

State of Florida



# Public Service Commission

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**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** September 26, 2022

**TO:** Office of Commission Clerk (Teitzman)

**FROM:** Division of Engineering (Buys, King, Maloy, Ramos) *TB*  
Office of the General Counsel (Trierweiler, Imig) *AH*

**RE:** Docket No. 20220048-EI – Review of Storm Protection Plan, pursuant to Rule 25-6.030, F.A.C., Tampa Electric Company.

**AGENDA:** 10/04/22 – Regular Agenda – Post Hearing Decision - Participation is Limited to Commissioners and Staff

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** La Rosa

**CRITICAL DATES:** October 8, 2022 - 180-day Statutory Deadline Per 366.96(5), Florida Statutes.

**SPECIAL INSTRUCTIONS:** Please place Dockets Nos. 20220048-EI, 20220049-EI, 20220050-EI, and 20220051-EI in consecutive order on the Agenda.

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## Case Background

Section 366.96, Florida Statutes (F.S.), requires each investor-owned electric utility (IOU) to file a transmission and distribution storm protection plan (SPP) that covers the immediate 10-year planning period. The plans are required to be filed with the Florida Public Service Commission (FPSC or Commission) at least every three years and must explain the systematic approach the utility will follow to achieve the objectives of reducing restoration costs and outage times associated with extreme weather events and enhancing reliability. No later than 180 days after a utility files a plan, that contains all the elements required by Commission rule, the Commission must determine whether it is in the public interest to approve, approve with modification, or deny the plan. Section 366.96(7), F.S., states that once a utility's SPP has been approved, proceeding with actions to implement the plan shall not constitute or be evidence of imprudence. Further, this section requires the Commission conduct an annual proceeding, referred to as the storm protection plan cost recovery clause (SPPCRC), to determine the utility's prudently incurred SPP costs.

Tampa Electric Company (TECO) filed its first SPP on April 10, 2020, in Docket No. 20200067-EI. The Office of Public Counsel (OPC), Walmart, Inc. (Walmart), and Florida Industrial Power Users Group (FIPUG) were granted intervention. These matters were set for an administrative hearing; however, prior to the hearing TECO entered into a Settlement Agreement with FIPUG, OPC, and Walmart. An administrative hearing was held on August 10, 2020 for the Commission to hear oral argument from the parties in support of the Settlement Agreement, to admit testimony and documentary evidence into the record, and to consider the Settlement Agreement. The Commission approved the Settlement Agreement by Order No. PSC-2020-0293-AS-EI, issued August 28, 2020, in Docket No. 20200067-EI.

Key provisions of the 2020 Settlement are:

- Approval of the SPP and programs shall not include or imply any determination of prudence for any project in a program approved under the settlement. Except as provided in paragraphs 19-26 of the TECO Settlement Agreement, the Signatories retain the right to challenge the prudence or reasonableness of any project or costs for any project submitted through the SPPCRC during a true-up proceeding in 2021 or thereafter.
- TECO will file an updated SPP in early 2022. If approved by the Commission, the Signatories intend that the 2022 updated SPP will form the basis for cost recovery of SPP activities in 2023, 2024, and 2025, and that TECO will then next be required to file an updated SPP for approval again in 2025.

On April 11, 2022, TECO filed its proposed SPP for Commission approval which covers the period of 2022-2031 and included eight programs. The majority of these programs are a continuation of its 2020 SPP and are described in Attachment A. FIPUG, OPC, and Walmart were granted intervention in this docket. An administrative hearing was held on August 2-4,

2022.<sup>1</sup> Post hearing briefs were filed on September 6, 2022. OPC and FIPUG (Joint Parties) filed a joint brief which included a procedural matter which is addressed below.

#### Procedural Matter

On pages 14-24 of their post-hearing brief, the Joint Parties unilaterally inserted a “post-hearing legal issue” that was not listed in the Prehearing Order.<sup>2</sup> The Joint Parties argue in this post-hearing issue that the Commission should reverse a prehearing ruling, set forth in Order No. PSC-2022-0292-PCO-EI, where the Prehearing Officer granted motions to strike portions of the prefiled testimony of OPC witness Lane Kollen. In staff’s opinion this legal argument raises a new substantive issue not previously ruled upon. The lack of legal relevance of witness Kollen’s testimony was addressed in detail by the Prehearing Officer in Order No. PSC-2022-0292-PCO-EI. OPC requested reconsideration of that Order, which request was denied by the full Commission. Because the evidentiary concerns relating to the testimony of witness Kollen have twice been addressed on the merits, staff believes it is appropriate to discuss the Joint Parties’ “post-hearing legal issue” here only as it raises procedural concerns. For the reasons set forth below, staff believes there is no procedural error that that Commission must consider at this time.

“The fundamental requirements of due process are satisfied by reasonable notice and a reasonable opportunity to be heard.” *Florida Public Service Commission v. Triple “A” Enterprises, Inc.*, 387 So. 2d 940, 943 (Fla. 1980). At the administrative hearing held on August 2-4, 2022, in accordance with sections 120.569 and 120.57, F.S., all parties, including the Joint Parties, were given full opportunity to present argument on all relevant issues in the case and to conduct cross-examination of all witnesses on the case’s relevant issues both in the case in chief and in the portions of the hearing where proffered testimony was admitted into the record. (TR 44).

Neither OPC nor any other party to this proceeding was precluded from making any legal arguments regarding rule interpretation by the exclusion of the testimony. The only effect of the Commission’s action in striking the testimony was to exclude expert testimony on the ultimate legal issues, which is within the sole province of the tribunal.

Many portions of Witness Kollen’s testimony were not stricken. Those portions were moved into the record as though read, and his prefiled exhibits LK 1 through LK 3 were admitted into evidence. (TR 824-853). (TR 824-853). OPC separately proffered the portions of Witness Kollen’s testimony subject to the order granting the motion to strike and the prefiled testimony was also moved into the record as though read. (TR 854-886). On August 3, 2022, Witness Kollen provided a summary and was subject to cross-examination on both the testimony that was not stricken and the proffered testimony that had been stricken. OPC also made its legal arguments about the rule interpretation at that time. (TR 802-808). Although the Commission ultimately decided to strike the OPC Witness testimony, OPC was provided an opportunity to make its legal argument at the administrative hearing (TR 798-810), and in its motion for reconsideration. Counsel for OPC made its arguments again in its post-hearing brief.

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<sup>1</sup> TECO’s docket was consolidated with the SPP dockets for FPUC (20220049-EI), DEF (20220050-EI), and FPL (20220051-EI) for hearing purposes only.

<sup>2</sup> Order No. PSC-2022-0291-PHO-EI, issued August 1, 2022.

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The Joint Parties also argue that a Commission Final Order applying Rule 25-6.030, F.A.C., in a manner not consistent with their argument “could be seen as the agency interpreting its [statutory] mandate without an effective or complete delegation of authority.” (Joint Parties BR 23)The cases cited by the Joint Parties in support on this argument all address judicial review of the constitutionality of statutes.<sup>3</sup> As an agency, the Commission has no jurisdiction to declare a statute unconstitutional. Moreover, following the passage of Article V, Section 21, of the Florida Constitution, the Commission’s interpretation of a statute will not be relevant to a court vested with jurisdiction to consider that constitutional question.

For these reasons, staff does not agree with the Joint Parties’ arguments that the actions taken with respect to witness Kollen’s testimony were procedurally infirmed or negatively impacted the fairness of the proceeding.

There are 8 issues for the Commission to consider in this docket.<sup>4</sup> The Commission has jurisdiction in this matter pursuant to Section 366.96, F.S. and Chapter 120, F.S.

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<sup>3</sup> Post-Hearing Brief at 23 (*citing Askew v. Cross Key Waterways*, 372 So. 2d 913 (Fla. 1978); *Microtel, Inc. v. Florida Pub. Serv. Comm’n*, 464 So. 2d 1189, 1191 (Fla. 1985); *Microtel, Inc. v. Florida Pub. Serv. Comm’n*, 483 So. 2d 415 (Fla. 1986)).

<sup>4</sup> TECO’s issues are 1A-6A, 10A, and 11A. Issues 7-9 are FPL only issues.

### **Discussion of Issues**

**Issue 1A:** Does TECO's Storm Protection Plan contain all of the elements required by Rule 25-6.030, Florida Administrative Code?

**Recommendation:** Yes. TECO appears to have met the criteria and intent of Rule 25-6.030, F.A.C., Storm Protection Plan, with its filings. Thus, the Commission has adequate information in order to make a determination on the TECO SPP. (Trierweiler, Imig, Maloy)

#### **Position of the Parties**

**TECO:** Yes.

**JOINT PARTIES:** Yes, TECO's SPP does include the requisite comparison of the costs and dollar benefits of the proposed programs and projects; however, the Joint Parties do not agree with the analysis, which, among other things, includes subjective estimates of the value to customers of avoided outages.

**WALMART:** Yes. Walmart adopts the position of the Office of Public Counsel ("OPC").

### **PARTIES' ARGUMENTS**

#### **TECO**

TECO asserted that the competent substantial evidence in the record shows that TECO's SPP includes all elements required by the SPP Rule. TECO argued that its witness Plusquellic's direct testimony elaborated on how the company's 2022 SPP complies with the SPP Rule. See Tr. 523-525. (TECO BR 3-4)

#### **JOINT PARTIES**

The Joint Parties argued that TECO's comparison of costs and benefits was flawed. (Joint Parties BR 2) Further, the Joint Parties argued that the consulting firm that TECO retained to monetize the value of SPP benefits to customers, improperly used excess dollar amounts to calculate that benefit. (Joint Parties BR 3) The Joint Parties argued that societal value of customer interruptions was improperly included in the estimates of avoided damages and restoration costs, and that it is a highly subjective measure. (Joint Parties BR 3) The Joint Parties argued that the societal value of customer interruptions should be excluded from the justification of SPP programs and projects. (Joint Parties BR 3)

#### **WALMART**

Walmart adopted the position of OPC. (Walmart BR 3)

### **ANALYSIS**

#### History

The first utility storm hardening programs were filed for Commission approval in 2007 and were reviewed by the Commission at least every three years thereafter. In 2019, the Florida Legislature emphasized the importance of storm hardening when it enacted Section 366.96, F.S.,

entitled “Storm Protection Plan Cost Recovery.”<sup>5</sup> Subsection 366.96(3), F.S., requires each IOU to file a transmission and distribution SPP for the Commission’ review and directs the Commission to hold an annual proceeding to determine the IOUs’ prudently incurred costs to implement the plan and allow recovery of those costs through the SPPCRC.

