

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for recovery of costs associated with named tropical systems during the 2018-2022 hurricane seasons and replenishment of storm reserve, by Tampa Electric Company.

DOCKET NO. 20230019-EI
ORDER NO. PSC-2024-0137-PHO-EI
ISSUED: April 26, 2024

PREHEARING ORDER

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code (F.A.C.), a Prehearing Conference was held on April 24, 2024, in Tallahassee, Florida, before Commissioner Art Graham, as Prehearing Officer.

APPEARANCES:

J. JEFFRY WAHLEN, MALCOLM MEANS, and VIRGINIA PONDER, ESQUIRES, Ausley McMullen, Post Office Box 391, Tallahassee, Florida 32302
On behalf of Tampa Electric Company (TECO).

WALT TRIERWEILER, Public Counsel, CHARLES REHWINKEL, and MARY WESSLING, ESQUIRES, Office of Public Counsel, c/o The Florida Legislature, 111 W. Madison Street, Room 812, Tallahassee, Florida 32399
On behalf of the Office of Public Counsel (OPC).

STEPHANIE U. EATON, ESQUIRE, Spilman, Thomas & Battle, PLLC, 110 Oakwood Drive, Suite 500, Winston-Salem, North Carolina 27103
On behalf of Walmart, Inc. (Walmart).

DERRICK PRICE WILLIAMSON and STEVEN W. LEE, ESQUIRES, Spilman, Thomas & Battle, PLLC, 1100 Bent Creek Blvd., Suite 101, Mechanicsburg, Pennsylvania 17050
On behalf of Walmart, Inc. (Walmart).

MAJOR R. THOMPSON and RYAN P. SANDY, ESQUIRES, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399
On behalf of the Florida Public Service Commission (Staff).

MARY ANNE HELTON, ESQUIRE, Deputy General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399
Advisor to the Florida Public Service Commission.

KEITH C. HETRICK, ESQUIRE, General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399
Florida Public Service Commission General Counsel

I. CASE BACKGROUND

On January 23, 2023, pursuant to Rules 28-106.201 and 25-6.0143, F.A.C., Tampa Electric Company (TECO or Utility) filed its Petition for Recovery of Costs Associated with Named Tropical Systems During the 2018-2022 Hurricane Seasons and Replenishment of Storm Reserve with actual incremental storm costs for the 2018 through 2021 storm seasons and estimated incremental storm costs for the 2022 storm season. The Commission approved TECO's interim storm restoration charge on March 27, 2023, subject to final true-up.¹

On August 16, 2023, TECO filed a Supplemental Petition to update the total storm restoration costs to include updated accrued costs and to propose a modified recovery period. On September 29, 2023, TECO filed a Petition for Approval of Actual Storm Restoration Costs Associated with Named Tropical Systems During the 2018-2022 Hurricane Seasons and Associated True-Up Mechanism on September 29, 2023, updating the estimated costs for the 2022 to actual costs and providing the required documentation of actual recoverable storm costs and to propose a final true-up mechanism for the Interim Storm Restoration Charge.

On October 17, 2023, Order No. 2023-0309-PCO-EI was issued, establishing controlling dates for this proceeding and scheduling an administrative hearing for these matters on May 1–2, 2024.

II. CONDUCT OF PROCEEDINGS

Pursuant to Rule 28-106.211, F.A.C., this Prehearing Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

III. JURISDICTION

This Commission is vested with jurisdiction over the subject matter by the provisions of Chapter 120 and 366, Florida Statutes (F.S.). This hearing will be governed by said Chapter and Chapters 25-6, 25-22, and 28-106, F.A.C., as well as any other applicable provisions of law.

IV. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

Information for which proprietary confidential business information status is requested pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., shall be treated by the Commission as confidential. The information shall be exempt from Section 119.07(1), F.S., pending a formal ruling on such request by the Commission or pending return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been made a part of the evidentiary record in this proceeding, it shall

¹ Order No. PSC-2023-0116-PCO-EI, issued March 27, 2023, in this docket.

be returned to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of this proceeding, it shall be returned to the person providing the information within the time period set forth in Section 366.093, F.S. The Commission may determine that continued possession of the information is necessary for the Commission to conduct its business.

