropriate amount of outside assistance. DEF manages its contract rates to ensure the rates it pays are reasonable in the marketplace.

Certain contractors may identify "standby" time on their invoices; however, DEF has no knowledge of how those contractors define standby, and therefore DEF does not specifically track those costs.

13. Recovery. Please refer to paragraph 18 of the Petition filed on December 28, 2017, please explain why the Company's issues do not include the other five named storms on Appendix A, Page 7 which reduced the storm reserve balance prior to the 2017 storm season and whether those costs were properly charged against the storm reserve pursuant to Rule 25-6.0143, F.A.C.

Answer: See response previously provided on April 18, 2018.

14. Please provide, for each of the seven storms, a summary of the number of miles of conductor replaced, by Company crews or contractors, by month and location, identifying whether the replacement was capitalized and if capitalized, the cost capitalized.

Answer: Please see the document responsive to question 6 bearing Bates Number 20170272-DEF-OPC-ROG 1-6-00002 which supersedes the document bearing Bates Number 20170272-DEF-OPC-ROG 1-6-00001.

15. Please provide, for each of the seven storms, a summary of the number of cross arms replaced, by Company crews or by contractors, by month and location, identifying whether the replacement was capitalized and if capitalized, the cost capitalized.

Answer: Please see the document responsive to question 6 bearing Bates Number 20170272-DEF-OPC-ROG 1-6-00002 which supersedes the document bearing Bates Number 20170272-DEF-OPC-ROG 1-6-00001.

16. Please provide, for each of the seven storms, a summary of the number of cross transformers replaced, by Company crews or by contractors, by month and location, identifying whether the replacement was capitalized and if capitalized, the cost capitalized.

Answer: Please see the document responsive to question 6 bearing Bates Number 20170272-DEF-OPC-ROG 1-6-00002 which supersedes the document bearing Bates Number 20170272-DEF-OPC-ROG 1-6-00001.

17. Cost Summary. Provide for the storms listed on Appendix A, Page 7 a summary similar to that presented for Irma and Nate on Page 1 of Appendix A.

Answer: Appendix A was attached to DEF's estimated cost filing on December 28, 2018. DEF has filed its actual cost filing on May 31, 2018. Please refer to Exhibit No. __ (BB-2) for the answer to this question.

18. Cost Summary. Provide for the each storm listed on Appendix A, Page 1 a summary, by function, of the respective types of costs included in total listed on line 2 and line 6 (i.e. regular payroll, overtime payroll, contractors, line clearing, materials & supplies, etc.).

Answer: Appendix A was attached to DEF's estimated cost filing on December 28, 2018. DEF has filed its actual cost filing on May 31, 2018. Please refer to Exhibit No. __ (BB-2) for the answer to this question.

19. Cost Summary. Provide for the each storm listed on Appendix A, Page 7 a summary, by function, of the respective types of costs included in the each of the total listed on lines 3

through 7 (i.e. regular payroll, overtime payroll, contractors, line clearing, materials & supplies, etc.).

Answer: Appendix A was attached to DEF’s estimated cost filing on December 28, 2018. DEF has filed its actual cost filing on May 31, 2018. Please refer to Exhibit No. __ (BB-2) for the answer to this question.

20. Mobilization/Demobilization. Refer to Appendix A Page 1 and Page 7. For each of the storms provide a summary, by function, of what amount of contractor and what amount of line clearing costs are included in their respective totals were for mobilization and demobilization.

Answer:

Please see DEF’s response to question #12 above. As general practice, Duke Energy, when engaging mutual assistance/contractors for emergency restoration, does not break out or specify standby / mobilization / demobilization charging and therefore does not track costs in that manner. At this time utility emergency assistance practice is that the assistance period commences when personnel and/ or equipment are initially incurred by the responding company to the requesting utility’s needs. Due to the nature of emergency assistance, practice agreements are based on labor hours to prepare, respond, and return to home base.