The Commission promulgated two Rules, 25-6.030, F.A.C., Storm Protection Plan, and 25-6.031, F.A.C., Storm Protection Cost Recovery, to implement and administer Section 366.96, F.S. The full text of Section 366.96, F.S., and Rule 25-6.030, F.A.C., are provided as Attachment B. In 2020, TECO’s first storm protection plan, which was primarily an extension of the utility’s existing storm hardening plan, was approved.

### Issue

The primary issue raised by the Joint Parties is that TECO’s comparison of costs and benefits was flawed. For the reasons set forth below, Staff believes TECO’s SPP filings meet the requirements of 366.96, F.S., and Rule 25-6.030, F.A.C.

### Law

Section 366.96(4), F.S., provides:

In its review of each transmission and distribution storm protection plan filed pursuant to this section, the commission shall consider:

- (a) The extent to which the plan is expected to reduce restoration costs and outage times associated with extreme weather events and enhance reliability, including whether the plan prioritizes areas of lower reliability performance.
- (b) The extent to which storm protection of transmission and distribution infrastructure is feasible, reasonable, or practical in certain areas of the utility’s service territory, including, but not limited to, flood zones and rural areas.
- (c) The estimated costs and benefits to the utility and its customers of making the improvements proposed in the plan.
- (d) The estimated annual rate impact resulting from implementation of the plan during the first 3 years addressed in the plan.

The Statute further articulates that the Commission must use the public interest standard when considering a SPP. *See* § 366.96(5), stating that the Commission shall determine whether it is in the public interest to approve, modify, or deny the plan. Accordingly, Rule 25-6.030, F.A.C., requires utilities to file certain minimum information in order for the Commission to determine if it is in the public interest to approve, approve with modifications, or deny a utility’s storm protection plan. In other words, Rule 25-6.030, F.A.C., is a filing requirement rule, not a standard for the Commission’s decision. As such, the rule allows the utilities to have the flexibility to submit and manage their hardening plans while simultaneously requiring a utility file the information necessary for the Commission to make a determination about whether it is in the public interest to approve a plan, approve a plan with modifications, or deny a plan.

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<sup>5</sup> Subsection 366.96(1), F.S., provides that it is in the state of Florida’s interest to strengthen electric utility infrastructure to withstand extreme weather conditions by promoting the overhead hardening of electrical transmission and distribution facilitates, the undergrounding of certain electrical distribution lines and vegetation management, and that it is in the state’s interest for each utility to mitigate restoration costs and outage times to utility customers when developing transmission and distribution storm protection plans.

Rule 25-6.030(3), F.A.C., Storm Protection Plan, identifies the specific information to be included in each IOU's SPP.<sup>6</sup> Rule 25-6.030(3)(d), F.A.C., requires, in relevant part, a comparison of costs and benefits:

A description of each proposed storm protection program that includes:

1. A description of how each proposed storm protection program is designed to enhance the utility's existing transmission and distribution facilities including an estimate of the resulting reduction in outage times and restoration costs due to extreme weather conditions;
2. If applicable, the actual or estimated start and completion dates of the program;
3. A cost estimate including capital and operating expenses;
4. A comparison of the costs identified in subparagraph (3)(d)3. and the benefits identified in subparagraph (3)(d)1.

Neither Section 366.96, F.S., nor Rule 25-6.030, F.A.C., explicitly require a prescriptive or specific kind of analysis or comparison of costs or benefits in an SPP.

#### Staff Analysis

Rule 25-6.030(3)(d), F.A.C., requires "...a comparison of the costs identified in subparagraph (3)(d)3. and the benefits identified in 3(d)1." The Joint Parties alleged that TECO improperly calculated certain benefits. (Joint Parties BR 3) By arguing that TECO did not provide an adequate "comparison of costs and benefits" (Joint Parties BR 2, 4), the Joint Parties' arguments in Issue 1 are about the methodology of TECO's alleged benefits. Staff believes that TECO provided adequate information for the Commission to evaluate TECO's SPP.

While the nature of cost data is objective, benefits in the context of storm hardening specifically, may require various forms description and analysis to ascertain. Staff believes that a utility should have the flexibility to use a methodology that it believes most clearly demonstrates the benefits of a SPP. The Joint Parties' argument, however, does not take into account the real world nature of storm hardening. It is not a traditional utility function required for day-to-day service. Rather, creating a SPP is an activity that goes above and beyond the basic "sufficient, adequate, and efficient" standard of service to strengthen existing utility infrastructure to withstand potential extreme weather conditions. Section 366.03, F.S. This means that storm hardening costs may or may not produce actual financial benefits that exceeds costs during a given time, depending on a particular utility's circumstances.<sup>7</sup>

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<sup>6</sup> Specific elements of Rule 25-6.030, F.A.C., such as areas for prioritization and rate impacts, are discussed in more detail in Issues 2A through 6A.

<sup>7</sup> Consider the following example: a utility spends \$10 million to convert wooden poles to concrete poles. Based on the assumption that a Category 3 hurricane would strike the area every three years, the projected benefits are \$15 million over 30 years for a net savings to customers of \$5 million. However, if the utility does not experience extreme weather in these locations for a period of time (as was the case for the period 2005 through 2017) there are no monetized benefits to the general body of customers. The customers may nonetheless be receiving qualitative benefits (the system is better prepared for when extreme weather does occur) that are consistent with the public interest requirements of Section 366.96, F.S.



This is why Section 366.96(4)(a), F.S., provides the flexibility for IOUs to submit and manage their hardening plans so long as the plans include projects that effectively “reduce restoration costs and outage times associated with extreme weather events and enhance reliability” for customers. For these reasons, staff believes that a utility should have the option to submit what it deems is its most accurate data or analysis of costs and benefits for the Commission’s consideration.

In this case, staff believes that TECO provided the information necessary for the Commission to make a determination on TECO’s SPP. This information included the expected benefits in the form of avoided restoration costs and customer outages and a monetization of avoided customer outages. (TR 331-332) For example, TECO provided the Distribution Feeder Hardening Program would decrease restoration costs by approximately 54 percent and reduce customer minutes of interruption by approximately 46 percent. (EXH 9, P 103) This information allows the Commission to evaluate the potential of the SPP to mitigate outages and reduce restoration costs.

### **CONCLUSION**

Staff recommends that TECO provided sufficient information for the Commission to make a public interest determination pursuant to Section 366.96, F.S.

**Issue 2A:** To what extent is TECO's Storm Protection Plan expected to reduce restoration costs and outage times associated with extreme weather events and enhance reliability?

**Recommendation:** TECO utilized a Storm Resilience Model to support its proposed 2022 SPP program evaluation and prioritization. The results of this model estimate that TECO's SPP is projected to reduce restoration costs and outage times associated with extreme weather events. (Maloy)

**Position of the Parties**

**TECO:** Tampa Electric's SPP is expected to significantly reduce restoration costs and outage times associated with extreme weather events and enhance reliability. The five programs analyzed by 1898 & Co. are expected to reduce restoration costs by \$380-\$531 million and reduce CMI by 29 percent over the next 50 years. The company's Vegetation Management Program is expected to improve SAIFI by 15.3 percent, SAIDI by 9.6 percent, and reduce restoration costs by 22.2 percent.

**JOINT PARTIES:** Some of TECO's proposed programs and projects will have a better impact on reducing outages times and lowering restoration costs than others. Additionally, several programs and projects are not extreme weather storm hardening programs but rather routine maintenance responsibilities of any electric utility and should not be included in TECO's SPP.

**WALMART:** Walmart adopts the position of OPC.

**PARTIES' ARGUMENTS**

**TECO**

In its brief, TECO stated that its proposed SPP programs will reduce restoration costs by \$380-\$531 million and reduce CMI by 29 percent over the next 50 years, depending on the intensity and frequency of extreme weather events. TECO hired an outside consultant to evaluate the vegetation management activities and the analysis showed a reduction in vegetation-caused outages by 29 percent. (TECO BR 4-5) TECO refuted OPC's assertion that TECO improperly calculated CMI by including societal values in its calculation. The Company's model calculated the benefits of each project in terms of reduced minutes of customer interruptions and reduced restoration costs, and then calculated an estimation of the monetized CMI in order to prioritize projects. (TECO BR 6) TECO argued that the programs OPC challenged will both reduce restoration costs and outage times.

