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February 8, 2019

VIA: ELECTRONIC FILING

Mr. Adam J. Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Petition for recovery of costs associated with named tropical systems during the 2015, 2016 and 2017 hurricane seasons and replenishment of storm reserve subject to final true-up, by Tampa Electric Company
FPSC Docket No. 20170271-EI

Dear Mr. Teitzman:

Attached for filing in the above docket on behalf of Tampa Electric Company are the following:

1. Second Amended Petition of Tampa Electric Company for Recovery of Costs Associated with Named Tropical Systems and Replenishment of Storm Reserve
2. Revised Prepared Direct Testimony and Exhibit No. __ (GRC-1) of Gerard R. Chasse
3. Revised Prepared Direct Testimony and Exhibit No. __ (JSC-1) of Jeffrey S. Chronister
4. Direct Testimony and Exhibit No. __ (SLD-1) of Sarah L. Djak
5. Revised Prepared Direct Testimony and Exhibit No. __ (SEY-1) of S. Beth Young

Thank you for your assistance in connection with this matter.

Sincerely,

James D. Beasley

JDB/pp
Attachment

cc: All Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Tampa Electric Company for Recovery of Costs Associated with Named Tropical Systems and Replenishment of Storm Reserve	)	DOCKET NO. 20170271-EI
	)	FILED: February 8, 2019

SECOND AMENDED PETITION OF TAMPA ELECTRIC COMPANY FOR RECOVERY OF COSTS ASSOCIATED WITH NAMED TROPICAL SYSTEMS AND REPLENISHMENT OF STORM RESERVE

Tampa Electric Company ("Tampa Electric" or "the company"), pursuant to Rule 28-106.201 and Rule 25-6.0143, Florida Administrative Code ("FAC"), and Order No. PSC-2019-0042-PCO-EI, issued January 16, 2019 in this docket, submits this its Second Amended Petition to the Florida Public Service Commission ("the Commission") for recovery of incremental storm restoration costs associated with tropical systems named by the National Hurricane Center ("NHC") during the 2015, 2016 and 2017 hurricane seasons and the replenishment of the Storm Reserve in the amount of $98,982,984 subject to final true-up, and in support thereof, says:

1. Tampa Electric is an investor owned electric utility subject to the Commission's jurisdiction pursuant to Chapter 366, Florida Statutes. Tampa Electric serves retail customers in Hillsborough and portions of Polk, Pinellas and Pasco Counties in Florida. The company's principal offices are located at 702 N. Franklin Street, Tampa, FL 33602.

2. Tampa Electric submits this Second Amended Petition in order to update the total estimated storm restoration costs from those set forth in the company's January 30, 2018 Amended Petition in this proceeding. This Second Amended Petition reduces the company's requested recovery of total retail recoverable costs associated with Tropical Storms ("TS") Erika and Colin, and Hurricanes Hermine, Matthew and Irma from the $102,476,127 referred to in the

company's Amended Petition to $98,982,984, based on Tampa Electric's detailed analysis of all of the many invoices and other documentation associated with the work performed by other utilities and contractors who assisted in this significant restoration effort.

3. The persons to whom all notices and other documents should be sent in connection with this docket are:

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Background

4. At the time of this filing, Tampa Electric's base rates are currently governed by the September 30, 2013 final order of the Commission approving a stipulation and settlement agreement among all parties to Tampa Electric Company's base rate proceeding in Docket No. 20130040-EI, as supplemented by Commission Orders approving solar base rate adjustments ("SoBRA") included in tranches during the Term as specified in the Settlement Agreement. On November 27, 2017, the Commission approved the company's petition for limited proceeding to approve 2017 amended and restated stipulation and settlement agreement in Docket No. 20170210-EI and 20160160-EI. The stipulation and settlement agreement contains a numbered paragraph 5 which addresses storm damage cost recovery. A copy of said paragraph 5 is attached hereto as Exhibit "A" and made a part hereof.

5. Attached hereto as Exhibit "B" is a copy of Rule 25-6.0413, FAC, governing the use of accumulated provision accounts. This rule is addressed in paragraph 5(a) of the

stipulation and settlement agreement. By this Petition Tampa Electric seeks the Commission's authority to recover its storm damage costs and replenishment of the Storm Reserve pursuant to paragraph 5 of the stipulation and settlement agreement and Rule 25-6.0143, FAC.

6. This Second Amended Petition is the result of Tampa Electric's careful scrutiny of literally thousands of pages of storm damage invoices, receipts and supporting documentation that were the subject of the company's initial petition filed in this proceeding on December 28, 2017, as amended by the company's January 30, 2018 Amended Petition. During the course of discovery in this docket, Tampa Electric concluded that it would be appropriate to re-examine the many invoices for storm restoration assistance the company had received from the foreign and native vendors that provided assistance restoring the company's electric system in connection with named tropical systems during the 2015, 2016 and 2017 hurricane seasons. The company requested and was granted[1] a continuance for the purpose of allowing the company an opportunity to process, review and organize the voluminous amount of cost data and associated information pertaining to these restoration costs. Since that time, the company has conducted a supplemental review of invoices received from the foreign and native crew vendors and created over 120 binders addressing storm restoration costs for the five named tropical systems in this proceeding, including summary sheets detailing allowances and disallowances. As a result of this effort, Tampa Electric is seeking to recover a lower amount of incremental storm costs associated with the named storms in question than the company had requested in its January 30, 2018 Amended Petition. The lower requested storm damage cost recovery total of $98,982,984 represents a conservative and good faith effort by Tampa Electric to limit its request to recover only those restoration costs that are reasonable, prudent and supported by invoices and other documentation justifying their recovery.

[1] Order No. PSC-2018-0406-PCO-EI, issued August 15, 2018

Tropical Storms in 2015, 2016 and 2017 Impacting Tampa Electric

7. In 2015, 2016 and 2017 Tampa Electric incurred prudent and reasonable storm costs related to TSs Erika and Colin, and Hurricanes Hermine, Matthew and Irma. These five named tropical systems required storm preparation and restoration activities. A detailed description of each of these storms and actions taken by Tampa Electric in response to them is set forth on pages 4 through 13 (paragraphs 8-24) of the company's Amended Petition filed in this docket on January 30, 2018, and for the sake of brevity those portions of the Amended Petition are incorporated herein by reference as if the same were fully set forth herein.

Transmission and Distribution Insurance

8. Pursuant to Rule 25-6.0143 (1) (m) FAC, Tampa Electric files an annual report providing information concerning the company's most recent efforts to obtain commercial insurance for transmission and distribution ("T&D") facilities and a summary of amounts recorded in account 228.1.

9. On February 15, 2017, Tampa Electric filed its status on efforts to obtain commercial T&D insurance at which time the company concluded based on the markets and discussions with brokers that property insurance for the company's T&D facilities at reasonable and deductible levels continues to be generally unavailable. A copy of this letter filed with the Commission is attached as Exhibit "C".

Total Storm Cost Requested for Recovery

10. Tampa Electric requests a determination by the Commission that the actual incremental storm costs for TSs Erika and Colin, and Hurricanes Hermine, Matthew and Irma for storm damage and replenishment of the storm reserve totals $98,982,984 described above as follows:

TS Erika:	$698,932
TS Colin:	$2,523,370
Hurricane Hermine:	$5,301,877
Hurricane Matthew:	$1,005,845
Hurricane Irma:	$87,871,323

11. Tampa Electric's storm reserve is unfunded and as such, the amounts above do not contain any interest charges.

12. Details of the actual incremental storms cost for each of the above named-storms in the 2015, 2016 and 2017 hurricane seasons are detailed in Exhibit "D".

13. At the time of this filing, Tampa Electric continues to receive back up documentation supporting invoices for storm restoration activities related to Hurricane Irma. The company has prepared this second amended petition based on the documentation in hand at the time of filing but reserves the right to increase its request for cost recovery between now and the final hearing as additional supporting documentation is received.

Relationship of Incremental Storm Costs with Tax Reform Benefits of the Tax Cut and Jobs Act of 2017

14. This Second Amended Petition requests a final Commission determination as to the appropriate amount of incremental storm costs incurred by Tampa Electric during the 2015, 2016 and 2017 hurricane seasons, for use in determining the appropriate offsets and true-ups of those storm costs and the tax savings the company's customers have realized from the enactment of the Tax Cut and Jobs Act of 2017. On March 7, 2018 the Commission entered its Order No. PSC-2018-0125-PCO-EI (Order Approving Interim Storm Cost Recovery Charge). That Order addressed an effort by Tampa Electric and the other parties to this proceeding to avoid volatility in customer rates by recognizing and then utilizing annual tax reform benefits resulting from the

passage of the Tax Cut and Jobs Act of 2017 as a direct offset to avoid implementing separate cost recovery of storm damage costs that customers would otherwise have been obligated to pay. That Order provides in part:

> Tampa Electric filed tariffs to implement both its original and amended proposed interim Storm Cost Recovery Charge factors. However, following our approval of the Amended Implementation Stipulation, Tampa Electric withdrew its proposed amended Storm Cost Recovery Charge tariff. Tampa Electric's Amended Implementation Stipulation is contained in Attachment A. The Amended Implementation Stipulation seeks to avoid volatility in customer rates by recognizing and then utilizing annual tax reform benefits resulting from the passage of the Tax Cut and Jobs Act of 2017 (Tax Act) as a direct offset to avoid implementing separate cost recovery of storm damage costs that customers would otherwise have been obligated to pay. With our approval of the Amended Implementation Stipulation, Tampa Electric will be entitled to make the appropriate adjustments to its regulated books and records to recover the entire estimated amount of storm costs that would have been recovered from customers over a nine month period in 2018 from the Company's estimated annual tax savings over the same nine month period. Consistent with the ARSSA, a final determination of storm costs and the impact of tax reform shall be made in separate dockets and any difference will be trued-up and recovered/refunded to customers through the 2019 Environmental Capital and Cost Recovery Clause with the full impact of tax reform reflected in a change in base rates in January 2019.
>
> Our approval of interim Storm Cost Recovery charge factors is preliminary in nature and is subject to true-up pending further review once the total actual storm restoration costs are known. After the actual costs are reviewed for prudence and reasonableness, and are compared to the actual amount recovered through the interim Storm Cost Recovery Charge, a determination will be made whether any over/under recovery has occurred and the appropriate steps to be taken for a refund or additional charge.

As a consequence, the Second Amended Petition seeks a final determination as to the appropriate amount of incremental storm costs, as opposed to recovery of those costs, so that final amount may be used to reconcile the recognition and utilization of annual tax reform benefits as an offset

to avoiding implementing the separate cost recovery of storm damage costs and to enable any difference to be trued-up and recovered/refunded to customers through the Energy Conservation Cost Recovery Clause.

15. Tampa Electric is not aware of any disputed issues of material fact regarding the matters addressed herein or the relief requested.

WHEREFORE, Tampa Electric requests that the Commission approve the company's final calculation of its storm damage costs associated with the above named tropical storms and hurricanes during the 2015, 2016 and 2017 hurricanes so that the same may be utilized to make a final determination of the appropriate offset of tax savings and storm damage costs and any required true-up of storm damage costs.

DATED this 8th day of February, 2019.

Respectfully submitted,

JAMES D. BEASLEY
J. JEFFRY WAHLEN
Ausley McMullen
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Tallahassee, FL 32302
(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Second Amended Petition, filed on behalf of Tampa Electric Company, has been furnished by electronic mail on this 8th day of February 2019 to the following:

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Ms. Johana Nieves
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ATTORNEY

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20170271-EI

IN RE: PETITION FOR RECOVERY OF COSTS ASSOCIATED WITH NAMED TROPICAL SYSTEMS DURING THE 2015, 2016, AND 2017 HURRICANE SEASONS AND REPLENISHMENT OF STORM RESERVE SUBJECT TO FINAL TRUE-UP, TAMPA ELECTRIC COMPANY.

REVISED PREPARED DIRECT TESTIMONY AND REVISED EXHIBIT OF GERARD R. CHASSE

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

REVISED PREPARED DIRECT TESTIMONY

OF

GERARD R. CHASSE

I. INTRODUCTION

Q. Please state your name, address, occupation and employer.

A. My name is Gerard R. Chasse. My business address is 702 N. Franklin Street, Tampa, Florida 33602. I am employed by Tampa Electric Company ("Tampa Electric" or "the company") as Vice President, Electric Delivery.

Q. Please describe your duties and responsibilities in that position?

A. My duties and responsibilities include the oversight of all functions within Tampa Electric's Electric Delivery Department including the planning, engineering, operation, maintenance and restoration of the transmission, distribution and substation systems, operation of the distribution, and energy control centers, administration of tariffs and compliance, execution of the company's Transmission and Distribution ("T&D") strategic solutions including advanced metering

infrastructure, outdoor and streetlight LED conversion project, and advanced distribution management system, line clearance activities, warehouse and stores, and fleet and equipment. As it relates to this filing, I am responsible for the safe, timely, and efficient implementation of Tampa Electric's storm restoration plan.

Q. Please describe your educational background and professional experience?

A. I received a Bachelor of Science degree in electrical engineering from the University of Maine in 1990 and became a licensed professional engineer in 1996. I have held numerous positions of increasing responsibility in Bangor Hydro Electric and its successor, Emera Maine, including Substation Engineer, Planning Engineer, Substation Operations Supervisor, Manager of Engineering, Manager of Assets, Project Manager for an international transmission line, Vice-President of Operations, Executive Vice-President, and President of Emera Maine from 2010 through 2015. In 2015 and 2016, I was Vice-Chair of the Emera Maine Board. My position was also focused on renewable strategy, grid modernization strategy, and customer strategy for Emera companies from

2015 to 2016 before my current role.

Q. What is the purpose of your revised direct testimony?

A. The purpose of my Revised Direct Testimony is to describe Tampa Electric's Disaster Preparedness and Recovery Plan and to provide details of the work and costs incurred by Tampa Electric's T&D organization during the 2015, 2016 and 2017 storm seasons in connection with the five named tropical storms: Tropical Storm ("TS") Erika, TS Colin, Hurricane Hermine, Hurricane Matthew and Hurricane Irma. These five named tropical storms required storm preparation and restoration activities. My Revised Direct Testimony supports the reasonableness and prudence of the T&D storm restoration costs for which Tampa Electric is seeking recovery.

In addition, my Revised Direct Testimony addresses the unique challenges Hurricane Irma presented to our company, the supplemental review of foreign crew invoices we conducted from August 2018 to January 2019 and generally, how we have updated our procedures based on Hurricane Irma and the results of our supplemental review.

Q. How does your Revised Direct Testimony relate to the

Revised Direct Testimony of other Tampa Electric witnesses?

A. The Revised Direct Testimony of Tampa Electric's Witness Jeffrey S. Chronister's supports the company's calculation of the costs incurred by Tampa Electric during the 2015, 2016 and 2017 storm seasons in connection with the five named tropical storms listed above. Witness Chronister also explains how the company's request for storm cost recovery in this docket was calculated and has evolved, how the results of the company's tax savings proceeding relates to this proceeding and the additional accounting and review process changes the company will implement, as a result of lessons learned, for future storm restoration activities.

The Revised Direct Testimony of Tampa Electric's Witness S. Beth Young describes how Tampa Electric acquires, stages and manages foreign crew resources in assisting with large-scale restoration efforts as well as explains why the costs incurred for those activities were prudent in order to achieve timely restoration of the company's electric system. It also addresses our Energy Delivery Department's role in the supplemental review we conducted for Hurricane Irma, as well as, the four prior named

storms and the new business and storm management practices we developed as a result of Hurricane Irma, which will be utilized for future named storm restoration activities.

Finally, the Direct Testimony of Tampa Electric's Witness Sarah L. Djak provides a detailed explanation of the supplemental review we conducted, including how the review was designed and conducted, what the review covered and the results of the review.

Q. Are you sponsoring any Exhibits in this proceeding?

A. Yes, I am. Exhibit No.___ (GRC-1), consisting of one document, entitled "Tampa Electric's Recoverable Restoration Costs by Storm, Function and Cost Element", was prepared under my direction and supervision. This Exhibit details the company's recoverable storm costs by function and detailed category which supports the necessary and prudent restoration costs Tampa Electric incurred in restoring the electrical systems in the five named tropical storms in this proceeding.

II. TAMPA ELECTRIC'S DISASTER PREPAREDNESS AND RECOVERY PLAN

Q. What is the objective of Tampa Electric's Disaster Preparedness and Recovery Plan?

A. The objective of Tampa Electric's Disaster Preparedness and Recovery Plan is to safely, efficiently and effectively restore power to customers as quickly as practical during and following a severe weather event. This is accomplished in accordance with all regulatory, legislative and industry rules, including the Occupational Safety and Health Administration ("OSHA"). It is accomplished in close coordination with all applicable local, regional, state and federal governmental agencies. It is also accomplished according to a well-established and always improving plan. Facilities, equipment and critical customers are restored using both a predetermined prioritization process and a methodology to restore the largest number of customers as quickly as possible. The plan is readily scalable to the size and impacts of the event and employees are regularly trained in their roles within the plan.

The scale of the implementation of the plan may extend on a small scale to only internal resources and possibly local contractor resources using our existing service area facilities all the way to opening multiple incident bases, acquiring resources from regional mutual aid groups ("RMAG") across the country, as well as affiliates and non-RMAG contractor resources.

Q. Please describe the key components of Tampa Electric's Disaster Preparedness and Recovery Plan?

A. Tampa Electric's Disaster Preparedness and Recovery Plan consists of a standard management hierarchy and set of procedures for managing temporary events of any size called an incident command structure ("ICS"). ICS includes procedures to select and form temporary management hierarchies to manage and control funds, personnel, facilities, resources and communications. It is designed to be used or applied from the time an event is anticipated until the requirement for additional management and operations no longer exist. It provides logistical and administrative support to operational staff allowing them to focus on addressing the event. It is cost effective by avoiding duplication of efforts and maximizing utilization of available resources.

As a nationally recognized standardized approach to the command, control and coordination of emergency response, ICS provides for a common terminology and clear communications within which responders from multiple agencies public and/or private can be effective. One of its strengths is the ability to expand or contract in scope to meet the needs of the event to which it is applied. As

ICS is standardized nationally and utilized by virtually all first responders in the company's service territory, it allows for effective and efficient coordination of response to events between Tampa Electric and the first responders of the communities the company serves.

Q. Please explain the function of ICS as it relates to Tampa Electric's Disaster Preparedness and Recovery Plan?

A. ICS consists of five major functional areas: Command, Operations, Planning, Logistics and Finance.

Command (or Command Staff): Where the event objectives, strategies and priorities are set and overall responsibility for the event resides. For small events, the Incident Commander may be the only position staffed. Other command level positions include Public Information Officer (normally Corporate Communications), Safety and representatives from other major groups (Environmental, Energy Supply, Emergency Management – Business Continuity, Customer Experience, Human Resources, etc.). The Incident Commander has overall responsibility for managing the incident.

Operations: Responsibility for developing and implementing

tactics to accomplish the event objectives (restore service) lies within this area. Operations is led and staffed by individuals with the greatest tactical expertise in dealing with the problem at hand. Tactical response resources (crews, equipment, material, etc.) are organized, assigned and supervised by the Operations section.

Planning: Responsible for collecting, evaluating and displaying event intelligence and information. Also required to prepare and document Incident Action Plans, tracking resources assigned to the event, maintaining event documentation and developing plans for demobilization.

Logistics: Responsible for insuring that there are adequate resources (personnel, supplies and equipment) for meeting the event objectives. Logistics is responsible for all services and support needs, including:

- Ordering, obtaining, maintaining and accounting for essential personnel, equipment and material,
- Providing communication planning and resources,
- Setting up food services for responders,
- Setting up and maintaining event facilities (Incident Bases, housing, etc.),
- Providing support transportation, and
- Providing medical services to event personnel

Finance: All event specific financial management is handled within this area. Responsible for:

- Contract negotiation and monitoring,
- Timekeeping,
- Cost analysis,
- Compensation for injury or damage to property, and
- Documentation for reimbursement

Q. Does Tampa Electric periodically update its Disaster Preparedness and Recovery Plan?

A. Yes, the company updates the plan on an annual basis. Each year Tampa Electric's Corporate Emergency Management revises the plan based on new improvements identified, organizational changes or changes to personnel. In particular, subsequent to Hurricane Irma and due to its size and scale of required response, a detailed "lessons learned" exercise was conducted throughout the company and suggestions for improvements were gathered and most have subsequently been implemented.

Q. What other steps does Tampa Electric take to prepare for each storm season?

A. Tampa Electric regularly takes a number of steps each

year to prepare the company and team members for each storm season including implementing the company's storm hardening plan, mock storm exercises, communicating with local, county, and state emergency response centers, implementing the company's vegetation management plan, increasing of inventory levels for T&D equipment that has the potential to be damaged, and implementing new technologies to make storm management and execution more efficient.

Q. Would you provide some examples of things that the company has done recently to improve its Disaster Preparedness and Recovery Plan?

A. The company has several examples that have been done recently to improve Tampa Electric's Disaster Preparedness and Recovery Plan. The company has initiated additional Fold Out Rigid Temporary Shelters ("FORTS") to provide command center facilities at incident bases. Out of the suggested improvements following Hurricane Irma, most of these suggestions are within the Electric Delivery Department with over 298 of 310 suggestions having been already implemented into the company's Disaster Preparedness and Recovery Plan. The remaining improvements are still undergoing evaluation for

implementation and are being actively tracked. Tampa Electric's Customer Experience Department has also implemented lessons learned identified from Hurricane Irma and is on schedule to complete many more prior to the upcoming hurricane season. Tampa Electric's Support Services Department also identified suggested improvements and similar to the Electric Delivery and Customer Experience Departments, continue to evaluate and implement these suggestions where practical.

Q. How does Tampa Electric respond when a storm threatens its service territory?

A. Initiation of storm response for Tampa Electric begins with very close monitoring of weather forecasts. Tampa Electric's Electric Delivery Emergency Manager provides daily updates on weather forecasts throughout the year. During the hurricane season, potential storms are identified as early as ten or more days ahead of potential impacts to the peninsular Florida and the company's service area. Tampa Electric subscribes to a paid weather forecasting service and also monitors the National Weather Service. If the storm has the potential to threaten Florida and the company's service area, the Electric Delivery Incident Commander will initiate calls

with the Electric Delivery Operations team. Depending on the storm's intensity and forecasted track and impacts, at approximately the five to seven-day range, the Electric Delivery Incident Commander will initiate full or partial Electric Delivery Incident Command Structure along with daily to twice daily calls using the established pre-storm agenda. The primary focus is to engage the key responsible process owners in the areas of Emergency Management and Mutual Assistance, Safety, Environmental, Customer Experience, Human Resources, Corporate Communications, Energy Supply, Electric Delivery Logistics Support, Transmission, Distribution and Substation Operations, Transmission and Distribution Control Center, Planning and Finance. Initial activities are focused on weather forecasts and planning which includes storm modeling and assessing the need for restoration resources. If forecasts for impacts continue to hold, all other areas of the company are quickly activated to execute their responsibilities within the plan. Depending on the size and potential impacts of the storm, the Electric Delivery Incident Commander will recommend to the Corporate Incident Commander, Tampa Electric's Chief Executive Officer ("CEO"), whether Corporate ICS should be initiated.

