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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION STAFF

DIRECT TESTIMONY OF RON MAVRIDES

DOCKET NO. 20240010-EI

JULY 1, 2024

Q. Please state your name and business address.

A. My name is Ron Mavrides. My business address is 14507 Brentwood Drive, Tampa, FL, 33618.

Q. By whom are you presently employed and in what capacity?

A. I am employed by the Florida Public Service Commission (FPSC or Commission) as a Regulatory Analyst III. I have been employed by the Commission since October 2007.

Q. Please give a brief description of your educational background and professional experience.

A. I received a Bachelor of Science Degree in accounting from the University of Central Florida in 1990. I am also a Certified Management Accountant, a Certified Internal Auditor and a Certified Government Auditing Professional. I have worked for the FPSC for 16 years, and I have varied experience in the electric, gas, and water and wastewater industries. My work experience includes various types of rate cases, cost recovery clauses, and utility audits.

Q. Please describe your current responsibilities.

A. My responsibilities consist of planning and conducting utility audits of manual and automated accounting systems for historical and forecasted data.

Q. Have you previously presented testimony before this Commission?

A. Yes. I presented testimony in numerous dockets before this Commission. Those dockets include Docket Nos. 20090001-EI, 20110001-EI, 20230019-EI, and I filed testimony

1 | in the Nuclear Cost Recovery Clause Docket Nos. 20140009-EI, 20150009-EI, 20160009-EI,
2 | and 20170009-EI.

3 | **Q. What is the purpose of your testimony?**

4 | A. The purpose of my testimony is to sponsor staff's Auditor Report of Tampa Electric
5 | Company, which addresses the Utility's filing in Docket No. 20240010-EI. An Auditor's
6 | Report was issued in Docket 20240010-EI. This report is filed with my testimony and is
7 | identified as Exhibit RM-1.

8 | **Q. Was this audit prepared by you or under your direction?**

9 | A. Yes. It was prepared by me and under my direction.

10 | **Q. Please describe the objectives of the audit and the procedures performed during**
11 | **the audit?**

12 | A. The objectives and procedures are listed in the Objectives and Procedures section of
13 | the attached Exhibit RM-1 pages 2 and 3.

14 | **Q. Please review the audit findings in this audit report.**

15 | A. There were no audit findings.

16 | **Q. Does that conclude your testimony?**

17 | A. Yes.

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of Florida



Public Service Commission

Office of Auditing and Performance Analysis
Bureau of Auditing

Auditor's Report

Tampa Electric Company
Storm Protection Plan Cost Recovery Clause

Twelve Months Ended December 31, 2023

Docket No. 20240010-EI
Audit Control No. 2024-004-2-2

June 28, 2024

A handwritten signature in cursive script that reads "Ronald A. Mavrides".

Ronald A. Mavrides
Audit Manager

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Purpose

To: Florida Public Service Commission

We have performed the procedures described later in this report to meet the objectives set forth by the Office of Industry Development and Market Development in its audit service request dated December 20, 2023. We have applied these procedures to the attached summary exhibit and to several related schedules prepared by Tampa Electric Company in support of its 2023 filing for the Storm Protection Plan Cost Recovery Clause in Docket No. 20240010-EI.

The report is intended only for internal Commission use.

Objectives and Procedures

General

Definition

Utility refers to the Tampa Electric Company.

SPPCRC refers to the Storm Protection Plan Cost Recovery Clause.

SPP refers to the Storm Protection Plan.

Capital Investment

Objectives: The objectives were to audit the following capital investments: Distribution Overhead Feeder Hardening Program, Distribution Lateral Undergrounding Program, Transmission Assets Upgrade, and Transmission Exchange. In addition, our objectives were to 1) Verify the investment amounts are recorded in the correct plant accounts; 2) Reconcile the corresponding plant-in-service/depreciation base; 3) Verify the calculations of non-interest bearing construction work-in-progress (CWIP); 4) Verify the most recent Commission-approved depreciation and amortization periods are used in calculating depreciation expenses; and 5) Reconcile depreciation savings for retired assets that have depreciation recovered through base rates.

Procedures: We reconciled the capital investments to the Utility's general ledger. We verified the calculations of the non-interest bearing CWIP. We also verified that the most recent Commission-approved depreciation and amortization periods were used in calculating the depreciation expenses. We verified that the depreciation savings for retired assets that have depreciation recovered through base rates will be recovered, and reconciled them with the SPPCRC program-related additions, retirements, and adjustments to the general ledger.

Objective: The objective was to verify the SPPCRC program-related plant additions, retirements, and adjustments for the period January 1 through December 31, 2023.

Procedures: We reconciled the additions and adjustments to the general ledger. We statistically selected SPPCRC program-related plant additions, retirements, and adjustments for testing.