Last, TECO argued against OPC's recommended budget reduction of 50 percent, stating that the proposed cuts would result in a 60 percent reduction in expected restoration cost savings and approximately 80 percent reduction in avoided CMI benefits. TECO stated that since OPC witness Mara misinterpreted the Company's analysis and data, the Commission should reject his proposed cuts and approve TECO's SPP without modification. (TECO BR 15-17)

### **JOINT PARTIES**

In their joint brief, OPC and FIPUG stated that two of TECO's SPP programs will not result in decreased outage times and costs, as required by Rule 25-6.030, F.A.C., specifically, the Transmission Access Enhancement Program and a project within the Overhead Feeder Hardening Program. The Joint Parties' arguments regarding its recommendations on TECO's specific SPP programs are discussed in Issues 6A and 10A. (Joint Parties BR 4-5)

### **WALMART**

Walmart adopts the position of OPC on this issue. (Walmart BR 3)

### **ANALYSIS**

Section 366.96(4)(a), F.S., states that when reviewing a utility's transmission and distribution storm protection plan, the Commission shall consider the extent to which the plan is expected to reduce restoration costs and outage times associated with extreme weather events, and enhance reliability, including whether the plan prioritizes areas of lower reliability performance. As discussed in Issue 1A, Rule 25-6.030(3)(d)1., F.A.C, requires a utility to provide a description of how each proposed storm protection program is designed to enhance the utility's existing transmission and distribution facilities including an estimate of the resulting reduction in outage times and restoration costs due to extreme weather conditions. TECO provided this information in Section 3 of its SPP. (EXH 9, P 103)

TECO witness Pickles testified that a similar analysis was completed for its 2020 and 2022 SPPs by 1898 & Co. on the same eight storm protection programs. (TR 332) The analysis and modeling performed by the Storm Resilience Model included:

- Major Storm Event Database
- Storm Impact Model (SIM)
- Resilience Benefit Module
- Budget Optimization & Project Prioritization

(TR 389-390)

The Major Storm Event Database contained 13 unique storm types with a range of probabilities and impacts to create a total database of 99 different unique storm scenarios utilizing National Oceanic and Atmospheric Administration (NOAA) historical analysis, capturing data of probability, system impacted, duration, and cost to restore the system. The SIM models calculates the hardening benefits for all projects for each storm event. The Resilience Benefit Module simulated future major events over 50 years, calculating the storm customer outage duration and monetization of customer minutes of interruption (CMI), as well as resilience benefit calculation used to prioritize the projects. The Budget Optimization & Project Prioritization used different budget scenarios to determine the point of diminishing return and bundled projects, to name a few. (EXH 9, P 138-140)

The estimated benefits of a reduction in restoration costs and outage times are calculated as a percentage improvement expected during extreme weather or major event days when compared

to the status quo. (TR 529-530) TECO's proposed SPP projected cost versus benefit or decreased restoration cost and reduced CMI is shown in Table 2A-1:

**Table 2A-1**  
**TECO's SPP Projected Cost versus Benefit**

Storm Protection Program	Projected Reduction in Restoration Costs (Approximate benefits in percent)	Projected Reduction in Customer Minutes of Interruption (Approximate benefits in percent)
Distributed Lateral Undergrounding	32	45
Transmission Asset Upgrades	85	14
Substation Extreme Weather Hardening	20-25	12-45
Distribution Feeder Hardening	54	46
Transmission Access Enhancement	28	55

Source: EXH 9, P 103

The Joint Parties argued in their brief that although some of TECO's programs will have an impact on reducing outages times and lowering restoration costs, several of the programs are not storm hardening and do not meet the requirements of the SPP Rule. (Joint Parties BR 4) The Joint Parties' arguments and staff's analysis on the requirements of the SPP Rule are discussed in more detail in Issue 1A. The Joint Parties also argued that these programs were merely routine maintenance projects for an electric utility and should not be included in TECO's SPP. This argument by the Joint Parties will be addressed in Issue 10A. Walmart adopted the position of OPC and, as such, no other argument was raised by an intervening party for this issue.

Staff believes that TECO provided the necessary information to meet the requirements of the SPP Statute and Rule related to this issue. Using the Storm Resilience Model to incorporate data specific information to its transmission and distribution facilities, the Company estimated the reduction in outage times and restoration costs that could result from the implementation of its proposed SPP programs. Based on the results of the model, TECO demonstrated that its proposed programs are projected to reduce restoration costs and outage times associated with extreme weather events.

### **CONCLUSION**

Similar to its 2020 SPP, TECO utilized a Storm Resilience Model to support its 2022 SPP program evaluation and prioritization. The results of this model estimate that TECO's SPP is projected to reduce restoration costs and outage times associated with extreme weather events.

**Issue 3A:** To what extent does TECO's Storm Protection Plan prioritize areas of lower reliability performance?

**Recommendation:** TECO's SPP appears to prioritize areas of lower reliability performance. (Maloy)

**Position of the Parties**

**TECO:** The company's methodology for prioritizing projects incorporates reliability performance. The projects that are anticipated to deliver the highest customer benefit at the lowest relative cost are prioritized higher. Furthermore, historical outage data and trim data were incorporated into the Vegetation Management Program design.

**JOINT PARTIES:** TECO has several proposed projects that prioritize areas of lower reliability performance; however, many of those programs and projects either do not qualify as permissible SPP programs or projects and/or are not economically justifiable.

**WALMART:** Walmart adopts the position of OPC.

**PARTIES' ARGUMENTS**

**TECO**

TECO prioritized its SPP projects using models designed by 1898 & Co. The models utilized by the Company considered multiple factors to determine each asset's potential to fail during various extreme weather events. The models estimated the restoration costs and outage times for each asset in different storm types, coupled with the reduction in those costs and times if those assets were hardened. TECO refuted OPC's arguments that critiqued TECO's prioritization methodology and argued that its SPP properly prioritizes areas of lower reliability performance. (TECO BR 17-18)

**JOINT PARTIES**

In their joint brief, OPC and FIPUG stated that TECO inflated the projected benefits of its SPP projects because its calculations contained societal value and the analysis is therefore, flawed. (Joint Parties BR 8)

**WALMART**

Walmart adopts the position of OPC on this issue. (Walmart BR 4)

**ANALYSIS**

Section 366.96(4)(a), F.S., states that when reviewing a utility's transmission and distribution storm protection plan, the Commission shall consider the extent to which the plan is expected to reduce restoration costs and outage times associated with extreme weather events and enhance reliability, including whether the plan prioritizes areas of lower reliability performance. Rule 25-6.030(3)(e)1.d., F.A.C., requires a description of the criteria used to select and prioritize proposed SPP projects to be provided.

TECO's witness De Stigter testified that the Storm Resilience Model was used to perform an analysis of the 2022-2031 SPP resiliency benefits. The model was developed by 1898 & Co. and was used to: (TR 389-390).

- Calculate the customer benefits of hardening projects through reduced utility restoration costs and impacts to customers.
- Prioritize hardening projects with the highest resilience benefit per dollar invested into the system.
- Establish an overall investment level that maximized customers' benefits while not exceeding TECO's technical execution constraints.

Witness De Stigter stated that all projects were evaluated and prioritized using the same criteria in order to be ranked against one another and then compared. (TR 445-446) The model calculated benefits consistently for all projects, allowing project prioritization across the entire asset base for a range of budget scenarios. (TR 454-455) The witness testified that the Storm Resilience Model utilized a resilience-based planning approach to calculate hardening benefits and prioritize projects. The model's database included the probability of major storm events occurring as well as the magnitude of impact, and the duration to restore the system, as well as the restoration cost to return the system back to normal after the event. The model uses a probability-weighted basis to determine which specific portions of the TECO system would be impacted, and their contribution to the overall restoration costs. The witness stated that the model evaluates the storm's impact for each portion of the system based on the status of the system and if the portion of the system is already hardened. (TR 401) The witness also stated that the major storm event database utilizes information from the NOAA database of major storm events, TECO's historical storm reports, available information on the impact of major storms to other utilities, and TECO's experience in storm recovery. (TR 413)

OPC provided extremely limited testimony specific to this issue. Its witness Mara testified that, contrary to TECO's analysis, prioritizing equipment that is most susceptible to extreme weather events delivers a larger impact at the beginning of each program. (TR 730) Also, OPC's witness Kollen stated that TECO's cost/benefit analysis is flawed due to the inclusion of societal value in the calculations and the view that societal value is a highly subjective measurement. (TR 966-967) TECO argued that OPC misunderstands how monetized CMI was considered in the analysis. TECO explained that its model first calculated the benefits of each SPP project in terms of reduced restoration costs and reduced minutes of customer interruption. (TR 408) After this calculation was performed, the model next monetized the estimated CMI savings so that projects could be ranked against each other by one metric, which is dollars. (TR 431) Therefore, as discussed above, it appears TECO does prioritize assets that would have a likelihood of failing during a storm and those that have the greatest impact on CMI. Therefore, staff recommends that TECO's SPP does prioritize areas of lower reliability performance.

### **CONCLUSION**

TECO's SPP appears to prioritize areas of lower reliability performance.

**Issue 4A:** To what extent is TECO's Storm Protection Plan regarding transmission and distribution infrastructure feasible, reasonable, or practical in certain areas of the Company's service territory, including, but not limited to, flood zones and rural areas?

**Recommendation:** With the exceptions discussed in Issues 6A and 10A, TECO's SPP appears feasible, reasonable, and practical within the Company's service territory. (Maloy)

**Position of the Parties**

**TECO:** There are no areas of the company's service area where it would be impractical, unfeasible, or imprudent to harden. All components of the transmission and distribution system can be hardened to achieve resiliency benefits.

**JOINT PARTIES:** A number of programs and projects in flood zones that DEF has proposed for SPP inclusion would, absent the 2021 Stipulation, be more appropriately addressed in a base rate case since they do not harden the system from extreme storm events. Many of these programs fail the two-prong test. (Note: It appears that the Joint Parties made a scrivener's error in their brief, providing a position for DEF rather than TECO.)

