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September 29, 2023

VIA: ELECTRONIC FILING

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

Re: Petition for Recovery of Costs Associated with Named Tropical Systems during the 2019-2022 Hurricane Seasons and Replenishment of Storm Reserve by Tampa Electric Company
Dkt. 20230019

Dear Mr. Teitzman:

Attached for filing in the above-styled matter is Tampa Electric Company's Petition for approval of Tampa Electric's actual recoverable storm restoration costs and interest costs related to named tropical systems during the 2018-2022 hurricane seasons.

Thank you for your assistance in connection with this matter.

Sincerely,

Malcolm N. Means

Malcolm N. Means

MNM/bml
Attachment

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Petition for Recovery of Costs Associated with Named Tropical Systems during the 2019-2022 Hurricane Seasons and Replenishment of Storm Reserve by Tampa Electric Company	)	DOCKET NO.: 20230019-EI
	)	FILED: September 29, 2023

PETITION OF TAMPA ELECTRIC COMPANY FOR APPROVAL OF ACTUAL STORM RESTORATION COSTS ASSOCIATED WITH NAMED TROPICAL SYSTEMS DURING THE 2018-2022 HURRICANE SEASONS AND ASSOCIATED TRUE-UP MECHANISM

Tampa Electric Company ("Tampa Electric" or "the company"), pursuant to Rule 28-106.201 and Rule 25-6.0143, Florida Administrative Code ("F.A.C."), submits this Petition and seeks approval of Tampa Electric's actual recoverable storm restoration costs and interest costs related to named tropical systems during the 2018-2022 hurricane seasons in the amount of $135,099,098, Tampa Electric's recovery of such costs, and Tampa Electric's proposed mechanism for true-up of any final over- or under-recovery amount. In support thereof, Tampa Electric states:

Ultimate Facts Alleged

1. The ultimate facts that entitle Tampa Electric to the relief requested herein are the facts set forth in the paragraphs below:

2. Tampa Electric filed a Petition on January 23, 2023 requesting recovery of the actual incremental storm costs incurred in the 2018 through 2021 storm seasons, estimated incremental storm costs incurred during 2022, and replenishment of the storm reserve to $55,860,462, for a total amount of $130,880,964, through an Interim Storm Restoration Surcharge Factor (the "January Petition"). *See* DN 00379-2023.

3. Paragraphs 1 through 92 of the January Petition: described the company; provided the company's service information for the above-captioned docket; described the 2019 Storm Cost

Settlement Agreement;[1] explained the storm cost recovery mechanism in the 2021 Stipulation and Settlement Agreement; described the company's efforts to obtain insurance for transmission and distribution facilities; and identified the named tropical storm systems that impacted Tampa Electric in the 2018 through 2022 storm seasons and the costs charged to the storm reserve associated with those storms. Tampa Electric incorporates Paragraphs 1 through 92 from the January Petition into this Petition by reference.

4. On March 27, 2023, the Commission entered Order No. PSC-2023-0116-PCO-EI in this docket ("March Order"). In the March Order, the Commission approved Tampa Electric's Interim Storm Restoration Charge effective with the first billing cycle of April 2023 and ending with the earlier of full recovery or with the last billing cycle of March 2024. The Commission also ordered that this interim charge would be subject to final true-up.

5. On July 28, 2023, Tampa Electric filed a copy of the audit report for Hurricane Ian performed by PricewaterhouseCoopers as required by the company's 2019 Storm Cost Settlement Agreement in the above-captioned docket. *See* DN 04348-2023.

6. On August 16, 2023, Tampa Electric filed a Supplemental Petition to update the total storm restoration costs from those set out in the company's January Petition and approved in the Commission's March Order to include updated accrued costs and to propose a modified recovery period beginning with the first billing cycle of January 2024 and concluding with the last billing cycle of December 2024. *See* DN 04815-2023.

7. In the March Order, the Commission ordered Tampa Electric to "file documentation of the total storm costs for our review and true-up of any excess or shortfall." Order No. PSC-2023-0116-PCO-EI, at 3. In addition, the Commission ordered that the above-captioned

[1] *See* Order No. PSC-2019-0234-AS-EI, issued June 14, 2019 in Docket No. 20170271-EI (approving 2019 Storm Cost Settlement Agreement).

docket should remain open "pending final reconciliation of actual recoverable storm costs with the amount collected pursuant to the interim storm restoration recovery charge and the calculation of a refund or additional charge if warranted." Order No. PSC-2023-0116-PCO-EI, at 4.

8. In accordance with these requirements in the March Order, Tampa Electric submits this Petition to provide the required documentation of actual recoverable storm costs and to propose a final true-up mechanism for the Interim Storm Restoration Charge.

9. Along with this Petition, the company submits the pre-filed testimony and exhibit of Chip Whitworth, which: (1) document Tampa Electric's recoverable storm costs from the 2018 through 2022 hurricane seasons; (2) demonstrate that the company complied with the travel and work policies in the company's 2019 Storm Cost Settlement Agreement; and (3) demonstrate that the company's recoverable storm restoration costs were prudently incurred.