Q. Has Tampa Electric had previous opportunities to exercise its Disaster Preparedness and Recovery Plan?

A. Yes. Tampa Electric has had several opportunities to exercise the company's Disaster Preparedness and Recovery Plan. The company exercised the plan at various levels for all the storms that are the subject of this proceeding. In addition, Tampa Electric exercises the plan each year prior to the upcoming hurricane season by conducting training, preparation and mock storm exercises.

Q. Has Tampa Electric implemented improvements in its Disaster Preparedness and Recovery Plan over time?

A. Yes. Just in the past year, Tampa Electric has implemented numerous improvements in its Disaster Preparedness and Recovery Plan as a result of the lessons learned exercise that was conducted subsequent to Hurricane Irma. Some examples of these include: improvements to the manner in which we address the needs of residential and small customers' escalation and priority, implementation of a two-man troubleman role, improvements to the wire-down processes, improvements to the Estimated Time for Restoration ("ETR") process, an

improved outage map, identification of a list of vehicle/equipment needs to run tasks, such as laundry, pillow, sheets, cots, etc. for restoration crews.

Q. How does Tampa Electric ensure that its Disaster Preparedness and Recovery Plan is consistently followed?

A. Tampa Electric ensures that the company's Disaster Preparedness and Recovery Plan is consistently followed through annual training and preparation and mock storm exercises, as well as, having a well-defined Emergency Management and Incident Response Plan where internal resources understand and have been trained on their roles and responsibilities. The plan is reviewed and updated annually. Everyone that fills a role in the plan is notified and trained. In most cases there are primary personnel and backup personnel for each role within the plan. All documentation on the plan is readily accessible by all employees through the company's intranet.

Q. How does Tampa Electric assess its restoration work load requirements?

A. Tampa Electric assesses its restoration work load requirements for storm events through two primary

methods. The first is through storm modeling where the specific attributes of the forecasted weather are modelled based on a history of storm impacts from other events. The modeling is specific to each one of the company's service areas. Based on the projected number of customer outages and the damage expected, the man-hours necessary to repair the damage and restore power are estimated and restoration targets are established. Smaller storm events may have targets that range between 24 and 48 hours with sub-goals that no customers will be out more than 24 hours. Restoration targets for larger events may be driven by availability of external resources and other practical limitations within logistics or operations.

Once restoration targets are established, internal resource availability of both field employees and native contractors primarily in the areas of damage assessment, line clearance and T&D line workers are assessed against the needed manhours to complete the work. If the resource requirement is greater than the internal availability, then external resources will be acquired. Witness Young provides additional information on the procurement of external resources in her Revised Direct Testimony.

The second method for determining work load requirements is through damage assessment. After the storm, damage assessors are sent out to patrol feeders, gather damage information and return that information to Tampa Electric's Planning section. With that information and information on actual outage counts from the company's outage management system, adjustments can be made to the resource requirement predictions from the modeling and a more accurate Estimated Time of Restoration can be made. For large storms the damage assessment process may require 24 to 48 hours before enough information is gathered and assessed to make reasonable estimations on ETR's. Restoration during this time period begins as soon as winds recede and it is safe to initiate and continues according to our prioritization process while damage information is being gathered.

III. Tropical Storm Erika

Q. Please provide an overview of Tropical Storm Erika, Tampa Electric's actions and response to the storm and how it impacted Tampa Electric's service territory?

A. TS Erika formed on Monday, August 24, 2015 in the Atlantic and was immediately classified as a TS. TS Erika moved westward while being steered by the flow south of the

subtropical ridge. During this move westward, TS Erika was in an environment that was conducive for some strengthening. On Tuesday, August 25, 2015 wind shear began affecting TS Erika along with dry mid-level air which inhibited intensification. On Thursday, August 27, 2015 TS Erika passed near the northern tip of Guadeloupe while slightly intensifying. On Friday, August 28, 2015 TS Erika passed south of the U.S. Virgin Islands and Puerto Rico while experiencing wind shear which prevented additional intensification. By mid-day the storm no longer had a well-defined circulation and dissipated. The remnants of TS Erika remained an area of low pressure that reached Florida on Wednesday, September 2, 2015 and moved into Southeastern Georgia before finally losing its identity on Thursday, September 3, 2015.

On Friday, August 28, 2015 Governor Rick Scott declared a state of emergency for the entire state of Florida ahead of TS Erika. Also, on this day, Tampa Electric commenced emergency operations preparation as the company's service area was in the cone of TS Erika's potential landfall. After shifting to emergency operations, Tampa Electric requested Southeastern Electric Exchange ("SEE") and non-SEE distribution and tree trim resources to travel and arrive on Sunday, August 30, 2015 in preparation for the

restoration. As the forecasted storm track and intensity changed, these foreign resources were released to return home because Tampa Electric could perform the restoration with the internal resources and native contractors. In addition, Tampa Electric began making preparation for the storm by securing the service area yards, materials, two incident bases and coordinating restoration preparation and response work schedules. On Monday, August 31, 2015 the weather service was still forecasting three to five inches of rain and over 30 miles per hour ("mph") winds, so additional distribution resources were brought in early in preparation for the inclement weather.

The National Hurricane Center ("NHC") declared that TS Erika dissipated near the north coast of eastern Cuba at 9:30 a.m. Eastern Daylight Time ("EDT") on Saturday, August 29, 2015. It was at this time that hurricane hunter data concluded that the form of this TS had degenerated to a trough of low-pressure.

IV. TROPICAL STORM COLIN

Q. Please provide an overview of Tropical Storm Colin, Tampa Electric's actions and response to the storm and how it impacted Tampa Electric's service territory

A. TS Colin formed from a low-pressure area on Sunday, June 5, 2016 off the Gulf of Mexico near the northern coast of the Yucatan Peninsula. TS Colin was forecasted to make landfall on Monday, June 6, 2016 along Florida's Gulf coast as a weak tropical storm. Even though TS Colin was a minimal tropical storm, tropical storm warnings were added late on June 5, 2016 that covered Altamaha Sound in Georgia down to Sebastian Inlet on Florida's Atlantic Coast. The NHC provided guidance late on June 5, 2016 that focused less on TS Colin's forecast track, which was to the North, but rather on the potential strong winds, heavy rain and coastal flooding, which were being forecasted well to the east of the center of circulation. The NHC posted flash flood watches, forecasted a storm surge in Tampa Bay between one and two feet and the possibility of isolated tornadoes in Florida. On Tuesday, June 7, 2016 at 3:00 a.m., TS Colin made landfall near Dekle Beach with the storm's maximum sustained winds of 50 mph. TS Colin continued a northeastward track, crossed north Florida and southern Georgia and exited over the Atlantic Ocean.

On Monday, June 6, 2016 Governor Rick Scott declared a state of emergency for thirty-four counties in the state, including most of Tampa Electric's service area

(Hillsborough and Pinellas Counties). Preliminary weather service predictions of TS Colin's path indicated it would cross the Florida Peninsula close to Tampa Bay with tropical storm force winds of 40 to 50 mph with heavy rain squalls. Tampa Electric's Energy Delivery Department went into a soft activation on Friday, June 3, 2016 as the company monitored the storm. After shifting to emergency operations, Tampa Electric requested non-SEE distribution resources to travel and arrive on Sunday, June 5, 2016 in preparation for the restoration activities. In addition, Tampa Electric prepared for the storm by securing the service area yards, materials and a vehicle staging area and coordinating restoration preparation and response work schedules. By Sunday, June 5, 2016 TS Colin's projected landfall was moved north to Cedar Key with the worst weather south and east of the center, which included Tampa Bay. On Sunday, June 5, 2016 Tampa Electric went to partial activation and then the company made the decision to implement full activation on Monday, June 6, 2016 to make the final storm preparations. On Tuesday, June 7, 2016 the severe weather was past Tampa Bay and the company's service area. On Wednesday morning, June 8, 2016 non-SEE distribution resources were released and the company discontinued storm operations.

V. HURRICANE HERMINE

Q. Please provide an overview of Tropical Storm Hermine, Tampa Electric's actions and response to the storm and how it impacted Tampa Electric's service territory?

A. On Sunday, August 28, 2016 tropical depression nine was moving westward as a tropical wave north of Cuba into the Gulf of Mexico. On Wednesday, August 31, 2016 tropical depression nine intensified into TS Hermine. TS Hermine shifted from a westward track to a northeastward track in the south-central Gulf of Mexico and intensified further to become Hurricane Hermine just prior to making landfall on Thursday, September 1, 2016. On Friday, September 2, 2016 at 3:00 a.m., Hurricane Hermine made landfall as a Category 1 hurricane just east of St. Mark's Florida. Hurricane Hermine quickly dissipated in strength becoming TS Hermine by mid-morning. TS Hermine continued a northeastward track, crossed North Florida, Georgia and South Carolina and exited over the Atlantic Ocean.

On Wednesday, August 31, 2016 Governor Rick Scott declared a state of emergency for forty-two counties in the state covering Tampa Electric's entire service area (Hillsborough, Pasco, Pinellas and Polk Counties) ahead of what would become Hurricane Hermine. Preliminary

weather service predictions of TS Hermine's path were projected to impact Tampa with a 60 percent chance of development into a tropical cyclone. Preparation storm calls for Tampa Electric' Energy Delivery department began on Monday, August 22, 2016 with formal activation for Tampa Electric on Thursday, August 25, 2016. After shifting to emergency operations, Tampa Electric requested SEE and non-SEE distribution, tree trim and damage assessment to travel and arrive Sunday, August 28, 2016 in preparation for the restoration activities. In addition, Tampa Electric resources were making preparation for the storm by securing the service area yards, materials, three incident bases and coordinating restoration preparation and response work schedules. On Friday, August 26, 2016 the weather service indicated the system would slow down and not intensify as much as previously predicted. The path was also revised indicating land fall would be in the Panama City area. However, heavy rain squalls were possible along the western Florida Peninsula with projected rainfall amounts of three to six inches with isolated total of seven to ten inches possible based upon this new projected storm track. Tampa Electric made the decision to release the SEE resources, delay the arrival of the non-SEE resources until the evening of Wednesday, August 31, 2016 and scale

back the number of incident bases to one. On Wednesday, August 31, 2016 with the forecast changing to more of a rain event for Tampa Electric and showing slightly improved conditions for the Tampa Bay area, the company began unwinding preparations while still preparing for a storm with up to a possible 100,000 customers impacted. Tampa Electric made the decision to retain non-SEE resources for the night to ensure that adequate resources were available for restoration pending a decision to potentially release them in the morning. On Friday, September 2, 2016 the Tampa Bay area was impacted by two separate and significant rain bands from Hurricane Hermine that produced strong winds and heavy rain. Because of the outages caused by these two rain bands, Tampa Electric secured additional crews to arrive Saturday morning, September 3, 2016 to assist in restoration efforts. With significant progress made overnight Friday, Tampa Electric made the decision to release these additional crews to enable these crews to provide mutual assistance to the North Coastal Region of Duke Energy Florida beginning Sunday, September 4, 2016.

VI. HURRICANE MATTHEW

Q. Please provide an overview of Tropical Storm Matthew, Tampa Electric's actions and response to the storm and

how it impacted Tampa Electric's service territory?

A. Matthew developed into a tropical storm southeast of St. Lucia on Wednesday, September 28, 2016. On Thursday, September 29, 2016 TS Matthew grew in intensity into a Category 1 hurricane northeast of Curacao and reached Category 5 status on the following day. Hurricane Matthew weakened slightly to a Category 4 hurricane as it made its northward turn and made its first landfall over Haiti on Tuesday, October 4, 2016. Hurricane Matthew then made its second landfall over Cuba where it weakened to a Category 3. Hurricane Matthew intensified again as it moved offshore from Cuba and re-attained Category 4 status. Hurricane Matthew then headed to the Bahamas and on Thursday, October 6, 2016 it made its third landfall over Grand Bahama. Hurricane Matthew then moved northward paralleling the coast of Florida on Thursday, October 6, 2016 and Friday, October 7, 2016.

On Monday, October 3, 2016 Governor Rick Scott declared a state of emergency for the entire state ahead of Hurricane Matthew. Although preliminary discussions had been occurring in Tampa Electric's Electric Delivery Department since Thursday, September 29, 2016 on Wednesday, October 5, 2016 Tampa Electric commenced

emergency operations preparation as parts of the company's service area were projected in the cone of Hurricane Matthew's potential path. After shifting to emergency operations, Tampa Electric evaluated the potential storm impacts and resultant customer outages and determined that neither SEE or non-SEE resources would be required. However, the option was left open for Tampa Electric to request outside resources in the event the storm's path moved westward towards Tampa Electric's service area. Tampa Electric began making preparation for the storm by securing the service area yards, materials and coordinating restoration preparation and response work schedules. As the path of Hurricane Matthew kept it just offshore of the east coast of Florida, the customer outages in Tampa Electric's service area were quickly restored during the day Friday, October 7, 2016. With all customers restored, Tampa Electric provided mutual assistance resources to other utilities impacted by the storm.

VII. HURRICANE IRMA

Q. Please provide an overview of Hurricane Irma, Tampa Electric's actions and response to the storm and how it impacted Tampa Electric's service territory?

A. On Wednesday, August 30, 2017, the NHC upgraded Tropical Disturbance 36 to TS Irma and predicted that it would strengthen into a hurricane over the next two to three days with a track that would take it near, if not into Florida. The next day, Thursday, August 31, 2017, TS Irma was upgraded to a hurricane and predicted to pass close to the Northeast Caribbean islands as a major Category 4 hurricane. In subsequent advisories, the uncertainty of Hurricane Irma's track put the entire Caribbean and east coast of the United States on alert. The entire peninsula of Florida was included in the cone of uncertainty. Hurricane Irma traveled as far west as Cuba before turning north and making its first landfall east of Key West as a Category 4 hurricane, then a second landfall near Marco Island as a Category 3 hurricane on Sunday, September 10, 2017.

Hurricane Irma then traveled inland up the west coast of Florida, crossing Tampa Electric's service area at an angle along the Hillsborough and Polk County lines early Monday morning, September 11, 2017. While significantly weakened at this point, Hurricane Irma still had significant strength that impacted Tampa Electric's service area. Hurricane Irma continued to travel in a northerly direction up the state, continuing to weaken to

a tropical storm and then a remnant low by Monday evening.

On Monday, September 4, 2017, Governor Rick Scott declared a state of emergency for the entire state. Over the Labor Day Weekend, Tampa Electric had already begun holding calls to discuss the storm and start initiating preparatory actions. On Tuesday, September 5, 2017, Tampa Electric began securing additional crews to support possible restoration efforts and started internal preparations for the storm. On Wednesday, September 6, 2017, Tampa Electric's Energy Delivery department and the entire corporation went into full emergency operations. Planning efforts centered around a Category 3 hurricane impacting Tampa Electric's service area. For the rest of the week, as the forecasted track for Hurricane Irma became less and less favorable, Tampa Electric worked to prepare for the effects of the storm by securing additional materials, resources and services in anticipation of a major restoration effort. Preparations included the possible opening of all seven Distribution and one Transmission Incident Bases.

While some outside resources were requested to arrive over the weekend, with the projected path of the storm taking it up the entire peninsula, the majority of the crews

were requested to report on Tuesday, September 12, 2017. Preparations were complicated as the area was dealing with fuel and bottled water shortages resulting from Hurricane Harvey. Residents, anticipating similar impacts to those of Hurricane Harvey in Texas, heeded the warnings of Governor Scott and stocked up on supplies and/or evacuated. Transportation of materials and resources, along with the securing of housing for outside resources, was slowed by evacuation traffic.

After Hurricane Irma cleared Tampa Electric's service area, restoration mode began the morning of Monday, September 11, 2017. By Tuesday, September 12, 2017, the first Incident Base was opened, with three more set to open the next day. Ultimately, we opened a total of six Incident Bases. With the entire company working in restoration mode (activated into storm roles and working extended days) and the assistance of over 3,400 outside resources, restoration proceeded quickly and efficiently. Numerous unforeseen issues such as the possible closure of Interstate 75 and shortages of fuel in the state were dealt with and solutions/workarounds were put into place.

As the company made progress with our restoration efforts, the global ETR that Tampa Electric initially established

for Sunday, September 17, 2017, became likely. Due to our restoration progress, on Thursday, September 14, 2017, the company began the process to return to normal operations.

On Friday, September 15, 2017, Tampa Electric released almost 400 outside resources to travel south to assist Florida Power and Light ("FPL") with their restoration efforts.

On Saturday, September 16, 2017, 96 percent of impacted customers had been restored and an additional 200 outside resources were released to FPL to assist with their restoration efforts.

By Sunday, September 17, 2017, 99 percent of impacted customers had been restored and the process to shift to normal operation continued. Over 2,300 outside resources were released to both FPL and Duke Energy Florida ("DEF") to assist their restoration efforts, leaving several hundred onsite to assist in final restoration efforts at Tampa Electric.

On Monday, September 18, 2017, all remaining outside crews at Tampa Electric were released, Incident Bases shut down

and Tampa Electric resumed normal business except for wrapping up any remaining emergency operations.

Q. Did Hurricane Irma present unique challenges to Tampa Electric?

A. Yes. The size, unpredictability, closeness in time to Hurricane Harvey and amount of statewide and regional damage from Hurricane Irma presented new and unique challenges to all of the electric utilities in peninsular Florida, including Tampa Electric.

Q. Can you describe, in practical terms, how big Hurricane Irma was to Tampa Electric?

A. Yes. At one time or another, approximately 425,000 of our customers experienced some loss of electric service due to Hurricane Irma. Most of the damage was the result of wind, which caused trees, beyond our utility rights-of-way and clearing areas, to fall on power lines, tearing conductors down and damaging some poles. The company received over 1,400 "wire down" reports. As a result of years of storm hardening efforts, fewer poles failed as a result of trees or wind, significantly aiding the speed or restoration.

We can also measure Hurricane Irma in terms of the resources we used to restore service to our customers. All Tampa Electric employees from our TECO Energy family were directly involved in supporting storm restoration activities. Our lineman and native contract crews worked long hours making repairs and supervising foreign crews. Employees from our corporate office and business offices worked in our operations centers directing traffic, helping with meals and laundry, providing water, ordering, obtaining, maintaining and accounting for essential personnel, equipment and material, managing lodging, assisting at incident bases and provide support transportation.

As a result of these efforts, we were able to restore service to virtually all of our customers within six days of beginning restoration. I am very proud of our employees and the crews who helped us and am grateful for their dedicated service during a real emergency.

Q. What challenges did the size and unpredictability of Hurricane Irma present to Tampa Electric?

A. Hurricane Irma was a massive storm, both in size and strength. It threatened or impacted virtually all of

peninsular Florida and created an unprecedented competition for restoration resources between electric utilities in Florida and Georgia. Although each named tropical storm is unique, most of the storms affecting the company's service territory in the past were smaller and impacted smaller geographical areas. Because storm tracks always have some level of uncertainty, Florida utilities tend to secure outside resources in preparation, however, once the impact is known, less affected utilities are quick to release unnecessary resource to assist others.

With Hurricane Irma, the forecasted track changed so much, and the size and forecasted strength of the storm were so large that all of the utilities in peninsular Florida felt a need to secure as many foreign resources as possible. As a result, the resources usually available to Tampa Electric through the Southeastern Electric Exchange ("SEE") quickly became exhausted and the company was forced to look beyond the southeastern United States to secure restoration assistance. Consequently, the company ended up using contractors and other utilities from as far away as Canada and Colorado and was fortunate enough to secure first rights to restoration assistance from its affiliate companies.

Q. How did the use of contractors from out of state and beyond the southeast impact the storm restoration for Hurricane Irma?

A. The use of contractors secured from beyond the southeast was critical to the timeliness of the restoration from Hurricane Irma in order to meet expectations of our customers. With roughly 60,000 external resources entering the state of Florida to assist utilities, Tampa Electric was able to increase the size of its native field workforce by over five times. Without these resources, the time required for restoration would have been significantly extended.

Q. How else did the size and unpredictability of Hurricane Irma affect the company's restoration efforts?

A. These two factors also impacted the way the company staged foreign resources. When faced with a small tropical storm with a more certain track, it is usually possible to move foreign resources into Florida, but safely out of harm's way, where they can wait for the storm to clear, be closer to damaged areas and arrive on scene and ready to work with less delay. With Hurricane Irma, the frequently changing forecasted track, size and intensity of the

storm, together with safety considerations, caused us to ask many of our foreign crews to stage in Georgia until the storm cleared. After the storm passed, millions of evacuees competed with foreign crews for entry into Florida. Traffic issues created long delays for arrival of crews and significant challenges in finding hotel rooms.

Q. Did the company work with state and local officials on logistical and other restoration issues?

A. Yes. Members of Tampa Electric's team worked closely with local emergency management official and in the State Emergency Operations Center to share important information and to coordinate work and resources. The opportunity to work shoulder-to-shoulder with state and local officials on storm restoration is extremely valuable, because it facilitates information sharing and helps identify and eliminate potential obstacles to safe and prompt storm restoration. It also serves to remind us that public officials at all levels are intensely interested – as we are – in the prompt restoration of utility service after a storm. I personally participated on daily calls hosted by the Governor to coordinate the elimination of many types of impediments and assistance

with resource needs for all utilities in Florida.

Q. Do you have specific examples of how the competition for outside resources affected Tampa Electric's resource decisions?

A. Because external resources were in extremely high demand, the company was required to acquire resources from as far away as eastern Canada, the northeast, the upper mid-west, and as far west as the Rocky Mountains in order to attempt to fulfill is resource requirements. Given the practical nature of travel time, we determined that resources further than those would not result in an efficient restoration.

Q. How did Hurricane Harvey impact the company's efforts to secure outside restoration resources?

A. Large utilities in Texas were severely impacted by Hurricane Harvey. They had acquired foreign resources from across the country for assistance in their restoration. Those utilities were not able to support the Florida restoration efforts since they had still had much work to do and the foreign contractors that had been working in Texas were fatigued from working long hours to

restore power during Hurricane Harvey. This placed an additional strain on the supply of foreign resources available for Hurricane Irma.

Q. How did the amount of damage from Hurricane Irma make it unique?

A. For Tampa Electric, Hurricane Irma was a record setting storm in many ways. It caused more damage to our system than any other storm in our company's modern history. We also hired more contractors and spent more money than for any other storm. Nevertheless, the company was able to fully restore service to all of it affected customers within six days after the storm passed.

Hurricane Irma was also "record breaking" in the way it tested our storm restoration processes and procedures and abilities to manage resources to achieve a great result for our customers. Tampa Electric's native vendors who were already under contract with us to perform routine T&D maintenance, were immediately available to help on storm restoration. Beyond our internal resources and native crews, the company needed significant additional support for this restoration effort. The company hired and managed foreign line crews, foreign line clearing,

foreign damage assessors, in addition to call center vendors. It was by far the largest tropical storm restoration effort ever undertaken by the company and exposed some areas where we could improve our processes and procedures.

Q. Has the company updated its Storm Restoration processes and procedures based on lessons learned from Hurricane Irma?

A. Yes. We update our processes and procedures after every storm, because we believe there is always room for improvement and always strive to perform better and more efficiently. Our "lessons learned" and areas for improvement from Hurricane Irma specific to the determination of appropriate restoration costs fit in four general categories as follows: (1) establishing invoicing and payment expectations with vendors, (2) day-to-day management of foreign crews, (3) use of accounting resources collecting documentation daily and (4) improving the manner in which we review and approve vendor invoices after service has been restored and everyone is back to their normal responsibilities. The details associated with the first two areas are discussed further in the Revised Direct Testimony of Witness Young. The

last two are discussed further in the Revised Direct Testimony of Witness Chronister.