Expense

Objectives: The objectives were to reconcile the Vegetation Management Operation and Maintenance expenses to the general ledger, and review a statistical or judgmental sample of the Transmission and Distribution activities.

Procedures: We reconciled the Vegetation Management Operation and Maintenance (O&M) expenses to the general ledger. We statistically selected invoices/vouchers for transmission and distribution activities for testing. We then statistically sampled Vegetation Management O&M expenses. No exceptions were noted.

Objectives: The objectives were to reconcile the Common SPP Operation and Maintenance expenses to the general ledger, and review a statistical or judgmental sample of Common SPP Operation and Maintenance expense.

Procedures: We reconciled the Common SPP O&M expenses to the general ledger. We statistically selected invoices/vouchers for Common SPP O&M expenses for testing. No exceptions were noted.

Objective: The objective was to reconcile operation and maintenance expenses of the projects listed on Form A-5 of the filing, to the general ledger.

Procedures: We reconciled the operation and maintenance expenses to the general ledger. We statistically selected invoices/vouchers for O&M expenses not already tested (Infrastructure Inspection, Maintenance Expenses). No exceptions were noted.

Other Issues

Objectives: The objectives were to: 1) Substantiate if the Utility changed any of its accounting practices, procedures, or guidelines for purposes of implementing cost recovery through the Storm Cost Recovery Clause, and 2) Verify if the Utility changed any of its allocation practices, procedures, or guidelines for purposes of implementing cost recovery through the Storm Cost Recovery Clause.

Procedures: We requested and reviewed the accounting practices, procedures, or guidelines for purposes of implementing cost recovery through the Storm Cost Recovery Clause. We reviewed whether the Utility changed any of its allocation practices, procedures, or guidelines for purposes of implementing cost recovery through the Storm Cost Recovery Clause. We determined that that Utility had made changes to its allocation method. No exceptions were noted.

True-up

Objective: The objective was to determine whether the True-Up and Interest Provision, as filed, was properly calculated.

Procedures: We verified the True-Up and Interest Provision amounts as of December 31, 2023, using the Financial Commercial Paper rates, and 2023 revenues and costs. No exceptions were noted.

Audit Findings

None

Exhibits

Exhibit 1: True-up

Tampa Electric Company
 Storm Protection Plan Cost Recovery Clause
 First True-Up
 Prior Period: January through December 2022

Form A-3
 Page 1 of 1

Calculation of True-Up Amount
 (in Dollars)

LINE	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	End of Period Total
1. Clause Revenues (net of Revenue Taxes)	\$ 4,711,408	\$ 3,737,768	\$ 3,883,967	\$ 4,288,720	\$ 4,581,090	\$ 5,021,121	\$ 5,788,060	\$ 6,616,421	\$ 6,968,528	\$ 4,882,321	\$ 4,938,588	\$ 3,850,623	\$ 58,058,069
2. True-Up Provision	860,373	860,373	860,373	860,373	860,373	860,373	860,373	860,373	860,373	860,373	860,373	860,373	10,324,473
3. Clause Revenues Applicable to Period (Lines 1 + 2)	\$ 5,571,781	\$ 4,598,141	\$ 4,744,340	\$ 5,149,093	\$ 5,441,463	\$ 5,881,494	\$ 6,648,433	\$ 7,476,794	\$ 7,828,901	\$ 5,742,694	\$ 5,798,961	\$ 4,711,000	\$ 68,382,542
4. Jurisdictional SPRRC Costs													
a. O&M Activities (Form SA, Line 13) (A)	2,214,826	2,736,816	3,081,857	2,644,132	2,736,881	2,748,570	3,182,193	3,166,929	2,842,480	2,891,383	4,170,948	3,084,882	34,461,437
b. Capital Investment Projects (Form 7A, Line 7.1) (B)	2,225,618	2,361,903	2,486,405	2,853,821	2,793,821	2,367,136	3,015,369	5,117,182	3,389,800	3,332,880	3,481,922	3,619,131	38,218,374
c. Total Jurisdictional SPRRC Costs	4,440,444	5,098,719	5,568,262	5,497,953	5,530,702	5,115,706	6,197,562	8,284,111	6,232,280	6,224,263	7,652,870	6,704,013	72,679,811
5. Over/Under Recovery (Line 3 - Line 4c)	1,131,337	(500,578)	(823,922)	(348,860)	(989,239)	765,788	450,871	(807,317)	1,596,621	(481,569)	(2,762,142)	(1,932,847)	(4,318,817)
6. Interest Provision (Form A-3, Line 10)	42,334	40,898	34,985	31,865	28,846	24,683	24,561	23,006	22,880	21,289	19,487	(1,783)	303,817
7. Beginning Balance True-Up & Interest Provision & Deferred True-Up from January to December 2022 (Order No. PSC-0523-0584-POF-E)	11,483,178	11,187,076	9,873,112	8,238,868	7,352,730	6,340,385	5,774,774	4,988,734	4,924,470	5,403,846	4,142,740	540,085	11,483,178
8. True-Up Collected/Refunded (see Line 2)	(860,373)	(860,373)	(860,373)	(860,373)	(860,373)	(860,373)	(860,373)	(860,373)	(860,373)	(860,373)	(860,373)	(860,373)	(10,324,473)
9. End of Period Total True-Up (Lines 5+6+7+8)	\$ 11,187,876	\$ 9,878,112	\$ 8,238,868	\$ 7,352,730	\$ 6,363,386	\$ 5,774,774	\$ 5,368,734	\$ 4,094,470	\$ 4,003,846	\$ 4,142,740	\$ 540,085	\$ (2,236,388)	\$ (2,236,388)
10. Adjustment to Period True-Up including interest	0	0	0	0	0	0	0	0	0	0	0	0	0
11. End of Period Total True-Up (Lines 9 + 10)	\$ 11,187,876	\$ 9,878,112	\$ 8,238,868	\$ 7,352,730	\$ 6,363,386	\$ 5,774,774	\$ 5,368,734	\$ 4,094,470	\$ 4,003,846	\$ 4,142,740	\$ 540,085	\$ (2,236,388)	\$ (2,236,388)