10. Tampa Electric also submits the pre-filed direct testimony and exhibit of Richard Latta, which document: (1) how the company complied with the cost documentation, audit, and regulatory policy requirements of the company's 2019 Storm Cost Settlement Agreement; (2) how the company accounted for recoverable storm restoration costs in accordance with the Incremental Cost and Capitalization Approach ("ICCA") methodology prescribed in Rule 25-6.0143, F.A.C. and the ICCA Methodology Addendum contained in the 2019 Storm Cost Settlement Agreement; and (3) how the company proposes to true-up any excess or shortfall collected pursuant to the interim storm restoration charge.

11. As explained in Mr. Latta's testimony, Tampa Electric proposes that Mr. Latta will file supplemental testimony in the above-captioned docket following the expiration of the Interim

Storm Restoration Charge.[2] This supplemental testimony will compare the final recoverable storm restoration costs approved by the Commission in this docket with the actual revenues from the Interim Storm Restoration Charge and will include a calculation of any excess or shortfall. Interest will be applied to this amount at the 30-day commercial paper rate. Any resulting over- or under-recovery amount will be trued up through the energy conservation cost recovery clause or some other manner as approved by the Commission.

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

WHEREFORE, Tampa Electric requests that the Commission approve the company's actual recoverable storm restoration costs in the amount of $135,099,098, Tampa Electric's recovery of such costs, and the company's proposed true-up mechanism for the Interim Storm Restoration Charge.

DATED this 29th day of September 2023.

Respectfully submitted,

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ATTORNEYS FOR TAMPA ELECTRIC COMPANY

[2] Pursuant to the March Order, the charge will expire with the last billing cycle of March 2024, or when Tampa Electric fully recovers the $131 million total approved in that Order, whichever occurs first. If the Commission grants Tampa Electric's request for an alternative cost recovery period contained in the company's August 16th Supplemental Petition, the charge will expire either with the last billing cycle of December 2024 or with full recovery, whichever occurs first.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Petition for recovery of actual storm restoration costs, filed on behalf of Tampa Electric Company, has been served by electronic mail on this 29th day of September 2023 to the following:

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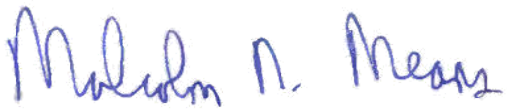

ATTORNEY

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20230019-EI

IN RE: PETITION OF TAMPA ELECTRIC COMPANY FOR RECOVERY OF COSTS ASSOCIATED WITH NAMED TROPICAL SYSTEMS DURING THE 2018 - 2022 HURRICANE SEASONS AND REPLENISHMENT OF STORM RESERVE

DIRECT TESTIMONY AND EXHIBIT

OF

CHIP S. WHITWORTH

FILED: SEPTEMBER 29, 2023

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

CHIP S. WHITWORTH

I. INTRODUCTION

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

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

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

A. I have responsibility for all aspects of Electric Delivery which include Safety; Environmental Compliance; Customer Reliability; Transmission and Distribution Grid and Energy Control Center; Transmission, Substation, and Distribution Engineering and Construction; Storm Protection Plan ("SPP"); Asset Management; Meter Operations; Operational Technology ("OT"); Lighting Operations; Telecommunications; Meter Operations; and Fleet Operations. I provide direct leadership to all the

company's Electric Delivery Directors and lead a team of approximately 1,050 team members.

My duties and responsibilities include the oversight of all functions within Tampa Electric's Electric Delivery Department including the planning, engineering, operation, maintenance, and restoration of the transmission, distribution and substation systems; operation of the distribution and energy control centers; administration of tariffs and compliance; execution of the company's Transmission and Distribution ("T&D") strategic solutions including advanced metering infrastructure ("AMI"), outdoor and streetlight LED conversion project, and advanced distribution management system; line clearance activities; and fleet and equipment. In addition, I am responsible for the safe, timely, and efficient implementation of Tampa Electric's storm restoration plan.

Q. Please describe your educational background and professional experience.

A. I graduated from The University of South Florida with a Bachelor of Science in Civil/Structural Engineering ("BSCE") and a Master of Business Administration ("MBA").

I have more than 26 years of experience in the energy industry, all of which has been at Tampa Electric. Prior to becoming Vice President of Electric Delivery at Tampa Electric in 2022, I held the position of Vice President of Safety beginning in 2021. Prior to taking that role, my work experience included approximately 24 years in Electric Delivery and Energy Supply where I worked as an engineer and held various engineering and operations leadership positions.

Q. What is the purpose of your direct testimony?

A. The purpose of my direct testimony is to 1) describe Tampa Electric's Disaster Preparedness and Recovery Plan; 2) describe Tampa Electric's storm restoration process for the named storms during the 2018 – 2022 storm seasons, including the implementation of the contracting, vendor engagement, travel and work policies components of the storm restoration cost process improvements agreed to in the 2019 Storm Cost Settlement Agreement, approved in Order No. PSC-2019-0234-AS-EI, on June 14, 2019; and 3) describe the storm restoration costs incurred for the named storms during the 2018 – 2022 storm seasons.

Q. Are you sponsoring any exhibits in this proceeding?

A. Yes, I am. Exhibit No. CSW-1, consisting of one document entitled "Tampa Electric Company's Total Restoration Costs by Storm" was prepared under my direction and supervision. This exhibit details the necessary and prudent restoration costs Tampa Electric incurred in restoring the electrical system during the seven named tropical storms ("TS") covered in this proceeding by function and category. In parallel, the testimony of witness Richard J. Latta provides the calculation of Tampa Electric's recoverable storm restoration costs.

