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June 21, 2022

VIA: ELECTRONIC TRANSMISSION

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

In re: Review of Storm Protection Plan pursuant to Rule 26-6.030, F.A.C.
Tampa Electric Company; Docket No. 20220048-EI

Dear Mr. Teitzman:

On behalf of Tampa Electric Company, attached for filing in the above docket are the following:

1. Direct Rebuttal Testimony of David A. Pickles;
2. Direct Rebuttal Testimony of David L. Plusquellic; and
3. Direct Rebuttal Testimony of Richard J. Latta.

Thank you for your assistance with this matter.

Sincerely,



Malcolm N. Means

MNM/bmp
Attachment

All Parties of Record (w/attachment)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Rebuttal Testimonies, filed on behalf of Tampa Electric Company, have been furnished by electronic mail on this 21st day of June 2022 to the following:

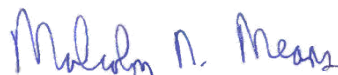
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**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. 20220048-EI

**TAMPA ELECTRIC'S
2022-2031
STORM PROTECTION PLAN**

REBUTTAL TESTIMONY

OF

DAVID A. PICKLES

FILED: June 21, 2022

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

REBUTTAL TESTIMONY

OF

DAVID A. PICKLES

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INTRODUCTION

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

A. My name is David A. Pickles. 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 of Electric Delivery and Asset Management for Electric Delivery/Energy Supply.

Q. Are you the same David A. Pickles who filed direct testimony in this proceeding?

A. Yes, I am.

1 **Q.** What is the purpose of your rebuttal testimony in this
2 proceeding?

3

4 **A.** The purpose of my rebuttal testimony is to address the
5 deficiencies and misconceptions in the direct testimony
6 of Lane Kollen and Kevin J. Mara, both of whom are
7 testifying on behalf of the Office of Public Counsel.

8

9 **Q.** Do you have any general comments regarding the overall
10 direct testimony of Lane Kollen and Kevin J. Mara?

11

12 **A.** Yes. The Office of Public Counsel's witnesses generally
13 make three recommendations to the Commission. First, they
14 suggest that the Commission should develop guidelines of
15 general applicability for all four investor-owned utility
16 Storm Protection Plans ("SPPs"). Second, they advocate for
17 the use of a traditional utility cost-benefit analysis in
18 evaluating SPP Programs and Projects. Third, they propose
19 exclusion of some of Tampa Electric's SPP programs and
20 budget reductions for other programs. As I explain in my
21 testimony, the Commission should reject each of these
22 proposals as inconsistent with Section 366.96 of the
23 Florida Statutes (the "SPP Statute") and because these
24 proposals lack a reasoned basis in the record for this
25 docket.

1 I am confident that the company is managing the SPP program
2 in compliance with the statute and is committed to storm
3 hardening the system. These investments are made in full
4 support of reducing restoration costs and outage times
5 during extreme weather events. Mr. Kollen and Mr. Mara
6 essentially urge the adoption of arbitrary reductions that
7 lack any legitimate basis or foundation, and that appear to
8 be based on a desire simply to slow down the pace of
9 investments, which will further delay realization of
10 benefits from those future investments.

11
12 **REBUTTAL TO DIRECT TESTIMONY OF LANE KOLLEN:**

13
14 **Q.** You previously stated that Mr. Kollen recommends guidelines
15 of general applicability for the Commission's review of
16 utility SPPs. Can you explain what this means?

17
18 **A.** On page 7 of his testimony, Mr. Kollen argues that the
19 Commission should develop "threshold decision criteria for
20 the selection, ranking, and magnitude of the SPP programs
21 and projects..." On page 21, he suggests that these should be
22 "specific decision criteria for the selection, ranking, and
23 magnitude of the utilities' SPP programs and projects."

24
25 **Q.** Do you agree with this proposal?

1 **A.** I do not, for three reasons.

2
3 First, although I am not a lawyer, I do not read the SPP
4 Statute as requiring the Commission to adopt "specific
5 decision criteria." Rather, the SPP Statute directs the
6 utilities to submit plans and directs the Commission to
7 evaluate them. The Commission opened four separate
8 dockets - one for each investor-owned utility - for this
9 purpose. The SPP Statute does include factors that the
10 Commission must consider in evaluating plans, but none of
11 these factors includes "threshold decision criteria" of
12 the type suggested by Mr. Kollen. For example, the SPP
13 Statute directs the Commission to consider the "estimated
14 costs and benefits" of the SPP but does not require the
15 Commission to adopt a universally applicable threshold
16 ratio for costs and benefits.

17
18 Second, each of the utilities is unique, so it is unlikely
19 that a one-size-fits-all approach would be appropriate.
20 Tampa Electric's electrical system is different than the
21 systems for Florida Power and Light and Duke Energy
22 Florida. The company has different costs, different
23 proportions of urban and rural areas, differing coast
24 lines, differing areas with and without vegetation, and
25 many other attributes including electrical systems that

1 contain different equipment. Common criteria would place
2 favoritism on some customers and even the utility, and
3 what works for one utility may be very problematic for
4 another.

5
6 Third, although it may be useful to develop guidelines of
7 general applicability at some point, we are still in the
8 first three years of the life of the SPP Statute and,
9 from Tampa Electric's perspective, we do not have enough
10 experience implementing a SPP to adopt such guidelines.
11 For instance, the company has proposed several
12 improvements to the Distribution Lateral Undergrounding
13 Program in the 2022 SPP based on the company's experience
14 with implementing that program over the last two years.

15
16 For these reasons, Tampa Electric urges the Commission to
17 evaluate the company's 2022 SPP based on the evidence in
18 the record, the unique characteristics and circumstances
19 of its system, and the SPP Statute.

20
21 **Q.** In addition to his proposal for universal specific
22 decision criteria, Mr. Kollen critiques the company's
23 benefits assessment on page 15 by alleging that it does
24 not include cost-benefit analysis as a "threshold
25 decision criterion" and asserts that the company's

1 analysis results in "excessive dollar benefits." He also
2 presents his own cost-benefit analysis on page 7 of his
3 testimony. Do you have any issues with his critiques and
4 his own cost-benefit assessment?