It is the policy of this Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 366.093, F.S., to protect proprietary confidential business information from disclosure outside the proceeding. Therefore, any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, F.S., at the hearing shall adhere to the following:

- (1) When confidential information is used in the hearing that has not been filed as prefiled testimony or prefiled exhibits, parties must have copies for the Commissioners, necessary staff, and the court reporter, in red envelopes clearly marked with the nature of the contents and with the confidential information highlighted. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.
- (2) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise confidentiality. Therefore, confidential information should be presented by written exhibit when reasonably possible.

At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the court reporter shall be retained in the Office of Commission Clerk's confidential files. If such material is admitted into the evidentiary record at hearing and is not otherwise subject to a request for confidential classification filed with the Commission, the source of the information must file a request for confidential classification of the information within 21 days of the conclusion of the hearing, as set forth in Rule 25-22.006(8)(b), F.A.C., if continued confidentiality of the information is to be maintained.

V. PREFILED TESTIMONY AND EXHIBITS; WITNESSES

Testimony of all witnesses to be sponsored by the parties and staff has been prefiled and will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to timely and appropriate objections. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Summaries of testimony shall be limited to three minutes.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer. After all parties and Staff have had the opportunity to cross-examine the witness, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

The parties shall avoid duplicative or repetitious cross-examination. Further, friendly cross-examination will not be allowed. Cross-examination shall be limited to witnesses whose testimony is adverse to the party desiring to cross-examine. Any party conducting what appears to be a friendly cross-examination of a witness should be prepared to indicate why that witness's direct testimony is adverse to its interests.

VI. ORDER OF WITNESSES

Each witness whose name is preceded by an asterisk (*) has been stipulated and excused. The testimony and exhibits of stipulated witnesses shall be introduced into the record in the order presented below.

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
<u>Direct</u>		
*Chip S. Whitworth	TECO	2-6, 9-10, B
*Richard J. Latta	TECO	1-14, B
*Ron Mavrides	Staff	1-12
*Carl Vinson	Staff	2

VII. BASIC POSITIONS

TECO: As noted in in Order Nos. PSC-2023-0116-PCO-EI, issued March 27, 2023 and PSC-2023-0351-PCO-EI, issued November 20, 2023, this docket is open for the final reconciliation of actual recoverable storm costs with the amount collected pursuant to the interim storm restoration recovery charge and the calculation of a refund or additional charge if warranted. The purpose of the May 1, 2024 hearing is to determine actual recoverable storm costs.

The Commission should find that Tampa Electric complied with Rule 25-6.0143, Florida Administrative Code, and its 2019 Stipulation and Settlement Agreement, and approve Tampa Electric's actual recoverable storm restoration costs in the amount of \$134,832,847.83. The Commission should also approve Tampa Electric's proposed true-up mechanism for the Interim Storm Restoration Charge.

OPC: The burden of proof in a Commission proceeding is always on a utility seeking a rate change and upon other parties seeking to change established rates. *Fla. Power Corp. v. Cresse*, 413 So. 2d 1187, 1191 (Fla. 1982). Tampa Electric Company has the burden to prove whether the Commission should approve Tampa Electric's Petition for Approval of Actual Storm Restoration Costs Associated with Named Tropical Systems During the 2018-2022 Hurricane Seasons and Associated True-Up Mechanism.

As a result of the stipulation entered into among the parties to Docket No. 20170271-EI and approved in Order No. PSC-2019-0234-AS- EI (2019 Settlement), Tampa Electric agreed to follow certain processes for incurring storm restoration costs. Tampa Electric also agreed to engage an independent accountant to perform an audit of its compliance with the agreed processes.

The OPC has reviewed Tampa Electric's audit plan, audit report and audit workpapers, and the OPC further conducted discovery involving a review of a representative sample of invoices and cost documentation. After conducting this review and cooperatively meeting with Tampa Electric and their outside auditors, the OPC determined that the company has materially complied with the 2019 Settlement and that the audit was well designed and executed. Tampa Electric has also demonstrated that it maintains a practice of working to continuously improve its stewardship of the resources it acquires for restoring service after severe weather events.