21. Capitalized Cost. Provide, for each of the seven storms, a detailed summary, by function, that shows an itemization of plant costs by type (i.e. poles, conductor, cross arms, transformers, etc.) that were capitalized, the associated quantities and the associated costs.

Answer: Below are distribution capitalized costs. Transmission capitalized costs will be provided at a later date.

Type of Material (#)	Debby	Isaac	Hermine	Matthew	Irma	Total
Transformer - Pole	83	2	158	173	1,580	1,996
Transformer - Padmount	17	1	20	15	73	126
Wire	132,791	11,143	116,190	169,548	1,715,421	2,145,093
Cutout	285	-	315	321	4,134	5,055
Pole	89	7	75	213	2,130	2,514
Cable - Underground	-	1,770	-	45	22,904	24,719
Arrestor	66	-	281	212	1,923	2,482
Switchgear	-	-	-	1	3	4

Luminaire	6	65	-	-	477	548
Recloser	-	-	-	-	-	-
Regulator	-	-	-	-	2	2
Streetlight Pole	1	-	-	-	139	140

Type of Material (\$)	Debby	Isaac	Hermine	Matthew	Irma	Total
Transformer - Pole	\$ 85,607	\$ 1,699	\$ 112,962	\$ 127,258	\$1,226,725	\$ 1,554,251
Transformer - Padmount	\$ 61,194	\$ 1,783	\$ 75,614	\$ 42,164	\$ 290,315	\$ 471,070
Wire	\$ 79,881	\$ 6,136	\$ 37,565	\$ 58,020	\$ 597,220	\$ 778,823
Cutout	\$ 18,646	\$ -	\$ 15,984	\$ 14,155	\$ 221,910	\$ 270,695
Pole	\$ 13,238	\$ 2,081	\$ 11,382	\$ 35,158	\$ 330,955	\$ 392,815
Cable - Underground	\$ -	\$ 3,171	\$ -	\$ 59	\$ 31,915	\$ 35,144
Arrestor	\$ 2,628	\$ -	\$ 7,670	\$ 5,200	\$ 46,528	\$ 62,026
Switchgear	\$ -	\$ -	\$ -	\$ 18,184	\$ 47,423	\$ 65,607
Luminaire	\$ 321	\$ 5,965	\$ -	\$ -	\$ 56,140	\$ 62,425
Recloser	\$ -	\$ -	\$ (0)	\$ -	\$ -	\$ (0)
Regulator	\$ -	\$ -	\$ -	\$ -	\$ 24,750	\$ 24,750
Streetlight Pole	\$ 152	\$ -	\$ 0	\$ -	\$ 43,619	\$ 43,771
	\$ 261,667	\$ 20,835	\$ 261,178	\$ 300,197	\$2,917,499	\$ 3,761,376

The above material costs reflect the direct cost and does not include any material burden. That is applied during the capital calculation - see OPC ROG 22.

22. Capitalized Cost. Provide, for each of the seven storms, a detailed summary, by function, that shows an itemization of costs by type (i.e. regular payroll, overtime payroll, contractors, line clearing, materials & supplies etc.).

Answer: Below are distribution capitalized costs. Transmission capitalized costs will be provided at a later date.

Material Components:	Debby	Isaac	Hermine	Matthew	Irma	Total
Capital Materials - Units of Property	\$ 261,667	\$ 20,835	\$ 261,178	\$ 300,197	\$ 2,917,499	\$ 3,761,376
Capital Materials - Warehouse Burdens	\$ 26,167	\$ 2,084	\$ 26,118	\$ 30,020	\$ 291,750	\$ 376,138
Working Stock materials	\$ 39,250	\$ 3,125	\$ 39,177	\$ 45,030	\$ 437,625	\$ 564,206
Capital Materials - Units of Property incl Burdens	\$ 327,084	\$ 26,044	\$ 326,472	\$ 375,246	\$ 3,646,873	\$ 4,701,720
Labor Components:						
Labor & Burdens to install Units of Property	\$ 399,362	\$ 37,228	\$ 412,737	\$ 748,331	\$ 7,753,275	\$ 9,350,933
Contractor/Affiliate adder	\$ 243,054	\$ 22,657	\$ 231,029	\$ 418,877	\$ 4,248,752	\$ 5,164,369
Overhead Allocation - applied to Labor only	\$ 79,872	\$ 7,446	\$ 107,919	\$ 190,932	\$ 2,261,726	\$ 2,647,895
Fleet Loading - applied to Labor only	\$ 99,841	\$ 9,307	\$ 103,469	\$ 183,678	\$ 2,337,352	\$ 2,733,646
Capital Labor on UOP incl Loading items	\$ 822,129	\$ 76,638	\$ 855,153	\$ 1,541,818	\$ 16,601,106	\$19,896,844
Distribution Capital Cost	\$ 1,149,213	\$ 102,682	\$ 1,181,626	\$ 1,917,065	\$ 20,247,979	\$ 24,598,564