5
6 **A.** Yes, I have several issues. First, his assessment on
7 page 7 ignores the second benefit stream required by the
8 statute, the decrease in customer outages. His assessment
9 only reflects the decrease in storm restoration costs.
10 Major events impact Tampa Electric's customers in terms
11 of the high cost to restore the system and significant
12 personal impact from being without electrical service for
13 extended periods of time. The statute is rightly customer
14 centric in the benefits requirements. Tampa Electric's
15 SPP takes both of these benefit streams into consideration
16 and ensures each program and project is aligned to the
17 statute's customer centric approach.

18
19 Second, on page 15 of his testimony, he incorrectly
20 asserts that Tampa Electric did not use a cost benefit
21 analysis to screen projects. Projects were prioritized
22 based on the highest resiliency benefit cost ratio, where
23 resilience benefits are the sum of the avoided restoration
24 costs and monetized avoided customer outages. Witness De
25 Stigter describes this approach on pages 11-12 of his

1 direct testimony.

2

3 **Q.** Does Mr. Kollen suggest adoption of a specific cost-benefit
4 ratio?

5

6 **A.** Yes, Mr. Kollen suggests that the Commission should screen
7 any project with a cost-benefit ratio of less than 100
8 percent. On page 17, he suggests that this ratio should be
9 calculated with benefits defined as avoided restoration
10 costs and avoided O&M costs and cost defined as the sum of
11 annual revenue requirements for the program or project.

12

13 **Q.** What is Mr. Kollen's basis for this proposed cost-benefit
14 screen?

15

16 **A.** On page 21, Mr. Kollen asserts that a specific cost-benefit
17 screening criterion is necessary because SPP programs and
18 projects are "discretionary."

19

20 **Q.** Do you agree with this characterization of the SPP
21 activities as discretionary?

22

23 **A.** No, I do not. The SPP Statute makes it clear that
24 completion of storm protection activities is mandatory.
25 First, it states that each public utility "shall file" a

1 SPP. Next, it states that this SPP "must explain the
2 systematic approach the utility will follow to achieve
3 the objectives of reducing restoration costs and outage
4 times associated with extreme weather."

5
6 **Q.** Do you agree with the proposed 100 percent cost-benefit
7 ratio screen for SPP programs and projects?

8
9 **A.** No. I generally agree with Mr. Kollen's principles that
10 benefits should outweigh costs in investment decision
11 making, however, restricting that to only a financial
12 metric is not sound in all circumstances. Since SPP
13 activities are mandatory, I think Mr. Kollen and Mr. Mara
14 should look beyond a traditional, financial cost-benefit
15 analysis.

16
17 Although I am not a lawyer, my reading of the SPP Statute
18 leads me to believe that the Florida Legislature
19 understood that outages associated with extreme weather
20 have an economic impact on the State of Florida and
21 electric customers that does not show up in a comparison
22 of project costs with avoided restoration costs. For
23 instance, Tampa Electric considered the safety of
24 employees and the general public, the duty to serve, and
25 other factors on top of the financial cost when evaluating

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the benefits of investment. For the SPP, the duty to serve benefit stream was quantified based on the avoided outages from storms. While not overtly quantified, it should be noted that decreasing storm outage impact will also decrease safety risk as fewer crews are exposed to dangerous circumstances during storm events. Restricting a benefits assessment for storm protection purposes to only a financial evaluation will drive outcomes that are contrary to the best interest of Tampa Electric's customers and contrary to the intent of the SPP Statute.

R. On Page 9 line 15, Mr. Kollen states that "the utilities did not, with limited exceptions, explicitly exclude the costs presently recovered in base rates or expressly account for any avoided cost saving", do you agree with his assessment?

A. No, Mr. Kollen is incorrect. In Tampa Electric's initial 2020-2029 SPP and in the company's initial SPPCRC projection filing, the Commission approved the company's 2020 Stipulation and Settlement which required the company to reduce the amount of costs charged to the SPPCRC in 2020 by \$10.4 Million and to make a reduction to base rates at the beginning of 2021 in the amount of \$15.0 Million to shift cost recovery for some existing

1 storm hardening activities to the SPPCRC going forward
2 and to avoid any type of double recovery. Both of these
3 adjustments were transparently made. In addition, since
4 that time the company has completed a rate case in which
5 all SPPCRC costs were removed as required from base rates,
6 again to ensure there would be no chance of double
7 recovery.

8
9 Mr. Kollen also alleges that the company would retain the
10 benefit of any costs avoided by SPP projects. This is
11 inaccurate. One of the main benefits of the SPP will be
12 a reduction in storm restoration costs. Restoration costs
13 during extreme weather events, such as named hurricanes,
14 are not included in base rates. These costs are charged
15 against Tampa Electric's storm reserve. The
16 replenishment of the company's storm reserve occurs in a
17 separate proceeding in which the costs are reviewed and
18 approved by the Commission. In this separate proceeding,
19 the company would request a surcharge be placed on
20 electric bills to recover the storm costs from all
21 customers, so any reduction in outages and restoration
22 costs provided by the company's SPP would benefit all
23 customers.

24
25 **Q.** On Page 14, Mr. Kollen states that utilities should

1 exclude programs and projects that "are within the scope
2 of their existing base rate programs and base rate
3 recoveries" from their SPPs. Do you agree?
4

5 **A.** No, I do not. Mr. Kollen's statement clearly contradicts
6 the Statute and the Commission's obligations requiring
7 Tampa Electric and the other utilities to file SPPs. In
8 fact, his statement would essentially eliminate any SPP
9 from being developed as the majority of the activities
10 that Tampa Electric performs, at one time or another in
11 its history were recovered in base rates. Furthermore,
12 some of the activities included in the company's SPP are
13 recovered through base rates. This is because the SPP
14 Statute requires the SPP to include the company's
15 comprehensive, "systematic approach" to storm hardening
16 and does not require the company to exclude activities
17 included in base rates from the SPP. As explained above,
18 the costs of these activities included in base rates are
19 excluded from the SPPCRC to avoid double recovery. In
20 addition, his statements are not supported by any rigorous
21 analysis or basis in the record of this proceeding.
22

23 **REBUTTAL TO DIRECT TESTIMONY OF KEVIN J. MARA:**

24 **Q.** On Page 6, line 19, Mr. Mara states that there are two
25 criteria that must be central in each SPP program and

1 project: (1) Reduce restoration costs, and (2) Reduce
2 outage times. Do you agree with this statement?

3

4 **A.** Yes, I do. All of Tampa Electric's proposed SPP programs
5 and projects are designed to reduce restoration costs and
6 to reduce outage times.