Based on the entirety of the circumstances, Tampa Electric's petition meets the burden of proof established by the 2019 Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by Tampa Electric in this matter, OPC is in support of Tampa Electric's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events.

WALMART: Walmart takes no position regarding the amount of restoration costs or accounting treatment of the same in this Docket. Walmart did raise an issue in its filed Comments prior to TECO's recovery of storm costs at issue in this Docket, which is set forth as a Contested Issue below. Namely, Walmart contends that TECO should be required to recover storm costs from demand-metered customers on a demand, or \$/kW, charge, not through an energy, or \$/kWh charge.

As set forth in Walmart's March 7, 2023, Comments, Walmart's issue in this Docket is an issue that Walmart raised before this Commission in relation to the Storm Protection Plan ("SPP") and Storm Protection Plan Cost Recovery Clause ("SPPCRC") Dockets as early as 2020.² Walmart's general concern is that recovering demand-related costs through an energy charge could result in a shift in demand cost responsibility from lower load factor customers to higher load factor customers.³ Although both Duke Energy Florida, LLC, ("DEF") and Florida Public Utility Company ("FPUC") sought recovery of SPP costs from demand-metered customers through an energy charge, each Utility ultimately entered into a Stipulation whereby each agreed to charge demand-metered customers a demand charge related to SPP costs.⁴ While Walmart readily acknowledges that retroactive billing revisions would likely be administratively prohibitive, as expressed by TECO in the Rebuttal Testimony of Jordan M. Williams⁵, Walmart notes that TECO's collection of costs in this Docket are not yet complete, and Walmart did, in fact, raise the issue in this Docket *before* TECO's storm costs began being recovered from its customers from April 2023, through December 2024.⁶ Moreover, while Mr. Williams points out that this Commission "has a long-standing history of approving the recovery of a utility's storm restoration costs via the energy charge" for the last seventeen years,⁷ it does not mean that the Commission, Staff, Utilities, and ratepayers cannot reevaluate the way the storm costs are recovered. In light of the fact that SPP costs are recovered from demand-metered customers for TECO, DEF, FPUC and Florida Power & Light ("FPL") through a demand-charge, and the fact that both DEF and FPUC revised their respective cost recovery from demand-metered customers in SPPCRC Dockets, Walmart urges consideration of this issue in this Docket.

STAFF: Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions.

² See Comments at page 2.

³ See *id.*, and Direct Testimony of Lisa V. Perry in the 2021 SPPCRC Docket, No. 2021—10-EI, p. 14, lines 6 – 21.

⁴ See Comments at page 2, at Footnote 1, and page 3.

⁵ Williams Test., March 28, 2024, at page 3, lines 20-25.

⁶ See Order No. PSC-2023-0351-PCO-EI, Nov. 20, 2023, ("Nov. 2023 Order") at pages 2-3, noting that the originally approved recovery period was April 2023 through the last billing cycle of March 2024, and that TECO's supplemental petition requested an amended storm surcharge and extended cost recovery through December 2024. The Nov. 2023 Order states that the "disposition of any over or under recovery, and associated interest, will be considered by us at a later date" and that "this docket shall remain open pending final reconciliation of actual recoverable storm costs with the amount collected pursuant to the interim storm restoration recovery charge and the calculation of a refund or additional charge if warranted."

⁷ Williams Test., at page 4, lines 1-14.

VIII. ISSUES AND POSITIONS

- ISSUE 1: Proposed Type 1 Stipulation; see Section X.**
- ISSUE 2: Proposed Type 1 Stipulation; see Section X.**
- ISSUE 3: Proposed Type 1 Stipulation; see Section X.**
- ISSUE 4: Proposed Type 1 Stipulation; see Section X.**
- ISSUE 5: Proposed Type 1 Stipulation; see Section X.**
- ISSUE 6: Proposed Type 1 Stipulation; see Section X.**
- ISSUE 7: Proposed Type 1 Stipulation; see Section X.**
- ISSUE 8: Proposed Type 1 Stipulation; see Section X.**
- ISSUE 9: Proposed Type 1 Stipulation; see Section X.**
- ISSUE 10: Proposed Type 1 Stipulation; see Section X.**
- ISSUE 11: Proposed Type 1 Stipulation; see Section X.**
- ISSUE 12: Proposed Type 1 Stipulation; see Section X.**
- ISSUE 13: Proposed Type 2 Stipulation; see Section X.**
- ISSUE 14: Proposed Type 1 Stipulation; see Section X.**
- ISSUE B: Proposed Type 2 Stipulation; see Section X.**