Q. How would you like the Commission and others to view the supplemental review conducted by the company?

A. I would like the Commission and others to view our supplemental review and the resulting reduction to our requested cost recovery amount as part of our continuous improvement effort. In many cases, we had not documented our review work adequately or presented it in a way that it could be easily reviewed, but the extensive and thorough review of every charge on every invoice identified items that should not have been included in our Amended Petition, filed January 30, 2019.

In retrospect, our management team did not commit the right number of people with the right skills to our initial invoice review and approval process. The foreign crews that assisted us came immediately when called, worked hard and helped us achieve a great result for our customers. We in turn, felt an urgency to pay them promptly for their assistance. In our initial review we missed things but have learned from the experience and have improved our processes for future events.

I also think, we all should keep the end goal in mind as we assess the performance and billing practices of the vendors who helped us. Each of the utilities that assisted us did so as part of a national mutual assistance network with impacts to the day-to-day work they have committed to completing for their own customer base. Each of our vendors who supplied foreign crew resources and came to our assistance did so in spite of other opportunities to work elsewhere.

Although a few of them may view storm restoration services as a primary business line, most of them have not built recurring business procedures and controls around providing storm restoration assistance. They helped us in a spirit of service and with hopes that Tampa Electric and other Florida utilities will return the favor if a storm causes damage to their systems. I am confident that the vast majority of our storm restoration partners will not object to reasonable new expectations, billing procedures and operating guidelines, but we should take care to ensure that our responses to Hurricane Irma and our supplemental review do not have the unintended consequence of deterring foreign crews from helping us and other Florida utilities when we need storm restoration help in the future.

VIII. TAMPA ELECTRIC'S RESTORATION COSTS

Q. What were the final recoverable restoration costs incurred by Tampa Electric in connection with each of the named storms you have described?

A. Tampa Electric incurred prudent recoverable restoration costs by the aforementioned five named tropical storms in the amount of $97,401,348 which excludes any interest provision on the storm balance that exceeded the company's Storm Reserve or regulatory assessment fees. These final recoverable restoration costs are reflected in my Exhibit No.____ (GRC-1), Document No. 1 entitled "Tampa Electric's Final Recoverable Restoration Costs", which provides a breakdown of the restoration costs incurred by storm, function and detailed category.

Q. Did Tampa Electric incur any restoration costs which were not included in the recoverable restoration costs, and if so, what was that amount that was not recoverable in connection with the five named tropical storms you have described?

A. Yes, Tampa Electric did incur restoration costs which it is not seeking to recover from customers. These costs associated with the five named tropical storms were

$12,016,878. These restoration costs are reflected in Witness Chronister's Exhibit No. ____ (JSC-1), Document No. 1, titled "Tampa Electric's Storm Restoration Cost Summary", which provides a breakdown of the recoverable and non-reserve restoration costs incurred by function. I believe these costs are reasonable on an overall basis. In addition, there were travel costs, lodging and meals, by the foreign resources that upon review were reasonable but were removed from the storm reserve due to inadequate documentation.

Q. Please explain why the total recoverable restoration costs that Tampa Electric is seeking for recovery in this proceeding has decreased from what was submitted in its original Direct testimony, filed on May 21, 2018?

A. The final recoverable restoration costs decreased from the amounts in our May 21, 2018 Direct Testimony, as a result of our supplemental review of foreign crew invoices.

IX. EVALUATING TAMPA ELECTRIC'S RESTORATION RESPONSE

Q. Would you consider Tampa Electric's restoration plan and its execution for these five named tropical storms in this proceeding to be effective?

A. Yes. I am confident that the execution of Tampa Electric's Disaster Preparedness and Recovery Plan resulted in a response that was very effective in performing restoration in each of the five named tropical storms.

Q. What key factors contributed to the effectiveness of Tampa Electric's restoration plan and execution for the five named tropical storms in this proceeding?

A. There were a number of key factors that contributed to the effectiveness of Tampa Electric's restoration plan and execution for the five named tropical storms in this proceeding. Each storm is a learning experience and after each storm, in addition to the annual plan review process, learnings from the storm are incorporated into the plan. Employees are trained in their storm roles and many employees are experienced leaders with critical storm roles that were in their current or other storm roles during the hurricanes of 2004 and 2005. Annual mock storm exercises are critical to preparation for storm season. Expanded access to external resources for large events through mutual aid groups, contractor networks, and affiliate companies also are important to accomplishing restoration activities as efficiently, and timely as

practical. Additionally, clear and frequent communication with the various external stakeholders through multiple channels has become nearly, if not as important as the restoration work itself. Intensive efforts for communications with customers and other key external groups was an important key to the company's success. Finally, the establishment of an ETR was critical.

Q. Please provide a few examples of key restoration plans/process enhancements that Tampa Electric has implemented recently?

A. As I mentioned, Tampa Electric has a process to gain lessons learned from performing restoration, conducting mock storm exercises or through the sharing of best practices with other utilities during mutual assistance. Some of the recent lessons learned examples identified following Tampa Electric's debrief of Hurricane Irma that the company has implemented that will benefit the restoration process from the impacts of future storms include: Expanding the number of incident base locations in the event of a larger category storm with a larger number of outside resources required, the use of diesel forklifts instead of propane to keep uniformity of fuel

at incident bases, obtaining rental vehicles five to ten days in advance of storm to ensure sufficient transportation available, implementation of a new outage map with more granularity and align hours of operation for Logistics Support Unit with crew's work schedule.

Q. What are your conclusions regarding Tampa Electric's restoration efforts with respect to the five named tropical storms the company encountered in 2015, 2016 and 2017?

A. My conclusion is that Tampa Electric's Disaster Preparedness and Recovery Plan and response was effective and efficient in the restoring power after these five named tropical storms. Hurricane Irma, being the largest of the five and the largest to hit Tampa Electric's service territory, was a particularly good test of implementation of the Plan. From that event, Tampa Electric will be able to make further improvements to make future events even more efficient.

Q. Does this conclude your revised direct testimony?

A. Yes.

REVISED EXHIBIT

OF

GERARD R. CHASSE

Table of Contents

Tampa Electric's Recoverable Costs by Storm, Function and Cost Element
(In $ Thousands)

Erika

	Total Storm Restoration Recoverable Costs	Distribution	Transmission	Other	Generation
Labor	**63**	63	0	0	0
Outside Services - Line Clearance	**78**	78	0	0	0
Outside Services - Services Expense	**534**	534	0	0	0
Materials & Supplies Expense	**0**	0	0	0	0
Employee Expense	**24**	24	0	0	0
Total	**699**	**699**	**0**	**0**	**0**

Colin

	Total Storm Restoration Recoverable Costs	Distribution	Transmission	Other	Generation
Labor	**641**	621	19	2	0
Outside Services - Line Clearance	**128**	128	0	0	0
Outside Services - Services Expense	**1,613**	1,609	4	0	0
Materials & Supplies Expense	**8**	8	0	0	0
M&S Inventory Issue	**0**	0	0	0	0
Employee Expense	**133**	132	1	0	0
Total	**2,523**	**2,498**	**23**	**2**	**0**

Hermine

	Total Storm Restoration Recoverable Costs	Distribution	Transmission	Other	Generation
Labor	**855**	814	24	17	0
Outside Services - Line Clearance	**333**	333	0	0	0
Outside Services - Services Expense	**3,827**	3,774	0	53	0
Materials & Supplies Expense	**42**	11	0	31	0
M&S Inventory Issue	**4**	4	0	0	0
Other Operating Expense	**33**	33	0	0	0
Employee Expense	**192**	169	0	22	0
Rent Expense	**16**	16	0	0	0
Total	**5,302**	**5,155**	**24**	**123**	**0**

Matthew

	Total Storm Restoration Recoverable Costs	Distribution	Transmission	Other	Generation
Labor	**205**	191	3	10	0
Outside Services - Line Clearance	**180**	180	0	0	0
Outside Services - Services Expense	**603**	573	29	1	0
Materials & Supplies Expense	**2**	2	0	0	0
M&S Inventory Issue	**3**	3	0	0	0
Employee Expense	**12**	12	0	0	0
Total	**1,006**	**963**	**32**	**11**	**0**

Irma

	Total Storm Restoration Recoverable Costs	Distribution	Transmission	Other	Generation
Labor	**8,713**	7,306	228	776	404
Outside Services - Line Clearance	**6,409**	6,409	0	0	0
Outside Services - Services Expense	**66,060**	64,334	1	785	940
Materials & Supplies Expense	**982**	817	0	0	165
M&S Inventory Issue	**1,094**	1,091	0	0	2
Other Operating Expense	**72**	69	0	0	4
Employee Expense	**4,530**	4,450	0	79	0
Rent Expense	**11**	11	0	0	0
Total	**87,871**	**84,486**	**230**	**1,639**	**1,516**

TOTAL

	Total Storm Restoration Recoverable Costs	Distribution	Transmission	Other	Generation
Labor	**10,478**	**8,996**	**274**	**804**	**404**
Outside Services - Line Clearance	**7,127**	**7,127**	**0**	**0**	**0**
Outside Services - Services Expense	**72,637**	**70,824**	**34**	**838**	**940**
Materials & Supplies Expense	**1,034**	**838**	**0**	**31**	**165**
M&S Inventory Issue	**1,102**	**1,099**	**0**	**0**	**2**
Other Operating Expense	**105**	**101**	**0**	**0**	**4**
Employee Expense	**4,891**	**4,788**	**1**	**102**	**0**
Rent Expense	**27**	**27**	**0**	**0**	**0**
Total	**97,401**	**93,801**	**310**	**1,775**	**1,516**

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20170271-EI

IN RE: PETITION FOR RECOVERY OF COSTS ASSOCIATED WITH NAMED TROPICAL SYSTEMS DURING THE 2015, 2016, AND 2017 HURRICANE SEASONS AND REPLENISHMENT OF STORM RESERVE SUBJECT TO FINAL TRUE-UP, TAMPA ELECTRIC COMPANY.

REVISED PREPARED DIRECT TESTIMONY AND REVISED EXHIBIT OF JEFFREY S. CHRONISTER

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

REVISED PREPARED DIRECT TESTIMONY

OF

JEFFREY S. CHRONISTER

Q. Please state your name, address, occupation and employer.

A. My name is Jeffrey S Chronister. My business address is 702 North Franklin Street, Tampa, Florida 33602. I am employed by Tampa Electric Company ("Tampa Electric" or "the company") as Vice President Finance and Controller, Tampa Electric.

Q. Please describe your duties and responsibilities in that position?

A. I am responsible for maintaining the financial books and records of the company and for the determination and implementation of accounting policies and practices for Tampa Electric. I am also responsible for budgeting activities within the company.

Q. Please provide a brief outline of your educational background and business experience.

A. I graduated from Stetson University in 1982 with a Bachelor of Business Administration degree in Accounting. Upon graduation I joined Coopers & Lybrand, an independent public accounting firm, where I worked for four years before joining the company in 1986. I started in Tampa Electric's Accounting department, moved to TECO Energy's Internal Audit department in 1987, and returned to the Accounting department in 1991. I am a Certified Public Accountant in the State of Florida and I am a member of both the American Institute of Certified Public Accountants ("AICPA") and the Florida Institute of Certified Public Accountants ("FICPA"). I have served as Controller of Tampa Electric since July 2009, and in my current position since July 2018.

Q. Have you previously testified before the Florida Public Service Commission ("Commission")?

A. Yes, I have testified or filed testimony before this Commission in several dockets. Most recently, I testified for Tampa Electric in Docket No. 20130040-EI, which was Tampa Electric's last base rate proceeding. The testimony in that case included the same topics I testify to in this case. I also filed testimony in Docket No. 20080317-EI, Tampa Electric Company's Petition for An Increase in Base

Rates and Miscellaneous Service Charges, Docket No. 19960007-EI, Tampa Electric's Environmental Cost Recovery Clause, and Docket No. 19960688-EI, Tampa Electric's environmental compliance activities for purposes of cost recovery.

Q. What is the purpose of your revised direct testimony in this proceeding?

A. The purpose of my Revised Direct Testimony is to support the company's calculation of the costs incurred by Tampa Electric during the 2015, 2016 and 2017 storm seasons in connection with the five named tropical storms: Tropical Storm ("TS") Erika, TS Colin, Hurricane Hermine, Hurricane Matthew and Hurricane Irma. I will explain how the company's request for storm cost recovery in this docket was calculated and has evolved, how the results of the company's tax savings proceeding relates to this proceeding, and the additional accounting and review process changes the company will implement for future storm restoration activities. My Revised Direct Testimony supports the cost recovery request in this proceeding and demonstrates that despite what the company initially thought was an adequate review, the company recognized that a supplemental review was needed. My

Revised Direct Testimony will show that the accounting for the five named tropical storms in this proceeding was performed in accordance with the Incremental Cost and Capitalization Approach ("ICCA") methodology required under Rule 25-6.0143, Florida Administrative Code ("Use of Accumulated Provision Accounts" or "Storm Cost Rule").

Q. Would you please provide a summary of your revised direct testimony?

A. The total amount for which the company seeks cost recovery in this proceeding is $98,982,984, which represents the company's total recoverable storm costs, plus interest through May 2019 and regulatory assessment fees. The total amount of storm costs for which the company seeks recovery in this proceeding, without interest and regulatory assessment fees, is $97,401,348. This amount will fully deplete and exceed the $55,860,642 October 31, 2013 pre-storm balance in the company's reserve account.

Approximately $79.8 million of the total recoverable storm costs represents costs paid to foreign and native crews and outside service contractors who helped restore our electric system, $132 thousand was attributable to other third-party costs and $17.5 million represents Tampa Electric's

incremental internal costs for the five named tropical storms. The $77.9 million of the external system restoration costs related to foreign and native crews were subjected to the supplemental review described in the Prepared Direct Testimony of Tampa Electric's Witness, Sarah L. Djak. The remainder of the costs were compiled with Tampa Electric's long-standing accounting control processes and procedures.

The company applied the ICCA methodology found in the Storm Cost Rule to each storm cost type to determine the amount recoverable from Tampa Electric's customers. Document 3 of my Exhibit No. ___ (JSC-1), entitled "Tampa Electric's Revised Recoverable Restoration Costs by Cost Type" includes a detail of the five named tropical storm's recoverable costs by cost type.

Q. Did you prepare any other exhibits that support your Revised Direct Testimony?

A. Yes. I have nine documents within Exhibit No. ___ (JSC-1) that support my Revised Direct Testimony that were prepared under my direction and supervision. These nine Documents provide detail for the total recoverable and non-recoverable costs that were incurred by Tampa Electric in

performing restoration for the five named tropical storms.

Document No. 1:	Tampa Electric's Storm Revised Restoration Cost Summary
Document No. 2:	Tampa Electric's Revised Recoverable Restoration Costs by Cost Element
Document No. 3:	Tampa Electric's Revised Recoverable Restoration Costs by Cost Type
Document No. 4:	Tampa Electric's Revised Recoverable Restoration Costs by Function
Document No. 5:	Tampa Electric's Revised Storm Restoration Costs by Function
Document No. 6:	Tampa Electric's Revised Storm Reserve Balance History
Document No. 7:	Tampa Electric's Associated Revised Interest Expense for Restoration Costs Exceeding the Company's Reserve
Document No. 8:	Tampa Electric's Revised Actual Incremental Storm Costs 2015 through 2017
Document No. 9:	Tampa Electric's Summary of Changes to Storm Cost Recovery Request

Q. What is the total storm restoration cost incurred by Tampa Electric for the five named tropical storms?

A. Tampa Electric incurred a total of $109,418,226 of storm restoration costs, as reflected in Document No. 1 of my Exhibit No. ___ (JSC-1). This includes $9,113,445 of capital and $2,903,434 of operations and maintenance expense ("O&M") costs the company is not seeking to recover through this proceeding.

Q. What are the storm costs Tampa Electric is seeking to recover from each of the five named tropical storms?

A. Tampa Electric is seeking to recover a total of $98,982,984 for prudently incurred storm restoration costs. This total recoverable cost is developed from the five named tropical storms as follows: $698,932 from TS Erika; $2,523,370 from TS Colin; $5,301,877 from Hurricane Hermine; $1,005,845 from Hurricane Matthew; $87,871,323 from Hurricane Irma; $1,510,420 for the interest expenses through May 31, 2019 associated with the restoration costs that exceeded the company's storm reserve; and $71,217 for Regulatory Assessment Fees which are detailed in Document Nos. 1 through 5 and Document No. 8 of my Exhibit No. __ (JSC-1). These costs were updated from Tampa Electric's 2017 Amended Petition, Exhibit D, page 2 of 2, filed on January 30, 2018.

Q. Were any of these numbers above adjusted from what was filed

in Tampa Electric's initial or Amended Petition in this proceeding?

A. Yes. The numbers included in the company's initial Petition, filed December 28, 2017, were based on the estimates we had for Hurricane Irma at the time of the filing. Those estimates were updated during our 2017 year-end closing process and the updated estimates were included in our Amended Petition, filed on January 30, 2018. We updated the amounts in our Amended Petition when we filed our initial Direct Testimony on May 21, 2018 to reflect our receipt of final invoices for Hurricane Irma. As a result of our supplemental review of outside vendor system restoration costs, we have further updated our request for cost recovery. The revised request amount for cost recovery is reflected in our Second Amended Petition, dated February 8, 2019, and in the Revised Direct Testimony, also filed on that date.

Q. As a result of the supplemental review of outside vendor invoices, by what amount has the company reduced its request for storm cost recovery relative to the amount included in its May 21, 2018 filing?

A. That amount is $2,274,336 which is detailed in Document No.

9 of my Exhibit No. ___ (JSC-1). Different aspects of the supplemental review (the reasons for, the approach used and the results) are discussed by the company's other three witnesses. I am comfortable that the amount of the reduction in this answer is appropriate.

Q. Is Tampa Electric aware of any other adjustments that need to be made?

A. No.

Q. As a result of Hurricane Irma and the supplemental review, what additional accounting and review process changes will the company implement for future storm restoration activities?

A. During Hurricane Irma, approximately 25 members of the company's accounting department had storm roles which deployed them into the field to assist with restoration activities. In most cases, they performed non-accounting functions that assisted incident bases and other electric delivery restoration support functions. While these storm roles are important, the company in the future will deploy more of its accounting team members into the field in roles where they can use their accounting skills and background

to assist our operating personnel by improving record keeping; capturing, organizing and maintaining documentation; and by memorializing decisions made on a real-time basis.

In addition, we plan to implement the following additional specific accounting and review features to the future storm restoration activities:

- We will assign accounting personnel in the field during storm preparations, restoration and conclusion.
- Accounting personnel will provide, real-time involvement in requesting, organizing, validating and retaining documentation.
- We will assign additional accounting personnel to cost estimation teams.
- We will assign additional accounting personnel to invoice review and approval process.
- We will execute procedures for requesting timely invoices, completing research and documentation steps and holding payment until all validation is complete.

Q. Did Tampa Electric notify the Commission, in any of the five named tropical storms, that the restoration costs were expected to exceed $10 million?

A. Yes. In accordance to Rule 25-6.0143, F.A.C., the company notified the Commission on September 13, 2017 that the storm-related damages for Hurricane Irma were expected to exceed $10 million. The four other named tropical storms were never estimated to exceed $10 million.

Q. What operational internal controls and procedures are in place during storm restoration to ensure storm accounting policies are followed?

A. Operational internal controls and procedures include the following:

- Establishment and communication of Plant Maintenance Orders (including charge codes) to account for all costs directly associated with storm restoration,
- Controls over employee time entry, including documentation, entry and approval,
- Controls over materials and supplies inventory usage, equipment usage and other charges from internal systems,
- Instructions and monitoring for adherence to the Commission's requirements under the ICCA methodology,
- Preparation of storm restoration cost estimates, and
- Assistance to operational personnel in the invoice review and approval process, as well as, cost accruals.

Q. How does Tampa Electric track storm restoration costs?

A. Tampa Electric establishes unique functional (i.e., distribution, transmission, generation and other) PMOs for each storm to aggregate the total amount of storm restoration costs incurred for financial reporting and regulatory recovery purposes. The company uses these PMOs to account for all costs directly associated with storm restoration, including costs that will not be recoverable from Tampa Electric's storm reserve based on the Commission's requirements under the ICCA methodology. All incremental storm restoration costs charged to storm PMOs are captured in Federal Energy Regulatory Commission ("FERC") Account 186, Miscellaneous Deferred Debits. All incremental costs charged to FERC Account 186 are subsequently cleared and charged to the storm reserve, O&M or capital. Non-incremental charges are charged to O&M or capital, accordingly.

Q. How does Tampa Electric determine when to start charging storms costs?

A. As Tampa Electric's Witness Gerald Chasse explains in his Revised Direct Testimony, if a storm has the potential to threaten Florida and the company's service area, the

Electric Delivery Incident Commander will initiate calls with the Electric Delivery Operations team. Depending on the storm's intensity and forecasted track and impacts, at approximately the five to seven-day range, the Electric Delivery Incident Commander will initiate full or partial Electric Delivery Incident Command Structure. If forecasts for impacts continue to hold, all other areas of the company are quickly activated to execute their responsibilities within the plan. This includes the Finance Cost Estimation team, which establishes and activates storm PMOs to begin tracking costs for each named tropical system. An email communication is sent to all business units to inform them that storm PMO's have been activated for purposes of collecting storm restoration charges. Attached to the email, Tampa Electric also provides: (1) a listing of PMOs by function and location; (2) guidance on recording time for payroll; and (3) guidance on the types of costs eligible to be charged to storm PMOs. The pre-landfall costs charged to the storm PMOs include the acquisition of external resources (e.g., line and vegetation crews), mobilization and pre-staging of internal and external resources, opening of staging and processing sites, reserving lodging, and securing Tampa Electric's existing operational facilities in preparation for the impacts of the storm.

Q. When did Tampa Electric start charging costs to each of the five named tropical storms?

A. Tampa Electric began charging costs for TS Erika in August 2015, TS Colin in June 2016, Hurricane Hermine in August 2016, Hurricane Matthew in October 2016, and Hurricane Irma in September 2017.

Q. Did Tampa Electric follow and apply the ICCA methodology, as described in the Storm Cost Rule, for the costs that the company is seeking recovery for in this proceeding?

A. Yes.

Q. What types of costs are included in the amounts for which Tampa Electric is seeking recovery?

A. In accordance with the Storm Cost Rule, the categories of costs that were properly accounted for in the calculation of Tampa Electric's total recoverable restoration costs include: (1) contract labor hired for storm restoration activities; (2) logistics costs of providing meals, lodging, and linens for tents and other staging areas; (3) transportation of crews for storm restoration; (4) vehicle costs for vehicles specifically rented for storm

restoration activities; (5) waste management costs specifically related to storm restoration activities; (6) rental equipment specifically related to storm restoration activities; (7) materials and supplies used to repair and restore service and facilities to pre-storm condition; (8) overtime payroll and incremental payroll-related costs for utility personnel included in storm restoration activities; and (9) fuel cost for company and contractor vehicles used in storm restoration activities.

Q. Please explain how Tampa Electric determines the non-incremental O&M costs incurred from the five named tropical storms?