23. Non-incremental Costs. Provide, for each of the seven storms, a detailed summary, by function, that shows an itemization of costs by type (i.e. regular payroll, overtime payroll, contractors, line clearing, materials & supplies etc.).

Answer: DEF has provided this information as Exhibit No. __ (BB-2) to the direct testimony of Bryan Buckler on May 31, 2018.

24. Payroll. Refer to Appendix A. For each of the seven storms provide an explanation of what related costs, if any, are included in the overtime payroll amounts, identify each type of related costs and the respective amount(s) (i.e. benefits, overheads and payroll taxes) and provide the overtime included in the total cost for each respective storm.

Answer: DEF will provide this response at a later date.

25. Payroll. Refer to Appendix A. For each of the seven storms provide an explanation of what related costs, if any, are included in the regular payroll amounts, identify each type of related costs and the respective amount(s) (i.e. benefits, overheads and payroll taxes) and provide the overtime included in the total cost for each respective storm.

Answer: DEF will provide this response at a later date.

26. Payroll. Refer to Appendix A. Identify the amount of any incentive compensation included in the recorded costs charged to each of the seven storms and identify how any of the costs were excluded from this request (i.e. as non-incremental or as capitalized).

Answer: DEF will provide this response at a later date.

27. Payroll. Provide for each year, 2012, 2016 and 2017 the regular payroll, by O&M account, included in base rates identifying the Docket setting rates and the effective date rates when into effect (i.e. if rates went into effect during the year provide a prorate from each docket for that year).

Answer: See response previously provided on April 18, 2018.

28. Payroll. Provide for each year, 2012, 2016 and 2017 the actual regular payroll, by O&M account for that year.

Answer: See response previously provided on April 18, 2018.

29. Payroll. Provide for each year, 2012, 2016 and 2017 the overtime payroll, by O&M account, included in base rates identifying the Docket setting rates and the effective date rates when into effect (i.e. if rates went into effect during the year provide a prorate from each docket for that year).

Answer: See response previously provided on April 18, 2018.

30. Payroll. Provide for each year, 2012, 2016 and 2017 the actual overtime payroll, by O&M account for that year.

Answer: See response previously provided on April 18, 2018.

31. Regular Payroll. Provide, for each of the seven storms, a summary of the regular payroll by week charged to restoration work order (i.e. this would be just payroll and excludes overheads and/or other related costs).

Answer: DEF will provide this response at a later date.

32. Overtime Payroll. Provide, for each of the seven storms, a summary of the overtime payroll by week by charged to restoration work order (i.e. this would be just payroll and excludes overheads and/or other related costs).

Answer: DEF will provide this response at a later date.

33. Third Party Billing. Refer to Appendix A. Was the Company billed by any third party pole owners for pole replacements performed by the third party during any of the seven storms and if so provide a summary of costs by third parties for each storm.

Answer: See response previously provided on April 18, 2018.

34. Third Party Billing. Refer to Appendix A. Did the Company bill by any third party for pole replacements performed by the Company or its contractors during any of the seven storms and if so provide a summary of costs billed the third party for each storm.