IX. EXHIBIT LIST

Each exhibit that is preceded by an asterisk (*) has been stipulated. All stipulated exhibits shall be introduced into the record in the order presented below.

<u>Witness</u>	<u>Proffered By</u>	<u>Exhibit</u>	<u>Description</u>
<u>Direct</u>			
*Chip S. Whitworth	TECO	CSW-1	Storm Restoration Costs by Storm

<u>Witness</u>	<u>Proffered By</u>	<u>Exhibit</u>	<u>Description</u>
*Richard J. Latta	TECO	RJL-1	(1) Total Restoration Costs by Storm and Cost Category (2) Incremental Recoverable Restoration Costs by Storm (3) PwC Audit Report
*Ron Mavrides	Staff	RM-1	Auditor's Report

Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

X. PROPOSED STIPULATIONS

There are proposed Type 1 and Type 2 stipulations on all issues. A Type 1 stipulation occurs on an issue where the utility and intervenors agree on the resolution of the issue. A Type 2 stipulation⁸ occurs on an issue when the utility and staff, or the utility and at least one party adversarial to the utility, agree on the resolution of the issue and the remaining parties (including staff if they do not join in the agreement) do not object to the Commission relying on the agreed language to resolve that issue in a final order. The proposed stipulations are as follows:

ISSUE 1: Should the incremental cost and capitalization approach (ICCA) found in Rule 25-6.0143, F.A.C., be used to determine the reasonable and prudent amounts to be included in the restoration costs?

Type 1: Yes. The Commission should find that the company complied with the rule.

ISSUE 2: Have the terms of TECO's 2019 Stipulation and Settlement, approved by Order No. PSC-2019-0234-AS-EI, issued June 14, 2019, been complied with? If not, why not?

Type 1: Yes. The Commission should find that the company complied with the 2019 Stipulation and Settlement.

⁸ The Office of Public Counsel's (OPC's) position on each Type 2 stipulation is as follows:

OPC takes no position on these issues, nor does it have the burden of proof related to them. As such, the OPC represents that it will not contest or oppose the Commission taking action approving a proposed stipulation between the utility and another party or staff as a final resolution of the issue. No person is authorized to state that the OPC is a participant in, or party to, a stipulation on these issues, either in this docket, in an order of the Commission or in a representation to a Court

ISSUE 3: What is the reasonable and prudent amount of regular payroll expense to be included in the restoration costs?

Type 1: The Commission should approve \$3,281,788.00 as the reasonable and prudent amount of regular payroll expense to be included in the restoration costs.

ISSUE 4: What is the reasonable and prudent amount of overtime payroll expense to be included in the restoration costs?

Type 1: The Commission should approve \$6,832,831.08 as the reasonable and prudent amount of overtime payroll expense to be included in the restoration costs.

ISSUE 5: What is the reasonable and prudent amount of contractor costs to be included in the restoration costs?

Type 1: The Commission should approve \$90,569,291.92 as the reasonable and prudent amount of contractor costs to be included in the restoration costs. This amount is slightly lower than the previously reported amount of \$90,852,788.61 because a few final invoices came in slightly lower than the accrued expense amounts.

ISSUE 6: What is the reasonable and prudent amount of vegetation and line clearing costs to be included in the restoration costs?

Type 1: The Commission should approve \$10,884,426.12 as the reasonable and prudent amount of vegetation and line clearing costs to be included in the restoration costs.

ISSUE 7: What is the reasonable and prudent amount of employee expenses to be included in the restoration costs?

Type 1: Zero. Tampa Electric did not request recovery of Tampa Electric employee expenses.