II. TAMPA ELECTRIC'S DISASTER PREPAREDNESS AND RECOVERY PLAN

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

A. The objective of Tampa Electric's Disaster Preparedness and Recovery Plan is to restore power safely, efficiently, and effectively to customers as quickly and practically as possible during and following a severe weather event. This is accomplished in accordance with all regulatory, legislative, and industry rules, including those of the Occupational Safety and Health Administration ("OSHA"). It is accomplished in close coordination with all applicable local, regional, state, and federal governmental agencies. It is also accomplished according

to a well-established and always improving plan. Facilities, equipment, and critical customers are restored using both a predetermined prioritization process and a methodology to restore the largest number of customers as quickly as possible. The plan is readily scalable to the size and impacts of the event, and employees are regularly trained in their roles within the plan.

The scale of the implementation of the plan ranges from using only internal resources, to using both internal resources and local contractor resources, up to and including the opening of multiple incident bases and base camps and acquiring resources from regional mutual aid groups ("RMAG") across the country, as well as affiliates and non-RMAG contractor resources.

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

A. Tampa Electric's Disaster Preparedness and Recovery Plan consists of a standard management hierarchy and set of procedures for managing temporary events of any size called an incident command structure ("ICS"). ICS includes procedures to select and form temporary management

hierarchies to manage and control funds, personnel, facilities, resources, and communications. It is designed to be used or applied from the time an event is anticipated, until the requirement for additional management and operations no longer exists. ICS provides logistical and administrative support to operational staff, allowing them to focus on addressing the event. It is cost effective by avoiding duplication of efforts and maximizing utilization of available resources.

As a nationally recognized standardized approach to the command, control, and coordination of emergency response, ICS provides for a common terminology and clear communications within which responders from multiple agencies, public and/or private, can be effective. One of its strengths is the ability to expand or contract in scope to meet the needs of the event to which it is applied. As ICS is standardized nationally and utilized by virtually all first responders in the company's service territory, it allows for effective and efficient coordination of response to events between Tampa Electric and the first responders of the communities the company serves.

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

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

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

Operations: This functional area is responsible for developing and implementing tactics to restore power to the electric system. Operations is led and staffed by individuals with the greatest tactical expertise in dealing with the problem at hand. Tactical response resources including crews, equipment, and material are organized, assigned, and supervised by the Operations section.

Planning: This Planning area is responsible for collecting, evaluating, and displaying event intelligence and

information. The group also prepares and documents Incident Action Plans, tracks resources assigned to the event, maintains event documentation, and develops plans for demobilization.

Logistics: The Logistics group is responsible for ensuring that there are adequate personnel, supplies and equipment resources to support the restoration activities. Logistics is responsible for all services and support needs, including:

- Ordering, obtaining, maintaining, and accounting for essential personnel, equipment, and material;
- Providing communication planning and resources;
- Setting up food services for responders;
- Setting up and maintaining event facilities such as incident bases and housing;
- Providing support transportation; and
- Providing medical services to event personnel.

Finance: The Finance group handles storm financial management and is responsible for the following items:

- Contract negotiation and monitoring;
- Timekeeping;
- Cost analysis;
- Compensation for injury or damage to property; and

- Documentation for reimbursement (under mutual aid agreements and assistance agreements).

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

A. Yes, the company updates the plan on an annual basis. Each year Tampa Electric's Corporate Emergency Management revises the plan based on newly identified improvements, organizational changes, or changes to personnel.

Q. What has Tampa Electric done to harden its electrical systems to reduce outage restoration costs?

A. Prior to 2020, Tampa Electric submitted a "Storm Hardening Plan" to the Commission every three years. These plans included storm hardening activities such as equipment inspections and vegetation management. In 2020 and in 2022, Tampa Electric submitted Storm Protection Plans ("SPP") that included the prior Storm Hardening Plan activities as well as new hardening programs. The company's current SPP consists of the following programs:

- Vegetation Management
- Distribution Lateral Undergrounding
- Transmission Asset Upgrades

- Distribution Overhead Feeder Hardening
- Substation Extreme Weather Hardening
- Infrastructure Inspections
- Legacy Storm Hardening Plan Initiatives
    - Geographical Information System ("GIS")
    - Post-Storm Data Collection
    - Outage Data - Overhead and Underground Systems
    - Increase Coordination with Local Governments
    - Collaborative Research
    - Disaster Preparedness and Recovery Plan
    - Distribution Pole Replacements

Additional information about these programs can be found in Tampa Electric's Commission-approved 2022-2031 SPP.

Q. Have the company's storm hardening efforts resulted in greater resiliency during extreme weather?

A. Yes, Tampa Electric's storm hardening efforts are resulting in increased resiliency. For example, Tampa Electric converted 116 laterals from overhead to underground service prior to Hurricane Ian. During that storm, there were zero outages on the converted underground laterals.