7

8 **Q.** On Page 7, line 4, Mr. Mara states that any program can
9 claim to reduce outage costs and outage time; however, the
10 program must be cost-effective for customers to benefit.
11 To summarize, the Rule require a two-prong test for
12 consideration of a program; reduction in outage costs and
13 reduction in outage time. Do you agree with this assessment
14 and summary?

15

16 **A.** As I stated before, I do agree that each SPP program and
17 project should reduce restoration costs and reduce outage
18 times. I do not, however, believe the distinction has
19 been made that these two benefits from each SPP program
20 and project fall into a strict two prong test. I also
21 disagree with what I believe is Mr. Mara's perspective of
22 what is cost-effective. In short, I believe Mr. Kollen
23 and Mr. Mara view cost-effectiveness solely in terms of
24 whether the program pays for itself in terms of avoided
25 restoration costs. As I explained above, the SPP Statute

1 is clearly taking a much larger view of the benefits to
2 the State as a whole.

3
4 **Q.** On Page 13, Mr. Mara proposes to cut \$570 million from
5 Tampa Electric's Distribution Lateral Undergrounding
6 Program. Do you agree with Mr. Mara's proposed limits to
7 this program?

8
9 **A.** No, I do not. Mr. Mara's limits are arbitrary and should
10 be rejected. On page 26, Mr. Mara explains that his
11 proposed cuts to the lateral undergrounding program are
12 based only on his judgment that the proposed cut "better
13 balances the rate impact of the spending with the
14 benefits." The arbitrary nature of this reduction can be
15 seen in several ways. First, he does not identify
16 specific lateral undergrounding projects that he believes
17 should be excluded from the plan. Second, he does not
18 identify specific facts that reflect unique attributes of
19 the Tampa Electric system that would justify the cuts to
20 this program. Third, Mr. Mara fails to recognize that
21 while the company has filed a plan covering 10 years, the
22 Commission will have an opportunity to revisit the
23 company's plan in three years when the company submits a
24 revised plan for review. To propose sweeping 10-year
25 reductions when the statute contemplates a three-year

1 review seems arbitrary to me.

2

3 **Q.** Also on page 13, Mr. Mara recommends cutting \$217 million
4 from the Distribution Overhead Feeder Hardening Program. Do
5 you agree with this proposed cut?

6

7 **A.** No, I do not. On page 21, Mr. Mara explains that he would
8 limit investment in the feeder strengthening component of
9 this program to the budget presented in the company's
10 2020-2029 SPP. He does not offer any reasoning or
11 justification based on the company's current SPP or the
12 record in this docket to support this cut. In my opinion
13 it is completely arbitrary.

14

15 Mr. Mara also proposes elimination of the automation
16 component of this Program. I agree with and support the
17 response to this proposal in the Rebuttal Testimony of
18 David L. Plusquellic.

19

20 **Q.** On page 13 of his testimony, Mr. Mara proposes to exclude
21 the Substation and Transmission Access Programs entirely
22 on the grounds that they do not comply with Rule 25-6.030.
23 Do you agree with these cuts?

24

25 **A.** No, I do not. I agree with the points made by David L.

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Plusquellic in his Rebuttal Testimony on this topic.

Q. Does this conclude your rebuttal testimony?

A. Yes.



BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20220048-EI

TAMPA ELECTRIC'S
2022-2031
STORM PROTECTION PLAN

REBUTTAL TESTIMONY

OF

DAVID L. PLUSQUELLIC

FILED: June 21, 2022

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

REBUTTAL TESTIMONY

OF

DAVID L. PLUSQUELLIC

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INTRODUCTION:

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

A. My name is David L. Plusquellic. I am employed by Tampa Electric Company ("Tampa Electric" or "company") as Director Storm Protection and Support Services. My business address is 820 South 78th Street, Tampa, FL 33619.

Q. Are you the same David L. Plusquellic who filed direct testimony in this proceeding?

A. Yes, I am.

1 Q. What is the purpose of your rebuttal testimony in this
2 proceeding?

3

4 A. The purpose of my rebuttal testimony is to address the
5 deficiencies and misconceptions in the direct testimony
6 of Lane Kollen and Kevin J. Mara, both of whom are
7 testifying on behalf of the Office of Public Counsel.

8

9 Q. Do you have any general comments regarding the overall
10 direct testimony of Lane Kollen and Kevin J. Mara?

11

12 A. Yes. Both witnesses are critical of the processes utilized
13 by the Commission and the company and recommend
14 modifications to the company's proposed 2022-2031 Storm
15 Protection Plan ("SPP"). This criticism principally goes
16 unsupported, and I do not support any modifications to the
17 company's SPP as filed.

18

19 In addition, Mr. Mara proposes elimination of Tampa
20 Electric's Substation Program, Transmission Access
21 Enhancement Program, and the automation and software
22 components of the Overhead Feeder Hardening Program on the
23 grounds that they will not reduce both restoration costs
24 and outage times. He also proposes seemingly arbitrary
25 reductions in the proposed capital investment for the

1 Distribution Lateral Undergrounding Program. As I explain
2 below, Mr. Mara's proposed cuts are based on
3 misunderstandings of Tampa Electric's programs and, if
4 approved, would deprive our customers of storm resiliency
5 benefits.

6
7 The company's proposed SPP was prepared as a customer-
8 focused program using rigorous analytical tools and
9 engineering and operational judgment. It strikes a
10 reasonable balance between the costs of the Plan, the
11 restoration cost and outage benefits anticipated from the
12 Plan, the impact of the Plan on customers' bills and the
13 intangible benefits to Florida and its citizens associated
14 with mitigating the impact of extreme weather to our
15 electric grid. I will address the points raised by OPC's
16 witnesses and encourage the Commission to approve the
17 company's SPP as originally proposed.

18
19 **REBUTTAL TO THE DIRECT TESTIMONY OF LANE KOLLEN**

20 **Q.** On page 26 of his testimony, Mr. Kollen states that Tampa
21 Electric's SPP warehouse and SPP materials and supplies
22 "should not be included in any company's SPP." Do you
23 agree with this critique?