Exhibit 2: Interest Provision

Form A-3
 Page 1 of 1

Tampa Electric Company
 Storm Protection Plan Cost Recovery Clause
 First True-Up
 Prior Period: January through December 2023
 Calculation of Interest Provision for True-Up Amount
 (in Dollars)

Line	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	End of Period Total
1 Beginning True-Up Amount (Form A-2, Line 7+7a+10)	\$ 11,443,176	\$ 11,157,876	\$ 9,878,112	\$ 8,238,898	\$ 7,352,730	\$ 6,380,385	\$ 5,774,774	\$ 5,368,734	\$ 4,924,429	\$ 5,403,848	\$ 4,142,740	\$ 540,885	
2 Ending True-Up Amount Before Interest	11,155,243	9,837,514	9,203,817	7,321,065	6,334,746	5,748,813	5,344,383	4,901,424	5,380,868	4,121,651	536,218	2,232,534	
3 Total of Beginning & Ending True-Up (Lines 1 + 2)	22,598,419	21,035,090	19,081,929	15,560,083	13,707,476	12,129,200	11,119,157	10,270,158	10,365,285	9,525,097	4,678,958	2,771,948	
4 Average True-Up Amount (Line 3 x 1/2)	11,299,209	10,517,545	9,540,965	7,780,032	6,853,738	6,064,600	5,559,579	5,135,079	5,182,643	4,762,549	2,339,479	1,385,974	
5 Interest Rate (First Day of Reporting Business Month)	4.37%	4.61%	4.66%	4.86%	4.80%	5.18%	5.13%	5.37%	5.37%	5.33%	5.40%	5.34%	
6 Interest Rate (First Day of Subsequent Business Month)	4.61%	4.66%	4.86%	4.89%	5.14%	5.13%	5.37%	5.37%	5.33%	5.40%	5.34%	5.34%	
7 Total of Beginning & Ending Interest Rates (Lines 5 + 6)	8.98%	9.27%	9.54%	9.77%	10.03%	10.27%	10.50%	10.74%	10.70%	10.73%	10.74%	10.68%	
8 Average Interest Rate (Line 7 x 1/2)	4.490%	4.635%	4.770%	4.885%	5.015%	5.135%	5.250%	5.370%	5.350%	5.365%	5.570%	5.510%	
9 Monthly Average Interest Rate (Line 8 x 1/12)	0.374%	0.386%	0.398%	0.407%	0.418%	0.428%	0.438%	0.448%	0.446%	0.447%	0.464%	0.459%	
10 Interest Provision for the Month (Line 4 x Line 9)	\$ 42,334	\$ 40,368	\$ 35,981	\$ 31,865	\$ 28,649	\$ 25,953	\$ 24,351	\$ 23,035	\$ 22,940	\$ 21,289	\$ 19,467	\$ 13,785	\$ 363,517

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Storm protection plan cost recovery
clause.

DOCKET NO. 20240010-EI

DATED: July 1, 2024

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Direct Testimony of Ron Mavrides on behalf of the Florida Public Service Commission has been served by electronic mail to the following this 1st day of July, 2024:

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CERTIFICATE OF SERVICE

DOCKET NO. 20240001-EI

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