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

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

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

A. Following Hurricane Ian, Electric Delivery compiled a list of action items. Two of those action items serve as good examples of recent plan improvements. First, the Distribution Engineering and Operations team ("DEO") worked closely with the Distribution Control Center ("DCC") to develop a new process for communication and managing workflow. These teams established a working

group to redesign their workflow. The DCC and DEO drilled on the new process over half a dozen times before the 2023 storm season to ensure the process was integrated. All levels of the organization participated in the mock storm events. Second, the company re-evaluated how it utilizes foreign restoration crews. Historically, Tampa Electric's plan called for deploying restoration crews beginning on the second or third day after a storm. After Hurricane Ian, the company improved logistics and operational processes to use the foreign crews on the first day following a storm. This change required additional processes for circuit isolation that were developed by DEO and the DCC and incorporated into company training.

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

A. Tampa Electric begins storm response by closely monitoring weather forecasts. Tampa Electric subscribes to a paid weather forecasting service and monitors the National Weather Service. The company's Electric Delivery Emergency Manager provides daily updates on weather forecasts throughout the year. During the hurricane season, potential storms are identified as early as 10 or

more days ahead of potential impacts to peninsular Florida and the company's service area. If a storm has the potential to threaten Florida and the company's service area, the Electric Delivery Incident Commander will initiate calls with the Electric Delivery Operations team. When a storm is five to seven days away, the Electric Delivery Incident Commander will initiate full or partial Electric Delivery Incident Command Structure, depending on the storm's intensity, forecasted track, and estimated impacts. The Incident Commander also schedules daily or twice daily calls using the established pre-storm agenda. The primary focus of this process is to engage the key process owners in Emergency Management and Mutual Assistance; Safety; Environmental; Customer Experience; Human Resources; Corporate Communications; Energy Supply; Electric Delivery; Logistics Support; Transmission, Substation and Distribution Operations; Transmission and Distribution Control Center; Planning; and Finance. Initial activities include storm modeling and assessing the need for restoration resources based on the weather forecasts. If forecasts for impacts continue to hold, all other areas of the company are quickly activated to execute their responsibilities within the plan. Depending on the size and potential impacts of the storm, the Electric Delivery Incident Commander will

recommend to the Corporate Incident Commander, Tampa Electric's Chief Executive Officer ("CEO"), whether Corporate ICS should be initiated.

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

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

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

A. Tampa Electric ensures that the company's Disaster Preparedness and Recovery Plan is consistently followed through annual training and preparation and mock storm exercises, incorporating updates and changes from lessons learned after an event, as well as having a well-defined Emergency Management and Incident Response Plan where internal resources understand and have been trained on their roles and responsibilities. The plan is reviewed

and updated annually. Everyone that fills a role in the plan is notified and trained. In most cases, there are primary personnel and backup personnel for each role within the plan. All plan documentation is readily accessible by all employees through the company's intranet.

Q. How does Tampa Electric assess its restoration workload requirements?

A. Tampa Electric assesses its restoration workload requirements for storm events through two primary methods. The first is through storm modeling, where the specific attributes of the forecasted weather are modeled based on a history of storm impacts from other events. The modeling is specific to each one of the company's service areas. Based on the projected number of customer outages and the damage expected, the company estimates the manhours necessary to repair the damage and restore power and establishes restoration targets. Smaller storm events may have targets that range between 24 and 48 hours. Restoration targets for larger events may be driven by availability of external resources and other practical limitations within logistics or operations. Once Tampa Electric establishes restoration targets, the company

assesses internal resource availability of both field employees and native contractors, primarily in the areas of damage assessment, line clearance, and T&D line workers, against the needed workhours to complete the work. If the resource requirement is greater than the internal availability, then Tampa Electric will acquire external or foreign resources.

The second method for determining workload requirements is through damage assessment. After the storm, the company sends out damage assessors to T&D circuits, gathers damage information, and returns that information to Tampa Electric's Planning section. With that information and information on actual outage counts from the company's outage management systems, the company can adjust the resource requirement predictions from the modeling and develop a more accurate Estimated Time of Restoration ("ETR"). For large storms, the damage assessment process may require 24 to 48 hours before enough information is available to estimate ETR.

Q. How are external or foreign resources acquired?

A. A foreign crew resource is a work crew supplied by a third party (not the native utility or a native contractor)

that is contracted to work on emergency or storm restoration activities for the native utility. As explained above, Tampa Electric carefully assesses its workload requirements prior to arrival of a named storm. If the company determines that additional resources are necessary to meet this workload, requests aid from the Southeastern Electric Exchange ("SEE") and non-SEE companies.

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

A. Depending on the projected and actual needs for additional assistance, Tampa Electric acquires and utilizes foreign crew resources that perform T&D line work, tree trimming, damage assessment, substation repair, Incident Base Management, and base camp infrastructure. Specialized equipment is also acquired, as needed.

III. 2019 Storm Cost Settlement and Storm Restoration Process

Q. Please describe the terms of the 2019 Storm Cost Settlement Agreement.

A. As part of the 2019 Storm Cost Settlement Agreement, Tampa Electric was able to recover $91 million in storm

restoration costs and replenish the company's storm reserve by using the company's tax savings associated with the Tax Cuts and Jobs Act of 2017. In the settlement agreement, Tampa Electric also agreed to several future process improvements covering a broad range of storm cost recovery issues. These improvements can be broadly grouped into two categories: (1) Contracting and Vendor Engagement, Travel, and Work Policies; and (2) Cost Documentation, Auditing, and Regulatory Recovery Process.