Answer: See response previously provided on April 18, 2018.

35. Third-Party Reimbursement. Provide an explanation how the costs for third-party reimbursement were tracked and billed and include a summary of poles replaced during any of the seven storms along with the respective associated cost.

Answer: See response previously provided on April 18, 2018.

36. Overhead Costs. For payroll costs if an overhead rate was used for benefits and other related costs provide, by year, the respective overhead rates and an explanation of how the rates were determined.

Answer: See the attached schedule bearing Bates Number 20170272-DEF-OPC ROG-1-36-00001.

37. Overheads. Provide for the same time period storm costs were recorded the respective overhead rates used for recording the normal general operating costs for the Company and explain any difference between the normal rates and the rates used for storm costs.

Answer:

The same rate would be applied to any labor associated with storm costs as was applied to labor elsewhere in the Company.

38. Outside Contractors. Are all outside contractors' time to be approved by a Company representative? If yes, what happens if time reports are not approved? If no, explain why not and how the Company can be confident that the services were performed?

Answer:

Yes, outside contractors are supervised by Company personnel and time spent on restoration activities is one element of that supervision function; DEF's feeder coordinators review time sheets daily and provide feedback to the storm center about crew effectiveness. When Duke Energy is responding to hurricane events requiring significant resources acquisition, Duke Energy line resources, because of their knowledge

of our system and the availability of technology in their vehicles, are assigned oversight of off-system contractor resources. Typically, the ratio is 1 Duke Energy employee to approximately 25 off-system contract resources. Duke Energy and off-system resources transition to standard daytime and overnight working schedules. The Duke Energy resources oversee daily safety, operational performance and schedule adherence of the off-system contractors. In addition, all contractor invoices are audited for accuracy.

39. Line Clearing. Refer to Appendix A. Provide, for each of the seven storms, a summary of line clearing costs (listing each invoice), and the line clearing contractor.

Answer: DEF will provide this response at a later date.

40. Line Clearing. Refer to Appendix A. Provide, for each the seven storms, a summary showing the date and number of crews mobilized and the date and number of crews demobilized.

Answer:

Debby - 2012		
Date	Mobilized	Demobilized
6/25/12	230	0
6/26/12	85	0
6/27/12	14	0
6/29/12	0	164
6/30/12	0	115
7/1/12	0	50

Isaac - 2012		
Date	Mobilized	Demobilized
8/25/12	150	0
8/27/12	0	100
8/29/12	0	50

Colin - 2016		
Date	Mobilized	Demobilized
6/2/16	41	0
6/6/16	0	41

Hurricane Hermine - 2016		
Date	Mobilized	Demobilized
8/31/16	32	0
9/1/16	191	0
9/2/16	23	0
9/3/16	143	34
9/4/16	0	118
9/5/16	0	0
9/6/16	0	217
9/7/16	0	20

Hurricane Matthew - 2016		
Date	Mobilized	Demobilized
10/5/16	163	0
10/6/16	71	0
10/7/16	0	0
10/8/16	0	27
10/9/16	0	44
10/10/16	0	0
10/11/16	0	163

Hurricane Irma - 2017		
Date	Mobilized	Demobilized
9/9/17	105	0
9/10/17	295	0
9/11/17	96	0
9/12/17	683	0
9/13/17	767	0
9/14/17	437	0
9/15/17	377	0
9/16/17	436	2
9/17/17	357	1516
9/18/17	339	118
9/19/17	141	77
9/20/17	40	1779
9/21/17	0	515
9/22/17	0	12
9/23/17	0	5
9/24/17	0	49

Nate - 2017		
Date	Mobilized	Demobilized
10/7/17	242	0
10/8/17	0	242

41. Contractors. Explain in detail what services were performed by function by outside contractors (i.e. pole & wire work, plant repairs, etc.). If different for any of the seven storms please explain the difference.