**WALMART:** Walmart adopts the position of OPC.

**PARTIES' ARGUMENTS**

**TECO**

In its brief, TECO stated that its 2022 SPP reflects that it is feasible, reasonable, and practical to harden all components of the company's transmission and distribution system in all areas. TECO argued that customers should benefit from the SPP investments, so TECO took steps to ensure that all parts of the Company's service territory will receive storm protection investments. TECO stated that the intervenors did not present facts to the contrary. (TECO BR 19)

**JOINT PARTIES**

In their joint brief, OPC and FIPUG stated that some projects do not meet the two-prong test and included excessive spending. OPC and FIPUG also stated that some projects should be addressed in base rates instead of the SPP, since they do not harden the system. (Joint Parties BR 9)

In addition, the Joint Parties argued about the inclusion of two substations included in the Substation Extreme Weather Hardening Program: South Gibsonton 230/69 kV Substation and the Skyway 69 kV Substation. The Joint Parties stated both substations should already be upgraded to address storm surge and flooding concerns since portions of them were upgraded between 1999 and 2006. Since the flood maps have been available since 1973, the hardening of these substations should have been completed during their most recent improvements. (Joint Parties BR 7-8)

**WALMART**

Walmart adopts the position of OPC on this issue. (Walmart BR 4)



## ANALYSIS

Section 366.96(4)(b), F.S., states that when reviewing a utility's transmission and distribution storm protection plan, the Commission shall consider the extent to which storm protection of transmission and distribution infrastructure is feasible, reasonable, or practical in certain areas of the utility's service territory, including, but not limited to, flood zones and rural areas. Rule 25-6.030(3)(c), F.A.C, requires a utility to provide a description of the utility's service area, including areas prioritized for enhancement and any areas where the utility has determined that enhancement of the utility's existing transmission and distribution facilities would not be feasible, reasonable, or practical. Such description must include a general map, number of customers served within each area, and the utility's reasoning for prioritizing certain areas for enhanced performance and for designating other areas of the system as not feasible, reasonable, or practical.

As a part of TECO's SPP, the Utility provided a map of its service territory, which included the number of customers served within each area. (EXH 9) TECO witness Pickles testified that all components of the Company's transmission and distribution system can be hardened to achieve resiliency benefits. (TR 340-341) The Company's plan does include some consideration of geography, incorporating elements such as wind speed zones, flood zones, localized vegetation cover, and accessibility of assets. (TR 340) Overall, TECO did not exclude any area of the company's existing transmission and distribution facilities for consideration for enhancement due to feasibility, reasonableness, or practicality concerns. (EXH 9, P 39)

In their joint brief, OPC and FIPUG stated that some projects do not meet the two-prong test and included excessive spending. These programs are discussed in Issues 10A and 6A respectively. OPC also questioned the reasonableness of TECO's Substation Extreme Weather Hardening Program, designed for flood prone areas. OPC argued this Program should only include substations that have a history of flooding and all substations with alternate feeds should be excluded. (TR 734-737; 740-742) To support its position, OPC witness Mara testified that flood maps were issued in 1973; therefore, substations constructed after 1973 should have been designed to account for potential flood waters. Additionally, in instances where a transformer is de-energized due to flooding, the load from that substation could likely be switched to an adjacent substation that is not flooded. In such a case, OPC argued that TECO's Substation Extreme Weather Hardening Program would not reduce outage times.

TECO witness Plusquellic rebutted OPC's arguments and testified that TECO designs all assets to meet or exceed standards in effect at the time of construction. Also, TECO brings equipment up to the current standards when it is replaced or upgraded, but the Company does not upgrade the remainder of the substations to keep control of costs. The witness stated that the referenced flooding standards were not developed to address storm surge and TECO evaluated storm surge potential of its projects using the Sea, Land and Overland Surges from Hurricanes ("SLOSH") Model to determine which substations were at greater risk. (TR 1507-1508) The witness also testified that the nine substations included in this Program were selected because they serve critical load. The loss of some of these substations could trigger the loss of interconnected transmission lines or risk a loss of service to a critical facility if that load could not be switched to another substation. (TR 1508-1509)

Staff recommends TECO has met the requirements of Rule 25-6.030(3)(c), F.A.C, by providing a map of its service area, the number of customers served within each area, and the methodology of prioritizing projects within its programs. For the Substation Extreme Weather Hardening Program, staff agrees with TECO that witness Mara did not present any specific outage or performance data for substations with alternate feeds. He stated that these substations could “likely” be switched to an adjacent substation not experiencing flood conditions; however, witness Mara did not identify any specific substations where this had occurred or could occur in the future. Given the variability of extreme weather events, it is not clear that a scenario as described by witness Mara of an available, unaffected, adjacent substation is reasonable to assume given the limited information. In view of the information presented in TECO’s SPP and witness testimony, specifically on the Substation Extreme Weather Hardening Program, staff believes TECO’s SPP is reasonable in certain areas of the Company’s service territory, including, but not limited to, flood zones and rural areas.

### **CONCLUSION**

With the exceptions discussed in Issues 6A and 10A, TECO’s SPP appears feasible, reasonable, and practical within the Company’s service territory.

**Issue 5A:** What are the estimated costs and benefits to TECO and its customers of making the improvements proposed in the Storm Protection Plan?

**Recommendation:** The estimated costs of TECO's SPP programs are shown in Table 5A-1. The estimated benefits, ranging from 12 percent to 55 percent reduction in customer minutes of interruption, are discussed in Issue 2A. (Maloy)

**Position of the Parties**

**TECO:** Tampa Electric estimates that the total costs for the 2022-2031 SPP are \$2,076 million, resulting in a total revenue requirement of \$1,371 million. The five programs analyzed by 1898 & Co. are expected to reduce restoration costs by \$380-\$531 million and reduce CMI by 29 percent over the next 50 years. The company's Vegetation Management Program is expected to improve SAIFI by 15.3 percent, SAIDI by 9.6 percent, and reduce restoration costs by 22.2 percent.

**JOINT PARTIES:** While TECO has presented a cost/benefit analysis, none of the incremental costs of the expanded or new SPP programs have benefits that exceed the costs when the cost/benefit analyses are corrected. If the programs and projects are not economically justified, then the programs and projects cannot be prudent and the costs would be imprudent and unreasonable.

**WALMART:** Walmart adopts the position of OPC.

**PARTIES' ARGUMENTS**

**TECO**

TECO's 2022 SPP estimated costs are reasonable when compared to the estimated benefits. TECO argued that the net cost of its SPP equates to \$0.65 to \$0.78 per minute to reduce a minute of customer interruption. (TECO BR 19-20) The Company stated that OPC did not present evidence that TECO's data was inaccurate; but instead, discussed inflation. TECO stated that its cost/benefit analysis did prioritize projects and programs that included the highest benefits with the investment. (TECO 20-21)

**JOINT PARTIES**

In its joint brief, OPC and FIPUG stated that since TECO included societal value within their analysis, the actual benefits are uncertain. The Joint Parties also argued that if the Commission should recognize the Company's estimated benefits as correct, the Commission should reduce TECO's SPP costs to its customers by approximately half, which would still provide customers with most of the benefits of the Company's SPP. (Joint Parties BR 9-10)

**WALMART**

Walmart adopts the position of OPC on this issue. (Walmart BR 5)

### ANALYSIS

Section 366.96(4)(c), F.S., states that when reviewing a utility’s transmission and distribution storm protection plan, the Commission shall consider the estimated costs and benefits to the utility and its customers of making the improvements proposed in the plan. Rule 25-6.030(3)(d)4, F.A.C., requires a utility to provide a comparison of the estimated program costs, including capital and operating expenses, and the benefits, as identified and discussed in Issue 2A.

For each SPP program, TECO listed the estimated capital costs and operating expenses, which are summarized in Table 5A-1. TECO compared these costs with the estimated benefits that could be achieved from the completion of its programs. The benefits included the reduction in outage times (CMI reduction), as discussed in Issue 2A. (EXH 9, P 103)

**Table 5A-1  
 TECO’s 2022-2024 SPP Program Costs**

Program Name	2022 (millions)	2023 (millions)	2024 (millions)
Distribution Lateral Undergrounding	\$105.8	\$104.7	\$105.2
Distribution Overhead Feeder Hardening	\$33.4	\$30.7	\$30.7
Vegetation Management	\$26.2	\$29.1	\$28.7
Transmission Asset Upgrades	\$17.0	\$18.0	\$18.1
Substation Extreme Weather Hardening	\$0	\$0.7	\$4.3
Infrastructure Inspections	\$1.6	\$1.6	\$1.6
Transmission Access Enhancement	\$2.4	\$3.0	\$3.0
Legacy Storm Hardening Plan Initiatives	\$13.6	\$14.0	\$14.4
<b>Total</b>	<b>\$200.0</b>	<b>\$201.8</b>	<b>\$205.9</b>

Source: (EXH 9, P 102)

As discussed in previous issues, OPC witness Kollen testified that TECO did perform a cost/benefit analysis; however, the values utilized by the Company were flawed due to the inclusion of societal values within the calculations. (TR 966) OPC’s arguments and staff’s analysis on the requirements of a cost-effectiveness analysis are discussed in Issue 1A. Staff believes that TECO provided the necessary information to meet the requirements of the SPP Rule. As discussed in Issue 2A, TECO estimated the reduction in outage times and restoration costs that would result from the implementation of its proposed SPP programs. TECO also listed in its plan the program costs, including capital and operating expenses. Therefore, the estimated costs and benefits to TECO and its customers as a result of the proposed programs were presented by the Company in its SPP.

### CONCLUSION

The estimated costs of TECO’s SPP programs are shown in Table 5A-1. The estimated benefits, ranging from 12 percent to 55 percent of reduction in customer minutes of interruption, are discussed in Issue 2A.

**Issue 6A:** What is the estimated annual rate impact resulting from implementation of TECO’s Storm Protection Plan during the first 3 years addressed in the plan?

**Recommendation:** The estimated annual rate impact, as provided by TECO, is projected to increase approximately 97 percent for the first three years of its Storm Protection Plan. In order to mitigate the rate impact to TECO’s customers, staff recommends TECO’s Distribution Lateral Undergrounding Program continue at the 2021 annual spending levels, approximately \$79.5 million per year, beginning in 2023. (Maloy)

**Position of the Parties**

**TECO:** The following table shows the full rate impact, regardless of where rates are recovered, of the SPP on typical bills:

Tampa Electric's Storm Protection Plan "Total Cost" Customer Bill Impacts (in percent)				
Customer Class				
	Residential 1000 kWh	Residential 1250 kWh	Commercial 1 MW 60 percent Load Factor	Industrial 10 MW 60 percent Load Factor
2022	2.70%	2.70%	1.17%	1.08%
2023	4.13%	4.13%	1.28%	1.19%
2024	5.31%	5.31%	1.37%	1.29%

**JOINT PARTIES:** Since TECO improperly included certain programs and projects in its proposed SPP, TECO’s customer rate impacts are not properly calculated.