A. Once all costs were incurred and recorded to FERC Account 186, the accounting department completed a detailed review to determine amounts which were not incremental under the ICCA methodology prescribed in the Storm Cost Rule. Non-incremental costs were then excluded. Additionally, tree trimming expenses that totaled less than the actual monthly average of tree trimming costs charged to O&M expense for the same month in the three previous calendar years were deemed non-incremental and excluded.

Q. Would internal and external overhead costs related to storm

restoration be considered incremental costs and eligible for inclusion in the reserve?

A. Yes, if they were associated with the type of internal labor costs considered incremental or associated with external party costs that were incurred to accomplish storm restoration.

Q. As part of the supplemental review process were any adjustments made to overhead charges from third party contractors performing restoration work?

A. Yes. As noted in the Direct Testimony Tampa Electric's Witness of Sarah L. Djak fewer than 20 contractors charged us overhead charges. As part of the supplemental review we compared overhead rates to contracts and rate sheets where available as well as to Tampa Electric's overhead rates for those vendors where contracts or rate sheets were not available. Additionally, we compared contractors overall labor rates with and without overhead charges to other companies to determine reasonableness. As a result of these reviews we "disallowed" $197,733 in overhead charges from two contractors.

Q. Would you explain how Tampa Electric determines the capital

costs incurred from the five named tropical storms?

A. All incremental storm restoration costs (including follow-up work) are charged to FERC Account 186, Miscellaneous Deferred Debits. Non-incremental charges are charged to O&M or capital, accordingly. Once storm restoration is complete, Tampa Electric totals the amount of capital costs in accordance with capitalization guidance provided within the Code of Federal Regulations ("CFR") – Title 18 Conservation of Power and Water Resources, Florida Administrative Code and Generally Accepted Accounting Principles ("GAAP"), which includes both materials and labor. The capital costs for functional areas are determined based on actual work performed and are then likewise recorded to the balance sheet in accordance with Tampa Electric's capitalization guidance as listed above. Once the capital jobs are completed, the capital work in progress ("CWIP") account is credited and the appropriate functional plant account in FERC Account 101, Plant in-Service, is debited based on the actual cost of installed units of property. Retirements of fixed assets removed during storm restoration are recorded when the new incurred capital costs are placed in service.

Q. Please provide background on Tampa Electric's storm

reserve.

A. Tampa Electric maintains a property insurance reserve account (Account No. 228.1), in accordance with Rule 25-6.0143, F.A.C., which is designated to cover the costs of storm-related damages to the utility's own property or property leased by others that is not covered by insurance. In Order No. PSC-1993-1570-FOF-E1, issued on October 27, 1993, the Commission approved Tampa Electric's proposal to accrue $4 million annually to its property insurance reserve account ("storm reserve"). Subsequently, Order No. PSC-1995-0255-FOF-EI, issued on February 23, 1995, established a target storm reserve balance of $55 million. Tampa Electric accrued $4 million each year to the storm reserve and in 2003, the balance had reached $40 million. Then in 2004, Tampa Electric incurred $73.4 million of storm restoration costs due to Hurricanes Charley, Frances and Jeanne. In Order No. PSC-2005-0675-PAA-EI, Approving Stipulation and Settlement, Tampa Electric capitalized $38.9 million of the total storm restoration costs of $73.4 million, leaving $34.5 million of storm restoration costs to be charged against the storm reserve. As a result of capitalizing the $38.9 million, the storm reserve had an $7.8 million positive balance as of August 1, 2004, rather than a $31.1 million deficit.

In Tampa Electric's 2008 Petition for Rate Increase, Docket No. 20080317-EI, the company sought approval to modify the storm reserve accrual and target balance. Commission Order No. PSC-2009-0283-FOF-EI approved an increase of the storm accrual to $8 million per year and established a storm reserve target balance of $64 million. Then, in the company's 2013 Stipulation and Settlement Agreement, Docket No. 20130040-EI, Tampa Electric agreed to stop accruing $8 million per year to the storm reserve and instead would seek recovery of storm restoration costs when the storm reserve balance was depleted. In accordance with Order No. PSC-2013-0443-FOF-EI, issued on September 30, 2013, approving the 2013 Stipulation and Settlement Agreement, the storm reserve balance was set at $55,860,642, which was the amount of the reserve balance on October 31, 2013. During the 2015, 2016 and 2017 in connection with the five named tropical storms, Tampa Electric incurred $98,982,984 of recoverable storm restoration costs due to the five named tropical storms. The storm reserve balance was fully depleted and exceeded the $55,860,642 October 31, 2013 pre-storm reserve balance in the company's storm reserve account by $41,540,706, which is detailed in Document No. 6 of my Exhibit No. __ (JSC-1).

Q. Is Tampa Electric's storm reserve funded or unfunded?

A. The company's reserve is unfunded; therefore, the company has been able to utilize the storm reserve to fund its general operation activities over several years. However, with the amount of storm costs incurred during the five named tropical storms identified in this proceeding, the company's storm reserve balance has been exceeded and requires the company to raise additional capital to pay for those costs. As such, Tampa Electric is seeking recovery for only the short-term debt costs associated with the portion of storm costs incurred above the company's reserve. This associated interest expense for the storm costs exceeding the reserve is detailed in Document No. 7 of my Exhibit No. ___ (JSC-1).

Q. Does or will Tampa Electric expect to receive any insurance reimbursement from any of the five named tropical storms?

A. No.

Q. Does or will Tampa Electric expect to receive any third-party reimbursement from any of the five named tropical storms?

A. No.

Q. Do all the costs that Tampa Electric is seeking to recover for the five named tropical storms and the cost calculation methodologies used to develop these costs in this Second Amended Petition comply with Tampa Electric's 2017 Settlement Agreement?

A. Yes.

Q. How will the netting of storm restoration costs against estimated annual tax savings be trued-up and finally resolved, once the final amount of storm costs authorized to be recovered and the final determination of the impact of tax reform on Tampa Electric's base rates and charges are determined?

A. As stated in Order No. PSC-2018-0125-PCO-EI, issued on March 7, 2018, in this proceeding, Approving Interim Storm Recovery Charge, which includes the Implementation Settlement Agreement, a final determination of storm costs and the impact of tax reform shall be made in separate dockets and any difference will be trued-up and recovered/refunded to customers through the 2019 Energy Conservation Cost Recovery Clause with the full impact of tax reform reflected in a change in base rates in January 2019. The approval of interim Storm Cost Recovery Charge

factors is preliminary in nature and is subject to true-up pending further review once the total actual storm restoration costs are reviewed and approved. After the actual costs are reviewed for prudence and reasonableness and are compared to the actual amount recovered through the interim Storm Cost Recovery Charge, a determination will be made whether any over/under recovery has occurred and the appropriate steps to be taken for a refund or additional charge would be considered by the Commission at a later date.

Q. Would you explain how adjustments will be made at the end of the recovery period to ensure the company only recovers the amount that is being sought?

A. In accordance with the 2017 Amended and Restated Stipulation and Settlement Agreement ("2017 Agreement"), the 2018 net effect on net income from the related tax reform, storm reserve and deferred entries will be zero. In 2019, the difference between the 2018 tax reform benefits and storm reserve amount will flow through the Energy Conservation Cost Recovery Clause, as needed.

Q. What is the amount of tax savings for 2018 to be netted against the company's storm costs approved for recovery in

this docket?

A. That amount is $102.7 million as specified in Order No. PSC-2018-0457-FOF-EI, issued on September 10, 2018 in Docket No. 20180045-EI; however, that amount is subject to change if the Internal Revenue Service issues a private letter ruling to the company concluding that so called "excess" accumulated deferred income taxes associated with cost of removal are "protected" rather than "unprotected."

Q. Is the proposed storm cost recovery method consistent with the 2017 Agreement, approved by the Commission in Order No. PSC-2017-0456-S-EI, issued on November 27, 2017 in Docket Nos. 20170210-EI and 20160160-EI?

A. Yes. The methodology is consistent with provisions of the 2017 Agreement addressing Storm Damage and Federal Income Tax Reform, respectively. The Amended Implementation Stipulation was approved by the Commission at the March 1, 2018 Agenda Conference, as reflected in Order No. PSC-2018-0125-PCO-EI, issued on March 7, 2017.

Q. Does this conclude your revised direct testimony?

A. Yes, it does.

EXHIBIT

OF

JEFFREY S. CHRONISTER

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Tampa Electric's Storm Restoration Cost Summary

(In $ Thousands)

Year	Storm	Total Storm Restoration Costs	Capital	O&M	Recoverable Costs
2015	**Erika**	**699**	0	0	699
2015	**Colin**	**2,523**	0	0	2,523
2016	**Hermine**	**5,672**	370	0	5,302
2016	**Matthew**	**1,012**	6	0	1,006
2017	**Irma**	**99,512**	8,737	2,903	87,871
	Total	**109,418**	**9,113**	**2,903**	**97,401**

Notes: Detail may not add to totals due to rounding
Prior to Hurricane Irma in 2017, Tampa Electric did not track non-recoverable O&M

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Tampa Electric's Recoverable Storm Restoration Costs by Cost Element

(In $ Thousands)

	Total Storm Restoration Recoverable Costs	Erika	Colin	Hermine	Matthew	Irma
Labor	**10,478**	63	641	855	205	8,713
Employee Expense	**4,891**	24	133	192	12	4,530
Outside Services - Line Clearance	**7,127**	78	128	333	180	6,409
Outside Services - Other Services	**72,637**	534	1,613	3,827	603	66,060
Materials & Supplies	**2,136**	0	8	46	6	2,076
Rent Expense	**27**	0	0	16	0	11
Other Operating Expense	**105**	0	0	33	0	72
Total	**97,401**	**699**	**2,523**	**5,302**	**1,006**	**87,871**

Note: Detail may not add to totals due to rounding

Tampa Electric's Recoverable Storm Restoration Costs by Cost Type

(In $ Thousands)

	Total Storm Restoration Recoverable Costs	Erika	Colin	Hermine	Matthew	Irma
Contractors	**79,168**	611	1,741	4,159	783	71,873
Logistics	**4,986**	24	127	225	12	4,599
Transportation of Crews	**223**	0	6	0	0	216
Vehicle Rentals	**16**	0	0	16	0	0
Waste Management	**39**	0	1	0	0	39
Rental Equipment	**11**	0	0	0	0	11
Materials & Supplies	**1,362**	0	2	38	6	1,317
Labor	**10,478**	63	641	855	205	8,713
Fuel	**1,119**	0	6	8	0	1,104
Public Service Announcements	**0**	0	0	0	0	0
Total	**97,401**	**699**	**2,523**	**5,302**	**1,006**	**87,871**

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Tampa Electric's Recoverable Storm Restoration Costs by Function

(In $ Thousands)

	Total Storm Restoration Recoverable Costs	Erika	Colin	Hermine	Matthew	Irma
Generation	**1,516**	0	0	0	0	1,516
Transmission	**310**	0	23	24	32	230
Distribution	**93,801**	699	2,498	5,155	963	84,486
Other	**1,775**	0	2	123	11	1,639
Total	**97,401**	**699**	**2,523**	**5,302**	**1,006**	**87,871**

Note: Detail may not add to totals due to rounding

Tampa Electric's Storm Restoration Costs by Function

(In $ Thousands)

	Total Storm Restoration Costs	Capital	O&M	Reserve
Generation	**6,518**	5,002	0	1,516
Transmission	**462**	0	153	310
Distribution	**98,381**	2,396	2,184	93,801
Other	**4,057**	1,715	567	1,775
Total	**109,418**	**9,113**	**2,903**	**97,401**

Note: Detail may not add to totals due to rounding

Tampa Electric's Storm Reserve Balance History

1994-2017

(In $ Thousands)

Year	Beginning Balance	Storm Expense Accrual	Restoration Cost Incurred	Transfer to Capital	Ending Balance
1994	0	(4,000)	0	0	(4,000)
1995	(4,000)	(4,000)	0	0	(8,000)
1996	(8,000)	(4,000)	0	0	(12,000)
1997	(12,000)	(4,000)	0	0	(16,000)
1998	(16,000)	(4,000)	0	0	(20,000)
1999	(20,000)	(4,000)	0	0	(24,000)
2000	(24,000)	(4,000)	0	0	(28,000)
2001	(28,000)	(4,000)	0	0	(32,000)
2002	(32,000)	(4,000)	0	0	(36,000)
2003	(36,000)	(4,000)	0	0	(40,000)
2004	(40,000)	(4,000)	71,965	0	27,965
2005	27,965	(4,000)	2,394	(38,877)	(12,518)
2006	(12,518)	(4,000)	220	0	(16,298)
2007	(16,298)	(4,000)	(12)	0	(20,310)
2008	(20,310)	(4,000)	1,658	0	(22,652)
2009	(22,652)	(6,667)	0	0	(29,319)
2010	(29,319)	(8,000)	0	0	(37,319)
2011	(37,319)	(8,000)	1,925	0	(43,394)
2012	(43,394)	(8,000)	1,185	0	(50,209)
2013	(50,209)	(6,667)	1,015	0	(55,861)
2014	(55,861)	0	0	0	(55,861)
2015	(55,861)	0	0	0	(55,861)
2016	(55,861)	0	0	0	(55,861)
2017	(55,861)	0	97,401	0	41,540
				Requested Recovery	97,401
				Resulting Reserve	(55,861)

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Tampa Electric's Associated Interest Expense for Restoration Costs Exceeding the Company's Reserve

Reserve Balance	G/L Balance	S/T Debt Rate	Interest
Nov-13	$ (55,860,642)		
8/1/2017 [1]	$ (46,205,643)		
Sep-17	$ 13,794,357	2.25%	$ 16,381
Oct-17	$ 19,294,357	2.25%	$ 36,177
Nov-17	$ 29,794,357	2.25%	$ 55,864
Dec-17	$ 41,540,706	2.25%	$ 77,889
Jan-18	$ 41,540,706	2.25%	$ 77,889
Feb-18	$ 41,540,706	2.25%	$ 77,889
Mar-18	$ 41,540,706	2.25%	$ 77,889
Apr-18	$ 41,540,706	2.25%	$ 77,889
May-18	$ 41,540,706	2.25%	$ 77,889
Jun-18	$ 41,540,706	2.25%	$ 77,889
Jul-18	$ 41,540,706	2.25%	$ 77,889
Aug-18	$ 41,540,706	2.25%	$ 77,889
Sep-18	$ 41,540,706	2.25%	$ 77,889
Oct-18	$ 41,540,706	2.25%	$ 77,889
Nov-18	$ 41,540,706	2.25%	$ 77,889
Dec-18	$ 41,540,706	2.25%	$ 77,889
Jan-19	$ 41,540,706	2.25%	$ 77,889
Feb-19	$ 41,540,706	2.25%	$ 77,889
Mar-19	$ 41,540,706	2.25%	$ 77,889
Apr-19	$ 41,540,706	2.25%	$ 77,889
May-19	$ 41,540,706	2.25%	$ 77,889
			$ 1,510,421

[1] Change in reserve due to charges from Tropical Storms Erika and Colin, and Hurricanes Hermine, Matthew and Irma.

Tampa Electric Company
Storm Restoration Costs Related to Tropical Storms Erika and Colin and Hurricanes Hermine, Matthew and Irma
($000's)

Line No.		Storm Restoration Costs by Storm						
		Colin (1)	Erika (2)	Hermine (3)	Matthew (4)	Irma (5)	Total (6)	Storm Loss Recovery (7)
1	Storm Reserve Balance (Pre-Storm)							(55,861)
2	Labor	641	63	855	205	8,713	10,478	
3	Outside Services - Line Clearance	128	78	333	180	6,409	7,127	
4	Outside Services - Services Expense	1,613	534	3,827	603	66,060	72,637	
5	Materials & Supplies Expense	8	0	42	2	982	1,034	
6	M&S Inventory Issue	0	0	4	3	1,094	1,102	
7	Other Operating Expense	0	0	33	0	72	105	
8	Employee Expense	133	24	192	12	4,530	4,891	
9	Rent Expense	0	0	16	0	11	27	
10	Total Recoverable Storm-Related Restoration Costs/Losses	2,523	699	5,302	1,006	87,871	97,401	97,401
11	Amount of Reserves used to Fund Storm Costs							97,401
12	Balance of Storm Reserve after Funding Storm Costs							41,541
13	Amount Needed to Replenish Reserve to Oct 2013 Level as per Settlement Agreement (Exhibit A of Order No. PSC-2017-0456-S-EI)							97,401
14	Interest on Storm Balance Exceeding Reserve							1,510
15	Subtotal - System Storm Losses to be Recovered from Customers							98,912
16	Regulatory Assessment Fee Multiplier							1.00072
17	Total System Storm Losses to be Recovered from Customers ("Recoverable Storm Amount")							98,983

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Tampa Electric's Summary of Changes to Storm Cost Recovery Request

(In $ Thousands)

	May 2018 Storm Recovery Request	February 2019 Storm Recovery Request	Change in Storm Recovery Request
Erika	**710**	**699**	(11)
Colin	**2,548**	**2,523**	(24)
Hermine	**5,361**	**5,302**	(59)
Matthew	**1,039**	**1,006**	(33)
Irma	**90,018**	**87,871**	(2,147)
Total	**99,676**	**97,401**	(2,274)

Note: Detail may not add to totals due to rounding

TAMPA ELECTRIC COMPANY
DOCKET NO. 20170271-EI
REVISED EXHIBIT NO. ____ (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 9
PAGE 1 OF 1
FILED: 02/08/2019

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20170271-EI

IN RE: PETITION FOR RECOVERY OF COSTS ASSOCIATED WITH NAMED TROPICAL SYSTEMS DURING THE 2015, 2016, AND 2017 HURRICANE SEASONS AND REPLENISHMENT OF STORM RESERVE SUBJECT TO FINAL TRUE-UP, TAMPA ELECTRIC COMPANY.

PREPARED DIRECT TESTIMONY AND EXHIBIT

OF

SARAH L. DJAK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

SARAH L. DJAK

Q. Please state your name, address, occupation and employer.

A. My name is Sarah L. Djak. My business address is 702 North Franklin Street, Tampa, Florida 33602. I am employed by Tampa Electric Company ("Tampa Electric" or "the company") as a Senior Financial Analyst.

Q. Please describe your duties and responsibilities in that position.

A. I am responsible for the preparation and review of monthly reporting and analysis for various areas of the financial accounting department. My responsibilities also include preparation, review and approval of closeout journal entries; state and federal regulatory reporting; and handling audits and various quarterly requests.

Q. Please provide a brief outline of your educational background and business experience.

A. I began working in TECO Energy's Accounting department as a co-op student in June 2010. I graduated from the University of South Florida in 2011 with a Bachelor of Science degree in Accounting. I began working full time in Tampa Electric's Accounting department in March 2011 as a Financial Reporting Accountant. I became a Financial Reporting Analyst in August 2013 and was promoted to my current position in April 2014. I am a member of both the American Institute of Certified Public Accountants ("AICPA") and the Florida Institute of Certified Public Accountants ("FICPA"). I am a Certified Public Accountant in the State of Florida.

Q. What were your work responsibilities as they relate to the subject matter of this proceeding?

A. I was the day-to-day team leader of the Accounting department's participation in the supplemental review of storm restoration invoices as discussed in the Revised Direct Testimony of Tampa Electric's Witnesses Gerard R. Chasse, S. Beth Young and Jeffrey S. Chronister. I supervised, coordinated and assisted approximately 25 Accounting team members who worked on the project on a dedicated, full-time basis or on a part-time, as-available basis. I also worked closely with the members of our

Corporate Audit Services and Electric Delivery departments who were involved in the project.

Q. Have you previously testified before the Florida Public Service Commission ("Commission")?

A. No.

Q. What is the purpose of your direct testimony in this proceeding?

A. The purpose of my Direct Testimony is to explain the details of the company's supplemental review of storm restoration invoices for the five named tropical storms addressed in this proceeding. I will describe how the review was designed and conducted and what it covered. Other Tampa Electric Witnesses will explain why we conducted the review and the results of it. My role is to explain the supplemental review process.

Q. Please provide a summary of your direct testimony.

A. From August 2018 to January 2019, over 50 of Tampa Electric's team members in its Accounting, Corporate Audit Services and Electric Delivery departments performed a

supplemental review of every invoice submitted by every vendor – foreign or native – that directly worked to restore our electric system during Tropical Storms Erika and Colin, and Hurricanes Hermine, Matthew and Irma. We reviewed invoices from 72 vendors which totaled $77,856,061, we applied a uniform review process and utilized standard recoverability guidelines and determined that $75,586,404 of those costs should be included in our revised request for storm cost recovery filed February 8, 2019, in this proceeding.

Q. Did you prepare an exhibit that supports your direct testimony?

A. Yes, my Exhibit No. ___ (SLD-1) containing one Document entitled "Sample Excel Workbook" and was prepared under my direction and supervision. Document No. 1 of my Exhibit shows the template used during the supplemental review process.

Q. Please provide a general overview of the company's supplemental review.

A. The company's supplemental review was conducted from August 2018 through January 2019. It covered $77,856,061 of

outside vendor costs and involved over 50 team members of Tampa Electric in its Corporate Audit Services, Electric Delivery and Accounting departments. We reviewed invoices from 72 vendors and created over 120 three-ring binders, which included vendor invoices, receipts, and other supporting documentation, as applicable. We also created, for each vendor, an Excel workbook with multiple spreadsheets to organize and document our review. I'll explain the Excel workbooks and the role they played in the company's supplemental review later in my Direct Testimony.

Each binder was organized in a uniform manner with sections, where applicable, for invoices, labor, equipment, lodging, meals, fuel/mileage, per diems, miscellaneous costs, email communications and other documentation. Each binder also included a narrative summary of key dates, total amounts invoiced by the vendor, and the amounts and explanation for the major costs that were determined to be "disallowed" for cost recovery.

Although we have used the term "disallowed" cost as a "shorthand" term to mean costs that we would not include in our request for cost recovery in this proceeding, the company understands that the Commission is the ultimate decision maker on issues of cost recovery.

Q. Which vendors and invoices were reviewed during the supplemental review?

A. Our supplemental review covered every invoice submitted by any vendor – foreign or native – that worked to restore our electric system during Tropical Storms Erika and Colin, and Hurricanes Hermine, Matthew and Irma. The costs associated with these vendors and invoices make up $75,586,404 of the company's total request for cost recovery of $98,982,984 in this proceeding.

Q. What kinds of cost were not included in the supplemental review?

A. The supplemental review did not cover non-transmission and distribution system restoration contractor costs (e.g., meals, fencing, security, call-center, Energy Supply) or incremental company team member costs. Our review also did not cover the invoices submitted by three native contractors, The Davey Tree Expert Company, PowerTown Line Construction LLC ("PTLC") and Trees, Inc. Tampa Electric Witnesses Chronister and Young address the costs not covered by the supplemental review in their Revised Direct Testimonies.

Q. Why weren't the three native contractors included in the supplemental review?

A. Those three native contractors were different than other native contracts and our foreign contractors. Each of these vendors work for Tampa Electric under long-term contracts (master service agreements) and perform day-to-day tasks in a manner similar to the way our company's internal crews work. They are local contractors, so they did not incur many of the kind of costs such as travel, lodging and meals, that most of our foreign crews incurred. After other crews were released to go home or to another utility, or native contractors returned to normal work, these three crews remained on the job helping with the company's final "clean-up" storm restoration activities, so it did not make sense to subject their invoices to the "date range" rigor in our supplemental review process.