24
25 **A.** No. At the proposed investment levels, the company's SPP

1 group anticipates issuing \$30-\$40 million of materials on
2 an annual basis. None of the company's existing storage
3 locations has enough space to accommodate this volume of
4 materials. Spreading this volume of SPP materials between
5 multiple locations was impractical from a logistics and
6 operations standpoint. A single and separate physical
7 location promotes efficient and cost-effective
8 operations. Disallowing this standalone, dedicated
9 warehouse would likely result in a net cost increase to
10 customers, because the company would need to identify
11 multiple additional company locations and/or a new site
12 to be included for cost recovery in base rates. The
13 company believes that the cost of transporting materials
14 between multiple locations would be more expensive than
15 this more efficient, standalone site.

16
17 **Q.** Mr. Kollen argues on pages 10 and 23 of his testimony
18 that the Commission should require a credit for avoided
19 O&M expenses due to the SPP to plant investments and SPP
20 O&M expenses. Do you agree?

21
22 **A.** The Commission should not adopt Mr. Kollen's proposal to
23 credit the SPP clause to reflect the impact SPP
24 expenditures may have on base rates. Although there may
25 be some savings in the future, the company does not have

1 enough experience with the SPP or the data needed to
2 prepare a reasonable estimate and any effort to do so now
3 would be speculative. Tampa Electric and certain parties
4 are operating under a base rate settlement agreement that
5 extends until the end of 2024. A mechanism like the one
6 proposed by Mr. Kollen potentially could have been
7 negotiated into the settlement, but it was not. In any
8 event, the Commission will have full authority to assess
9 the level of O&M expenses recoverable through base rates
10 when the company files its next general request for base
11 rate relief.

12
13 **REBUTTAL TO DIRECT TESTIMONY OF KEVIN J. MARA:**

14 **Q.** On page 6 of his testimony, Mr. Mara offers an
15 interpretation of Rule 25-6.030 (the "SPP Rule") under
16 which a proposed program must reduce both restoration
17 costs and outage times to be eligible for inclusion in a
18 company's SPP. Do you agree with this proposed two-prong
19 test?

20
21 **A.** No. Although I am not an attorney, I do not read Section
22 366.96 (the "SPP Statute") or the SPP Rule as setting out
23 this strict two-prong test and I think the Commission
24 should decline to adopt it. Reducing restoration costs
25 and outage times benefit customers, so either type of

1 benefit should be sufficient to justify a SPP project.
2 Even if the Commission does adopt this test, however, the
3 company's proposed SPP programs would all pass this test
4 since they are all expected to provide both restoration
5 cost reductions and outage time reductions. The company
6 provided these reductions as listed in the table on bates
7 stamped page 103 of the company's proposed 2022-2031 SPP.
8

9 **Q.** On page 8 of his testimony, Mr. Mara uses sectionalizing
10 equipment and replacement of bridges on transmission
11 access roads as examples of projects that would fail his
12 two-pronged test. Do you agree that these types of
13 projects fail Mr. Mara's test?
14

15 **A.** No. First, the company demonstrated both restoration cost
16 and outage time reductions for all of its proposed SPP
17 programs in the table on bates stamped page 103 of the
18 company's 2022-2031 SPP. Second, the company's
19 automation and sectionalizing program will result in both
20 reduced restoration times and restoration costs, as I will
21 explain further below in my rebuttal testimony. Third,
22 Mr. Mara misunderstands the access enhancement program
23 proposed by the company. The company is not replacing
24 bridges "like for like" as stated by witness Mara. As
25 explained on bates stamped page 81 of the company's 2022-

1 2031 SPP, the company is replacing old bridges that were
2 rated/sized for smaller vehicles with higher rated and
3 bigger bridges that can support the movement of the more
4 current larger trucks and heavy equipment. In addition,
5 the company is installing new bridges for additional
6 access points and more permanent rock roads. The bigger
7 bridges and more permanent roads will withstand nature
8 for a much longer duration than the company's current
9 practices or bridges and access points, so the company's
10 access enhancement program is in effect "hardening" or
11 "strengthening" as contemplated in the SPP statute.

12
13 **Q.** On page 9 of his testimony, Mr. Mara asserts that the
14 company is attempting to include "aging infrastructure"
15 programs in Tampa Electric's 2022-2031 SPP. He considers
16 deployment of automation equipment, reclosers, trip
17 savers, vegetation contact detection software, locational
18 awareness software, access roads, and access bridges to
19 be aging infrastructure programs. Do you concur?

20
21 **A.** Not at all. These are new programs or significant
22 expansions of existing programs, and all provide
23 significant storm protection benefits for customers. As
24 OPC's witness Mr. Kollen concedes on page 11 of his
25 testimony, it is appropriate for the company to include

1 "new programs and projects or the expansion of existing
2 programs and projects that are not within the scope of
3 its existing base rate programs and cost recoveries in
4 the normal course of business". All of the programs that
5 witness Mara proposes to cut meet one or both of those
6 criteria.

7
8 **Q.** On page 10 of his testimony, Mr. Mara states that Tampa
9 Electric has increased the company's planned capital
10 expenditures by \$109 million (or 7 percent) over the new
11 10-year period when compared to the company's first Plan.
12 Is this an accurate characterization?

13
14 **A.** On the surface the math is correct, but it fails to
15 recognize that the first year of the Plan (2020) was both
16 a partial year (April to December) and it was the first
17 year of the Distribution Lateral Undergrounding Program,
18 which was still ramping up. It also fails to acknowledge
19 that despite unprecedented inflation in both material and
20 labor, the company is projecting essentially flat
21 spending over 10 years. The company anticipates continued
22 efficiency in the execution of the programs and has
23 incorporated that into the 10-year Plan by not escalating
24 costs annually to account for anything more than normal
25 inflation.

1 **Q.** On page 12 of his testimony, Mr. Mara states: "In my
2 opinion, the only practical limit to the magnitude of the
3 SPP budgets was the limitation of resources in terms of
4 engineers and construction personnel realistically
5 available to complete the annual goals of the program."
6 Do you agree with this statement?

7
8 **A.** No. While Mr. Mara is correct that the company did
9 consider the ability to obtain and retain labor resources
10 in determining the investment levels that were possible
11 for each program. That was just one of many variables
12 that were included in the discussion on the program and
13 total Plan investment levels. In addition to labor market
14 constraints, the company was also acutely aware of the
15 potential rate impacts of various investment levels. With
16 potential rate impacts in mind, 1898 & Co. ran multiple
17 scenarios to determine the point at which additional
18 levels of investment, and their associated rate impacts,
19 do not result in materially greater benefits. The company
20 then evaluated scenarios for each program that resulted
21 in total investment levels within the ranges identified
22 by the budget optimization analysis. While the exact
23 rate impact was not known at the outset of the budgeting
24 process, the company was aware of estimated rate impacts
25 throughout the entirety of the planning process. The

1 company's proposed SPP strikes a reasonable balance
2 between storm protection and customer bill impacts. In
3 fact, according to page 6 of Mr. Kollen's testimony, Tampa
4 Electric's proposed Plan has the lowest ten-year
5 investment per customer of the plans being considered by
6 the Commission.