Q. What are the Contracting and Vendor Engagement, Travel, and Work policies included in the settlement?

A. Tampa Electric agreed to apply certain policies and expectations to foreign crews retained by the company. For example, these include a billing start point policy; a travel time billing policy; a pace of travel policy; and a requirement for GPS tracking of foreign crews. These policies are intended to ensure that the company is charged appropriately as foreign crews travel to the company's service area.

Q. Did Tampa Electric implement the future process improvements?

A. Yes, the Contracting and Vendor engagement, Travel, and Work policies in the settlement agreement future process improvements were implemented and applied to the named storm events (2018 – 2022) included in this proceeding. As explained in the pre-filed direct testimony of witness Richard J. Latta in this docket, the company also implemented and applied the cost documentation, auditing, and regulatory recovery policies of the 2019 Storm Cost Settlement Agreement.

Q. When did Tampa Electric implement the Contracting and Vendor Engagement, Travel, and Work Policies?

A. Tampa Electric began implementing the process improvements immediately after Hurricane Irma and has continued to enhance our practices associated with foreign crews through each named storm beginning with Hurricane Dorian. Tampa Electric also developed rate schedules with conditions that track the process improvements. To date, Tampa Electric has agreed-upon rate schedules with 51 separate foreign contractors that may be called on during a storm. As a result, Tampa Electric already has a list of potential foreign contractor partners who have agreed to terms consistent with the process improvements, even before a named storm

approaches the company's service area.

IV. NAMED STORMS

TS ALBERTO

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

A. TS Alberto originated as a subtropical cyclone on May 25, 2018 near the Yucatan Peninsula in Central America. The storm strengthened as it entered the Gulf of Mexico and was upgraded to a tropical storm before ultimately making landfall near Laguna Beach, Florida on May 29, 2018. The storm had minimal impact on the Tampa Electric service territory.

Q. What costs did Tampa Electric incur because of TS Alberto?

A. Due to TS Aberto's projected path, Tampa Electric did not activate ICS. Tampa Electric addressed outages as they came in, similar to the day-to-day outage process. A total of 5,987 Tampa Electric customers experienced outages as a result of TS Alberto. Tampa Electric incurred $43,133 in costs for overtime worked by IBEW-member line crews to restore these customers.

HURRICANE DORIAN

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

A. Hurricane Dorian originated on August 19, 2019 as a tropical wave over western Africa. The storm continued to organize and was classified as Tropical Depression Five on Saturday, August 24, 2019. The storm made landfall on Saint Lucia as TS Dorian on August 27, 2019 and then entered the Caribbean Sea.

Hurricane Dorian intensified into a Category 1 hurricane on August 28, 2019 and made landfall in the U.S. Virgin Islands, and later that day, Governor DeSantis issued a state of emergency for all 26 counties in Florida. Tampa Electric activated ICS and began internal preparations for Hurricane Dorian on August 28, and on August 29, the company requested mutual assistance through SEE. The company asked for mutual assistance resources to be in position by August 31, 2019. Tampa Electric requested 1,257 foreign distribution line resources, 364 foreign line clearance resources, and 146 native contract resources.

By September 1, 2019, Hurricane Dorian had intensified into Category 5 status and made landfall in the Bahamas. The storm then weakened into a Category 2 hurricane and moved north along the east coast of Florida. Tampa Electric released the requested mutual aid resources on August 31, 2019 and returned to normal operations on the same day. Out of the foreign resources requested by Tampa Electric, only the 364 foreign line clearance resources were ultimately used. Hurricane Dorian had minimal impact to the Tampa Electric service territory. For this storm, Tampa Electric followed each of the applicable process improvements that were in place during the preparation for Hurricane Dorian.

Q. What costs did Tampa Electric incur as a result of Hurricane Dorian?

A. Tampa Electric incurred $9,006,413 in costs associated with its request for mutual aid and the retention of foreign distribution line crews and foreign line clearance resources in preparation for a Category 5 hurricane.

TS NESTOR

Q. Please provide an overview of TS Nestor, Tampa Electric's

actions and response to the storm, and how it impacted Tampa Electric's service territory.

A. TS Nestor originated as an area of low pressure near the coast of Central America on October 10, 2019. The storm moved roughly northeast over the Gulf of Mexico, where it strengthened due to warm temperatures, and was upgraded to a tropical storm on October 18, 2019. The storm lost strength and made landfall on October 19, 2019 as a post-tropical storm.

TS Nestor had minimal impact on Tampa Electric's service territory, and Tampa Electric followed each of the applicable process improvements that were in place during preparations of TS Nestor.

Q. What costs did Tampa Electric incur as a result of TS Nestor?

A. Due to TS Nestor's projected path, Tampa Electric did not activate ICS. Tampa Electric addressed outages as they came in, similar to the day-to-day outage process. A total of 14,566 customers experienced outages as a result of TS Nestor. As such, Tampa Electric incurred $63,850 in costs related to IBEW overtime.