Q. Please explain the basic steps in the supplemental review.

A. The first step in our review involved developing a review plan, requirements for uniform documentation and communicating organizational guidelines and a list of recoverability guidelines.

The second step involved gathering and organizing invoices and supporting documentation by vendor and unbundling that documentation so that it could be input into the Excel workbook for each vendor.

The third step involved applying our recoverability guidelines to the data gathered and identifying for each vendor a subset of charges that we would consider "unrecoverable" subject to further review by the Electric Delivery department and/or receipt of additional documentation.

The fourth step involved a quality assessment review by our Corporate Audit Services department prior to turning a binder and Excel workbook over to the Electric Delivery department.

The fifth step was an iterative process of communications with and review by Electric Delivery team members to assess the recoverability of specific types and amounts of charges.

The final steps involved having the Accounting department review for consistent application of judgment and recoverability guidelines, review and final approvals by

members of the Electric Delivery department, preparation of summary narratives, reconciliation of storm costs to the reserve, recording journal entries to remove costs deemed "unrecoverable" from the storm cost reserve and updating the amount of storm costs for which the company seeks recovery in this docket.

Q. What basic roles did the Corporate Audit Services, Electric Delivery and Accounting departments play in the supplemental review?

A. Although we worked together closely, each department had distinct roles.

The Corporate Audit Services department developed the methodology for organizing support and documenting review, created a standard Excel workbook to facilitate the consistent review of vendor costs and provided overall guidance and quality control throughout the review. They performed a quality assurance review before binders and workbooks were turned over to the Electric Delivery department.

The Accounting department organized support materials and created binder(s) for each vendor, entered data into the

Excel workbooks creating an initial vendor file for each vendor, applied our recoverability guidelines to vendor costs and identified items to be reviewed further by subject matter experts in the Electric Delivery department. Once the review was complete, the Accounting department performed the necessary reconciliation and journal entry functions.

The Electric Delivery department supplied supporting information for each vendor, supplied missing documentation or requested it from vendors, if needed, and made the ultimate business judgment call on whether specific vendor costs would be included in our request for recovery.

STEP ONE: ORGANIZATION OF REVIEW

Q. Please further describe the first step in the supplemental review process.

A. The first step in our supplemental review was to get organized and develop an effective plan of review. As a threshold matter, the company needed to decide whether we wanted to conduct an "audit" of vendor invoices by sampling a subset of the invoices and costs or whether we should conduct a comprehensive review of 100 percent of electric system restoration invoices and costs as described above.

Given the nature of this proceeding, and the complex and unique nature of each vendor invoice, the company decided that a 100 percent comprehensive review was the better course of action.

Once that decision was made, the Corporate Audit Services department took a leadership role in this process and worked to create an Excel workbook to facilitate the consistent review of vendor costs.

Q. Please explain the design and operating features of the review workbook in your exhibit.

A. My Exhibit No. ___ (SLD-1), is an Excel workbook for each vendor contains supporting tabs (worksheets) showing who prepared and reviewed the workbook and a series of tabs and supporting worksheets for functional area charges such as labor, equipment, lodging, fuel/mileage, per diems and miscellaneous costs. Each functional area tab has supporting worksheets as needed to address the content needed to evaluate the functional area charges. The supporting worksheets reflect the details of the invoice(s), the recoverability criteria for the type of cost and has places to document the company's assessment of whether the recoverability criteria were satisfied. The

individual worksheets also reflect the company's final determination on recoverability by type and amount of cost, and an area for notes that explain the business reasons behind the recoverability assessments.

The standard Excel workbook served several key functions in our review.

First, it provided a uniform platform for reviewing invoiced costs and documenting the results of our review.

Second, it performed some of the review function. Specifically, by assessing invoiced costs against "recoverable date ranges" and recalculating certain charges, it identified certain costs as costs requiring further review by the Electric Delivery department.

Third, by requiring us to "unbundle" each invoice and list the detail of each individual cost element (e.g., labor by team member name or meal expense by meal), it forced the preparer and reviewer to assess each individual cost element using the recoverability guidelines and to document his or her assessment in a very granular way.

Q. What recoverability guidelines did the company apply during

the supplemental review?

A. The recovery guidelines we used in the supplemental review are explained by functional area later in my Direct Testimony.

Q. What role did the recoverability guidelines play in the supplemental review?

A. In general, the recoverability guidelines were "guidelines," not hard and fast rules. They served to highlight types and amounts of cost that needed further review, documentation and subject matter expert input on recoverability from our Electric Delivery department. For each invoice, the Accounting department applied the recoverability guidelines to the costs on the invoices and identified an amount (or "bucket") of costs that would be disallowed unless the Electric Delivery department provided additional documentation and business reasons supporting recoverability of the charge. If the Electric Delivery department provided the required documentation and/or business reasons for the charge, the dollar amount of the charge was moved from the "unrecoverable" bucket to the "recoverable" bucket.

Q. Did any of the guidelines serve as "hard and fast" rules for recovery?

A. Yes, particularly in the areas of meals and lodging. For example, our guidelines required that an invoice for a meal while traveling to our service area had to be itemized and also had to show proof of payment. If the vendor submitted a credit card receipt showing payment, but no itemized invoice that could be reviewed for alcohol and other improper charges, we did not approve the cost of the meal for recovery. Likewise, if the vendor submitted an itemized receipt without proof of payment (i.e., cash or credit card receipt), we disallowed the cost of the meal. It is worth noting that this guideline application for meal receipts was stricter than the company's policy on meal receipts for its team members.

We applied this same approach to lodging charges and required both and itemized invoice and a payment receipt or an invoice showing a zero balance before approving the charge for recovery.

With one exception, we also applied a strict rule and disallowed all vendor purchased meal costs incurred from September 13, 2017 until they were released. The company

provided breakfast at our incident bases each morning from 6:00 to 8:00 a.m. and dinner each night from 8:00 to 10:00 p.m. We also provided boxed lunches to crews each day. Nevertheless, some of our vendors submitted invoices for meals purchased while they were here. The one exception to this rule relates to crews that arrived after our caterers had gone home for the night and is discussed by Witness Young in her Revised Direct Testimony.

Q. What general review guidelines or procedures were applied to each vendor and vendor workbook?

A. We checked to ensure that the total value of the invoice entered into the review workbook matched the record of what was paid in the company's general ledger accounting system ("SAP") by extracting the record of the invoice payments from SAP and comparing the totals to the invoiced amounts in the workbook.

Q. Please explain what you mean by the term "recoverable date range" and how that concept factored into the review.

A. Identifying when the company contacted vendors for assistance, when we secured their commitment to help, when they began mobilizing, when they traveled, when they

arrived at an incident base and when they were released are all important dates for evaluating whether invoiced costs were appropriate and should be considered recoverable. As part of the process, we worked with the Electric Delivery department to identify and secure documentation of these dates and put the documentation in the binders. Using this documentation, we applied guidelines for travel (assuming approximately 500 miles a day), distance to be traveled and mobilization date to develop a range of dates for which we would expect to be billed by a vendor.

The logic and formulas in the Excel workbook used a vendor's recoverable date range to assess the charges reflected on vendor invoices and highlighted "out-of-date-range" charges for further review. Importantly, not all "out-of-date-range" charges were excluded from our final tally of recoverable costs, but before we considered such costs recoverable, we required a reasonable explanation and documentation of the business reasons before an "out-of-date-range" charge would be considered recoverable.

Q. Please give an example of how that function worked for a specific vendor.

A. Our workbook for Vendor 43 contains a good example of how

the formulas and logic in the workbook identified vendor costs that were ultimately deemed by us to be unrecoverable. This vendor was released from Tampa Electric restoration work on September 17, 2017 so it could assist Florida Power & Light. This vendor continued to charge Tampa Electric labor hours for six days after its release date. After entering the labor hours from its invoice to us into the workbook, the labor worksheets highlighted inconsistencies between the vendor charges and when the vendor was expected to be working. This, in turn, allowed the reviewers to identify labor charges that presumptively should not have been billed to Tampa Electric. Those charges were then reviewed by and ultimately determined to be unrecoverable by our Electric Delivery team and removed from the amount to be recovered from customers in this proceeding.

Q. Did the Excel workbooks help facilitate consistency of review?

A. Yes, they were designed to do that. Our Accounting department team members were not free to input data in whatever format he or she thought was best. Rather, each accountant had to manually enter information into the workbook using its common format and had to include all of the specified data if applicable. The workbook contained

formulas, conditional formatting, and drop-down boxes designed to help reduce input errors and automate conclusions. In addition, the workbook contained several check figures, which helped the preparer and reviewer quickly identify potential issues and/or errors. The workbooks included fields related to the recoverability guidelines (e.g. date, location, labor hours, etc.). Based on the information entered by the preparer, the expense amount was either included, excluded, or marked for review by Electric Delivery.

Q. Did the Excel workbooks require members of the Accounting department to exercise any professional judgment?

A. Yes. Although the Excel workbook provided a very good template, each vendor, the services it performed and the way it invoiced the company for its services was unique, so the Accounting department had to use data analysis skills and judgment when evaluating vendor invoices and the information included in the related workbook.

Q. What recoverability guidelines were established for the review of labor and equipment charges?

A. All labor and equipment charges were assessed using the

Date Range approach described above. Where applicable, labor and equipment charges were tied back to labor and equipment rate sheets, recalculated and compared to invoiced amounts. Labor rates were tied back to labor contracts where applicable and for reasonableness if a labor contract did not apply. We generally reviewed equipment lists for usual items and highlighted them for further review by the Electric Delivery department. We investigated timesheets when the number of hours worked in a day seemed excessive. We did not receive rate sheets from members of a mutual assistance group, because the labor rates the members pay their team members are considered confidential and are not shared amount the member companies for competitive and legal reasons. Witness Young discusses the reasonableness of the labor rates charged to the company in her Revised Direct Testimony.

Q. How did labor rates sheets and supporting labor contracts factor into the review?

A. As a general rule, investor owned utility ("IOU") members of a regional mutual assistance group ("RMAG") have agreed to charge each other their actual costs for the storm restoration services, including any overheads, they provide to other RMAG members.

If the vendor was an IOU, we did not require a rate sheet for the company. Labor contracts and labor rates for IOU members of mutual assistance groups are not available to other members for confidentiality and legal reasons.

Members of our Accounting department reviewed labor rates for reasonableness and put labor and equipment dollars into the "needs review by Electric Delivery" category if there were questions about the amount or the way overtime/double time rates were calculated.

If the vendor was a non-utility contractor, Accounting team members worked with Electric Delivery team members to obtain a rate sheet to support the labor and equipment charges on an invoice. Where a rate sheet was unavailable, the electric delivery team exercised professional judgment and performed analysis on the rate charged on the invoice to determine reasonableness.

Some, but not all non-IOU vendors included contracts with their rates sheets and/or time sheets that supported or provided context for the specific labor billing methodology used by the vendor. The Electric Delivery team used their experience dealing with contractors, storm restoration knowledge and professional judgment to decide whether labor

contracts were needed before approving labor charges.

Witness Young discusses rate sheets and labor rates in more detail in her Revised Direct Testimony.

Q. What recoverability guidelines were established for the review of lodging, meals and fuel charges?

A. Lodging, meals and fuel charges while traveling were evaluated using the date range methodology described above.

We reviewed the location where each lodging, meal and fuel charge was incurred to ensure that the location was reasonable based on the general path from the vendor's home base or starting travel location to our service territory. For example, if a vendor's home base was North Carolina, a lodging, meal or fuel charge incurred in Alabama would be flagged for further review. A lodging charge in Georgia would not be flagged, because it would have been on a reasonable path from the vendor's home base. We used generally available mapping applications like Google Maps to help us in this area.

As previously discussed, we reviewed all lodging, meal and fuel receipts to ensure that they were itemized in

reasonable detail and were accompanied by proof of payment and were not duplicates.

We reviewed all lodging and meal receipts to ensure that items like alcohol and tobacco were not included in the amounts invoiced to Tampa Electric.

When a vendor charged a per diem to the company, rather than actual travel expenses, we generally checked to see whether the vendor also submitted meal costs on the invoice.

As previously discussed, with one exception, meals incurred in our service territory were mostly disallowed since the company provided catered meals.

Q. What recoverability guidelines were established for fuel purchases?

A. We reviewed all fuel charges to ensure the dates for fuel purchases fell within the appropriate date ranges. We required that each fuel purchase be supported by a receipt and proof of payment. Any receipts for the prepayment of fuel charges were flagged for special review and we checked to make sure that the vendor invoice did not include duplicate fuel purchases. We also checked to make sure

that the vendors submitting fuel receipts did not also request a mileage charge and vice versa. Some vendors used fuel tracking systems like the WEX database system, and when those were used, we allowed the costs.

Q. What recoverability guidelines were established for review of mileage charges?

A. We reviewed mileage charges to ensure the total mileage charged did not exceed the amount we would reasonably expect them to be charging us based on the distance from the point where the vendor began travel to its assigned Tampa Electric incident base. Any variances above or below 15 percent of the benchmark number of miles we estimated using Google Maps or similar tools were flagged for further review and approval by our Electric Delivery department.

Q. What recoverability guidelines were established for the review of per diem charges?

A. Several vendors did not bill Tampa Electric for actual meals and lodging expenses while traveling, but instead charged the company using travel per diems. In those instances, the company assessed the charges using the date range methodology described above and compared the charges to

timecards to ensure that the number of per diems charged did not exceed the number of crew members.

Q. What recoverability guidelines were established for the review of miscellaneous charges?

A. Our evaluation of miscellaneous charges probably involved more business judgment than any other area, because it covered items like sunscreen, vehicle and equipment repairs and other items incidental, but reasonably necessary to storm restoration activities.

All miscellaneous charges were evaluated using the date range methodology described above.

We reviewed the location where each miscellaneous charge was incurred to ensure that the location was reasonable based on the general path from the vendor's home base to our service territory.

We reviewed all miscellaneous charge receipts to ensure that they were itemized in reasonable detail, were accompanied by proof of payment and were not duplicates.

We reviewed all miscellaneous charge receipts to ensure

that items like alcohol and tobacco were not included in the amounts invoiced to Tampa Electric.

All charges for vehicle repairs and vehicle parts were automatically flagged for review by the Electric Delivery department and were not considered "recoverable" unless approved by Electric Delivery with a business justification. Vehicle expenses that were considered regular maintenance were flagged for review and were not approved for recovery.

Q. Did the company apply other tests to some vendors?

A. Yes. If the vendor was a Canadian company, we recalculated invoice amounts using applicable currency exchange rates to ensure accuracy of current currency conversion.

In addition, the company evaluated the appropriateness of overheads. Fewer than 20 vendors included a separate allocation of overhead charges on their invoices, usually as a percentage of direct labor costs. Those charges were reviewed on a case-by-case basis and are discussed by Mr. Chronister in his testimony.

STEP TWO: GATHERING AND INPUTTING

Q. Please describe the second step in the supplemental review.

A. The second step involved gathering and organizing invoices and supporting documentation by vendor and inputting invoice information into the Excel workbook for each vendor. This involved "unbundling" vendor invoices into functional areas and adding the invoice detail into the workbook. For example, in the labor area, we listed each crew member by name and position, start and end work dates and labor rates. We input each piece of equipment used, start dates and end dates and equipment charge rates. Each fuel receipt was input together with date of purchase, location and amount of charge. Each lodging receipt was input with information about the name and location of the hotel/motel, number of nights stayed and invoice cost. For meals and miscellaneous charges, we input the date, location and restaurant (or other vendor) and the amount of the charge. Per diems and mileage charges were compared to the personnel identified by the vendor and the travel ranges previously described. Once all of the information from the invoices was collected, we loaded it into the workbook, we were ready for the next step.

STEP THREE: EVALUATION AND REVIEW

Q. Please describe the next step in the review process.

A. In the third step, we began reviewing and evaluating the information in the workbooks and the supporting documentation. Here, we applied our recoverability guidelines to the data gathered and identified for each vendor a subset of charges that we would tentatively consider "unrecoverable" subject to further review by the Electric Delivery department and/or receipt of additional documentation.

Q. Please give a hypothetical example of the kind of work done during this step.

A. For example, if we saw a lodging charge in Georgia that was incurred after a vendor's crews were checked in to work in our territory, we would ask the Electric Delivery team to assess the charge, request additional information from the vendor as needed and make a business judgment about the recoverability of the charge. If the charge related to a crew member who was late leaving the vendor's home base and arrived in our territory after the rest of his co-workers, and the circumstance was adequately documented, we would move the related cost from "unrecoverable" to "recoverable."

STEP FOUR: QUALITY ASSESSMENT REVIEW

Q. What work was performed in this step?

A. Once the Accounting department competed the Excel workbook and binder for a vendor, the Corporate Audit Services department performed a quality assurance review before turning the workbook over the Electric Delivery department for its review. This step involved having an independent set of eyes reviewing the workbooks and binders for completeness, formatting issues, Excel calculation errors and other unusual items.

STEP FIVE: FURTHER EVALUATION

Q. Please describe the work in the fifth step of the supplemental review.

A. This step in some ways was the most labor intensive and time-consuming part of the review. The fifth step was an iterative process of communications with and review by Electric Delivery team members to assess the recoverability of specific types and amounts of charges. It involved the painstaking process of evaluating each and every charge tentatively identified as "unrecoverable" based on our review guidelines to determine whether there was a valid business reason to support the charge and/or whether better

or additional documentation would allow us to move the charge from the unrecoverable column to the recoverable column. Sometimes this required Electric Delivery personnel to dig through their files and personal notes to explain charges and sometimes it required the company to seek additional documentation and/or business justifications from the vendor to support the charges. Every time new information or documentation was received, members of the Accounting team updated the review workbook and accompanying binder(s) with the new documentation and updated the file notes to reflect the change. In some instances, the additional documentation was found to be insufficient to support the associated charge, so the company either requested even more additional documentation or made a decision to change the "unrecoverable" designation from tentative to final.

As of the date we filed this testimony and our Second Amended Petition, we were still awaiting additional documentation from some vendors, but the amounts for recovery in the Second Amended Petition reflect the documentation we had in hand as of the time of filing.

FINAL STEPS: FINAL REVIEW AND ACCOUNTING

Q. Please explain the work performed in the final steps of the

review.

A. The final steps included Accounting department review for consistent application of judgment and recoverability guidelines, review and final approvals by senior members of the Electric Delivery team, preparation of summary narratives, reconciliation of storm costs to the reserve, recording journal entries to remove costs deemed "unrecoverable" from the storm cost reserve and updating the amount of storm costs for which the company seeks recovery in this docket.

The accounting processes of reconciling total storm costs, recording journal entries, adjusting the storm cost reserve and updating the company's requested amount of storm costs to be recovered are discussed by Witness Chronister.

As one might imagine, the number of people involved in the review process created a possibility that different reviewers might assess the same set of facts or invoices and reach slightly different conclusions on recoverability or the need for additional documentation/justification. We attempted to manage this risk by subjecting all of the vendor files/binders to a final review by one accounting person and one senior member of the Electric Delivery

department. Although there is a possibility that minor inconsistencies may exist, I'm confident that this final review improved our final product and should increase the confidence level users have in the results of our review.

CONCLUSION

Q. What conclusions have you formed about the billing practices of the vendors who assisted Tampa Electric with electric system restoration for the five named tropical storms discussed in this proceeding and the process the company used to review invoices?

A. I have formed several conclusions.

First, our supplemental review revealed a number of differences between vendors on the quality, detail and sophistication of the invoices sent to the company. We used the services of 72 vendors, some of which were very large, publicly traded regulated utilities and some that were relatively small, privately owned businesses. We used foreign resources from multiple states ranging from parts of the southeast, to the Midwest and into the northeastern parts of the United States and Canada. For many of our vendors, providing storm restoration assistance is not a primary line of business and it appears that some of them

did not have well-developed, mature business practices for compiling costs and sending a high-quality invoice for payment. In many cases, the vendor team members who prepared and sent bills to us performed the same function as the people who initially reviewed them at Tampa Electric – people who are very busy every day with other responsibilities and who were working on storm activities on top of an already busy work schedule. The billing systems of our vendors were different and presented information in different levels of details and with different manners of presentation, all of which made our initial and supplemental reviews very challenging. The fact that some of our vendors made mistakes that appear to be innocent is not surprising. If we had used a process like our supplemental review for our initial review, we would probably have identified those issues the first time.

Second, while we saw several instances where individual vendor team members appeared to be excessively careless or perhaps acted in ways that could implicate dishonesty, the vast majority of vendor personnel submitting receipts and the vast majority of vendors sending invoices to Tampa Electric appear to have done so in an honest and business-like way, and the mistakes we saw were likely attributable to misunderstanding or sloppy business practices, as

opposed to impure motives. Tampa Electric has no way of knowing the kinds of billing practices the vendors who helped us used after helping other utilities in Florida, or what they billed to other utilities, so this conclusion is based only on the information available to us.

Third, the process we used in our supplemental review worked well. We performed a detailed review of 72 vendors representing $77,856,061 of electric system restoration costs. We excluded $2,269,657 of storm costs already paid by the company, most of which can be attributable to lack of appropriate documentation or decisions to exclude certain categories of costs to avoid prolonged debate about whether some of the costs in those categories should or should not be recovered. If we had more time, we likely could have obtained additional documentation from vendors that would help move some of our "unrecoverable" costs into the recoverable amount the company is seeking in this proceeding. While people reviewing our work may be able to further scrutinize invoices and find some additional costs that they claim should not be recovered from customers in this proceeding or question our judgment about the costs we deemed appropriate for recovery, our conservative approach has led to some costs that we could have included in our request for cost recovery that we did not.

Finally, Tampa Electric and its team members involved in storm restoration activities and post-storm invoice review and approval learned a great deal in this process. Hurricane Irma was by far the biggest and most expensive storm ever to hit our service territory. The number and dollar value of the outside resources – foreign and native – that we enlisted to help us promptly restore service to our customers put considerable pressure on our storm invoice review practices, which pressure caused us to miss some things. The work we did in our supplemental review, however, has allowed us to develop a new, more robust and rigorous review process for future storms. These new practices and procedures are fully explained in the Revised Direct Testimony of Witnesses Chasse, Young and Chronister.

Q. Does this conclude your direct testimony?

A. Yes, it does.

EXHIBIT

OF

SARAH L. DJAK

Table of Contents

Sign Off's

Accounting

	Name	Title	Date
Preparer			
Reviewer			
Approver			

Audit Services

	Name	Title	Date
Preparer			

Energy Delivery

	Name	Title	Date
Final Reviewer			

Contractor Summary

Test Plan: (A) Using the drop down list, select the vendor. (B) Ensure address agrees to invoice(s). (C) Enter the distance between vendor address to Plant City, FL. (D) Determine if vendor is part of the SEE (see tab A.1 for listing). (E) Determine if other agreements exist. (F) Using the drop down list, select the Incident Base that the vendor was initially assigned. (G) If the contractor includes multiple crews with different timelines, utilize the '+' symbol at the top of columns 'H' and 'K' (if necessary) to unhide the vendor summary. (H) Click the button to populate the second (and third, if necessary) set of tabs for documentation of those expenses. (I) Complete steps (A) through (F).