7
8 **Q.** On page 12 of his testimony, Mr. Mara argues that 1898's
9 budget optimization analysis "ignored the rate impact to
10 customers" associated with its proposed SPP investments.
11 Do you agree with this statement?

12
13 **A.** No. This statement is misleading. As Mr. Mara appears to
14 concede, the purpose of 1898's budget optimization
15 analysis was to quantify the expected restoration cost
16 and outage time reduction benefits associated with
17 various levels of investment and to determine the point
18 at which additional levels of investment do not result in
19 materially greater restoration cost and outage time
20 benefits. The company was acutely aware of the potential
21 rate impacts throughout the planning process even though
22 rate impacts were considered separately. It also
23 recognized that reducing outage time provides intangible
24 benefits to customers that are often difficult to quantify
25 in a financial model. Once the proposed budget level was

1 set, the company calculated the actual rate impact of the
2 Plan to determine whether those rate impacts were
3 reasonable as compared to the expected benefits. The
4 company believes that the rate impacts are reasonable
5 given the benefits anticipated from the proposed Plan.
6

7 **Q.** On pages 13 and 14 of his testimony, Mr. Mara asserts
8 that the company should reduce its proposed investment
9 level in part because the company did not prioritize the
10 equipment "that is the most vulnerable to extreme
11 storms...in the early stages of the program..." Do you agree
12 with this statement?
13

14 **A.** No, this statement is inaccurate. Projects were
15 prioritized based on the highest resiliency benefit cost
16 ratio, where resilience benefits are the sum of the
17 avoided restoration costs and monetized avoided customer
18 outages. Tampa Electric witness Jason De Stigter
19 describes this approach on pages 11-12 of his direct
20 testimony. It should be noted that the company prepared
21 the business justification in alignment with the statute,
22 or in terms of decrease in restoration costs in dollars
23 and decrease in customer outages in customer minutes
24 interrupted ("CMI"). For the purpose of prioritization
25 and establishing levels of total investment, the company

1 monetized the CMI to calculate the resiliency benefit in
2 dollars to produce a benefit cost ratio.

3

4 **Q.** On page 14 of his testimony, Mr. Mara recommends cutting
5 the company's proposed spending level in half. Do you
6 agree with this analysis and this proposal?

7

8 **A.** No, first the analysis basis is inappropriate. The
9 benefits assessment for the company's proposed 2022-2031
10 SPP is in alignment with the statute since it calculates
11 the benefits in terms of decrease in restoration costs
12 and customer outages. As described in the Plan, for the
13 purpose of project prioritization and establishing the
14 overall investment level the customer outages were
15 monetized. Mr. Mara uses the budget optimization
16 assessment as the overall benefits for the Plan which is
17 inappropriate and not aligned with the statute. Second,
18 Mr. Mara's analysis and approach isn't wholly customer
19 centric over the arc of time. The company's Plan
20 prioritizes the most beneficial investment early in the
21 period but takes a long-term view to harden the system
22 for as many customers as possible. Mr. Mara's approach
23 would limit the number of customers that could be hardened
24 leaving many customers exposed to major events over the
25 next 50 years.

1 **Q.** On page 16 of his testimony, Mr. Mara compares Tampa
2 Electric's historical storm restoration costs of \$111
3 million over the last five years with what he refers to
4 as the "annual avoided restoration costs for the 10-year
5 SPP ranges from \$380-\$531 million." Is this comparison
6 accurate?

7
8 **A.** No. Mr. Mara incorrectly asserts that the \$380-\$531
9 million figure is the projected annual avoided costs.
10 What he is actually comparing is the company's total
11 restoration costs over the last five years with the
12 projected 50-year restoration cost savings resulting from
13 the Plan, which is a mismatched comparison. This is
14 depicted in Figure 7-1 on bates stamped page 204 of the
15 company's 2022-2031 SPP. As Mr. Mara admits, the
16 company's projection estimates restoration costs of \$963-
17 \$1,313 million over the next 50 years, which would average
18 out to about \$19.26-\$26.26 million per year. A more
19 reasonable comparison would be the company's actual
20 restoration costs of \$111 million over the last five years
21 with the company's projected average restoration costs
22 over five years of \$96.3-\$131.3 million. This comparison
23 shows that the company's projected amounts are reasonable
24 compared to its historical amounts.

25

1 **Substation Hardening Program**

2 **Q.** On pages 18-19 of his testimony, Mr. Mara asserts that
3 the company should have designed all its substations
4 constructed or upgraded after 1973 to meet Standard ASCE-
5 24-14 Flood Resistant Design and Construction and that
6 any substation that is not designed to meet those
7 standards were imprudently designed and should be
8 excluded from the SPP. Does Tampa Electric design its
9 substations to meet this standard?

10
11 **A.** Tampa Electric designs all assets to meet or exceed
12 standards that are in place at the time. Tampa Electric's
13 substations would have been designed to the standard in
14 effect at the time they were constructed. When equipment
15 is replaced or upgraded at a substation, the company
16 brings it up to the current standard at the time when the
17 investment is made. The company does not upgrade the
18 remainder of the substation at that time to keep control
19 of costs. Furthermore, the referenced flooding standard
20 was not developed to address storm surge. One of the
21 purposes of the Substation Hardening program is to
22 mitigate potential outages caused by storm surge. Tampa
23 Electric evaluated storm surge potential using the Sea,
24 Land, and Overland Surges from Hurricanes ("SLOSH") Model
25 and determined that the substations included in this

1 program have risk over and above the flooding risk that
2 the company must design to under ASCE-24-14. Substations
3 are vital components of the company's distribution
4 system, so protecting the ones that are subject to storm
5 surge risk should be included in the company's SPP.
6

7 **Q.** Do you agree with Mr. Mara's proposed change to this
8 program on pages 19-20 which would exclude any substation
9 with an alternate feed that would allow load to be
10 transferred to an alternative substation?
11