TS ETA

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

A. TS Eta originated as a tropical wave off the west coast of Africa around October 22, 2020. The storm moved westward across the Atlantic Ocean and was upgraded to a tropical storm on November 1, 2020. The storm strengthened into a hurricane on November 2 as it passed near Grand Cayman. The storm tracked along the coast of Central America for several days before ultimately making a third landfall in the Florida Keys on November 9, 2020. After making landfall in the Florida Keys, TS Eta then turned westward into the Gulf of Mexico, making landfall again in Tarpon Springs as a tropical storm.

Tampa Electric did not activate ICS for TS Eta, and there was minimal impact to the Tampa Electric service territory. Tampa Electric followed each of the applicable process improvements that were in place during preparations for TS Eta.

Q. What costs did Tampa Electric incur as a result of TS Eta?

A. Due to TS Eta's projected path, Tampa Electric did not activate ICS. Tampa Electric addressed outages as they came in, similar to the day-to-day outage process. Tampa Electric incurred costs totaling $761,388 associated with overtime, native contractor services, and line clearance with 42,059 customers experiencing an outage.

HURRICANE ELSA

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

A. Hurricane Elsa originated as a tropical wave off the west coast of Africa on June 27, 2021. On June 30th, the National Hurricane Center ("NHC") labeled the storm Potential Tropical Cyclone Five. The storm strengthened to tropical storm status by July 1, 2021 as it tracked near Barbados, and developed into a Category 1 hurricane on July 2, 2021. That same day, Governor DeSantis declared a state of emergency for 15 counties in Florida, including Hillsborough, Pasco, and Pinellas Counties.

Tampa Electric activated ICS and began preparations for Hurricane Elsa on July 4, 2021 and requested mutual assistance through the SEE. The company asked foreign

crews to be staged by July 6, 2021. Tampa Electric was able to secure four foreign distribution companies.

Hurricane Elsa made landfall in Taylor County, Florida on July 7, 2021. Approximately 22,000 Tampa Electric customers lost power as the storm moved through the company's service area. Foreign crews were released on July 9, 2021.

Hurricane Elsa had minimal to moderate impact to the Tampa Electric service territory, and Tampa Electric released all foreign resources without utilizing them for storm restoration. Tampa Electric followed each of the process improvements during preparations for, and during recovery from, Hurricane Elsa.

Q. What costs did Tampa Electric incur as a result of Hurricane Elsa?

A. Due to Hurricane Elsa's projected path, Tampa Electric incurred costs totaling $2,001,012 associated with securing the foreign distribution resources.

HURRICANE IAN

Q. Please provide an overview of Hurricane Ian, Tampa

Electric's actions and response to the storm, and how it impacted Tampa Electric's service territory.

A. Hurricane Ian originated as Tropical Depression Nine, which formed early in the morning of Friday, September 23, 2022 as an area of low pressure in the central Caribbean Sea north of the island of Curacao. On September 23, 2022, the NHC reclassified the storm to TS Ian. On September 24, 2022, Governor DeSantis declared a state of emergency for the state of Florida.

Tampa Electric activated ICS and began preparations for the storm on September 25, 2022 and requested mutual assistance through SEE. Tampa Electric requested the crews to arrive by September 28, 2022. Tampa Electric opened base camps and three additional incident bases in-its service territory to assist the 191 native line worker resources and 2,411 foreign line worker resources (including support) that supported Tampa Electric's restoration efforts.

The NHC classified the storm as a hurricane on Monday, September 26, 2022, and the storm continued to strengthen as it tracked over the northwest Caribbean. On Tuesday, September 27th, Hurricane Ian passed over Cuba into the

southeastern Gulf of Mexico. At this time the NHC expected the storm to turn northward.

The storm reached Category 4 strength on September 28, 2022 before making landfall on Cayo Costa in southwest Florida. The storm caused catastrophic storm surge and heavy flooding as it tracked north-northeast. The storm passed over Tampa Electric's service area on September 29, 2022, and approximately 256,000 customers were without power.

The company issued its first ETR on September 30, 2022 and estimated the vast majority of customers would be restored by midnight on October 2, 2022. By 6:00 a.m. on October 2, 2022, 90 percent of the customers affected by Hurricane Ian had been restored. Tampa Electric returned to normal operations on October 4, 2022.

Hurricane Ian had a significant impact on Tampa Electric's service territory. Tampa Electric replaced 256 distribution poles, 21 transmission poles, and over 102,000 feet of primary overhead wire and almost 34,000 feet of secondary and service wire because of the storm. Tampa Electric incurred $130,665,934 in costs. Tampa Electric followed each of the process improvements during

preparations for, and recovery from, Hurricane Ian.

The estimated damage due to Hurricane Ian triggered the outside audit requirement in the 2019 Storm Cost Settlement Agreement. Tampa Electric submitted the report of the third-party, independent auditor for Hurricane Ian costs in this docket on July 28, 2023.

HURRICANE NICOLE

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

A. Hurricane Nicole originated as a low-pressure system that developed near Puerto Rico on November 4, 2022. The storm continued to strengthen over the next few days and the NHC classified the storm as Subtropical Storm Nicole on November 7, 2022. Later that day, Governor DeSantis issued a state of emergency for 34 counties in Florida. On November 9th, Hurricane Nicole strengthened to Category 1 as it made landfall on Grand Bahama. On November 10, 2022, Hurricane Nicole made landfall in Vero Beach, Florida and continued to move across Florida bringing heavy rains and high winds. It then re-emerged into the Gulf of Mexico near Tampa.