	Vendor #1	
Contractor/Company		A
SAP Vendor#		
Service Type		
Address		B
City		
State/Providence		
Zip		
Country		
Distance from FL (in miles)		C
Travel Days (500 m/per day)		
Member of the SEE		D
Other Agreement/Contract (Y/N)		E
Incident Base		F
Date Secured		
Start Travel		
Date Arrived		
Date Released		
Time Released		
Released To		
Arrived Home/Utility*		

*Estimates reasonable arrival time

Tickmark Explanation:

Summary of Expenses

Test Plan: (A) Calculate Total Amount Invoiced for each expense category. (B) Using SAP t-code FBL1N, list Vendor Invoices Paid. (C) Ensure there are no differences between the Total Expense Amount and the Total Paid Amount. (D) Ensure there are no difference between Total Invoiced Amount and Total Expense Amount. (E) If applicable, identify difference due to Foreign currency exchange rates.

	A Total Invoiced	Total Calculated	Allowable	Reviewed - Allowed	Reviewed - Not Allowable	Not Allowable
Labor Expense Total	$ -	$ -	$ -	$ -	$ -	$ -
Equipment Expense Total	$ -	$ -	$ -	$ -	$ -	$ -
Lodging Expense Total	$ -	$ -	$ -	$ -	$ -	$ -
Fuel/Transport Expense Total	$ -	$ -	$ -	$ -	$ -	$ -
Meal Expense Total	$ -	$ -	$ -	$ -	$ -	$ -
Per Diem Expense Total	$ -	$ -	$ -	$ -	$ -	$ -
Mileage Expense Total	$ -	$ -	$ -	$ -	$ -	$ -
Other Expense	$ -	$ -	$ -	$ -	$ -	$ -
Total Expense per tabs	$ -	$ -	$ -	$ -	$ -	$ -
Difference		$ -	D			

Total Expense	$ -	**(from Total SAP Summary)**
Total Paid	$ -	**(from FBL1N in SAP)**
Difference	$ -	C

Exchange Rate	$ -	
Fx Adjusted to USD	$ -	
Difference	$ -	E

B

SAP - FBL1N

Document No	Doc Date	Amount	Reference
		$ -	
		$ -	

Tickmark Explanation:

Labor Charges - Rate Sheet

Test Plan: (A) Using the vendor rate sheet, ensure that a rate was provided for all Positions and Equipment types.

Labor Types:

ST	*Straight Time*
OT	*Over Time*
DT	*Double Time*
MOB/DMOB	*Mobilization/Demobilization Time*

Labor per Man Hour

A

POSITION	ST	OT	DT	MOB/DMOB
Journeyman Line Technician	$ -	$ -	$ -	$ -
Senior Crew Leader	$ -	$ -	$ -	$ -
Mechanic	$ -	$ -	$ -	$ -
Working Foreman	$ -	$ -	$ -	$ -
Crew leader	$ -	$ -	$ -	$ -
Supervisor	$ -	$ -	$ -	$ -

Labor per Equipment Hour

A

Type	$/HOUR
Derrick Digger w/ Bucket	$ -
65' Hi-Ranger	$ -
45' Bucket w/ Material Handler	$ -
Pickup	$ -
65' Hi-Ranger w/ Material Handler	$ -

Tickmark Explanation:

Labor Charges - Time Card

Labor Charges - Time Card

Test Plan: Obtain the time cards. (A) Using the Asset by Company tab (C.3), populate the crew members names and positions (if provided). Find additional information regarding individual crew member from related invoice. (B) Enter hours worked from time card(s). (C) Confirm that the dates per the time cards fall between dates provided per 'A - Contractor Summary' tab. (D) Confirm the labor type charged agrees to the rate sheet. (E) Identify any labor charges to be reviewed (manually enter amounts based on reasonability of time period labor was charged, discrepancies between timecards and invoice, etc. (F) For charges which required further review, document review (include why it was determined to be allowed/disallowed via a tickmark).

Rx Recalculated.
a Provided from tab 'C.1 - Rate Sheets'.
b Check figure should equal $0. Cell will appear yellow if discrepancies are noted.

A → Rx → C → a → Rx → Rx →

#	Name	Position	Company	Crew#	Invoice#	Start Date	End Date	Dates Worked Reasonable?	Rates				9/12/2017					9/13/2017					Total Labor Hours					Total Labor $				
													9/12/2017	9/12/2017	9/12/2017	9/12/2017	9/12/2017	9/13/2017	9/13/2017	9/13/2017	9/13/2017	9/13/2017										
													Tuesday					Wednesday														
									ST	OT	DT	MOB/DMOB	ST	OT	DT	MOB/DMOB	Total	ST	OT	DT	MOB/DMOB	Total	Total ST	OT	DT	MOB/DMOB	Total Hours	Total ST $	Total OT $	Total DT $	Total MOB/DMOB $	Total Labor $
1		Journeyman Line Technician				9/12/2017	9/13/2017	No	$ -	$ -	$ -	$ -	-	8.00	-	-	-	-	10.00	-	-	-	-	18.0	-	-	18.0	$ -	$ -	$ -	$ -	$ -
2		Journeyman Line Technician				9/12/2017	9/13/2017	No	$ -	$ -	$ -	$ -	-	8.00	-	-	-	-	10.00	-	-	-	-	18.0	-	-	18.0	$ -	$ -	$ -	$ -	$ -
3		Senior Crew Leader				9/12/2017	9/13/2017	No	$ -	$ -	$ -	$ -	-	8.00	-	-	-	-	10.00	-	-	-	-	18.0	-	-	18.0	$ -	$ -	$ -	$ -	$ -
4		Crew Leader				9/12/2017	9/13/2017	No	$ -	$ -	$ -	$ -	-	8.00	-	-	-	-	10.00	-	-	-	-	18.0	-	-	18.0	$ -	$ -	$ -	$ -	$ -
5		Senior Crew Leader				9/12/2017	9/13/2017	No	$ -	$ -	$ -	$ -	-	8.00	-	-	-	-	10.00	-	-	-	-	18.0	-	-	18.0	$ -	$ -	$ -	$ -	$ -
6		Crew Leader				9/12/2017	9/13/2017	No	$ -	$ -	$ -	$ -	-	8.00	-	-	-	-	10.00	-	-	-	-	18.0	-	-	18.0	$ -	$ -	$ -	$ -	$ -
7		Journeyman Line Technician				9/12/2017	9/13/2017	No	$ -	$ -	$ -	$ -	-	8.00	-	-	-	-	10.00	-	-	-	-	18.0	-	-	18.0	$ -	$ -	$ -	$ -	$ -
8		Senior Crew Leader				9/12/2017	9/13/2017	No	$ -	$ -	$ -	$ -	-	8.00	-	-	-	-	10.00	-	-	-	-	18.0	-	-	18.0	$ -	$ -	$ -	$ -	$ -
9		Journeyman Line Technician				9/12/2017	9/13/2017	No	$ -	$ -	$ -	$ -	-	8.00	-	-	-	-	10.00	-	-	-	-	18.0	-	-	18.0	$ -	$ -	$ -	$ -	$ -
10		Journeyman Line Technician				9/12/2017	9/13/2017	No	$ -	$ -	$ -	$ -	-	8.00	-	-	-	-	10.00	-	-	-	-	18.0	-	-	18.0	$ -	$ -	$ -	$ -	$ -
11		Mechanic				9/12/2017	9/13/2017	No	$ -	$ -	$ -	$ -	-	8.00	-	-	-	-	10.00	-	-	-	-	18.0	-	-	18.0	$ -	$ -	$ -	$ -	$ -
12		Crew Leader				9/12/2017	9/13/2017	No	$ -	$ -	$ -	$ -	-	8.00	-	-	-	-	10.00	-	-	-	-	18.0	-	-	18.0	$ -	$ -	$ -	$ -	$ -
13		Working Foreman				9/12/2017	9/13/2017	No	$ -	$ -	$ -	$ -	-	8.00	-	-	-	-	10.00	-	-	-	-	18.0	-	-	18.0	$ -	$ -	$ -	$ -	$ -
14		Supervisor				9/12/2017	9/13/2017	No	$ -	$ -	$ -	$ -	-	8.00	-	-	-	-	10.00	-	-	-	-	18.0	-	-	18.0	$ -	$ -	$ -	$ -	$ -
													-	**112.00**	-	-	-	-	**200.00**	-	-	-	**60.00**	-	312.0	-	-	312.0	$ -	$ -	$ -	$ -	$ -
																Total # of Crew	-				**Total # of Crew**	**6.00**				**# of time charges**	6				

Tickmark Explanation:
NOTE: This is an illustration and does not contain actual hours worked or labor rates.

Equipment Charges - Time Card

Test Plan: Obtain the time cards. **(A)** Populate the equipment names and types (if provided). Find additional information regarding individual equipment charge from related invoice. **(B)** Enter hours worked from time card(s). **(C)** Confirm that the dates per the time cards fall between dates provided per 'A - Contractor Summary' tab. **(D)** Identify any equipment charges to be reviewed. **(E)** For charges which required further review, document review (include why it was determined to be allowed/disallowed via a tickmark).

Rx Recalculated.
a Provided from tab 'C.1 - Rate Sheets'.
b Check figure should equal $0. Cell will appear yellow if discrepancies are noted.

#	Equipment Name	Equipment ID	Company	Crew#	Invoice	Start Date	End Date	Dates Worked Reasonable?	Rates	9/10/2017 Sunday Hours	9/11/2017 Monday Hours	9/12/2017 Tuesday Hours	9/13/2017 Wednesday Hours	9/14/2017 Thursday Hours	Total Hours	Total Equipment $	Allowable Charges	Labor Type Appropriate?	To Be Reviewed	Reviewed - Allowable Charge	Reviewed - Unallowable Charge	Tickmarks
	A →					Rx →		C	a	→					Rx →			D →		E →		
1	Derrick Digger W/ Bucket					9/12/2017	9/12/2017	No	$ -	-	-	8.00	-	-	8.0	-	$ -	YES	$ -	$ -		
2	65' Hi-Ranger					9/12/2017	9/12/2017	No	$ -	-	-	8.00	-	-	8.0	-	$ -	YES	$ -	$ -		
3	65' Hi-Ranger w/ Material Handler					9/12/2017	9/12/2017	No	$ -	-	-	8.00	-	-	8.0	-	$ -	YES	$ -	$ -		
4	65' Hi-Ranger w/ Material Handler					9/12/2017	9/12/2017	No	$ -	-	-	8.00	-	-	8.0	-	$ -	YES	$ -	$ -		
5	45' Bucket w/ Material Handler					9/12/2017	9/12/2017	No	$ -	-	-	8.00	-	-	8.0	-	$ -	YES	$ -	$ -		
6	Pickup					9/12/2017	9/12/2017	No	$ -	-	-	8.00	-	-	8.0	-	$ -	YES	$ -	$ -		
										-	-	48.00	-	-	48.0	$ -	$ -		$ -	$ -	$ -	$ - check (b)

Tickmark Explanation:

NOTE: This is an illustration and does not contain actual hours worked or equipment rates.

Lodging Charges

Test Plan: (A) Obtain support of individual charges. (B) Enter Yes/No if receipt is itemized (C) Enter Yes/No if proof of payment has been provided. (D) Ensure charges fall between the dates the vendor was mobilized and the date they arrived. (E) Ensure charges are prior to the date the vendor arrived home or was released to another utility. (F) Ensure the location of stay was reasonable. (G) Determine the amount(s) to be reviewed, allowed and/or disallowed. (H) For charges which required further review, document review (include why it was determined to be allowed/disallowed via a tickmark).

Rx Recalculated.
a Check figures should equal $0. Cell will appear yellow if discrepancies are noted.

	A						Rx	B	C	D	E	F	G	H	
	Support Reviewed									Reasonable based on Mobilization Date(s)	Reasonable based on Demobilization Date(s)	Location Reasonable	Conclusion		
#	Type of Support	Support Identifier	Company	Check In Date	Person	Hotel Name	Location	# of Nights	Total Invoice	$ / Night	Itemized Receipt	Proof of Payment				$ Allowable Charge	$ To Be Reviewed	Reviewed - Allowable $	Reviewed - Unallowable $	Tickmark
1	Receipt							1.00	$ -	$ -			Yes	Needs Review		YES	$ -	$ -	$ -	
2	Receipt							1.00	$ -	$ -			Yes	Needs Review		YES	$ -	$ -	$ -	
3	Receipt							1.00	$ -	$ -			Yes	Needs Review		YES	$ -	$ -	$ -	
4	Receipt							1.00	$ -	$ -			Yes	Needs Review		YES	$ -	$ -	$ -	
5	Receipt							1.00	$ -	$ -			Yes	Needs Review		YES	$ -	$ -	$ -	
6	Receipt							1.00	$ -	$ -			Yes	Needs Review		YES	$ -	$ -	$ -	
7	Receipt							1.00	$ -	$ -			Yes	Needs Review		YES	$ -	$ -	$ -	
8	Receipt							1.00	$ -	$ -			Yes	Needs Review		YES	$ -	$ -	$ -	
9	Receipt							1.00	$ -	$ -			Yes	Needs Review		YES	$ -	$ -	$ -	
10	Receipt							1.00	$ -	$ -			Yes	Needs Review		YES	$ -	$ -	$ -	
11	Receipt							1.00	$ -	$ -			Yes	Needs Review		YES	$ -	$ -	$ -	
12	Receipt							1.00	$ -	$ -			Yes	Needs Review		YES	$ -	$ -	$ -	
									$ -								$ -	$ -	$ -	check (a)

Tickmark Explanation:

Fuel Charges

Test Plan: (A) Obtain support of individual charges. (B) Enter Yes/No if receipt is itemized. (C) Enter Yes/No if proof of payment has been provided. (D) Ensure charges fall between the dates the vendor was mobilized and the date they arrived. (E) Ensure charges are prior to the date the vendor arrived home or was released to another utility. (F) Ensure the location of charge was reasonable. (G) Determine the amount(s) to be reviewed, allowed and/or disallowed. (H) For charges which required further review, document review (include why it was determined to be allowed/disallowed via a tickmark).

a Check figure should equal $0. Cell will appear yellow if discrepancies are noted.

	A						B	C	D	E	F	G		H			
	Support Reviewed								Conclusions								
#	Type of Support	Support Identifier	Company	Date	Person	Name	Location	Total Charge	Itemized Receipt	Proof of Payment	Reasonable based on Mobilization date(s)	Reasonable based on Demobilization date(s)	Locations Reasonable	Conclusion	$ Allowable Charge	$ To Be Reviewed	Reviewed - Allowable Charge	Reviewed - Unallowable Charge	Tickmarks
1	Receipt							$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
2	Receipt							$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
3	Receipt							$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
4	Receipt							$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
5	Receipt							$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
6	Receipt							$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
7	Receipt							$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
8	Receipt							$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
9	Receipt							$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
10	Receipt							$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
11	Receipt							$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
								$ -							$ -	$ -	$ -	$ -	- check (a)

Tickmark Explanation:

Meal Charges

Test Plan: (A) Obtain support of individual charges. (B) Enter Yes/No if receipt is itemized. (C) Enter Yes/No if proof of payment has been provided. (D) Ensure charges fall between the dates the vendor was mobilized and the date they arrived. (E) Ensure charges are prior to the date the vendor arrived home or was released to another utility. (F) Ensure the location of charge was reasonable (G) Determine the amount(s) to be reviewed, allowed and/or disallowed. (H) For charges which required further review, document review and include why it was determined to be allowed/disallowed via a tickmark.

a Check figure should equal $0. Cell will appear yellow if discrepancies are noted.

	A →								B	C	D	E	F	G →			H →		
	Support Reviewed										Conclusions								
#	Type of Support	Support Identifier	Company	Date	Person	Restaurant Name	Location	$ Total	Itemized Receipt	Proof of Payment	Reasonable based on Mobilization date(s)	Reasonable based on Demobilization date(s)	Locations Reasonable	Conclusion	$ Allowable Charge	$ To Be Reviewed	Reviewed - Allowable Charge	Reviewed - Unallowable Charge	Tickmarks
1	Receipt							$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
2	Receipt							$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
3	Receipt							$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
4	Receipt							$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
5	Receipt							$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
6	Receipt							$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
								$ -							$ -	$ -	$ -	$ -	$ - check (a)

Tickmark Explanation:

Per Diem Charges

Test Plan: (A) Enter per diem charges per invoice. (B) Enter number of crew worked per timecard. (C) Enter the Per Diem Rate charged per person per meal (D) Ensure the number of crew members being charged is appropriate (This is comparing the submitted timecards and the per diem charges invoiced). (E) Ensure charges fall between the dates the vendor was mobilized and the date they arrived. (F) Ensure charges are prior to the date the vendor arrived home or was released to another utility. (G) Determine the amount(s) to be reviewed, allowed and/or disallowed. (H) For charges which required further review, document review and include why it was determined to be allowed/disallowed via a tickmark.

Rx Recalculated.
a Check figure should equal $0. Cell will appear yellow if discrepancies are noted.

A			B		Rx	C		Rx	D	E	F	G		H		
Support Reviewed									Conclusion							
Dates	Company	Per Diem Type	# Crew Worked (per invoice)	# Crew Worked (per timecards)	Difference	Per Diem Rate		Total Per Diem	# Crew Reasonable	Reasonable based on Mobilization date(s)	Reasonable based on Demobilization date(s)	Conclusion	$ Allowable Charge	$ To Be Reviewed	Reviewed - Allowable Charge	Reviewed - Unallowable Charge	Tickmarks
			1	1	0	$	-	$ -	Yes	Yes	Needs Review	Yes	$ -	$ -	$ -	$ -	
			1	1	0	$	-	$ -	Yes	Yes	Needs Review	Yes	$ -	$ -	$ -	$ -	
			1	1	0	$	-	$ -	Yes	Yes	Needs Review	Yes	$ -	$ -	$ -	$ -	
			1	1	0	$	-	$ -	Yes	Yes	Needs Review	Yes	$ -	$ -	$ -	$ -	
					0			$ -					$ -	$ -	$ -	$ -	$ - check (a)

Tickmark Explanation:

Other Charges

Test Plan: (A) Obtain support of individual charges. (B) Enter Yes/No if receipt is itemized. (C) Enter Yes/No if proof of payment has been provided. (D) Ensure charges fall between the dates the vendor was mobilized and the date they arrived. (E) Ensure charges are prior to the date the vendor arrived home or was released to another utility. (F) Ensure the expense type is reasonable (G) Determine the amount(s) to be reviewed, allowed and/or disallowed. (H) For charges which required further review, document review and include why it was determined to be allowed/disallowed via a tickmark.

a Check figure should equal 50. Cell will appear yellow if discrepancies are noted.

	A							B	C	D	E	F	G			H	
	Support Reviewed									Conclusions							
#	Type of Support	Support Identifier	Company	Date	Person	Vendor Name	Location	$ Total	Itemized Receipt	Proof of Payment	Reasonable based on Mobilization date(s)	Reasonable based on Demobilization date(s)	Expense Type Appropriate	Conclusion	$ Allowable Charge	$ To Be Reviewed	Reviewed - Allowable Charge	Reviewed - Unallowable Charge	Tickmarks
1								$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
2								$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
3								$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
4								$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
5								$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
6								$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
7								$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
8								$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
9								$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
10								$ -			Yes	Needs Review		Needs Review	$ -	$ -	$ -	$ -	
								$ -							$ -	$ -	$ -	$ -	- check (a)

Tickmark Explanation:

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20170271-EI

IN RE: PETITION FOR RECOVERY OF COSTS ASSOCIATED WITH NAMED TROPICAL SYSTEMS DURING THE 2015, 2016, AND 2017 HURRICANE SEASONS AND REPLENISHMENT OF STORM RESERVE SUBJECT TO FINAL TRUE-UP, TAMPA ELECTRIC COMPANY

REVISED PREPARED DIRECT TESTIMONY AND REVISED EXHIBIT OF S. BETH YOUNG

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

REVISED PREPARED DIRECT TESTIMONY

OF

S. BETH YOUNG

I. INTRODUCTION

Q. Please state your name, address, occupation and employer.

A. My name is S. Beth Young. My business address is 820 S. 78th St, Tampa, Florida 33619. I am employed by Tampa Electric Company ("Tampa Electric" or "the company") in the Electric Delivery department as the Director, Asset Management, Planning, & Support.

Q. Please describe your duties and responsibilities in that position.

A. My duties and responsibilities include the governance and oversight of Tampa Electric's transmission and distribution assets, including capital allocation, system planning, reliability planning and system maintenance, in addition to responsibilities for studies in support of transmission service. My duties and responsibilities also include support for the Electric Delivery department's operations in the area of geographic information system ("GIS") and

mapping services.

Q. Please describe your educational background and professional experience.

A. I received my Bachelor of Science degree in Electrical Engineering from the University of South Florida in 1983. I am a registered professional engineer in the state of Florida. I joined Tampa Electric as a co-operative education student in 1980 and became a full-time team member as an associate engineer in 1983. From 1983 through present, I have held various positions as an engineer, manager, and director in Tampa Electric's Electric Delivery department working in Transmission, Substation, Distribution, System Operations, Project Management, Lighting, Emergency Management and Support Services.

Q. Have you previously testified before the Florida Public Service Commission ("Commission")?

A. Yes, I testified before the Commission in Docket No. 20120234-EI, Tampa Electric's Petition to Determine Need for Polk 2-5 Combined Cycle Conversion and in Docket No. 20130040-EI, Tampa Electric's 2013 petition for an increase in base rates and miscellaneous charges.

Q. What is the purpose of your revised direct testimony in this proceeding?

A. The purpose of my Revised Direct Testimony is to describe the use of foreign crew resources in assisting with large scale system restoration efforts and the indirect costs of this restoration. I will first begin with an overview of Tampa Electric's indirect transmission and distribution ("T&D") restoration efforts and cost details related to restoration activities of the company during the five named tropical storms in 2015, 2016 and 2017. These named tropical systems include: Tropical Storm ("TS") Erika, TS Colin, Hurricane Hermine, Hurricane Matthew and Hurricane Irma.

Next, my Revised Direct Testimony will describe how Tampa Electric acquires, stages and manages foreign crew resources in assisting with large scale restoration efforts as well as explain why the costs incurred for those activities were prudent in order to achieve timely restoration of the company's electric system. I will discuss the operating challenges presented by Hurricane Irma, explain the role the Electric Delivery team played in our supplemental review of foreign crew invoices, and support the reasonableness and prudence of those

restoration activities and the associated costs for which Tampa Electric is seeking recovery. I will also explain the new business and storm management practices around payment for restorations services we developed as a result of Irma and plan to utilize in future storm restoration activities.

Q. Are you sponsoring any exhibits in this proceeding?

A. Yes. I am sponsoring Revised Exhibit No. ___ (SEY-1), consisting of five documents that were prepared under my direction and supervision.

Document No. 1 of my Revised Exhibit No. ___ (SEY-1), entitled "Tampa Electric's Indirect Recoverable Restoration Costs by Storm and Function," details the company's costs incurred by Tampa Electric Non-Transmission and Non-Distribution personnel that supported the restoration of the company's electrical systems in the five named tropical storms in this proceeding.

Document No. 2, of my Revised Exhibit No. ___ (SEY-1), entitled "Tampa Electric's Recoverable Restoration Costs of Foreign and Native Crews," details the company's

recoverable foreign and native crew restoration storm costs by function and by storm. The amounts shown on this document reflect the costs of the vendors that assisted Tampa Electric with restoration of the company's T&D electrical systems in the five named tropical storms in this proceeding.