**WALMART:** Walmart takes no position, as Walmart has not conducted this analysis.

**PARTIES’ ARGUMENTS**

**TECO**

In its brief, TECO provided the Company’s estimated rate impacts as required by the SPP Rule. The rate impacts reflect the total cost of TECO’s SPP, despite whether costs are recovered through the SPPCRC or base rates. In response to OPC’s position, TECO argued that it did not act improperly by calculating the estimated rate impacts of the plan after setting the program budgets. The Company also stated that its team was aware of potential rate impacts to customers when preparing the plan, since the 2022 SPP is essentially a continuation of the prior 2020 SPP. (TECO BR 22-24)

**JOINT PARTIES**

In its joint brief, OPC and FIPUG stated that TECO’s rate impacts to customers were improperly calculated. The Joint Parties argued that since TECO did not calculate the specific rate impacts to customers until after the capital expenditure level for the plan was established, customer impact was not considered. The Joint Parties also argued that the customer benefits were inflated, and

some programs are not affordable and thus unjustifiable. OPC and FIPUG also stated that there is no evidence that the Company considered the reasonableness of the customer impact when determining the SPP. The Joint Parties argued that with the economic situation, as well as with the fuel and purchased power cost recovery, the Commission should consider the impact on customer bills and modify TECO's SPP so that customer rate impacts are considered. (Joint Parties BR 10-13)

OPC and FIPUG also stated that the pace of the Distribution Lateral Undergrounding Program is too aggressive and represents over 60 percent of TECO's total SPP capital costs. The Joint Parties argued spending substantially less would only reduce the benefits slightly and would balance the financial impacts of storm hardening activities on customers. The Joint Parties further argued that the Distribution Overhead Feeder Hardening Program is also too aggressive and the budget should be limited to TECO's 2020 SPP level of \$10 million per year. (Joint Parties BR 6-7)

### **WALMART**

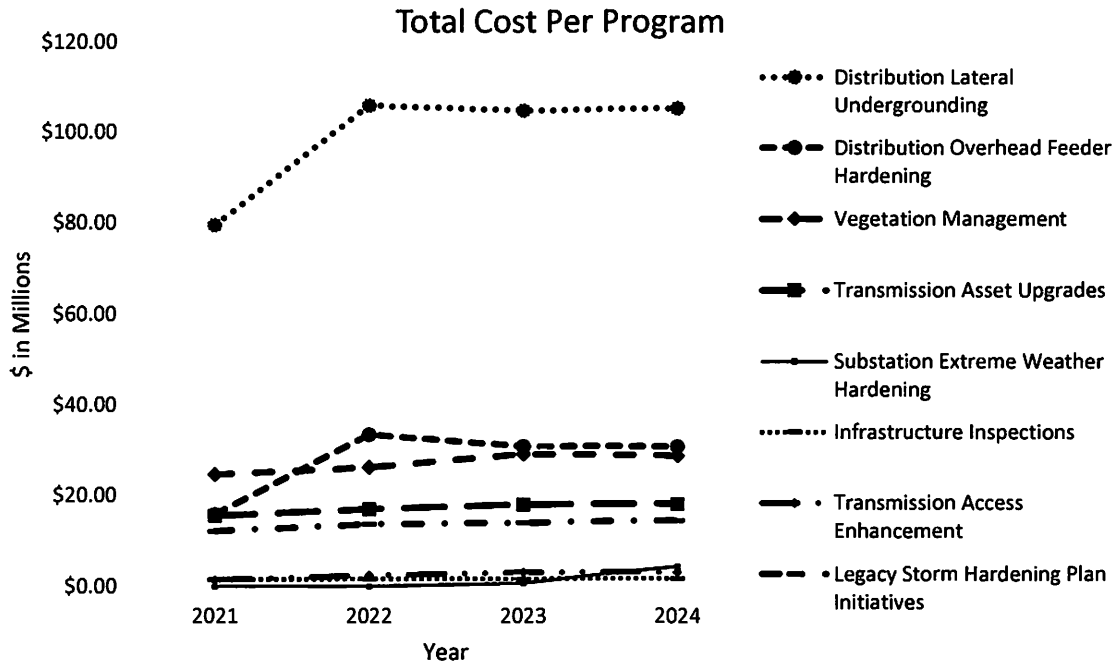
Walmart did not take a position on this issue as it has not conducted an analysis. (Walmart BR 5)

### **ANALYSIS**

Section 366.96(4)(d), F.S., states that when reviewing a utility's transmission and distribution storm protection plan, the Commission shall consider the estimated annual rate impact resulting from implementation of the plan during the first three years addressed in the plan. Rule 25-6.030(3)(h), F.A.C., requires the utilities to provide an estimate of the rate impact for each of the first three years of its SPP for the utility's typical residential, commercial, and industrial customers. In addition, Rule 25-6.030(3)(i), F.A.C., requires the utilities to provide any description of any implementation alternatives that could mitigate the resulting rate impact. This issue will address the annual rate impacts for the first three years of the Company's SPP and deployment alternatives that would mitigate rate impacts to customers.

Figure 6A-1 is a graph of TECO's SPP estimated program costs for 2021 through 2024. As shown on the graph, TECO's Distribution Lateral Undergrounding Program is the highest cost program and has a dramatic increase in 2022, while its other programs are relatively constant.

**Figure 6A-1  
 Total Cost Per SPP Program (2022-2031)**



Source: EXH 9; EXH 37

Pursuant to Rule 25-6.030(3)(h), F.A.C., TECO provided the rate impact information for each customer type, which is shown in Table 6A-1.

**Table 6A-1  
 SPP Estimated Rate Impact (2022-2024)**

Customer Class	2022	2023	2024
Residential (\$/1000 kWh)	\$3.26	\$4.99	\$6.42
Commercial (1MW 60 percent Load Factor)	1.17%	1.28%	1.37%
Industrial (10MW 60 percent Load Factor)	1.08%	1.19%	1.29%

Source: EXH 9, P 107; EXH 79, BSP 4

OPC witness Mara compared TECO’s 2020-2029 SPP to its proposed 2022-2031 SPP capital costs and determined there was an increase of \$109 million in spending over the 10-year plan. (TR 726) Comparing the costs on a per customer basis, witness Mara calculated the ratio of capital spending to the number of customers had increased 7 percent. (TR 727) Witness Mara proposed a reduction of capital spending by \$847 million over the 10-year period. Table 6A-2 is a summary of his adjustments. (TR 729)

**Table 6A-2  
 Witness Mara's Recommended Program Adjustments**

Program	Total 2022-2031 SPP (millions)	Proposed Reductions (millions)	Net 2022-2031 SPP (millions)	Reason for Reduction
Distribution Lateral Undergrounding	\$1,070	(\$570)	\$500	Limit impact to customers
Substation Extreme Weather (Distribution & Transmission)	\$29	(\$29)	\$0	Does not comply with 25-6.030
Distribution Overhead Feeder Hardening	\$317	(\$217)	\$100	Limit impact to customers
Transmission Access Enhancement	\$31	(\$31)	\$0	Does not comply with 25-6.030

Source: (TR 729)

Witness Mara testified that both the Substation Extreme Weather Program and Transmission Access Enhancement Program should be excluded from TECO's SPP, as neither program complied with Rule 25-6.030, F.A.C. (TR 729) The appropriateness of TECO's Substation Extreme Weather Program is addressed in Issue 4A and the appropriateness of TECO's Transmission Access Enhancement Program is addressed in Issue 10A. Because this issue focuses on deployment strategies that can mitigate rate impact, OPC's proposed cost reductions for the remaining two programs identified in Table 6A-2 are discussed below.

OPC witness Mara recommended a reduction in capital spending for the Distribution Lateral Undergrounding Program because the pace for storm hardening is not stated in the Statute, so it is left to the utilities. Witness Mara argued that TECO should limit the spending for this Program and harden the worst performing laterals first, balancing the rate impact with the benefits. (TR 741-742) Witness Mara testified that the costs of this program account for 60 percent of the total SPP budget. (TR 741) While the witness does believe that this program reduces the cost of restoration and reduces outage times caused by extreme weather, witness Mara recommended a capital budget of roughly \$50 million per year, stating that by reducing the budget to \$500 million over the 10-year period the benefits to customers are reduced only slightly. (TR 740-743)

In response to OPC's position to reduce the budget of the Distribution Lateral Undergrounding Program, witness Plusquellic testified that witness Mara's reductions have no reasoned basis, and the OPC witness does not identify specific projects to delay or deny. Witness Plusquellic argued that TECO was thorough and reasoned in determining the funding level of the program. Witness Plusquellic also stated that a reduction to the budget would delay the benefits that all customers would receive from avoided restoration costs and since fewer laterals would be undergrounded, delay the benefit of reduced outage times for some customers. (TR 1514)

OPC witness Mara also recommended a reduction in capital spending for the Distribution Overhead Feeder Hardening Program due to limiting the rate impact to customers. Witness Mara testified that he believed this project will help reduce damage during extreme weather events and thereby reduce restoration costs and outage times. Witness Mara recommended a capital budget of approximately \$10 million per year for a total 10-year budget of \$100 million. (TR 736-737)



The witness also testified that the distribution feeder sectionalizing and automation project, within the Distribution Overhead Feeder Hardening Program, does not reduce restoration costs. (TR 737-738) This project is discussed in Issue 10A.