Answer:

In general, Logistics contractors are utilized to support the utilization of the following assets skills, resource, labor needs:

- Vegetation Contractors perform tree trimming in support restoration efforts
- Transmission & Distribution contract resources (overhead and underground) set poles, perform wire work (splice and replace), repair or replace overhead and underground equipment, replace transformers, repair and replace street light equipment, replace services, County EOC support, support Road Clearing and Make It Safe efforts.
- Damage Assessment contractors for both Transmission & Distribution perform damage assessment in advance of line resources performing restoration and capture the impact to our electrical system. Transmission contractors may perform DA form both the air and ground.
- Duke Energy leverages contract resources to perform general support and administrative roles

Distribution and Transmission outside contractors leveraged for logistics support including but not limited to meals, lodging, fuel, security, base camp support, traffic control, transportation, laundry services, material management etc

- Base Camp Assets & Services: Main feeding tent and other supporting tents, tables and chairs, light towers, mobile offices/command centers, porta-lets, generators, wash stations, forklifts & pallet jacks, Audio/Video service, fencing/barricades, dumpsters, containment, etc.
- Alternative Housing Assets: In addition to Base Camp assets, includes Sleeper trailers with linens and/or tents and cots with linens, mobile shower/bathroom units, and

housekeeping services. All living quarters shall have appropriate space conditioning for the current climate conditions.

- Food Services: Tables, chairs, mobile kitchen, catering tents, housekeeping services, ability to run meals to satellite locations.
- Parking Services: Parking and flagging on-site with appropriate signage, MOT flaggers for off-site traffic control (in roadways)
- Transportation Services: Busing or shuttle van service (including drivers)
- Lodging Services: Additional hotel coordination resources. Crew Support acquires hotel accommodations through a 3rd party vendor. Potential support needed for hotel key pick-up, room assignment, and key distribution.
- Fuel Services: Fueling, hazmat containment, vehicle maintenance
- Laundry Services: Laundry facilities with laundry collection and distribution coordination. Laundry facilities must be able to support Fire Retardant clothing cleaning requirements.
- Materials Services: Material handling and distribution
- Potential Supplemental Resource Needs: Runners, Additional Site Support, MOT flaggers, Certified Fork Lift Operators, Oversight/Leadership
- Logistics data management at System Logistics Center (data uploading and management of resources, resource type and logistical support for resources).

Customer Service contractors performed the following:

- The services performed were related to the inbound overflow and outbound calls.
- For IRMA and MATTHEW we engaged a service that automatically called customers to give them restoration updates.

Generation contractors performed the following:

- Contract labor and support used to prepare for, staff during, and recover from IRMA, including repairs to plant.

42. Contractors. Identify whether contractors set poles and provide for each of the seven storms the number of poles set by contractors.

Answer: See response previously provided on April 18, 2018.

43. Contractors. Refer to Appendix A. Provide, for each of the seven storms, a summary of costs (listing each invoice) by function, by contractor.

Answer: DEF will provide this response at a later date.

44. Materials & Supplies Expense. Refer to Appendix A. Provide, for each of the seven storms, a summary listing costs, by function, by type of costs.

Answer: DEF will provide this response at a later date.

45. Vehicle & Fuel. Provide, for each of the seven storms, a summary of costs by function identifying the costs by type (i.e. overhead charge, invoiced, contractor/vendor charge, other, etc.) that are included storm cost total.

Answer: DEF will provide this response at a later date.

46. Other Operating Expenses. Explain what type of costs are included in other operating expenses and provide, for each of the seven storms, a summary of costs, by type, by function. Also identify whether P Card costs are included and if so provide a separate summary of those costs by invoice amount.

Answer: DEF will provide this response at a later date.

47. Employee Expenses. Explain what type of costs are included in employee expenses and provide, for each of the seven storms, a summary of costs, by type, by function. Also identify whether P Card costs are included and if so provide a separate summary of those costs by invoice amount.

Answer: DEF will provide this response at a later date.

48. Tree Trimming. Provide for each of the seven storms the amount of line clearing costs by month.

Answer:

Please see the attached document bearing Bates Numbers 20170272-DEF-OPC-ROG 1-48-00001 (Transmission) and 20170272-DEF-OPC-ROG 1-48-00004 (Distribution).