ISSUE 8: What is the reasonable and prudent amount of materials and supplies expense to be included in the restoration costs?

Type 1: Zero. Tampa Electric did not request recovery of materials and supplies expenses.

ISSUE 9: What is the reasonable and prudent amount of logistics costs to be included in the restoration costs?

Type 1: The Commission should approve \$18,893,127.42 as the reasonable and prudent amount of logistics costs to be included in the restoration costs. There are additional costs related to interest income, examination costs, and ARCOS (GPS

tracking technology) implementation costs totaling \$3,592,865.25; \$381,000; and \$397,518.04 respectively.

ISSUE 10: What is the reasonable and prudent total amount of costs to be included in the restoration costs?

Type 1: The Commission should approve \$134,832,847.83 as the reasonable and prudent total amount of costs to be included in the restoration costs. This is \$266,249.88 lower than the total presented in witness Latta's testimony of \$135,099,097.71. This change is because of final invoice payments and adjustments to accrued interest income based on the current month's Commercial Paper interest rate. As of March 31, 2024, all invoices relevant to this docket have been processed.

ISSUE 11: What is the reasonable and prudent amount of storm-related costs that should be capitalized?

Type 1: The Commission should approve \$4,799,217.43 as the reasonable and prudent amount of storm-related costs that should be capitalized.

ISSUE 12: What is the appropriate accounting treatment associated with any storm costs found to have been imprudently incurred?

Type 1: The accounting treatment for any storm costs found to be imprudently incurred, and initially posted to the storm reserve, is to remove the charge from the reserve and post the charge to the company's applicable O&M account, or capital as identified; however, the current total restoration cost presented in this docket does not contain any imprudently incurred costs.

ISSUE 13: If applicable, how should any under-recovery or over-recovery be handled?

Type 2: Any under or over-recovery will be recovered/refunded through an adjustment to the energy conservation cost recovery clause.

ISSUE B: What additional storm restoration process improvements should Tampa Electric follow in future storms?

Type 2: In addition to the process improvements in Tampa Electric's 2019 Storm Cost Settlement Agreement, Tampa Electric also agrees to follow the additional process improvements described in Attachment A to this Prehearing Order.

ISSUE 14: Should this docket be closed?

Type 1: No. This docket should remain open so the company can file supplemental testimony comparing the final recoverable storm costs approved by the Commission with the actual revenues from the Interim Storm Restoration Charge

and calculating the resulting excess or shortfall, so that the true-up amount can be recovered from or credited to the energy conservation cost recovery clause or disposed of in some other manner as approved by the Commission.

XI. PENDING MOTIONS

There are no pending motions at this time.

XII. PENDING CONFIDENTIALITY MATTERS

There are no pending confidentiality matters at this time.

XIII. POST-HEARING PROCEDURES

If no bench decision is made, each party shall file a post-hearing statement of issues and positions. A summary of each position, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of this Prehearing Order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words. If a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

Pursuant to Rule 28-106.215, F.A.C., a party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 40 pages and shall be filed at the same time.

XIV. RULINGS

1. Striking Walmart's Contested Issue A

In its Prehearing Statement, Walmart proposed an Issue A: "Should any cost recovery approved in this docket be recovered from demand-metered customers through the demand charge?" Having heard the parties' arguments, I find that Issue A shall be stricken. TECO's 2021 Settlement Agreement⁹ provides that the storm damage recovery that is at issue in this proceeding shall be made with the rate design and cost allocation methods approved in the agreement. As the issue is resolved by the 2021 Settlement Agreement, Walmart's issue is not appropriate in this proceeding.

⁹ Order No. PSC-2021-0423-S-EI, issued November 10, 2021, in Docket Nos. 20210034-EI, *In re: Petition for rate increase by Tampa Electric Company* and 20200264-EI, *In re: Petition for approval of 2020 depreciation and dismantlement study and capital recovery schedules, by Tampa Electric Company* (p. 35-36).