In response to OPC, TECO witness Plusquellic argued that OPC's proposed budget cuts are arbitrary, and reducing the investment level of the program would delay benefits to the customers. (TR 1509-1510) Staff agrees with TECO that reducing the budget would postpone potential benefits to the customers, but doing so immediately provides some rate impact mitigation. Staff recommends that the Distribution Overhead Feeder Hardening Program would provide benefit to a large number of customers, for a smaller relative budget than the Distribution Lateral Undergrounding Program. For TECO's Distribution Overhead Feeder Hardening Program, staff recommends no adjustment to the program budget. Compared to the Distribution Lateral Undergrounding Program, the program budget for the Distribution Overhead Feeder Hardening Program makes up a smaller percentage of the total SPP costs and will impact a larger number of customers.

Because TECO's Distribution Lateral Undergrounding Program is such a large component of TECO's overall SPP, staff agrees with OPC that reducing the rate impact on customers is appropriate. However, staff disagrees with witness Mara's proposal because his calculation is based on the total program cost for the 10-year period. Staff recommends that making any adjustments based on a 10-year budget is not practical given that the Commission must review a utility's SPP at least every three years as well as conduct annual cost-recovery proceedings. TECO's Distribution Lateral Undergrounding Program accounts for approximately 60 percent of its total SPP budget, and staff recognizes that this program will directly affect a much smaller number of customers when compared to other types of programs such as transmission projects.

Utility facilities are designed and built to serve customers 24/7, and the basic standards of construction and maintenance account for normal weather conditions, including some contingencies such as maintenance requirements, vehicle strikes, lightning, etc. As such, the primary purpose of storm hardening is to mitigate outages due to extreme weather which would subsequently reduce restoration time and costs to all ratepayers. Any resulting improvements to day-to-day reliability are secondary to the goal of storm hardening and would only benefit the customers directly impacted by the project or activity. Since distribution lateral undergrounding projects are smaller in scale and more focused geographically, the likelihood of the project producing benefits for the general body of ratepayers is limited. Realizing that storm hardening costs may or may not produce actual financial benefits during a given time, the Commission has encouraged utilities to focus on projects that would impact the largest number of customers, such as transmission projects, and has relied upon the resulting estimated rate impact to customers as a guide to determine the reasonable level of storm hardening.

Prior to the enactment of Section 366.96, F.S., storm hardening expenditures were recovered from utility customers through base rates. When these prior storm hardening plans were approved, the Commission stated repeatedly that approval of the plan was not approval for cost recovery purposes and that the utility should consider rate impacts as it proactively implemented its plan. (See Order PSC-2019-0302-PAA) These cautionary directives are consistent with the fact that the level of storm hardening is a discretionary activity that requires close attention to the

resulting rate impacts. However, Section 366.96(7), F.S., states, “after a utility’s transmission and distribution storm protection plan has been approved, proceeding with actions to implement the plan shall not constitute or be evidence of imprudence.” Therefore, Commission approval of a storm protection plan is now also an approval of the level of storm protection activity. Such approval also has a direct and more frequent impact on rates due to the annual cost recovery mechanism. Unlike other costs, such as fuel costs, the level of storm hardening and the associated costs are discretionary. There are no mandates as to the activity level of an SPP program that is within TECO’s control. In addition, Rule 25-6.030(3)(i), F.A.C., requires the utilities to provide a description of any alternatives that could mitigate the rate impact for each of the first three years of the SPP. TECO reported that it has not identified any reasonable implementation alternatives that could mitigate the resulting rate impact. (TR 346-347)

For these reasons, staff recommends that TECO’s Distribution Lateral Undergrounding Program continue at the level spent on this program in 2021, approximately \$79.5 million per year, in order to mitigate the rate impact to customers.<sup>8</sup> Staff is not disputing that the Distribution Lateral Undergrounding Program is in the public interest; rather, staff is recommending TECO slow down the program’s activity and annual spending.

### **CONCLUSION**

The estimated annual rate impact, as provided by TECO, is projected to increase approximately 97 percent for the first three years of its Storm Protection Plan. In order to mitigate the rate impact to TECO’s customers, staff recommends TECO’s Distribution Lateral Undergrounding Program continue at the 2021 annual spending levels, approximately \$79.5 million per year, beginning in 2023.

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<sup>8</sup> The actual value will be determined as part of the SPPCRC proceeding.

**Issue 10A:** Is it in the public interest to approve, approve with modification, or deny TECO's Storm Protection Plan?

**Recommendation:** Staff recommends TECO's SPP meets the requirements of Rule 25-6.030, F.A.C., as discussed in Issue 1A. Staff recommends that TECO's SPP, with the following modifications, is in the public interest and should be approved: (1) continue the level of spending for the Distribution Lateral Undergrounding Program at the 2021 level; and, (2) remove the Transmission Access Enhancement Program. TECO should file an amended SPP within 30 days of issuance of the final order for administrative approval by Commission staff. (Maloy)

### **Position of the Parties**

**TECO:** Yes, it is in the public interest to approve Tampa Electric's 2022-2031 Storm Protection Plan without modification because that Plan meets all of the requirements of, and will further all of the objectives of, Section 366.96 of the Florida Statutes and Rule 25-6.030 of the Florida Administrative Code.

**JOINT PARTIES:** The Commission should approve TECO's SPP with the modifications recommended by the Joint Parties. The Commission should make the adjustments as reflected in the table from page 13 of the Direct Testimony of Kevin J. Mara.

**WALMART:** Walmart believes the public interest would benefit if the Commission directs each utility to continue to collaborate with interested stakeholders during the interim period before their next required updated SPPs to develop ways in which customer-sited generation may be utilized as part of the SPP in order to strengthen the T&D systems and provide customers with lower restoration costs, shorter outage periods, and more reliable electric service overall.

## **PARTIES' ARGUMENTS**

### **TECO**

TECO stated that it is in the public interest to approve its 2022-2031 SPP without modification as explained in Issues 2A through 6A of its brief. TECO argued that its SPP meets every requirement specified by the Legislature, and the Commission should consider the four factors set forth within Section 366.96(4), F.S. (TECO BR 24-25) In TECO's brief, the Company also argued that the Transmission Access Enhancement Program would allow the Company to reach their transmission rights-of-way quicker and allow for them to expedite repairs, which is critical to restoration of service. TECO stated during normal weather, when time is not critical, the Company can take a longer route through a different access point or postpone them until conditions at a given access point improve. TECO argued that witness Mara's criticism of not evaluating alternative specialized equipment is incorrect, since TECO does own and operate that type of equipment; but, in TECO's experience this equipment does not resolve all access issues. TECO also stated that the Transmission Access Enhancement Program is not replacing "aging infrastructure" as suggested by OPC, but upgrading existing access points by installing new permanent roads and bridges for improved and faster access during extreme weather events. (TECO BR 13-14)

### **JOINT PARTIES**

In their brief, the Joint Parties argued the Transmission Access Enhancement Program should be excluded from the SPP since this Program should be part of TECO's daily operational maintenance. (Joint Parties BR 4-6)

The Joint Parties also argued that the feeder automation and sectionalizing project within the Overhead Feeder Hardening Program would not reduce outage costs, since the damage would still need to be repaired and cleaned up. Furthermore, the cost may increase since the fault isolation technology equipment may need to be restored, thus this project should be excluded from TECO's SPP. (Joint Parties BR 4-6) The Joint Parties argued the Commission should approve TECO's SPP with the modifications recommended by OPC witness Mara, and shown below in Table 10A-1. (Joint Parties BR 14)

### **WALMART**

In its brief, Walmart stated that the Commission should carefully consider whether TECO's SPP is in the public interest. Walmart asserted that the Florida Legislature determined that there are four factors that the Commission must consider when determining whether to approve, approve with modifications, or deny TECO's SPP. These factors include the extent to which the SPP will reduce restoration costs and power outage times, how practical a certain location selected for infrastructure is relative to TECO's service territory, the cost/benefit to customers, and the impact on customers' bills. Walmart believes that it would be in the public interest if TECO would continue to collaborate with Walmart and other interested stakeholders to develop ways in which customer-sited generation may be utilized to strengthen TECO's system and provide customers with lower restoration costs, shorter outage periods, and more reliable electric service overall. (Walmart BR 2, 6)

### **ANALYSIS**

Section 366.96(5), F.S., requires the Commission to determine, no later than 180 days after a utility files its plan, "whether it is in the public interest to approve, approve with modification, or deny the plan." Unlike the Storm Hardening Plans, Section 366.96(7), F.S., states that once a storm protection plan is approved, a utility's "actions to implement the plan shall not constitute or be evidence of imprudence." As discussed in Issue 1A, staff recommends that TECO's filing satisfies the requirements of Rule 25-6.030, F.A.C., and provides the Commission with adequate information in order to satisfy its statutory requirements. TECO's SPP for the period of 2022-2031 included the following programs:

- Distribution Lateral Undergrounding
- Distribution Overhead Feeder Hardening
- Vegetation Management
- Transmission Asset Upgrades
- Substation Extreme Weather Hardening
- Infrastructure Inspections
- Transmission Access Enhancements
- Legacy Storm Hardening Initiatives

As discussed in prior issues, OPC witness Mara recommended modifications to four of TECO’s SPP programs. The programs are: Distribution Lateral Undergrounding; Substation Extreme Weather Hardening; Distribution Overhead Feeder Hardening; and, Transmission Access Enhancements. Witness Mara also recommended eliminating the Distribution Feeder Sectionalizing and Automation Project from the Distribution Feeder Hardening Program. Witness Mara’s recommendations are summarized in Table 10A-1. FIPUG took the same position and agreed with OPC. Walmart provided no witness testimony; but, argued in its brief that it would be in the public interest if TECO continued to collaborate with Walmart and other interested stakeholders to develop ways in which customer-sited generation may be utilized to strengthen TECO’s system. (Walmart BR 6) Although staff agrees with continuing the collaboration between utilities and interested stakeholders, the SPP Statute does not contemplate customer-sited generation. Section 366.96(2)(b), F.S., defines a transmission and distribution storm protection plan as “a plan for the overhead hardening and increased resilience of electric transmission and distribution facilities, undergrounding of electric distribution facilities, and vegetation management.” Thus, on-site generation does not meet the definition as laid out in the statute. As discussed in Issue 1A, staff does not agree with witnesses Kollen and Mara’s interpretation of the SPP Rule and does not recommend adjustments due to lack of compliance with the SPP Rule to the two programs listed in Table 10A-1.