49. Tree Trimming. Provide for each of the seven storms, for any month where line clearing costs were charged to the restoration work order the previous three calendar years of costs for that same month that were charged to O&M expense.

Answer:

Please see the documents responsive to question 48, specifically pages bearing Bates Numbers 20170272-DEF-OPC-ROG 1-48-00002 (Transmission) and 20170272-DEF-OPC-ROG 1-48-00005 (Distribution).

50. Tree Trimming. Rule 25-6.0143(1)(f) states: “The types of storm related costs prohibited from being charged to the reserve under the ICCA [Incremental Cost and Capitalization Approach] methodology include, but are not limited to, the following” and paragraph 8 states: “Tree trimming expenses, incurred in any month in which storm damage restoration activities are conducted, that are less than the actual monthly average of tree trimming costs charged to operation and maintenance expense for the same month in the three previous calendar years.” are to be excluded. Provide monthly calculations performed by the Company for each of the seven storms that would show whether the Company is in compliance with this requirement.

Answer:

Please see the documents responsive to question 48, specifically pages bearing Bates Numbers 20170272-DEF-OPC-ROG 1-48-00003 (Transmission) and 20170272-DEF-OPC-ROG 1-48-00006 (Distribution).

Debby
Isaac
Others

Number of Poles	June	July	August	September	October	November	Total	Capital Material Cost of Poles	June	July	August	September	October	November	Total
DebbyPole	87	2					89	Debby	\$ 12,683	\$ 556					\$ 13,238
DebbyStreetlight Pole	1							Debby - Streetlight Poles	152						
IsaacPole			7				7	Isaac			2,058	24			\$ 2,081
ColinPole							-	Colin							\$ -
HerminePole				75			75	Hermine				\$ 11,382			\$ 11,382
MatthewPole					213		213	Matthew					\$ 35,158		\$ 35,158
IrmaPole				1,878	252		2,130	Irma				\$ 287,657	\$ 43,299		\$ 330,955
IrmaStreetlightPole				66	73		139	Irma - Streetlight Poles				\$ 42,041	\$ 1,578		\$ 43,619

Feet of Wire	June	July	August	September	October	November	Total	Capital Material Cost of Wire	June	July	August	September	October	November	Total
DebbyWire	122,513	10,278					132,791	Debby	\$ 74,270	\$ 5,612					\$ 79,881
IsaacWire			11,143				11,143	Isaac			6,136				\$ 6,136
ColinWire							-	Colin							\$ -
HermineWire			32,940	82,650	600		116,190	Hermine			\$ 15,270	\$ 21,846	\$ 449		\$ 37,565
MatthewWire					169,548		169,548	Matthew					\$ 58,020		\$ 58,020
IrmaWire				1,573,322	138,099	4,000	1,715,421	Irma				\$ 549,849	\$ 45,045	\$ 2,325	\$ 597,220
NateWire							-	Nate							\$ -

Feet of Cable Underground	June	July	August	September	October	November	Total	Capital Material Cost of Cable Underground	June	July	August	September	October	November	Total
DebbyCable - Underground							-	Debby							\$ -
IsaacCable - Underground			1,770				1,770	Isaac			\$ 3,171				\$ 3,171
ColinCable Underground							-	Colin							\$ -
HermineCable Underground							-	Hermine							\$ -
MatthewCable Underground					45		45	Matthew					\$ 59		\$ 59
IrmaCable Underground				11,550	11,354		22,904	Irma				\$ 16,869	\$ 15,046		\$ 31,915
NateCable Underground							-	Nate							\$ -