2. *Striking Intervenor and Rebuttal Testimony and Exhibits*

On February 16, 2024, Walmart prefiled testimony of its witness Lisa V. Perry, together with supporting exhibits LVP-1 and LVP-2, in support of its position on Contested Issue A. On March 28, 2024, TECO prefiled testimony of its witness Jordan M. Williams, in rebuttal to Walmart's witness. In light of my ruling on Issue A, I find it appropriate to strike the intervenor and rebuttal testimonies and exhibits.

3. *Opening Statements*

Opening statements, if any, shall not exceed three minutes per party.

It is therefore,

ORDERED by Commissioner Art Graham, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Commissioner Art Graham, as Prehearing Officer, this 26th day of April, 2024.



ART GRAHAM
Commissioner and Prehearing Officer
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

Attachment A
Tampa Electric Company's Prehearing Statement
Ongoing, Continuous Storm Restoration Process Improvements

Tampa Electric Company's ("Tampa Electric" or the "company") 2019 Storm Cost Settlement Agreement includes several "Future Process Improvements" covering a broad range of storm cost recovery issues, including: (1) contracting and vendor engagement; (2) travel and work policies; (3) cost documentation; (4) auditing and regulatory recovery processes; and (5) a methodology for determining incremental costs. *See* Order No. PSC-2019-0234-AS-EI, issued June 14, 2019 in Docket No. 20170271-EI.

Since that time, Tampa Electric has continued to document lessons learned from storm restoration efforts and has as a part of the ongoing, continuous improvement process implemented several additional process improvements.

Tampa Electric commits that it will continue to apply the 2019 storm process improvements, as well as the additional new process improvements listed below, whenever such implementation does not interfere with safe, timely, and cost-effective restoration of service following a storm, and that they will remain in effect until modified by an order of the Florida Public Service Commission. The company will meet with OPC to evaluate the company's storm restoration processes in the first quarter of 2025 and every two years thereafter.

1. **Lodging Procurement and Tracking.** Tampa Electric retained a third-party booking agency that provides a disaster lodging service for emergency lodging needs. This agency provides and books accommodations according to requesters' specific needs, utilizing their extensive and detailed database of lodging vendors and pre-negotiated contracts. They can identify vendors' specific capabilities such as emergency power, parking, food, and laundry services. Additionally, their booking software platform can track detailed information about acquired lodging and utilization rates to help identify unused accommodation to inform decision making. After the emergency, they provide comprehensive invoice tracking and payment support to quickly resolve payment to vendors.
2. **Storm Surge Damage Mitigation.** Tampa Electric developed a new process to anticipate and mitigate storm surge damage by working with Tampa Electric's weather partners, including the National Weather Service ("NWS") and a Florida-based meteorologist. Tampa Electric is the first utility in Florida to be recognized as a "Storm Ready" partner, allowing access to NWS weather data and forecasts. Additionally, Tampa Electric contracted with a Florida based meteorologist to enhance our understanding and interpretation of weather data as it relates to our local geographic conditions. Being able to anticipate the damage more accurately to underground electrical equipment will allow Tampa Electric to better estimate the correct number of external resources required to help restore this equipment.