**Table 10A-1  
 Witness Mara’s Recommended Program Adjustments**

Program	Total 2022-2031 SPP (millions)	Proposed Reductions (millions)	Net 2022-2031 SPP (millions)	Reason for Reduction
Distribution Lateral Undergrounding	\$1,070	(\$570)	\$500	Limit impact to customers
Substation Extreme Weather (Distribution & Transmission)	\$29	(\$29)	\$0	Does not comply with 25-6.030
Distribution Overhead Feeder Hardening	\$317	(\$217)	\$100	Limit impact to customers
Transmission Access Enhancement	\$31	(\$31)	\$0	Does not comply with 25-6.030

Source: (TR 729)

OPC witness Mara’s rate mitigation recommendations for the Distribution Lateral Undergrounding and Distribution Overhead Feeder Hardening Programs were discussed in Issue 6A, as well as staff’s recommended adjustments. OPC witness Mara’s recommendations for the Substation Extreme Weather Hardening Program were discussed in Issue 4A, as well as staff’s recommended adjustments. Witness Mara’s remaining recommended adjustments are discussed below. Apart from the Transmission Access Enhancement Program, the remainder of TECO’s proposed programs meet the requirements of the SPP Rule.

In its proposed SPP, TECO described its Distribution Feeder Sectionalizing and Automation Projects as enhancements that involve increasing the installation of automation equipment, reclosers, trip savers, and other supporting sectionalizing infrastructure on existing distribution circuits. The devices provide many benefits, according to TECO, that will improve the

performance of the overall distribution system during extreme weather events: such as allowing for the automatic transfer of load to neighboring feeders in the event of unplanned outages; allowing for the network to be re-configured automatically to minimize the number of customers experiencing prolonged outages; and reducing restoration time by isolating only those parts of the electrical system that contain faults that require assessment, investigation, follow-up and repair. (EXH 9, P 76-77)

OPC witness Mara stated that the Distribution Feeder Sectionalizing and Automation Project, a project within the Distribution Overhead Feeder Hardening Program, should be eliminated from TECO's 2022 SPP. He argued it would not reduce outage costs since damage would still need to be repaired, as well as the technology utilized needing to be restored or repaired. (TR 737-739) TECO witness Plusquellic argued that this project would allow for quicker identification and isolation of outages, which will reduce the amount of time patrolling, thus allowing for faster release of foreign crews leading to lower restoration costs. (TR 1510-1511) Staff agrees with TECO that this project will reduce the number of customers affected by an outage and allow for earlier detection of outages which leads to reduced outage times and costs.

TECO's witness Plusquellic testified that the Transmission Access Enhancement Program is an existing program that was created so that the Company could restore its transmission system quickly when outages occur. This Program first appeared in TECO's 2020 SPP which was approved by a settlement agreement.<sup>9</sup> One part of the program consists of access road projects that are proposed to restore access to areas impacted by extreme weather or establish new access roads. Access roads are the primary route to transmission facilities for installation, maintenance, and repair. The other part of the program consists of access bridge projects, which enhance or replace the Company's current system of bridges used to access its "off road" transmission facilities. The company identified a net total of 74 access road projects as part of this program and 21 potential bridge projects.

OPC witness Mara testified that maintaining and/or replacing access roads and bridges is not storm hardening. The witness stated that aging infrastructure programs, which do not decrease outage costs and do not reduce outage times when compared to equivalent existing system infrastructure, should go through base rates rather than the SPPCRC because they are ordinary replacements.. (TR 725-726) OPC witness Mara testified that an alternative to the Transmission Access Enhancement Program is the use of specialized equipment to access difficult terrain including track vehicles, large tire vehicles, and floating equipment. The witness stated that an electric utility has a duty to maintain its infrastructure, including roads. Replacing bridges and re-building roads are not enhancement programs, but rather, simply maintaining infrastructure at the same status quo. The witness testified that he is unsure of why TECO has not maintained its access roads and bridges and that any reduction in outage times and restoration costs should be measured against a well-maintained infrastructure of roads and bridges. The witness asserted that bringing inadequate or poor-quality roads and bridges to a well-maintained state does not reduce storm restoration costs or outage times. As such, OPC recommended excluding TECO's Transmission Access Enhancement Program from its proposed SPP. (TR 743-745)

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<sup>9</sup> See Order No. PSC-2020-0293-AS-EI, issued August 28, 2020.

In rebuttal, TECO's witness Plusquellic testified that TECO is not replacing "like for like" bridges, the Company proposed replacing old bridges rated/sized for smaller vehicles, with higher rated and bigger bridges that can support the movement of existing larger trucks and heavy equipment. The witness stated that the installation of new bridges for additional access points and more permanent roads, along with permanent rock roads, will withstand nature for a much longer duration than the Company's current bridges and access points. (TR 1499-1500) While TECO owns some specialized equipment, such as track vehicles and large tire vehicles, the witness stated that they were not evaluated because the equipment does not resolve all access issues. Witness Plusquellic stated that all road projects included in this Program involve construction of new roads at points where a permanent road did not exist before and all bridge projects included in this Program involve construction of new or upgraded bridges. (TR 1518-1519)

Rule 25-6.030 (2)(c), F.A.C., defines transmission and distribution facilities as "all utility owned poles and fixtures, towers and fixtures, overhead conductors and devices, substations and related facilities, land and land rights, roads and trails, underground conduits, and underground conductors." Based on the FERC system of accounts, staff views this definition as inclusive of all components of a transmission or distribution project, not that each component is independently eligible for storm protection cost recovery. For example, a road may need to be repaired or relocated as part of a hardening project that converts wood poles to concrete poles. The total costs of the project, including the cost of road repair, would be included in the transmission plant reporting category and eligible for storm protection cost recovery. Staff agrees with OPC that maintaining access roads for the transmission facilities should be a regular activity and not a storm protection activity. Staff believes the Company should maintain access to its transmission facilities for activities such as vegetation management and inspections prior to hurricane season.

In summary, as discussed in Issue 6A, staff recommends that TECO's Distribution Lateral Undergrounding Program be continued as its 2021 spending level and that the Company's Transmission Access Enhancement Program be excluded from the SPP. With these two modifications, staff recommends that TECO's SPP is in the public interest. TECO should file an amended SPP within 30 days of issuance of the final order for administrative approval by Commission staff.

## **CONCLUSION**

Staff recommends TECO's SPP meets the requirements of Rule 25-6.030, F.A.C., as discussed in Issue 1A. Staff recommends that TECO's SPP, with the following modifications, is in the public interest and should be approved: (1) continue the level of spending for the Distribution Lateral Undergrounding Program at the 2021 level; and (2) remove the Transmission Access Enhancement Program. TECO should file an amended SPP within 30 days of issuance of the final order for administrative approval by Commission staff.

**Issue 11A:** Should this be closed?

**Recommendation:** No. As discussed in Issue 10A, TECO should file an amended SPP within 30 days of the final order for administrative approval by Commission staff. Therefore, the docket shall remain open for staff's verification that the amended SPP has been filed and complies with the Commission's order. Once these actions are complete, this docket should be closed administratively. (Trierweiler, Imig)

**Position of the Parties**

**TECO:** No position provided.

**JOINT PARTIES:** Not at this time.

**WALMART:** Yes.

**PARTIES' ARGUMENTS**

**TECO**

No post-hearing position or argument was provided in its brief.

**JOINT PARTIES**

No post-hearing position or argument was provided in its brief.

**WALMART**

No post-hearing position or argument was provided in its brief.

**CONCLUSION**

As discussed in Issue 10A, TECO should file an amended SPP within 30 days of the final order for administrative approval by Commission staff. Therefore, the docket shall remain open for staff's verification that the amended SPP has been filed and complies with the Commission's order. Once these actions are complete, this docket should be closed administratively



## **Tampa Electric Company Proposed 2022 – 2031 Storm Protection Plan Programs**

### **Distribution Lateral Undergrounding**

TECO's Distribution Lateral Undergrounding program is a program that strategically undergrounds existing overhead laterals. The primary factor in prioritizing laterals to be underground is based on reliability performance during extreme weather events.

### **Distribution Overhead Feeder Hardening**

TECO's distribution system will be hardened to withstand increased wind-loading and harsh environmental conditions associated with extreme weather events by increasing the resiliency and sectionalizing capabilities of the system.

### **Vegetation Management**

TECO's distribution and transmission vegetation management activities are both addressed in this program. TECO's distribution tree trimming program includes circuit tree trimming activities, mid-cycle trimming activities, customer requested work, and work orders associated with circuit improvement processes. TECO's distribution system is on a four-year cycle and the transmission system is on three-year cycle.

### **Transmission Asset Upgrades**

TECO plans to replace its remaining transmission wood poles with non-wood material. This is a continuation of TECO's existing pole replacement program, which includes replacing poles based on preventative, corrective or project-driven assessments.

### **Substation Extreme Weather Hardening**

Hardening existing substations to minimize outages, reduce restoration times and enhance emergency response during extreme weather events is a new program included in TECO's SPP. No projects were planned or completed for 2021 under this program as TECO finished its studies on the substations. Nine substations are recommended for hardening; however, the projects are projected to start in 2023.

### **Infrastructure Inspections**

TECO's distribution wood pole inspections and transmission structure inspections, and the joint use pole attachment audit are combined into one program. The distribution wood pole inspections are on an eight-year cycle program and the transmission structure inspections include a range of inspections from ground to aerial infrared patrols with a range of cycles from annual to eight years.