Number of Crossarms	June	July	August	September	October	November	Total	Material Cost of Crossarms	June	July	August	September	October	November	Total
DebbyCrossarm	33	8					41	Debby	\$ 1,248	\$ 344					\$ 1,592
IsaacCrossarm			7				7	Isaac			\$ 208				\$ 208
ColinCrossarm							-	Colin							\$ -
HermineCrossarm			20	25			45	Hermine			\$ 602	\$ 917			\$ 1,519
MatthewCrossarm					153		153	Matthew					\$ 5,959		\$ 5,959
IrmaCrossarm				585	42		627	Irma				\$ 66,303	\$ 4,843		\$ 71,146
NateCrossarm							-	Nate							\$ -

Number of Transformers - Pole	June	July	August	September	October	November	Total	Capital Material Cost of Transformers - Pole	June	July	August	September	October	November	Total
DebbyTransformer - Pole	75	8					83	Debby	\$ 78,085	\$ 7,522					\$ 85,607
IsaacTransformer - Pole			2				2	Isaac			\$ 1,699				\$ 1,699
ColinTransformers - Pole							-	Colin							\$ -
HermineTransformers - Pole			106	52			158	Hermine			\$ 70,742	\$ 42,220			\$ 112,962
MatthewTransformers - Pole				-	140	33	173	Matthew					\$ 110,350	\$ 16,908	\$ 127,258
IrmaTransformers - Pole				1,527	53		1,580	Irma				\$ 1,183,365	\$ 43,360		\$ 1,226,725
NateTransformers - Pole							-	Nate							\$ -

Number of Transformers - Padmount	June	July	August	September	October	November	Total	Capital Material Cost of Transformers - Padmount	June	July	August	September	October	November	Total
DebbyTransformer - Padmount	15	2					17	Debby	\$ 56,214	\$ 4,981					\$ 61,194
IsaacTransformer - Padmount			2	(1)			1	Isaac			\$ 12,440	\$ (10,657)			\$ 1,783
ColinTransformers - Padmount							-	Colin							\$ -
HermineTransformers - Padmount				20			20	Hermine				\$ 75,614			\$ 75,614
MatthewTransformers - Padmount					15		15	Matthew					\$ 42,164		\$ 42,164
IrmaTransformers - Padmount				66	7		73	Irma				\$ 284,081	\$ 6,234		\$ 290,315
NateTransformers - Padmount							-	Nate							\$ -

Storm Cost Recovery

<u>Loader Percentages</u>	<u>2017</u>	<u>2016</u>	<u>2012^(a)</u>	<u>Detailed explanation</u>
Benefits	14.86%	17.14%	32.87%	The benefits loader percentage is a simple calculation of budgeted benefits divided by budgeted labor
Incentives				
non-union	10.50%	10.50%	9.40%	The non-union incentive loader percentage represents an average amount of incentive payout, at target, as a percentage of a participant's eligible earnings, for non-union employees participating in the Short-term Incentive Plan (STI)
union	3.00%	3.00%		The union incentive loader percentage represents an average amount of incentive payout, at target, as a percentage of a participant's eligible earnings, for union employees participating in the Union Employee Incentive Plan (UEIP)
Payroll Tax	7.65%	7.65%	7.65%	We use a tax loader percentage of 7.65% to allocate the employer portion of payroll taxes throughout the year, which represents the approximate historical average of payroll tax payments. In December we change the rate to true it up to actual. This rate includes FICA (OASDI & Med), federal unemployment, state unemployment and any employer local taxes Service Company Overhead Loader Applies to all Service Company labor.
Service Company Overhead Loader	25.25%	27.59%	15.42% (post merger)	As part of a fully distributed cost, an overhead component is charged to Affiliates as a percentage of Service Company labor costs, whether direct charged, distributed or allocated. This overhead represents the cost of shared services provided to shared services employees. <ul style="list-style-type: none"> • A Service Company overhead rate is based on historical enterprise overhead charged to FE&G in the following functions: Information Systems, Transportation, Human Resources, Materials Management, Accounting, Legal, Finance, Facilities, Internal Auditing, Environmental, Health and Safety, Planning, and Executive. The rate is calculated each year as part of the budgeting process. The process to calculate the rate assigns the historical enterprise costs to Shared Services as if they are a business unit and the rate is then determined based on dividing by historical DEBS labor. • The purpose of this loader is to better align the cost of shared services provided with shared services employees, following their actual labor charged • The offset for the Overhead Loader in effect reduces the dollars being allocated through the normal Service Company Allocations process
Utility Affiliate Overhead loader	54.46%	49.72%	78.3% (post merger)	Applies to any labor of a utility that is charged outside of that utility (ie. Duke Energy Florida employee charging Duke Energy Carolinas business). Labor Cost Multiplier <ul style="list-style-type: none"> • Also referred to as the Utility Affiliate Loader or Administrative Overhead Rate • Purpose is to assign overhead costs to utility labor • Charges are generated when a utility employee charges labor to a business unit outside their jurisdiction <ul style="list-style-type: none"> - RESP_ALLOC tree defines the jurisdictions - Based on Payroll Company • The rate is calculated using departmental overhead costs of each jurisdictions, plus service company governance and support costs and then dividing by total FE&G labor to calculate a rate used by each jurisdictions.