Document No. 3 of my Revised Exhibit No. ___ (SEY-1), entitled "Tampa Electric's Summary of Changes Due to Supplemental Review," which provides a summary of the storm cost changes by cost type (labor, equipment, lodging, meals, per diem, fuel, mileage and other) that occurred due to the supplemental review.

Document No. 4 of my Revised Exhibit No. ___ (SEY-1), entitled "Tampa Electric's Supplemental Review Summary," summarizes the results of our supplemental review by assigned vendor number. For each vendor, it shows the amount originally billed and paid by Tampa Electric, the total amount the company concluded should not be recovered from customers based on our supplemental review and the net amount for which the company seeks cost recovery in this docket. This document is the subject of a Request for Confidential Classification and Motion for Temporary Protective Order which is being simultaneously filed

herewith. A redacted version of this document accompanies my publicly filed testimony.

Document No. 5 of my Revised Exhibit No. ___ (SEY-1), entitled "Vendor Key" is a confidential key that identifies the name of the vendor to the assigned vendor number. This document is also the subject of a Request for Confidential Classification and Motion for Temporary Protective Order which is being simultaneously filed herewith. A redacted version of this document accompanies my publicly filed testimony.

II. TAMPA ELECTRIC'S INDIRECT T&D STORM RESTORATION ACTIVITIES

Q. Would you describe restoration efforts performed by Tampa Electric team members that indirectly support T&D restoration?

A. During large storm events such as Hurricane Irma, we take an all-hands-on-deck approach with every team member of Tampa Electric having a pre-established Emergency Assignment (Storm Role). During named tropical storm system restoration activities, Tampa Electric utilizes the company's Electric Delivery department team members as well as many other team members across the TECO Energy family who work from various departments to support the necessary

restoration activities. Depending on the projected size and path of the storm, Tampa Electric may choose to activate only portions of the company's emergency preparedness plan. These various departments include: Business Development, Business Strategy and Renewables, Community Relations, Customer Experience, Energy Supply, Financial Accounting and Business Planning, Regulatory, Safety, TECO Services and Peoples Gas.

Q. Would you provide some examples of how each of the departments you have referred to supports restoration?

A. Yes, I will combine some of the departments as their activities supporting storm restoration will be similar.

Business Development, Business Strategy and Renewables, Community Relations, Financial Accounting and Business Planning, and Regulatory: Tampa Electric team members from these departments support a variety of storm restoration activities depending on the storm assignment of the individual team member. Some examples of these storm restoration functions include the following: leading and operating incident bases; lodging coordination; family assistance; meals coordination; laundry coordination and transportation. They also support State, County and City

Emergency Operating Centers; wire down coordination; debris clearance support; search and rescue support and coordinate and communicate with critical and at-risk customers.

Customer Experience: Tampa Electric's Customer Experience department handles communication with customers reporting outages and hazardous conditions. The Customer Experience department also performs outbound calls to verify services and to provide assurance to customers that they have not been forgotten and provide updates on restoration progress. The Customer Experience department also coordinates outbound communication such as outbound dialer or emails to update customers on restoration progress and estimates for completion. For Hurricane Irma, due to the high call volume that was projected and ultimately experienced, Tampa Electric utilized its Mutual Assistance Routing Systems ("MARS") offsite call center support services to assist.

Energy Supply: Tampa Electric's Energy Supply department prepares the company's generation facilities ("power plants") to minimize any potential damage to the power plants from the impending storm as well as safely and efficiently returning the power plants to normal operations following the storm. The Energy Supply department performs a full review of the power plants' status including:

communication, environmental concerns, fuel, water storage, waste handling, byproducts handling, consumables (ammonia, hydrogen, sulfuric acid, carbon dioxide), outage requirements, reliability issues and transportation issues. They also coordinate with Electric Delivery to balance energy supply and demand and the need for any outside purchases or sales. For Hurricane Irma, the Energy Supply department installed the storm doors at Big Bend and Bayside Power Stations due to potential flooding and shut down Big Bend Units 1 and 2 due to the projected impacts of high winds.

Safety: Tampa Electric's Safety department provides the safety onboarding briefing for all foreign crew resources. During the restoration efforts, the Safety department provides daily storm safety messages and performs field safety observations to ensure all personnel maintain a heightened focus on being safe during this very challenging time of high workload, pressure to restore quickly in the hot Florida climate. They also provide supplemental safety related equipment such as safety glasses, gloves, bug spray, etc. The Safety department also performs accident investigations when needed and collects all first aid and recordable injury cases.

TECO Services: TECO Services includes the business functions of Corporate Communication, Facilities, Finance and Treasury, and Human Resources and Information Technology and Telecom ("IT"). Corporate Communications provides messaging on the company's website to provide updates on the restoration progress and estimates for completion. Corporate Communications also develops social media messaging, press releases and interface with media (television and radio) to ensure restoration information is reaching customers. Facilities prepares Tampa Electric's buildings to minimize any potential damage from the storm such as installing storm screens and shutters, preparing the buildings to ride out the storm in case of certain failures such as ensuring all emergency generator fuel tanks are topped off, providing technical engineering support for the company incident bases such as installing portable generators and outdoor/indoor lighting, and responding to facility repair requests during the storm such as roof and water damage repairs. In addition, Facilities team members are stationed on standby at key facilities during the storm to handle any emergencies. Facilities performs or supervises contractors for setup/breakdown activities at Incident Bases, including ensuring sanitation and refuse management is properly handled. IT provides technical support before, during and

after the storm to ensure all Tampa Electric IT systems and communication systems and connections operate as intended to fully support restoration efforts.

Q. Please identify which of the departments have restoration costs included in the costs that Tampa Electric is seeking for recovery in this proceeding (Business Development, Business Strategy and Renewables, Community Relations, Customer Experience, Energy Supply, Financial Accounting and Business Planning, Regulatory, Safety and TECO Services).

A. All the departments listed indirectly supported restoration activities during at least one of the named tropical storm systems identified in the company's Revised Petition, filed on February 8, 2019 and the associated costs that are appropriate for recovery in this proceeding are included.

Q. Please provide examples of restoration costs that would have been incurred by the following departments that are not included in the costs that Tampa Electric is seeking for recovery in this proceeding (Business Development, Business Strategy and Renewables, Community Relations, Customer Experience, Energy Supply, Financial Accounting and Business Planning, Regulatory, Safety and TECO

Services).

A. Tampa Electric followed the Incremental Cost and Capitalization Approach ("ICCA") which is addressed in Tampa Electric's Witness Jeffrey S. Chronister's Direct Testimony. Under this ICCA approach, Tampa Electric excluded the following restoration costs that were incurred: any payroll costs from any of these departments that is already recovered in base rates and utility call center and customer service non-incremental costs associated with the storm events. In addition, for Hurricane Irma, Energy Supply had repairs at two power plants that were charged to capital and not to the storm reserve. These included replacements of a circulating water pump, a GSU fire protection system, several low voltage breakers due to water intrusion, and a 13kV/480V transformer. Also, all of these departments annually review, train and perform mock exercises. The costs associated with this annual training, along with any costs associated with general preparedness or the maintaining of that general preparedness are not included in the costs for which Tampa Electric is seeking recovery.

Q. Did Tampa Electric need to bring in any additional personnel to support these indirect restoration activities for any of

the five named tropical storms?

A. Yes, Tampa Electric utilized MARS to provide call center assistance during and following Hurricane Irma. MARS provided an additional 112 call center resources during the storm and had a peak level of 137 additional resources following the storm to support restoration activities.

Q. Please provide the costs from these non-T&D departments that are included in the costs that Tampa Electric is seeking for recovery in this proceeding for each of the five named tropical storms.

A. Tampa Electric is seeking to recover a total of $4,177,239 prudently incurred indirect recoverable restoration costs. This total indirect cost includes costs from non-T&D storm support activities for the named tropical storms as follows: $14,978 from TS Collin; $198,634 from Hurricane Hermine; $7,479 from Hurricane Matthew; and $3,956,147 from Hurricane Irma. These amounts are also detailed in Document No. 1 of my Revised Exhibit No. ___ (SEY-1).

Q. Were these costs incurred for indirect restoration related duties prudent and necessary for Tampa Electric's restoration?

A. Yes, they were prudent and necessary. Tampa Electric's Energy Supply department took steps prior to the storm to protect the plants and those efforts minimized the repair needed to return the plants to normal operation. Customer Experience and Corporate Communications provided crucial messaging to customers experiencing outages as well as for public safety. Facilities took steps to protect Tampa Electric facilities from the high winds, so they could be fully utilized following the storm to support the restoration and return to normal business.

III. Acquiring, Staging and Managing Foreign Crew Resources

Q. Would you explain what a "foreign crew resource" is and provide an overview of how Tampa Electric acquires foreign crew resources?

A. A foreign crew resource is a work crew supplied by a third-party (not native utility nor native contractor employees) that is contracted to work on emergency or storm restoration activities for the native utility. Tampa Electric monitors all storms that could potentially impact the company's service area. Tampa Electric's Electric Delivery department conducts numerous conference calls in advance of a storm to discuss the readiness of the company to restore from the impending storm. During these calls, projected

outages and required resources are discussed. Depending on the projected number of outages, the number of foreign crew resources necessary to restore service in a timely manner is identified. If necessary, the company communicates with the Southeastern Electric Exchange ("SEE") and non-SEE companies to obtain additional resources.

For example, in Hurricane Irma, requests for resources were made through the SEE but available resources were quickly exhausted within the SEE due to Duke, Florida Power and Light, Tampa Electric, Florida Public Utilities and others all requesting resources. The SEE Executive Director then contacted the Executive Directors of the other Regional Mutual Assistance Groups ("RMAG's") to request their members to offer resources. Multiple SEE calls were held expanding the numbers of RMAG's responding each time to the point where resources from Canada to California were offered and many secured.

Q. What types of foreign crew resources does Tampa Electric utilize?

A. Depending on the projected and actual needs for additional assistance, Tampa Electric acquires and utilizes foreign crew resources that perform transmission and distribution

line work, tree trimming, MARS, damage assessment, substation repair and Incident Base Management. Specialized equipment is also acquired, as needed.

Q. Which of the named tropical systems that the company is seeking cost recovery for in this proceeding did Tampa Electric acquire foreign or additional native crew resources?

A. Tampa Electric acquired foreign or additional native crew resources to assist with restoration efforts in TS Erika, TS Colin, Hurricane Hermine and Hurricane Irma.

Q. Please identify what type of foreign crew resources Tampa Electric acquired for each named tropical system that the company is seeking cost recovery for in this proceeding.

A. Tampa Electric acquired the following foreign or additional native crew resources in these named tropical systems:

TS Erika:	distribution line crew and tree trimming
TS Colin:	distribution line crew and damage assessment
Hurricane Hermine:	distribution line crew, tree trimming

		and damage assessment
	Hurricane Irma:	transmission and distribution line crew, tree trimming, MARS and damage assessment

Q. Could Tampa Electric have restored service to its customers in a timely manner without the aid of foreign crew resources?

A. Not in a timely manner. For Tampa Electric to restore service without the aid of foreign crew resources depends on the actual magnitude of outages, the necessary work to restore and how many days would be allowed to perform the restoration. Tampa Electric currently employs 250 T&D line personnel. Tampa Electric also has 146 contract line personnel on the system. Tampa Electric's 63 damage assessors are internal team members who are familiar with the transmission and distribution systems and there are 42 native contractor damage assessors as well. The company subcontracts 230 line clearing personnel. In order to restore service during Hurricane Irma in a timely manner Tampa Electric utilized the following foreign crew resources: 2,523 line personnel, 194 damage assessors, 622 line clearing personnel and 137 MARS support personnel, for a total of almost 3,400 additional resources. That is more

than five (5) times the number of people we normally have working on our system.

Q. Please explain how the company determines how many foreign crew resources to acquire.

A. Tampa Electric determines the number of foreign crew resources to acquire by utilizing a model that takes as an input the track, size and intensity of the storm. The model output estimates the number of customer outages, the amount of damage and the overall number of man-hours required to restore the system. Utilizing this information, the company determines how many foreign crew resources to request based on the targeted number of days to restore. Tampa Electric also evaluates this information against prior storm restoration events to validate the results.

Q. Does Tampa Electric take cost into consideration when acquiring resources for storm restoration?

A. Yes, Tampa Electric considers the cost of acquiring foreign crew resources for storm restoration assistance. Tampa Electric's restoration process works to minimize costs for foreign crew resources by securing resources close to its territory, if available, to minimize travel times,

releasing less productive resources first, releasing foreign crew resources to other utilities as early as practical to minimize travel costs even before the electrical system is fully restored, and keeping the most efficient resources until the system is fully restored.

Q. Does Tampa Electric have business controls in place for the acquisition of foreign crew resources?

A. Yes, the company has a documented process to control the acquisition of foreign crew resources. Tampa Electric's Electric Delivery Command will determine the required number of resources based on the projected damage estimates and the targeted estimated time to restore ("ETR"). In most cases, we obtain resources from the SEE member companies; however, in the case of larger storms, like Hurricane Irma, we supplement SEE resources with other RMAG resources and contractor resources in order to meet acceptable restoration timeframes. All foreign resources obtained are communicated with and are tracked by the company's Foreign Crew Coordination ("FCC") unit, who communicates with other groups such as Logistics and Planning the timing and number of resources so they can determine the necessary logistical services. Once the foreign resources are no longer required, Electric

Delivery's Planning Section notifies the FCC unit and the appropriate notifications of the crew members and their home companies are made.

Q. How and when do these foreign crew resources get to Tampa Electric's service area?

A. Tampa Electric provides foreign crew resources with requested arrival times and dates. The foreign crew resources generally "stage" at a safe location out of the projected path of the storm, typically a day's travel or less away from our service territory, so as not to put either the crews or their equipment/bucket trucks in the path of the impending storm. After the storm has passed and it is safe for these foreign crews to travel, the crews will finish their travels to Tampa Electric's service area. Once the crews arrive, they are provided a safety briefing and then assigned a Tampa Electric lineman who directs the crew to the restoration work area assigned and supervises their work.

Q. Does staging the resources away from the company's service area cause a delay in restoration?

A. This method of staging, in and of itself, typically does

not cause a delay. If there is a delay from staging the resources remotely, it is caused by storm impacts occurring between the staging area and Tampa Electric's service area. For example, during Hurricane Irma, with the size and path projection, some of the foreign crews staged in Georgia to keep themselves out of harm's way. Once Hurricane Irma passed Florida and it was safe to travel, the road congestion issues on Interstate 75 caused a delay in getting these resources to the company's service area. Even though there was this delay due to traffic, when the crews arrived all their equipment was in working order and they immediately began assisting Tampa Electric with service restoration.

Q. Please explain how these foreign crews are assigned to Incident Bases to perform restoration work.

A. Prior to the storm impacting Tampa Electric, the Planning section utilizes the planning model to forecast the estimated damage by Incident Base area and makes a preliminary determination of which Incident Bases to open and the assignment of the foreign crews to each. The goal is to complete each of the preliminary Incident Base areas assignments prior to the storm. After the storm has passed, an initial damage assessment is performed and damage by

Incident Base area is projected. Adjustments to Incident Base assignments are made as needed and the foreign crews are sent to the appropriate Incident Base as they arrive.

Q. How does Tampa Electric ensure these foreign crews are working efficiently and the work is of high quality?

A. To ensure quality and efficient work of the company's foreign line crews, foreign line crews are assigned a Tampa Electric lineman. Any quality control or productivity issues with the foreign line crews are then able to be corrected on the spot. The efficiency though of their work is ensured more from effective planning that occurs prior to assigning these crews work. The company was very pleased with the overall efficiency and quality of the foreign line crews that performed work during Hurricane Irma. With the productivity of the foreign lines crews, Tampa Electric was able meet its global ETR established at the beginning of storm restoration, but was able to restore service to more customers at a faster rate on a daily basis than initially projected. Tampa Electric's effective planning on the front end minimized idle and drive time between jobs during the restoration and ensured that sufficient materials were on hand to minimize non-productive time.

Foreign tree trimming crews are assigned a Tampa Electric supervisor to monitor and ensure the efficiency and quality of the crew's work. This allows us to correct quality control issues with tree trimming on the spot. Prior to each day's work during restoration it is the responsibility of the Tampa Electric supervisor to lay out the expectations for the work being assigned.

Q. How does Tampa Electric determine that these foreign crews are no longer needed?

A. The company's Electric Delivery's Planning section on a periodic basis reviews the number of customers remaining out of service, the ETR's forecasted and, in collaboration with the Operations section, evaluates the current needs for foreign crew resources. Foreign crew resources are released, either to their home or to other utilities, as the need for assistance diminishes as restoration nears completion.

Q. Is the overall cost of crews taken into consideration in making the decision as to when and what foreign crews are released during restoration?

A. Yes, Tampa Electric does include the overall cost of the

foreign crew in this decision. Tampa Electric's restoration process works to minimize costs for foreign crew resources by attempting to secure foreign crews closer to Tampa Electric's service territory to minimize travel costs, releasing less productive resources first, releasing foreign crew resources to other utilities as early as practical to eliminate return travel costs even before the electrical system is fully restored, and keeping the most efficient resources until the system is fully restored.

Q. Does Tampa Electric only pay for foreign crew resources labor and equipment costs or are there other costs that Tampa Electric also pays to support these crews?

A. There are other costs. In addition to paying the contracted labor and equipment price to the company supplying the foreign crew resources, there are travel costs that include lodging, meals, and fuel. In addition, there can be miscellaneous charges the can include repair of trucks, rental vehicles, overheads, etc. Once the foreign resources arrive, Tampa Electric also pays for the costs to fuel their vehicles and to house and feed these crew members. Examples of these other costs include hotels, air mattresses and bedding if hotels are unavailable, food, water, ice and laundry services. It is also important to

note that SEE and RMAG utility crews employed by and responding from other utilities to assist in restoration are reimbursed "at cost" in accordance with pre-existing mutual aid agreements.

Q. How do these foreign crew resources bill Tampa Electric?

A. All of the foreign crew resources will send Tampa Electric a formal invoice for their costs to provide the restoration assistance. Unfortunately, for Hurricane Irma, not all provided sufficient detail supporting the invoice.

Q. Please describe the foreign resources used in the Hurricane Irma restoration effort.

A. As noted in the Revised Direct Testimony of Tampa Electric's Witness Gerald R. Chasse, Hurricane Irma was a record-breaking storm for Tampa Electric. We employed 72 foreign crew vendors, which supplemented our internal resources with over 3,400 people. Over 91 percent of the foreign and native resource costs for which we are seeking recovery are attributable to Hurricane Irma.

Q. Were you and members of your team involved in the initial and supplemental review of foreign vendor invoices?

A. Yes. Members of my team and I performed the initial review and approved payment for foreign crew resources. We also were deeply involved in the supplemental review of those invoices.

Q. Why did the company decide to conduct a supplemental review of foreign vendor invoices?

A. The number of documents reviewed by the company was voluminous. No single individual would be capable of reviewing all of these documents to ensure the information was complete and appropriate for inclusion in a timely manner. Although we thought we did a good job with our initial review and approval of foreign vendor invoices, the discovery process in this docket revealed multiple instances where our documentation was lacking, we did not organize our documentation in a way it could be easily reviewed and failed to identify some items that should not have been billed to, or paid by, the company. Examples include lodging costs for hotel rooms in the territories of other Florida utilities, meal charges incurred during times when Tampa Electric was providing meals to foreign crews and duplicate charges for fuel while traveling to our service territory. When the Office of Public Counsel brought items like these to our attention, we quickly

decided that we should take another look at the foreign vendor invoices. We appreciate that the consumer parties and Commission agreed to give us additional time to conduct the review.

Q. Please generally describe how the supplemental review was conducted.

A. Our supplemental review occurred from August 2018 to January 2019. It covered every dollar of every foreign resource invoice and native contractor invoices from all five tropical systems. Our Corporate Audit Services department created a review methodology, a detailed list of items for review and an Excel-based template to assist with and allow us to document the results of our review. Our Accounting department helped the Electric Delivery department evaluate invoices by applying a set of "recoverability guidelines" or filters to identify questionable charges. The Accounting department also worked with my team in an iterative process to ensure that the charges my team had approved for recovery were properly validated with invoice details and that our business judgments about appropriateness were adequately documented. Our Corporate Audit Services department provided oversight and assistance throughout the process, but in the end the

final determination about whether we would seek recovery of foreign and native resources was made by the Electric Delivery team. Tampa Electric's Witness Sarah L. Djak describes this detailed review process in more detail in her Direct Testimony.

Q. How did the company evaluate labor charges from foreign vendors for reasonableness?

A. Electric Delivery would review the items that Accounting had identified that were outside of the "Recoverability Guidelines". Most of the items that were flagged were time charged greater than 16 hours, OT or DT that started prior to 40 hours, or hours that were outside of the "Secured Date" and the "Release Date" window. The typical work day for the foreign resources was from 06:00 to 22:00 or 16 hours. Electric Delivery determined some hours above 16 were warranted because of travel time to their hotel. There were a few companies that had specific labor contracts that specified a minimum number of hours paid for storm restoration work. There was another company that reflected DT by doubling the hours that were applicable but using the ST rate. When reviewing labor charges to ensure the OT and DT rates were applied correctly, the rate sheet was consulted for company rules, the day of the week was

reviewed, and whether they had come from Hurricane Harvey was factored in. Hours that were identified outside of the window, were mostly attributed to incorrect charges when released to another Florida utility. These charges were removed from the Storm Reserve.

Q. Have you evaluated the effective hourly rates charged by foreign and native crews for system restoration assistance for the five named tropical storms?

A. Yes, and I believe they are reasonable. For the five named tropical storms, the average effective hourly rate (direct labor rates plus any overhead charges billed separately) for our native contractors was $97.95 and for SEE foreign resources was $104.95, for RMAG foreign resources was $139.68, and for foreign contractors not from a mutual assistance company $157.11. The difference reflects the fact that native contractors were working under long-term service contracts and the SEE resources reflect similar labor rates due to the similar geographic region. The RMGA foreign resources reflect the higher labor rates form other regions, specifically the northeastern United States where costs are generally higher. The foreign contractors other than those from a mutual assistance company are generally the highest and the last resource that we choose. One of

these charged us more than $300 per hour but that rate included their equipment costs, so comparing that rate to the rest is not a fair comparison.

Importantly, although the way we dissected vendor invoices in our supplemental review implies that the company was buying individual units of labor hours and leasing specific pieces of equipment, that was really not the case. Rather, the company purchased storm restoration services from other regulated utilities and contractors with considerable experience restoring electric systems damaged by storms and who willingly stopped what they were doing and came to our assistance. Although it may be possible to quibble with the rates we paid months after service was restored, we can thank the vendors who helped us for safely and promptly getting our customers back in service.

Q. How did the company evaluate miscellaneous charges from foreign vendors for reasonableness?

A. The company used SEE/EEI Guidelines to evaluate miscellaneous charges. These guidelines provide direction as to what requesting companies will and will not reimburse. Hotel related expenses other than lodging such as phone calls made from rooms, room service, in-room movies, mini

bar usage should not occur. Cell phone usage, and satellite phone usage when cell service is unavailable, is reimbursable. Repair or replacement cost of equipment damaged or lost is reimbursed, but normal maintenance items, such as wiper blades, are routine maintenance and typically covered in the equipment charge out rates. Towing charges for vehicle breakdowns and vehicle rentals are allowed. Reasonable costs for meals are reimbursed, provided sufficient detail is provided such as the number of team members eating and a detailed receipt showing no alcohol is being charged. Consumables are allowed, such as bug spray, sunscreen, snacks, drinks (water, Gatorade, PowerAde, etc.), Diesel Exhaust Fluid, but 'hard' items such as cell phone chargers, USB cords, tools or other items that can be taken home and used (or were 'forgotten' to begin with) are not allowed.