**Transmission Access Enhancements**

In order to have continuous access to its transmission facilities for restoration, TECO implemented this program in its SPP to maintain the access roads and bridges leading to its facilities. TECO did not plan or complete any projects in 2021 as the Utility continued to focus on the program's specifications, contracts, and plans. However, the utility plans to complete 25 road projects and 19 bridge projects during the 2022-2031 time frame.

**Legacy Storm Hardening Initiatives**

TECO's continuation of Commission Order No. PSC-06-0351-PAA-EI. Included in this program is the Geographical Information System, Post-Storm Data Collection, Outage Data-Overhead and Underground Systems, Increase Coordination with Local Governments, Collaborative Research, Disaster Preparedness and Recovery Plan, and Distribution Pole Replacements.

**366.96 Storm protection plan cost recovery.—**

(1) The Legislature finds that:

(a) During extreme weather conditions, high winds can cause vegetation and debris to blow into and damage electrical transmission and distribution facilities, resulting in power outages.

(b) A majority of the power outages that occur during extreme weather conditions in the state are caused by vegetation blown by the wind.

(c) It is in the state's interest to strengthen electric utility infrastructure to withstand extreme weather conditions by promoting the overhead hardening of electrical transmission and distribution facilities, the undergrounding of certain electrical distribution lines, and vegetation management.

(d) Protecting and strengthening transmission and distribution electric utility infrastructure from extreme weather conditions can effectively reduce restoration costs and outage times to customers and improve overall service reliability for customers.

(e) It is in the state's interest for each utility to mitigate restoration costs and outage times to utility customers when developing transmission and distribution storm protection plans.

(f) All customers benefit from the reduced costs of storm restoration.

(2) As used in this section, the term:

(a) "Public utility" or "utility" has the same meaning as set forth in s. 366.02(8), except that it does not include a gas utility.

(b) "Transmission and distribution storm protection plan" or "plan" means a plan for the overhead hardening and increased resilience of electric transmission and distribution facilities, undergrounding of electric distribution facilities, and vegetation management.

(c) "Transmission and distribution storm protection plan costs" means the reasonable and prudent costs to implement an approved transmission and distribution storm protection plan.

(d) "Vegetation management" means the actions a public utility takes to prevent or curtail vegetation from interfering with public utility infrastructure. The term includes, but is not limited to, the mowing of vegetation, application of herbicides, tree trimming, and removal of trees or brush near and around electric transmission and distribution facilities.

(3) Each public utility shall file, pursuant to commission rule, a transmission and distribution storm protection plan that covers the immediate 10-year planning period. Each plan must explain the systematic approach the utility will follow to achieve the objectives of reducing restoration costs and outage times associated with extreme weather events and enhancing reliability. The commission shall adopt rules to specify the elements that must be included in a utility's filing for review of transmission and distribution storm protection plans.

(4) In its review of each transmission and distribution storm protection plan filed pursuant to this section, the commission shall consider:

(a) The extent to which the plan is expected to reduce restoration costs and outage times associated with extreme weather events and enhance reliability, including whether the plan prioritizes areas of lower reliability performance.

(b) The extent to which storm protection of transmission and distribution infrastructure is feasible, reasonable, or practical in certain areas of the utility's service territory, including, but not limited to, flood zones and rural areas.

(c) The estimated costs and benefits to the utility and its customers of making the improvements proposed in the plan.

(d) The estimated annual rate impact resulting from implementation of the plan during the first 3 years addressed in the plan.

(5) No later than 180 days after a utility files a transmission and distribution storm protection plan that contains all of the elements required by commission rule, the commission shall determine whether it is in the public interest to approve, approve with modification, or deny the plan.

(6) At least every 3 years after approval of a utility's transmission and distribution storm protection plan, the utility must file for commission review an updated transmission and distribution storm protection plan that addresses each element specified by commission rule. The commission shall approve, modify, or deny each updated plan pursuant to the criteria used to review the initial plan.

(7) After a utility's transmission and distribution storm protection plan has been approved, proceeding with actions to implement the plan shall not constitute or be evidence of imprudence. The commission shall conduct an annual proceeding to determine the utility's prudently incurred transmission and distribution storm protection plan costs and allow the utility to recover such costs through a charge separate and apart from its base rates, to be referred to as the storm protection plan cost recovery clause. If the commission determines that costs were prudently incurred, those costs will not be subject to disallowance or further prudence review except for fraud, perjury, or intentional withholding of key information by the public utility.

(8) The annual transmission and distribution storm protection plan costs may not include costs recovered through the public utility's base rates and must be allocated to customer classes pursuant to the rate design most recently approved by the commission.

(9) If a capital expenditure is recoverable as a transmission and distribution storm protection plan cost, the public utility may recover the annual depreciation on the cost, calculated at the public utility's current approved depreciation rates, and a return on the undepreciated balance of the costs calculated at the public utility's weighted average cost of capital using the last approved return on equity.

(10) Beginning December 1 of the year after the first full year of implementation of a transmission and distribution storm protection plan and annually thereafter, the commission shall submit to the Governor, the President of the Senate, and the Speaker of the House of Representatives a report on the status of utilities' storm protection activities. The report shall include, but is not limited to, identification of all storm protection activities completed or planned for completion, the actual costs and rate impacts associated with completed activities as compared to the estimated costs and rate impacts for those activities, and the estimated costs and rate impacts associated with activities planned for completion.

(11) The commission shall adopt rules to implement and administer this section and shall propose a rule for adoption as soon as practicable after the effective date of this act, but not later than October 31, 2019.

**History.**—s. 1, ch. 2019-158; s. 30, ch. 2022-4.

**25-6.030 Storm Protection Plan.**

(1) Application and Scope. Each utility as defined in Section 366.96(2)(a), F.S., must file a petition with the Commission for approval of a Transmission and Distribution Storm Protection Plan (Storm Protection Plan) that covers the utility's immediate 10-year planning period. Each utility must file, for Commission approval, an updated Storm Protection Plan at least every 3 years.

(2) For the purpose of this rule, the following definitions apply:

(a) "Storm protection program" – a category, type, or group of related storm protection projects that are undertaken to enhance the utility's existing infrastructure for the purpose of reducing restoration costs and reducing outage times associated with extreme weather conditions therefore improving overall service reliability.

(b) "Storm protection project" – a specific activity within a storm protection program designed for the enhancement of an identified portion or area of existing electric transmission or distribution facilities for the purpose of reducing restoration costs and reducing outage times associated with extreme weather conditions therefore improving overall service reliability.

(c) "Transmission and distribution facilities" – all utility owned poles and fixtures, towers and fixtures, overhead conductors and devices, substations and related facilities, land and land rights, roads and trails, underground conduits, and underground conductors.

(3) Contents of the Storm Protection Plan. For each Storm Protection Plan, the following information must be provided:

(a) A description of how implementation of the proposed Storm Protection Plan will strengthen electric utility infrastructure to withstand extreme weather conditions by promoting the overhead hardening of electrical transmission and distribution facilities, the undergrounding of certain electrical distribution lines, and vegetation management.

(b) A description of how implementation of the proposed Storm Protection Plan will reduce restoration costs and outage times associated with extreme weather conditions therefore improving overall service reliability.

(c) A description of the utility's service area, including areas prioritized for enhancement and any areas where the utility has determined that enhancement of the utility's existing transmission and distribution facilities would not be feasible, reasonable, or practical. Such description must include a general map, number of customers served within each area, and the utility's reasoning for prioritizing certain areas for enhanced performance and for designating other areas of the system as not feasible, reasonable, or practical.

(d) A description of each proposed storm protection program that includes:

1. A description of how each proposed storm protection program is designed to enhance the utility's existing transmission and distribution facilities including an estimate of the resulting reduction in outage times and restoration costs due to extreme weather conditions;

2. If applicable, the actual or estimated start and completion dates of the program;

3. A cost estimate including capital and operating expenses;

4. A comparison of the costs identified in subparagraph (3)(d)3. and the benefits identified in subparagraph (3)(d)1.; and

5. A description of the criteria used to select and prioritize proposed storm protection programs.

(e) For the first three years in a utility's Storm Protection Plan, the utility must provide the following information:

1. For the first year of the plan, a description of each proposed storm protection project that includes:

- a. The actual or estimated construction start and completion dates;
- b. A description of the affected existing facilities, including number and type(s) of customers served, historic service reliability performance during extreme weather conditions, and how this data was used to prioritize the proposed storm protection project;
- c. A cost estimate including capital and operating expenses; and
- d. A description of the criteria used to select and prioritize proposed storm protection projects.

2. For the second and third years of the plan, project related information in sufficient detail, such as estimated number and costs of projects under every specific program, to allow the development of preliminary estimates of rate impacts as required by paragraph (3)(h) of this rule.

(f) For each of the first three years in a utility's Storm Protection Plan, the utility must provide a description of its proposed vegetation management activities including:

1. The projected frequency (trim cycle);
2. The projected miles of affected transmission and distribution overhead facilities;
3. The estimated annual labor and equipment costs for both utility and contractor personnel; and
4. A description of how the vegetation management activity will reduce outage times and restoration costs due to extreme weather conditions.

(g) An estimate of the annual jurisdictional revenue requirements for each year of the Storm Protection Plan.

(h) An estimate of rate impacts for each of the first three years of the Storm Protection Plan for the utility's typical residential, commercial, and industrial customers.

(i) A description of any implementation alternatives that could mitigate the resulting rate impact for each of the first three years of the proposed Storm Protection Plan.

(j) Any other factors the utility requests the Commission to consider.

(4) By June 1, each utility must submit to the Commission Clerk an annual status report on the utility's Storm Protection Plan programs and projects. The annual status report shall include:

(a) Identification of all Storm Protection Plan programs and projects completed in the prior calendar year or planned for completion;

(b) Actual costs and rate impacts associated with completed activities under the Storm Protection Plan as compared to the estimated costs and rate impacts for those activities; and

(c) Estimated costs and rate impacts associated with programs planned for completion during the next calendar year.

*Rulemaking Authority 366.96 FS. Law Implemented 366.96 FS. History—New 2-18-20.*