(a) Benefits and incentive overhead percentages reflect legacy Progress Energy's benefits platform.

Description	Tree Trimming Expenses Charged to Storm
TS Debby	8,353
TS Isaac	-
2016 TS Colin	11,804
Hurricane Hermine	72,232
Hurricane Matthew	62,056
Hurricane Irma	2,074,977
Hurricane Nate	-

Tree Trimming Costs By Year and Month

Year	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	Average	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

		Tree Trimming		
Storm Month	Description	Average	Actual	Disallowance
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)
September 2016	Hurricane Hermine	451,803	344,012	(107,791)
October 2016	Hurricane Matthew	620,289	304,964	(315,325)
September 2017	Hurricane Irma	433,240	143,745	(289,496)
October 2017	Hurricane Nate	510,591	529,481	-

Storm	Tree Trimming Expenses Charged to the Storm
Debby	\$ 921,810
Isaac	\$ 408,185
Colin	\$ 510,110
Hermine	\$ 2,027,830
Matthew	\$ 2,043,861
Irma	\$ 26,016,030
Nate	\$ -
Total	\$ 31,927,827

Tree Trimming Costs By Year and Month

Year	Debby Jun-12	Isaac Aug-12	Colin Jun-16	Hermine Sep-16	Matthew Oct-16	Irma Sep-17	Nate Oct-17
2009	\$ 1,314,982	\$ 1,797,269					
2010	\$ 1,290,466	\$ 2,960,858					
2011	\$ 3,359,603	\$ 3,435,522					
Average	\$ 1,988,350	\$ 2,731,216					
2013			\$ 2,270,215	\$ 2,401,188	\$ 3,231,711		
2014			\$ 2,969,693	\$ 1,968,066	\$ 3,784,546		
2015			\$ 3,433,361	\$ 3,776,837	\$ 3,509,669		
Average			\$ 2,891,090	\$ 2,715,364	\$ 3,508,642		
2014						1,968,066	3,784,546
2015						3,776,837	3,509,669
2016						2,030,321	3,095,468
Average						\$ 2,591,741	\$ 3,463,228

For the calculation of non-incremental costs on Hermine the month of September was used as that is the month it impacted our service territory

		Tree Trimming		
Storm Month	Description	Average	Actual	Disallowance
June 2012	TS Debby	1,988,350	1,569,717	(418,633)
August 2012	TS Isaac	2,731,216	2,482,728	(248,488)
June 2016	2016 TS Colin	2,891,090	1,944,700	(946,390)
September 2016	Hurricane Hermine	2,715,364	2,030,321	(685,043)
October 2016	Hurricane Matthew	3,508,642	3,095,468	(413,174)
September 2017	Hurricane Irma	2,591,741	785,587	(1,806,154)
October 2017	Hurricane Nate	3,463,228	1,391,444	(2,071,783)

For Colin only \$0.5m in tree trimming expenses were incurred during the storm, so only that amount was considered non-incremental

For Nate no tree trimming costs were incurred and therefore, no non-incremental costs would be reflected