Tampa Electric followed each of the process improvements during preparations for, and recovery from, Hurricane Nicole.

Q. What costs did Tampa Electric incur because of Hurricane Nicole?

A. Tampa Electric did not activate ICS for Hurricane Nicole. The company did, however, utilize native contract resources to assist with outages as they came in, similar to the day-to-day outage process. Tampa Electric incurred costs totaling $2,110,448 associated with 101,485 customer outages.

ARCOS

Q. Please provide an overview of the costs associated with ARCOS?

A. As part of the settlement agreement process improvements, Tampa Electric was required to establish a policy under which vendor crews would be tracked "to the maximum extent possible" using GPS software such as ARCOS. Tampa Electric began implementation of the ARCOS application in 2019. ARCOS is utilized to track foreign resources as they travel to the state, local crews working on restoration,

and damage assessment crews in the field.

The consumer party signatories to the 2019 Storm Cost Settlement Agreement agreed that they would support the company's request to recover "start-up costs for the new procedures required under the" agreement. Tampa Electric charged $359,000 associated with implementing the ARCOS system to the storm reserve beginning in 2019.

V. TOTAL STORM RESTORATION COSTS

Q. What is Tampa Electric's total storm restoration cost incurred for the named storms from 2018 through 2022 discussed above?

A. The total storm restoration costs for the named storms from 2018 through 2022 is $145,408,695.

VI. SUMMARY

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

A. Tampa Electric incurred prudent restoration costs by the seven named tropical storms and the costs to implement the ARCOS system in the amount of $145,408,695. This total

includes the interest provision on the storm balance that exceeded the company's storm reserve.

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

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

Q. Please summarize your testimony.

A. Throughout my testimony, I described Tampa Electric's Disaster Preparedness and Recovery Plan and the storm restoration process for the named storms during the 2018 through 2022 storm seasons. I further explained the implementation of the storm restoration process improvements, and lastly, I discussed the storm restoration costs for the named storms during the 2018 through 2022 storm season.

Q. Does this conclude your direct testimony?

A. Yes.

EXHIBIT

OF

CHIP S. WHITWORTH

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Tampa Electric Company
Total Restoration Costs by Storm

	Recoverable	O&M	Capital	Total
Alberto (2018)	$ 1,944	$ 41,190	$ -	$ 43,133
Dorian (2019)	$ 7,499,858	$ 1,497,689	$ 8,865	$ 9,006,413
Nestor (2019)	$ 8,282	$ 55,568	$ -	$ 63,850
Eta (2020)	$ 729,515	$ 31,873	$ -	$ 761,388
Elsa (2021)	$ 1,874,575	$ 94,999	$ 31,438	$ 2,001,012
Ian (2022)	$ 122,985,112	$ 2,921,907	$ 4,758,915	$ 130,665,934
Nicole (2022)	$ 1,243,293	$ 867,155	$ -	$ 2,110,448
Examination (Audit) Costs	$ 359,000	$ -	$ -	$ 359,000
ARCOS Costs	$ 397,518	$ -	$ -	$ 397,518
Grand Total	**$ 135,099,098**	**$ 5,510,380**	**$ 4,799,217**	**$ 145,408,695**

TAMPA ELECTRIC COMPANY
DOCKET NO. 20230019-EI
EXHIBIT NO. CSW-1
DOCUMENT NO. 1
PAGE 1 OF 1
FILED: SEPTEMBER 29, 2023

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

20230019-EI

IN RE: PETITION OF TAMPA ELECTRIC COMPANY FOR RECOVERY OF COSTS ASSOCIATED WITH NAMED TROPICAL SYSTEMS DURING THE 2018 - 2022 HURRICANE SEASONS AND REPLENISHMENT OF STORM RESERVE

DIRECT TESTIMONY AND EXHIBIT

OF

RICHARD J. LATTA

FILED: SEPTEMBER 29, 2023

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

RICHARD J. LATTA

I. INTRODUCTION

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

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

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

A. My duties and responsibilities include maintaining the financial books and records of the company and for the determination and implementation of accounting policies and practices for Tampa Electric. I am also responsible for budgeting activities within the company, which includes business planning, as well as general accounting, regulatory accounting, plant accounting, regulatory tax accounting, and financial reporting.

Q. Please describe your educational background and professional experience.

A. I graduated from the University of South Florida in 2005 with a Bachelor of Science degree in Accounting and a Master of Accountancy in 2007. I am a Certified Public Accountant in the State of Florida. I joined Tampa Electric in 2001 as a Customer Service Representative. Upon completion of my Accounting degree, I joined Tampa Electric's Accounting Department in 2005 as a Financial Reporting Accountant working on the Conservation and Environmental clauses. I held and expanded my roles within Tampa Electric's Accounting Department until I moved to TECO Services Inc. in 2014 as a Corporate Accounting Manager. I returned to Tampa Electric's Accounting Department in 2017 as the Director of Financial Reporting. I am currently the Controller of Tampa Electric and have held this role since July 2021.