3. **Base Camp Staging Model.** Tampa Electric maintains contracts with several vendors that supply turn-key emergency accommodations including lodging, meals, sanitation and transportation management. These base camps can be rapidly deployed (usually within 24 hours) to staging sites post-storm and mitigate the company's storm recovery personnel needs.
4. **Eliminating Delays.** Tampa Electric began pre-staging crews in nearby locations, allowing the company to utilize responding crews in the working hours immediately following the passage of storm conditions, even before local staging sites are completely set up.
5. **Distribution Control Center (DCC) Process Changes.** In storm response scenarios, Tampa Electric transitions control from the central DCC to the company's various service areas. One lesson learned was to reduce the transition time from DCC control to service area control, which results in less down time for field personnel and faster restoration of service.
6. **"Cut and Clear" Improvements.** The company improved the locked-out circuit isolation process ("cut-and-clear") by creating a mobile app to transmit faster updates from the field and for easier tracking of work. Re-energizing distribution circuits that have been locked out as quickly as possible after a storm provides one of the greatest values in restoring service to customers. Getting clear and faster updates through a mobile app ensures that this process is carried out without delays.
7. **Improved Outage Detection.** The company improved the detection of outages by having streetlights turned on as soon as restoration begins.
8. **Improved DCC and Service Area Communications.** Tampa Electric implemented multiple process changes to eliminate confusion and miscommunication between the DCC and Service Area Restoration teams. The DCC and the service area restoration teams are the two most critical areas during storm restoration. Clear and up-to-date communications are vital for a successful restoration effort.
9. **Circuit Reconfiguration Logs.** Performing overnight work reduces the overall time to restore service to all customers, but poor communication of work performed overnight to the daytime crews can result in delays. Consequently, the company implemented the use of "abnormal switching logs" in the Advanced Distribution Management System ("ADMS") to communicate circuit reconfigurations performed overnight by the DCC to the service area restoration teams. This helps ensure clear communication of the overnight work to the day crews and eliminates potential delays.
10. **New Safety Measures.** Tampa Electric added steps to reduce the safety risk to field personnel while performing circuit isolation work, such as opening the terminal pole switch and adding "men at work" pole wrap. These steps were added as extra safety measures in addition to steps that were already in place. Given the large amount of field personnel working during storm restoration, adding several layers of protection shows

Tampa Electric's commitment to the company's highest objective: "Safety of life shall outweigh all other considerations."

11. **Additional Distribution System Operators.** The company added more Distribution System Operators and assigned two per affected service area. This eliminated the need to train personnel who were not familiar with ADMS/CAD on how to update ADMS when field restoration is complete. The result is a quicker update of customer outage counts and more accurate estimated times of restoration ("ETR") reflected in the customer-facing outage map. The company believes communications with our customers are just as important as internal communications, and these changes ensure that we communicate outages and ETRs to our customers during the times when they need such information the most.
12. **Retaining Some Foreign Crews in Partial Incident Command Structure ("ICS").** Tampa Electric determined that retaining a small contingent of foreign crews following the transition to partial ICS can help quickly restore the remaining small pockets of outages (secondary, service, etc.). It takes longer to find and fix these smaller outages, and having more crews reduces the time it takes to conduct this effort.
13. **Additional Documentation for Foreign Line Crews.** Tampa Electric added specific terms and conditions to the rate schedule template that is provided to and completed by the foreign companies. In addition, a "Storm Restoration Documentation and Other Requirements" document and an initial email that outlines requirements are provided to each foreign company when they are secured. These measures ensure invoiced costs are fair and meet the requirements of the Storm Cost Settlement Agreement.
14. **Foreign Line Crew Rate Schedules.** Tampa Electric now collects storm rate schedules prior to storm season that identify agreed-upon rates with the foreign contractor. The company has compiled 59 such schedules to date. These schedules are ranked by cost from lowest cost to highest, and if Tampa Electric directly secures foreign contractors, the list is contacted in that order. If a foreign contractor is assigned to Tampa Electric by the SEE, the list is used to determine which companies may be released from restoration first.
15. **Foreign Company "Tracker" Files.** During and after restoration, the Resource Management team updates a "Tracker" file that documents contacts, headcounts, dates, and other pertinent information by foreign company so that Tampa Electric can ensure that all required information needed for proper billing has been collected.
16. **Foreign Line Crew Composition Review.** Before foreign companies are approved to deploy, Tampa Electric now examines rosters provided by the foreign companies immediately after they are secured to ensure that the distribution crew make-ups are no more than four team members per crew (to ensure fair invoicing), and that the crews have at least two line workers and a hot apprentice (minimum standard to safely perform work).

In addition to these process improvements that are already in place, Tampa Electric also identified two additional improvements that the company commits to implement in future storms:

1. **Standardized Rate Schedules.** Tampa Electric currently implements a standardized rate schedule for contracts with line restoration crews. The company also commits to negotiate for and implement standardized rate schedules for contracts with vegetation management crews in future storms.
2. **Formalized Exception Reports.** To better implement Section II.A of the Future Process Improvements in the 2019 Storm Cost Settlement Agreement, Tampa Electric will formally document all exceptions to standardized requirements that have been communicated to foreign companies.