12 **A.** No. I do not. The nine substations included in this
13 program were selected in part because they serve critical
14 load. The Hookers Point, South Gibsonton, and Jackson
15 Road substations tie various components of the
16 transmission system together. Loss of one of these
17 substations could also trigger the loss of interconnected
18 transmission lines. Several of the other substations
19 selected serve critical loads such as downtown Tampa,
20 Tampa International Airport, MacDill Air Force Base, Big
21 Bend Generating Station, and the Port of Tampa.
22 Continuity of service to this critical load is even more
23 important in extreme weather. Mr. Mara's proposal would
24 do nothing to address the risk of a loss of service to
25 critical facilities if that load could not be switched to

1 another substation. Tampa Electric's proposal addresses
2 this by hardening the primary source of power to these
3 critical interconnection points and critical facilities.
4

5 **Distribution Overhead Feeder Hardening**

6 **Q.** What is Mr. Mara's recommendation for the Tampa Electric's
7 Distribution Overhead Feeder Hardening Program?
8

9 **A.** Mr. Mara has separate recommendations for the feeder
10 strengthening, automation, and software components of
11 this Program. All three recommendations should be
12 rejected.
13

14 **Q.** What are his recommendations for the feeder strengthening
15 component of the program?
16

17 **A.** Mr. Mara concedes on page 21 of his testimony that the
18 strengthening component, or building to Grade B with
19 extreme wind loading, will reduce restoration costs and
20 outage times. He nevertheless then goes on to recommend
21 reducing the planned spending for this program to the
22 2020-2029 SPP level of \$10 million per year.
23

24 **Q.** Do you agree with this recommendation for the feeder
25 strengthening component of the Program?

1 **A.** No. First, the investment level proposed by Mr. Mara is
2 arbitrary and appears to be based solely on his personal
3 judgment. He has not identified specific projects to be
4 delayed or justified why delaying them would be consistent
5 with the policy goals in the SPP statute.

6
7 Second, reducing the investment levels of this or any
8 program will only delay the realization of the benefits
9 anticipated from the company's SPP. For the company's
10 SPP to have the greatest impact for all customers by
11 reducing restoration costs and outage times, a
12 significant portion of the company's system needs to be
13 protected. Limiting the company's proposed spending on
14 this program might still allow all customers to benefit
15 from some restoration cost reductions but would also allow
16 a much smaller number of customers to benefit from reduced
17 outage times. The company has sufficiently demonstrated
18 the benefits of the proposed programs and the investment
19 levels proposed in all Plan filings to date.

20
21 **Q.** Do you agree with Mr. Mara's recommendation on page 21 of
22 his testimony to exclude all sectionalizing and switching
23 projects from the SPP and his assertion that these
24 projects will not reduce restoration costs and outage
25 times?

1 **A.** No. I disagree with this assertion for several reasons.
2 First, the company has sufficiently demonstrated that
3 this component of the program will prevent outages for
4 customers. This analysis is contained on bates stamped
5 pages 195-197 of the 1898 report. In addition to
6 preventing outages altogether, these technologies will
7 enable faster identification and isolation of outages.
8 This reduces the amount of patrolling necessary to
9 identify damage thereby reducing restoration time and
10 customer outages. Faster identification and restoration
11 of damage will allow the company to release foreign crews
12 faster, which also means lower overall restoration costs.
13
14 Second, Mr. Mara assumes on page 23 that adjacent feeders
15 will not be available for transfer in an extreme weather
16 event due to catastrophic damage and that the company has
17 accordingly overstated the outage reductions by 50-60
18 percent but presents no analysis or data to support his
19 position. Mr. Mara's unsupported assumption should not
20 be given more weight than the significant analysis and
21 modelling the company performed to support this program.
22
23 Finally, Mr. Mara concedes on page 22 that the
24 sectionalizing and automation equipment will "be very
25 effective in reducing outage times" outside of extreme

1 weather. Tampa Electric did not attempt to quantify these
2 benefits in the SPP but does agree that these benefits
3 are further support for the company's proposed 2022-2031
4 SPP. Inclusion of these benefits in the analysis would
5 demonstrate even greater benefits for customers from this
6 investment.

7
8 **Q.** Do you agree with Mr. Mara's recommendation to exclude
9 the three software programs from the SPP on the grounds
10 that they will have a "very limited impact on reduction
11 in outage times or restoration costs"?

12
13 **A.** No. Mr. Mara appears to discount the value and
14 application of the information that will be collected from
15 the installation of the software programs. The Vegetation
16 Contact Detection application will identify potential
17 problem vegetation and allow the company to remove it
18 before a storm creates an outage. The Locational
19 Awareness application, used in conjunction with other
20 applications, will allow the company to identify and
21 replace "at risk" equipment. These features will allow
22 the company to proactively mitigate restoration costs and
23 outage times. The Locational Awareness and Storm Mode
24 applications will allow the company to identify embedded
25 outages, or outages downstream of the last protection

1 device on a lateral. These embedded outages are very
2 hard to identify during a storm event and often go
3 unreported for hours or even days depending on the
4 severity of the storm and restoration efforts. These two
5 applications will also increase the accuracy of the
6 company's Geographic Information System model and ensure
7 the company's Automated Distribution Management System
8 operates more effectively and with more accurate data.

9
10 **Distribution Lateral Undergrounding**

11 **Q.** Does Mr. Mara dispute that that Tampa Electric's
12 Distribution Lateral Undergrounding Program will reduce
13 restoration costs and outage times?

14
15 **A.** No. On page 24 of his testimony, Mr. Mara concedes that
16 the program will reduce outage times and restoration
17 costs.

18
19 **Q.** If he does not dispute the benefits of the Distribution
20 Lateral Undergrounding Program, then what is Mr. Mara's
21 critique of that program?

22
23 **A.** Mr. Mara recommends that the Program should be capped at
24 an investment level of \$50 million per year. This
25 reduction appears to be based on his opinion, listed on

1 pages 25-26, that this lower level of spending "better
2 balances the rate impact of the spending with the
3 benefits."