Q. What actions did the company take on foreign crew meals incurred while working in Tampa Electric's service territory?

A. The company excluded most vendor meals purchased while working in Tampa Electric's service territory. Some of our vendors arrived after the caterers had left on September 11 and 12, 2017, so we considered the cost of those meals to

be recoverable.

Q. What is your overall assessment of the results of the company's supplemental review?

A. Our supplemental review revealed many instances in which we had not documented our review work adequately or did not present it in a way that it could be easily reviewed, by others. In addition, we also missed some things that we should have caught. Our initial review of foreign crew invoices missed items that we should not have included in our original Direct Testimony, filed May 21, 2018. Our supplemental review allowed us to create and apply a rigorous review framework and analytical process to foreign and native crew invoices, helped us improve and better organize our documentation and caused us to more specifically and deliberately memorialize our business decisions on reasonableness. I view these as positive outcomes from the review and believe that the lessons learned from it will form a solid foundation for future process improvements.

Q. During the course of the supplemental review, did the company analyze the questionable items identified during the discovery process?

A. Yes. We carefully reviewed each of those items, documented our conclusions about recoverability and informally shared the results with the consumer parties for their use in this docket.

Q. What were the original total costs Tampa Electric was seeking to recover in this proceeding for foreign crew resources?

A. The total costs amounted to $77,856,061 in the original filing.

Q. What are the revised total costs Tampa Electric is seeking to recover in this proceeding, by each storm, for foreign and native crew resources?

A. After the detailed and thorough supplemental review of both foreign and native crew invoices. Tampa Electric is seeking to recover a total cost for foreign and native crew resources after the supplemental review of $75,586,404. This total cost included costs from the five named tropical storms as follows: $611,389 from TS Erika; $1,726,175 from TS Colin; $3,960,790 from Hurricane Hermine; $775,485 from Hurricane Matthew; and $68,512,566 from Hurricane Irma. These revised foreign and native crew amounts after our

supplemental review are detailed in Document No. 2 of my Revised Exhibit No.___ (SEY-1).

Q. Could you explain why the company is seeking to recover a lower storm costs amount?

A. As a result of our supplemental review, we have reduced our request for recovery of foreign and native resource costs by $2,269,657 which is detailed in Document No. 3 of my Revised Exhibit No. ___ (SEY-1). Most of the reduction is attributable to costs for which the underlying cost support and documentation was not up to our standards.

Q. Please provide a summary of the total invoiced amount by vendor and the resulting amount included in the storm reserve filing.

A. Document No. 4, of my Revised Exhibit No. ___ (SEY-1), summarizes the results of our supplemental review by vendor. For each vendor, it shows the amount originally billed and paid by Tampa Electric, the total amount the company concluded should not be recovered from customers based on our supplemental review and the net amount for which the company seeks cost recovery in this docket. Document No. 4 identifies each vendor with a number, not

its name, because the company believes that in some cases disclosing the names of the vendors and the results of our review of their invoices will likely harm our ability to obtain their assistance for future storm restoration activities. Consequently, the company believes that the vendor names on Document No. 5 of my Revised Exhibit No. ___ (SEY-1) are "proprietary confidential business information" within the meaning of Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, and will be referring to the vendors by number, not name in this proceeding. Document No. 5 is a key that identifies the vendor names associated with each assigned vendor number. The company believes that the names of the vendors on Document No. 5 are confidential, so a confidential version of Document No. 5 with the vendor names has been filed with the Office of the Commission Clerk together with a Request for Confidential Classification as required by Rule 25-22.006, Florida Administrative Code. The company believes we should treat all vendor names confidentially, even when our supplemental review did not reveal issues with all of them, because identifying vendors that did not have issues by name would by implication cast vendors identified by number only in a potentially negative light without regard to whether our review revealed few or many issues.

A version of Document Nos. 4 and 5 with vendor names and amounts redacted is included with the public, non-confidential version of my Revised Direct Testimony.

Q. Has the company concluded that the charges associated with the $2,269,657 identified by the company as "unrecoverable" during the supplemental review were unreasonable?

A. No, not all of the charges removed from the storm reserve were unreasonable. The charges associated with the lodging, fuel, and meals that were disallowed during the foreign crews travel due to our strict documentation standards were typically reasonable expenses during travel based on our review. In addition, there were some equipment costs that were within the typical ratio of labor to equipment costs that were disallowed due to the lack of specific equipment information.

Q. Overall, do you believe that the amounts the company spent on foreign and native crew restoration assistance for Hurricane Irma and the other four named tropical storms are reasonable?

A Yes, although the way we dissected invoices into functional areas might lead a person to believe that we were procuring

labor, vehicles and equipment, what we were really were procuring was storm restoration services, and we got them from 72 experienced vendors who were willing to stop what they were doing to help us restore electric service to our customers. With their help, we were able to restore service to approximately 425,000 customers who lost power due to Hurricane Irma and we did it in a week without significant injuries to our team members or the crews who helped us. So, yes, I do think what we paid overall was reasonable and should be approved for recovery by the Commission.

Q. What are the "lessons learned" from the supplemental review in your areas of responsibility?

A. In general, we learned that we must be very clear about invoicing and documentation with vendors in advance of their arrival and that the Electric Delivery department needs to supplement its documentation collection team with more people when we have a large storm that requires significant outside assistance.

Q. Based on these "lessons learned," what new business and storm management practices will be implemented for future storms in your areas of responsibility?

A. We have already made changes for future storms. We have prepared a letter to send to potential foreign contractors each year in May. It will request their storm restoration rates and outline the documentation Tampa Electric will require before approving payment. As we are securing resources to deal with the imminent threat of a storm, we will re-send the letter to again clarify our expectations around invoicing.

Tampa Electric will use its ARCOS Crew Manager system to check-in and track the foreign and native resources. This system is being used by utilities throughout the southeast and is being used by Tampa Electric on a daily basis to manage our native and internal crews. Applying it to foreign crews during storm restoration activities will give us better information with which to manage restoration activities and track resource usage.

We have decided to add a Foreign Crew Liaison at each incident base to gather daily timesheets, sign-off on the equipment check-in, confirm the lodging and meal process with the foreign vendors and assist in any other logistical needs. The liaisons will ensure that we collect all the documentation needed to verify invoices on a daily basis and give it to the Finance team for estimating storm costs

and reviewing invoices when they are received.

Q. What other follow up will the company be doing as a result of its supplemental review?

A. As part of our supplemental review, the company contacted many of the vendors and requested additional supporting documentation in order to justify inclusion in the storm reserve. Some vendors have provided the necessary documentation and others have promised to reimburse our company for charges that should not have been billed or paid.

In each instance where the company has determined that amounts paid to a foreign vendor should not be included in our request for cost recovery in this proceeding, we will be assessing whether to seek a refund from the vendor. In most cases, we will be sending a letter detailing the results of our review and requesting that the vendor reimburse the company for certain charges. In other cases, however, due to the de-minimis dollar amounts involved or the type of charges, we may decide that it's not worth the effort to pursue a refund.

Q. Overall were the costs incurred for indirect and foreign and

native crew restoration related duties prudent and necessary for Tampa Electric's restoration?

A. Yes. For each storm we determined the appropriate resources that would be required to restore service to our customers in an appropriate timeframe. In each case we met the date that we had targeted. We have done an in-depth review of all the costs for this restoration and have only included those costs that have met a stringent documentation standard. Therefore, I believe the costs submitted were prudent and necessary and should be approved for recovery by the Commission.

Q. Does this conclude your revised direct testimony?

A. Yes, it does.

REVISED EXHIBIT

OF

S. BETH YOUNG

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Tampa Electric's Indirect Recoverable Restoration Costs by Storm and Function

(In $ Thousands)

	Total Storm Restoration Recoverable Costs	Distribution	Transmission	Other	Generation
Erika	**0**	0	0	0	0
Colin	**15**	2	0	13	0
Hermine	**199**	26	0	172	0
Matthew	**7**	2	5	1	0
Irma	**3,956**	112	1	2,903	940
Total	**4,177**	**142**	**6**	**3,089**	**940**

TAMPA ELECTRIC COMPANY
DOCKET NO. 20170271-EI
REVISED EXHIBIT NO. ____ (SEY-1)
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Tampa Electric's Recoverable Restoration Costs of Foreign and Native Crews

(In $ Thousands)

	Total Storm Restoration Recoverable Costs	Line	Vegetation Management	Damage Assessors
Erika	**611**	534	78	0
Colin	**1,726**	1,598	128	0
Hermine	**3,961**	3,589	371	0
Matthew	**775**	596	180	0
Irma	**68,513**	61,074	6,452	987
Total	**75,586**	**67,391**	**7,208**	**987**

TAMPA ELECTRIC COMPANY
DOCKET NO. 20170271-EI
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Tampa Electric's Summary of Changes Due to Supplemental Review

(In $ Thousands)

	Original Total	Allowed	Disallowed
Labor	59,599	58,820	779
Equipment	11,041	10,836	205
Lodging	694	384	310
Meals	200	59	142
Per Diem	721	573	148
Fuel	933	740	193
Mileage	1,132	1,111	21
Other	3,536	3,064	472
Total	**77,856**	**75,586**	**2,270**

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Tampa Electric's Supplemental Review Summary

Binder Reference	Storm	Native/Foreign		Total Invoiced	Calculated Total Allowed	Calculated Total Disallowed
1	IRMA	Foreign	$	7,969,811.85		
2	IRMA	Foreign	$	3,960,568.28		
3	IRMA	Foreign	$	3,668,943.47		
4	IRMA	Foreign	$	3,177,007.30		
5	IRMA	Foreign	$	2,967,597.65		
6	IRMA	Foreign	$	2,569,533.76		
7	IRMA	Foreign	$	2,483,525.72		
8	IRMA	Foreign	$	2,475,019.28		
9	IRMA	Foreign	$	2,352,252.97		
10	IRMA	Foreign	$	1,900,262.60		
11	IRMA	Foreign	$	1,755,621.28		
12	IRMA	Foreign	$	1,733,284.75		
13	IRMA	Foreign	$	1,601,616.07		
14	IRMA	Native	$	1,410,009.62		
15	IRMA	Foreign	$	1,309,590.89		
16	IRMA	Foreign	$	1,252,041.55		
17	IRMA	Foreign	$	1,182,424.55		
18	IRMA	Foreign	$	1,148,005.14		
19	IRMA	Foreign	$	1,126,923.17		
20	IRMA	Foreign	$	1,100,990.25		
21	IRMA	Foreign	$	1,075,299.39		
22	IRMA	Foreign	$	1,026,362.75		
23	IRMA	Foreign	$	1,009,719.75		
24	IRMA	Foreign	$	976,165.37		
25	IRMA	Foreign	$	943,139.32		
26	IRMA	Foreign	$	939,824.28		
27	IRMA	Foreign	$	878,399.18		
28	IRMA	Foreign	$	785,470.91		
29	IRMA	Foreign	$	778,600.32		
30	IRMA	Foreign	$	698,263.36		
31	IRMA	Foreign	$	685,003.58		
32	IRMA	Native	$	681,480.94		
33	IRMA	Foreign	$	673,637.07		
34	IRMA	Foreign	$	653,136.70		
35	IRMA	Foreign	$	558,648.97		
36	IRMA	Foreign	$	548,406.00		
37	IRMA	Foreign	$	531,542.37		
38	IRMA	Foreign	$	517,842.59		
39	IRMA	Native	$	495,363.79		
40	IRMA	Native	$	486,486.89		
41	IRMA	Foreign	$	459,372.67		
42	IRMA	Foreign	$	439,765.45		
43	IRMA	Foreign	$	436,733.98		
44	IRMA	Foreign	$	421,839.66		
45	IRMA	Foreign	$	411,560.30		
46	IRMA	Foreign	$	401,392.13		
47	IRMA	Foreign	$	394,526.66		

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Tampa Electric's Supplemental Review Summary

Binder Reference	Storm	Native/Foreign		Total Invoiced	Calculated Total Allowed	Calculated Total Disallowed
48	IRMA	Foreign	$	365,411.60		
49	IRMA	Foreign	$	365,101.89		
50	IRMA	Foreign	$	355,639.24		
51	IRMA	Foreign	$	336,077.96		
52	IRMA	Native	$	331,056.98		
53	IRMA	Foreign	$	329,115.15		
54	IRMA	Foreign	$	292,423.92		
55	IRMA	Native	$	280,818.46		
56	IRMA	Foreign	$	278,825.94		
57	IRMA	Foreign	$	239,235.88		
58	IRMA	Native	$	219,847.06		
59	IRMA	Foreign	$	214,819.31		
60	IRMA	Foreign	$	198,690.70		
61	IRMA	Foreign	$	191,910.96		
62	IRMA	Foreign	$	187,351.44		
63	IRMA	Foreign	$	180,525.74		
64	IRMA	Native	$	177,892.80		
65	IRMA	Native	$	166,447.50		
66	IRMA	Foreign	$	124,907.58		
67	IRMA	Foreign	$	119,895.70		
68	IRMA	Foreign	$	118,954.38		
69	IRMA	Foreign	$	113,350.99		
70	IRMA	Foreign	$	107,762.55		
71	IRMA	Native	$	95,957.70		
72	IRMA	Foreign	$	81,503.18		
73	IRMA	Native	$	75,925.27		
74	IRMA	Foreign	$	32,732.54		
75	IRMA	Native	$	8,724.57		
76	IRMA	Native	$	6,957.29		
77	IRMA	Native	$	4,307.76		
78	HERMINE	Native	$	1,141,514.73		
79	COLIN	Native	$	1,064,857.83		
80	HERMINE	Native	$	743,272.45		
81	HERMINE	Native	$	478,259.62		
82	ERIKA	Foreign	$	267,384.53		
83	HERMINE	Native	$	242,032.09		
84	MATTHEW	Native	$	224,805.76		
85	HERMINE	Native	$	216,049.90		
86	HERMINE	Native	$	215,875.95		
87	ERIKA	Foreign	$	196,918.64		
88	HERMINE	Foreign	$	187,388.66		
89	COLIN	Native	$	184,137.70		
90	HERMINE	Foreign	$	167,622.61		
91	HERMINE	Foreign	$	156,553.52		
92	HERMINE	Foreign	$	148,681.56		
93	HERMINE	Foreign	$	146,236.49		
94	COLIN	Native	$	141,644.27		

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Tampa Electric's Supplemental Review Summary

Binder Reference	Storm	Native/Foreign		Total Invoiced	Calculated Total Allowed	Calculated Total Disallowed
95	COLIN	Native	$	141,151.24	[redacted]	[redacted]
96	MATTHEW	Native	$	140,350.48		
97	HERMINE	Native	$	116,519.94		
98	MATTHEW	Native	$	113,911.60		
99	MATTHEW	Native	$	110,377.90		
100	COLIN	Native	$	98,029.86		
101	MATTHEW	Native	$	86,984.09		
102	ERIKA	Foreign	$	77,648.61		
103	ERIKA	Foreign	$	75,084.90		
104	COLIN	Native	$	67,309.57		
105	MATTHEW	Native	$	65,848.32		
106	MATTHEW	Native	$	64,860.75		
107	HERMINE	Foreign	$	38,797.56		
108	COLIN	Native	$	29,789.64		
109	HERMINE	Native	$	13,262.65		
110	COLIN	Native	$	7,440.13		
111	COLIN	Native	$	6,936.50		
112	COLIN	Native	$	3,748.24		
113	COLIN	Native	$	3,689.70		
114	ERIKA	Native	$	3,325.11		
115	HERMINE	Native	$	3,282.48		
116	HERMINE	Native	$	2,147.97		
117	ERIKA	Native	$	1,732.74		
118	HERMINE	Native	$	1,729.12		
119	COLIN	Native	$	1,574.33		
120	MATTHEW	Native	$	1,151.01		
121	MATTHEW	Native	$	555.66		
122	ERIKA	Native	$	398.46		
			$	77,856,061.44		

GRAND TOTAL CHECK	[redacted]

* Difference is due to currency conversion on NSPI and EUS.

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Vendor Key

Binder Reference	Company	Storm	Native/Foreign		Total Invoiced	Calculated Total Allowed	Calculated Total Disallowed
26	[redacted]	IRMA	Foreign	$	939,824.28	[redacted]	[redacted]
15		IRMA	Foreign	$	1,309,590.89		
107		HERMINE	Foreign	$	38,797.56		
90		HERMINE	Foreign	$	167,622.61		
2		IRMA	Foreign	$	3,960,568.28		
49		IRMA	Foreign	$	365,101.89		
102		ERIKA	Foreign	$	77,648.61		
17		IRMA	Foreign	$	1,182,424.55		
72		IRMA	Foreign	$	81,503.18		
18		IRMA	Foreign	$	1,148,005.14		
23		IRMA	Foreign	$	1,009,719.75		
53		IRMA	Foreign	$	329,115.15		
12		IRMA	Foreign	$	1,733,284.75		
85		HERMINE	Native	$	216,049.90		
98		MATTHEW	Native	$	113,911.60		
100		COLIN	Native	$	98,029.86		
5		IRMA	Foreign	$	2,967,597.65		
28		IRMA	Foreign	$	785,470.91		
34		IRMA	Foreign	$	653,136.70		
48		IRMA	Foreign	$	365,411.60		
8		IRMA	Foreign	$	2,475,019.28		
43		IRMA	Foreign	$	436,733.98		
52		IRMA	Native	$	331,056.98		
63		IRMA	Foreign	$	180,525.74		
50		IRMA	Foreign	$	355,639.24		
113		COLIN	Native	$	3,689.70		
116		HERMINE	Native	$	2,147.97		
121		MATTHEW	Native	$	555.66		
75		IRMA	Native	$	8,724.57		
31		IRMA	Foreign	$	685,003.58		
14		IRMA	Native	$	1,410,009.62		
81		HERMINE	Native	$	478,259.62		
89		COLIN	Native	$	184,137.70		
96		MATTHEW	Native	$	140,350.48		
114		ERIKA	Native	$	3,325.11		
13		IRMA	Foreign	$	1,601,616.07		
66		IRMA	Foreign	$	124,907.58		
54		IRMA	Foreign	$	292,423.92		
119		COLIN	Native	$	1,574.33		
120		MATTHEW	Native	$	1,151.01		
122		ERIKA	Native	$	398.46		
77		IRMA	Native	$	4,307.76		
115		HERMINE	Native	$	3,282.48		
103		ERIKA	Foreign	$	75,084.90		
59		IRMA	Foreign	$	214,819.31		
33		IRMA	Foreign	$	673,637.07		
51		IRMA	Foreign	$	336,077.96		

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Vendor Key

Binder Reference	Company	Storm	Native/Foreign	Total Invoiced	Calculated Total Allowed	Calculated Total Disallowed
82	[redacted]	ERIKA	Foreign	$ 267,384.53	[redacted]	[redacted]
93		HERMINE	Foreign	$ 146,236.49		
65		IRMA	Native	$ 166,447.50		
110		COLIN	Native	$ 7,440.13		
91		HERMINE	Foreign	$ 156,553.52		
56		IRMA	Foreign	$ 278,825.94		
3		IRMA	Foreign	$ 3,668,943.47		
11		IRMA	Foreign	$ 1,755,621.28		
70		IRMA	Foreign	$ 107,762.55		
20		IRMA	Foreign	$ 1,100,990.25		
71		IRMA	Native	$ 95,957.70		
73		IRMA	Native	$ 75,925.27		
27		IRMA	Foreign	$ 878,399.18		
60		IRMA	Foreign	$ 198,690.70		
67		IRMA	Foreign	$ 119,895.70		
46		IRMA	Foreign	$ 401,392.13		
88		HERMINE	Foreign	$ 187,388.66		
7		IRMA	Foreign	$ 2,483,525.72		
92		HERMINE	Foreign	$ 148,681.56		
30		IRMA	Foreign	$ 698,263.36		
16		IRMA	Foreign	$ 1,252,041.55		
10		IRMA	Foreign	$ 1,900,262.60		
42		IRMA	Foreign	$ 439,765.45		
36		IRMA	Foreign	$ 548,406.00		
22		IRMA	Foreign	$ 1,026,362.75		
21		IRMA	Foreign	$ 1,075,299.39		
44		IRMA	Foreign	$ 421,839.66		
38		IRMA	Foreign	$ 517,842.59		
61		IRMA	Foreign	$ 191,910.96		
68		IRMA	Foreign	$ 118,954.38		
80		HERMINE	Native	$ 743,272.45		
95		COLIN	Native	$ 141,151.24		
101		MATTHEW	Native	$ 86,984.09		
87		ERIKA	Foreign	$ 196,918.64		
41		IRMA	Foreign	$ 459,372.67		
58		IRMA	Native	$ 219,847.06		
86		HERMINE	Native	$ 215,875.95		
104		COLIN	Native	$ 67,309.57		
106		MATTHEW	Native	$ 64,860.75		
32		IRMA	Native	$ 681,480.94		
45		IRMA	Foreign	$ 411,560.30		
35		IRMA	Foreign	$ 558,648.97		
37		IRMA	Foreign	$ 531,542.37		
78		HERMINE	Native	$ 1,141,514.73		
79		COLIN	Native	$ 1,064,857.83		
84		MATTHEW	Native	$ 224,805.76		
9		IRMA	Foreign	$ 2,352,252.97		

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TAMPA ELECTRIC COMPANY
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Vendor Key

Binder Reference	Company	Storm	Native/Foreign		Total Invoiced	Calculated Total Allowed	Calculated Total Disallowed
39	[redacted]	IRMA	Native	$	495,363.79	[redacted]	[redacted]
1		IRMA	Foreign	$	7,969,811.85		
83		HERMINE	Native	$	242,032.09		
94		COLIN	Native	$	141,644.27		
117		ERIKA	Native	$	1,732.74		
99		MATTHEW	Native	$	110,377.90		
112		COLIN	Native	$	3,748.24		
118		HERMINE	Native	$	1,729.12		
76		IRMA	Native	$	6,957.29		
4		IRMA	Foreign	$	3,177,007.30		
29		IRMA	Foreign	$	778,600.32		
40		IRMA	Native	$	486,486.89		
57		IRMA	Foreign	$	239,235.88		
62		IRMA	Foreign	$	187,351.44		
55		IRMA	Native	$	280,818.46		
97		HERMINE	Native	$	116,519.94		
105		MATTHEW	Native	$	65,848.32		
108		COLIN	Native	$	29,789.64		
47		IRMA	Foreign	$	394,526.66		
64		IRMA	Native	$	177,892.80		
109		HERMINE	Native	$	13,262.65		
111		COLIN	Native	$	6,936.50		
69		IRMA	Foreign	$	113,350.99		
74		IRMA	Foreign	$	32,732.54		
19		IRMA	Foreign	$	1,126,923.17		
24		IRMA	Foreign	$	976,165.37		
25		IRMA	Foreign	$	943,139.32		
6		IRMA	Foreign	$	2,569,533.76		
				$	**77,856,061.44**	[redacted]	

GRAND TOTAL CHECK [redacted]

* Difference is due to currency conversion on NSPI and EUS.