4
5 **Q.** Do you agree with Mr. Mara's recommendation?
6

7 **A.** No. Mr. Mara does not point to any data in the record
8 that would support this judgment. His proposed reduction
9 has no reasoned basis, does not identify specific projects
10 to be denied or delayed, and is arbitrary.
11

12 Furthermore, to meaningfully reduce the risk of lateral
13 outages, the company must invest in this program at or
14 above the proposed funding levels. The company was both
15 thoughtful and analytical in determining the proposed
16 funding levels for each program. All customers will
17 benefit from a dollar of avoided restoration costs, so
18 reducing the investment in this program will delay this
19 benefit of the program. Reducing investment levels will
20 also delay the additional benefit of reduced outage times
21 for some customers since fewer laterals will be
22 undergrounded.
23

24 **Q.** On page 12 of his testimony, Mr. Mara states that Tampa
25 Electric determined annual funding levels based on a

1 "constrained labor market." In addition to the evaluation
2 of the labor market, what other factors did the company
3 consider when establishing funding levels for the lateral
4 underground program?

5
6 **A.** While Mr. Mara correctly states that Tampa Electric
7 considered a constrained labor market, Mr. Mara's
8 statement oversimplifies the work that was done to attempt
9 to identify the investment levels proposed by the company
10 for lateral undergrounding. As is customary when trying
11 to determine appropriate funding levels, the company
12 started with a wide range of potential outcomes. These
13 outcomes were considered for both the proposed total Plan
14 investment levels as well as for the investment levels of
15 each program. That process started with known variables
16 (e.g., the number of overhead distribution lateral miles
17 in the company's service area) and reasonable assumptions
18 (e.g., estimated rate impact at each investment level).
19 While total Plan level ranges were identified using the
20 company's Budget Optimization Tool, investment ranges
21 were identified for each program, including the lateral
22 underground program. In determining the appropriate
23 range of investment levels for this program, the company
24 considered things like the estimated proportion of the
25 system that would likely need to be converted to make an

1 impact; the speed of those conversions; the ability to
2 execute and manage; the availability of resources; and
3 the willingness of contractor partners to commit to and
4 invest in Tampa Electric. The final proposed investment
5 levels call for reaching approximately 100 miles per year
6 of conversions, which the company believes is reasonable.
7

8 As I have previously testified, one of the factors
9 considered was the willingness of contractor partners to
10 commit to Tampa Electric's undergrounding program in the
11 years ahead. The company's proposed level of investment
12 provides sufficient work for 400-500 new jobs added to
13 the Tampa Electric service area, which is sizeable enough
14 for contractor partners to make a long-term commitment to
15 the work. Based on this investment level, nearly all of
16 the company's partners have made commitments to the area
17 by entering into multi-year leases for both office space
18 and operations yards.
19

20 Furthermore, none of these economic benefits have been
21 included in the company's cost-benefit analysis. If
22 investment levels for this program in particular are
23 reduced, the company and the Tampa Electric service
24 territory would lose these additional economic benefits.
25 There would also be risk that one or more of our

1 contractor partners would pull out altogether in favor of
2 other programs in the southeast or large new programs
3 that have been announced in other parts of the country.
4

5 **Q.** What is Tampa Electric's practice for establishing an
6 inventory of designed and permitted undergrounding
7 projects, and what is Mr. Mara's concern with that
8 practice?
9

10 **A.** The company's Plan calls for reaching a steady state
11 operation of designing projects sufficiently ahead of
12 projected construction start in order to accommodate
13 design delays, delays in securing land rights, the
14 application and receipt of permits, materials and other
15 activities that can cause delays in construction starts.
16 One of the lessons the company learned from the
17 implementation of the 2020-2029 SPP was that having an
18 inventory of projects ready to go helps mitigate these
19 delays and promotes a more efficient overall deployment
20 of materials held in inventory and contract labor. At a
21 steady state of operation, the company will have adequate
22 resources to design 75-100 miles of projects in a calendar
23 year while simultaneously constructing the same amount
24 annually.
25

1 Mr. Mara's concern is that the completed and approved
2 designs will become outdated and will require re-design
3 after the project and recovery of the initial design costs
4 is approved. The reality is that it is common practice to
5 design projects with an appropriate lag between design
6 and construction starts. The company is confident the time
7 between design and construction is appropriate, aligned
8 with industry standards and will not cause unnecessary or
9 imprudent costs from design changes.

10
11 **Transmission Access Enhancement Program**

12 **Q.** Mr. Mara suggests that Tampa Electric could use
13 specialized equipment as an alternative to the company's
14 Transmission Access Enhancement Program. Did you
15 consider this alternative?

16
17 **A.** No. Tampa Electric owns some specialized equipment such
18 as track vehicles and large tire vehicles. The company
19 did not formally evaluate the use of specialized equipment
20 as an alternative to the Transmission Access Program
21 because this equipment does not resolve all access issues.

22
23 **Q.** On page 28 of his testimony, Mr. Mara asserts that
24 maintenance of existing roads and bridges will not reduce
25 restoration costs or outage times in extreme weather. Do

1 you agree with this assertion?

2

3 **A.** No. The company has provided the value of reduced
4 restoration cost and outage time values for all programs
5 in the table on bates stamped page 103 of the company's
6 proposed 2022-2031 SPP. Mr. Mara misunderstands the
7 access enhancement program proposed by the company. The
8 company is not replacing bridges "like for like" as stated
9 by Mr. Mara. All road projects included in this program
10 involve construction of new roads at points where a
11 permanent road did not exist before. All bridge projects
12 included in this program involve construction of new
13 bridges or upgraded bridges. The company is replacing
14 old bridges rated/sized for smaller vehicles with higher
15 rated and bigger bridges that can support the movement of
16 current larger trucks and heavy equipment. In addition,
17 the company is installing new bridges for additional
18 access points and more permanent rock roads. The bigger
19 bridges and the new permanent roads will withstand nature
20 for a much longer duration than current bridges and access
21 points, so they are in effect being "protected,"
22 "hardened," and or "strengthened" as contemplated in the
23 SPP statute.

24

25 **Q.** Does this conclude your rebuttal testimony?

1 **A.** Yes.

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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20220048-EI

TAMPA ELECTRIC'S
2022-2031
STORM PROTECTION PLAN

REBUTTAL TESTIMONY

OF

RICHARD J. LATTA

FILED: JUNE 21, 2022

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
REBUTTAL TESTIMONY
OF
RICHARD J. LATTA

INTRODUCTION:

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

A. My name is Richard J. Latta. My business address is 702 N. Franklin Street, Tampa, Florida 33602. I am employed by Tampa Electric Company ("Tampa Electric" or "the Company") in the Finance Department as Utility Controller.

Q. Are you the same Richard J. Latta who filed direct testimony in this proceeding?

A. Yes, I am.

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

A. The purpose of my rebuttal testimony is to address the deficiencies and misconceptions in the direct testimony of Lane Kollen, whom is testifying on behalf of the Office

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of Public Counsel.

Q. Do you have any general comments regarding the overall direct testimony of Mr. Kollen?

A. Yes. Mr. Kollen recommends that the Commission adopt specific guidelines and criteria that would apply all to utility SPPs. These guidelines and criteria are not found in Section 366.96 (the "SPP Statute"), Rule 25-6.030 (the "SPP Rule"), or Rule 25-6.031 (the "SPPCRC Rule"). As explained in my rebuttal testimony, I believe that adoption of these recommendations is problematic and unnecessary.

REBUTTAL TO DIRECT TESTIMONY OF LANE KOLLEN:

Q. On Page 10, Line 1, Mr. Kollen States, "I recommend that the Commission adopt and consistently apply decision criteria for the selection, ranking, magnitude, and prudence of the SPP programs and projects for the four utilities to ensure that the utilities do not use the SPP and SPPCRC process to displace costs that are subject to and recoverable through the base rate process and shift those costs to recover them through the SPP and SPPCRC process", do you agree with his recommendation?

1 **A.** No, I do not. Mr. Kollen is attempting to impose
2 additional and unnecessary requirements into the SPP
3 Statute and the SPPCRC Rule related to possible double-
4 recovery of costs. Tampa Electric understands that the
5 SPP Statute and associated rules forbid double recovery
6 of costs through base rates and the SPPCRC and has taken
7 steps to avoid such double recovery. The Commission does
8 not need to adopt additional requirements to address this
9 issue. As the Administrative Law Judge discussed in his
10 Final Order in OPC's previous challenge to the SPP and
11 SPPCRC Rules in Case No. 19-6137RP, "There is nothing
12 confusing about the language used in the proposed rule--
13 it forbids double recovery. Regulated utilities can
14 readily understand its meaning--they may not recover
15 costs through the clause that they are already recovering
16 through base rates." The SPPCRC Rule explicitly prohibits
17 double-recovery by a utility. Under that rule, a utility
18 submitting a plan has the burden to demonstrate that the
19 utility will not have any double recovery. Tampa Electric
20 has met this burden.

21
22 **Q.** On Page 10, Line 15, Mr. Kollen states, "I recommend that
23 the Commission adopt and consistently apply uniform
24 methodologies among the utilities to determine the
25 revenue requirements and rate impacts of the programs and

1 projects in these proceedings and that it carry through
2 those uniform methodologies to the rate calculations in
3 the SPPCRC proceeding, do you agree with his
4 recommendation?

5
6 **A.** No, having common criteria or uniform methodologies for
7 determining revenue requirements and rate impacts for all
8 the utilities would be problematic and would provide no
9 value. Each utility has different financial details and
10 allocation methods which would cause unnecessary and
11 useless deviations in the resulting revenue requirement
12 and rate calculations. For instance, Tampa Electric
13 previously agreed with the Office of Public Counsel to
14 move some costs previously recovered through base rates
15 into the SPPCRC and to leave other SPP-related costs in
16 base rates. Other utilities may not have agreed on
17 precisely the same methodology.

18
19 **Q.** On Page 10, line 18, Mr. Kollen recommends that the
20 Commission should "exclude construction work in progress
21 ("CWIP") from both the return on rate base and
22 depreciation expense, and instead allow a deferred return
23 on the CWIP until it is converted to plant in service or
24 prudently abandoned." On page 25, Mr. Kollen also suggests
25 that CWIP should be excluded because it is impossible to

1 assess whether CWIP costs are prudent until they are
2 converted to plant in service or abandoned. Do you agree
3 with this recommendation?
4

5 **A.** No, I do not for several reasons. First, the company
6 operates all of the clauses in a similar manner, so by
7 inserting different requirements just in the SPPCRC would
8 be problematic in that it would require different policies
9 and procedures for how the clause is facilitated. For
10 example, in all of Tampa Electric's cost recovery clauses,
11 the company earns a return on the undepreciated balance,
12 which is the net investment less accumulated
13 depreciation. The net investment includes Construction
14 Work in Progress ("CWIP"). The intent of this method is
15 to allow the company to earn a return during construction
16 which keeps the utility whole as it is incurring expenses
17 to invest in assets which will benefit customers.
18 Therefore, it would not make sense to defer the return
19 until the asset went in service. Second, the company's
20 depreciation expense is not calculated on CWIP, it is
21 calculated only when that asset goes in service (i.e.,
22 when the asset is converted to plant in service).
23

24 **Q.** Also on page 10, Mr. Kollen recommends that the Commission
25 should allow property tax only on the net plant at the

1 beginning of each year. Do you agree with this
2 recommendation?

3

4 A. Tampa Electric already follows this recommendation. The
5 company calculates tax based on plant in service net of
6 accumulated depreciation, not CWIP. As a result, I do not
7 think the Commission needs to adopt any specific criteria
8 or guidance on this topic since it is not contained in
9 the SPP Statute or SPP Rules.

10

11 Q. Also on page 10, Mr. Kollen suggests that the Commission
12 should require a credit for the avoided depreciation
13 expense on plant that is retired due to SPP plant
14 investments. Do you agree?

15

16 A. Tampa Electric already includes a credit for depreciation
17 savings in the calculation of the revenue requirement. As
18 a result, I do not think the Commission needs to adopt
19 any specific criteria or guidance on this topic since it
20 is not contained in the SPP Statute or SPP Rules.

21

22 Q. Mr. Kollen asserts on page 10 that the Commission should
23 require utilities to move pole inspection and vegetation
24 management expenses from base rates to the SPPCRC. Do you
25 agree?

1 A. No, this recommendation does not apply to Tampa Electric.
2 Tampa Electric's 2020 Stipulation and Settlement
3 Agreement made adjustments to the 2020 Storm Protection
4 Plan Cost Recovery Clause ("SPPCRC") actual costs (in the
5 amount of \$10.4 million) and to base rates starting on
6 January 1, 2021 (in the amount of \$15 million) to
7 recognize the transition of the recovery of several base
8 rate activities into the SPPCRC. These activities
9 included planned distribution and transmission vegetation
10 management, distribution and transmission inspections,
11 and the O&M portion of transmission wood pole
12 replacements.

13

14 Q. Does this conclude your rebuttal testimony?

15

16 A. Yes.

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