Q. What is the purpose of your direct testimony?

A. The purpose of my direct testimony is to 1) describe the process improvements related to cost documentation, auditing, and regulatory recovery requirements agreed to in the 2019 Storm Settlement, 2) to present the actual

storm costs by storm, function and cost category, and 3) to describe the customer impacts of the total actual incremental storm restoration costs on the storm surcharge.

Q. Are you sponsoring any exhibits in this proceeding?

A. Yes, I am. Exhibit No. RJL-1, consisting of 3 documents. Documents No. 1 entitled "Tampa Electric's Total Restoration Costs by Storm and Cost Category" and Document No. 2 entitled "Tampa Electric's Incremental Recoverable Restoration Costs by Storm and Function" were prepared under my direction and supervision. These documents detail the company's total storm costs by detailed category and by function, which support the necessary and prudent restoration costs Tampa Electric incurred in restoring the company's electrical systems in the seven named tropical storms ("TS") in this proceeding. Document No. 3 is Pricewaterhouse Coopers ("PwC")'s Audit Report filed in this docket on July 28, 2023.

II. TAMPA ELECTRIC'S 2019 STORM COST SETTLEMENT

Q. What is the 2019 Storm Cost Settlement?

A. Tampa Electric last filed for recovery of storm restoration

costs in 2017, when the company filed a petition seeking recovery of costs incurred in the 2015, 2016, and 2017 hurricane seasons and replenishment of the company's storm reserve. The Commission approved an interim storm surcharge in March of 2018. The amount of this surcharge was calculated to recover storm restoration costs and replenish the storm reserve to the targeted balance of $55.9M. The company's 2017 storm cost recovery docket was ultimately resolved in 2019 when the Commission approved a Storm Cost Settlement Agreement entered into by Tampa Electric and the intervenors in that docket.

Q. Please describe the terms of the 2019 Storm Cost Settlement Agreement.

A. As part of the 2019 Storm Settlement Agreement, Tampa Electric was able to recover $91 million in storm restoration costs and replenish the company's storm reserve by using the company's tax savings associated with the Tax Cuts and Jobs Act of 2017. Additionally, Tampa Electric agreed to several process improvements covering a broad range of storm cost recovery issues (collectively the "Process Improvements"). These improvements can be broadly grouped into two categories – (1) Contracting and Vendor Engagement, Travel, and Work Policies; and (2) Cost

Documentation, Auditing, and Regulatory Recovery Process. The company agreed to make a "good faith effort" to implement as many of the Process Improvements as possible for the 2019 hurricane season and to fully implement them by the 2020 hurricane season.

Q. What are the Cost Documentation, Auditing, and Regulatory Recovery Process Improvements agreed to in the 2019 Storm Cost Settlement Agreement?

A. As part of the 2019 Storm Cost Settlement Agreement, Tampa Electric agreed to implement Process Improvements surrounding storm cost documentation, to engage an independent auditor to "examine" the company's processes, and to follow an agreed upon regulatory recovery process. Other process improvements are described in the testimony of Tampa Electric witness Chip Whitworth.

Q. When did Tampa Electric implement these Process Improvements?

A. Tampa Electric was able to fully implement the storm cost documentation Process Improvements beginning in 2019 and continues to standardize and improve the process for each storm.

III. PROCESS IMPROVEMENTS RELATED TO COST DOCUMENTATION, AUDITING, AND REGULATORY RECOVERY REQUIREMENTS

Q. What is the Storm Cost Documentation Requirement that you previously mentioned as a component of the Process Improvements?

A. For each named tropical storm, Tampa Electric is required to maintain appropriate documentation, including the following:

- A summary identifying each vendor and corresponding information such as billing, point of origin, distance traveled, etc.;
- A contractor review showing the results of the company's internal review that contains the detail listed on a storm audit narrative, including all exceptions;
- A summary of expenses; and
- Costs identified by storm and cost category, including but not limited to Base Payroll and fringe; Overtime Payroll and fringe; Contractor Cost for line restoration; Line Clearing Contractor Costs; Logistics/Other.

Q. Did Tampa Electric follow this procedure for the 2018 –

2022 storms?

A. Yes, Tampa Electric followed this requirement for the 2018 – 2022 storms with the exception of Alberto, which predated the 2019 Storm Cost Settlement Agreement.

Q. Please explain the Audit Requirement that was mentioned as part of the Process Improvements.

A. Under this provision, Tampa Electric is required to engage an independent outside audit firm to conduct an audit of the recoverable costs for the first named storm where damage claims exceed 50 percent of the company's full authorized storm reserve amount or $40 million, whichever is greater. The audit is intended to validate that any and all storm costs paid were allowable, legitimate, accurate and incurred during an appropriate recovery period. The audit is also intended to ensure that only actual and approved storm costs are recovered in rates. The settlement states that the auditor should be able to evaluate the adequacy and effectiveness of the company's internal controls governing the vendor procurement process. The settlement also states that audit activities should include:

- Interviews with key personnel;

- A review of operating policies and procedures;
- A review of the relevant documents, such as executed contracts, labor and equipment rates, established workday hours, overtime and double time;
- A comparison between vendor employee rosters and approved timesheets and expense receipts;
- An inspection and comparison of paid invoices to submitted expense receipts and submitted timesheets; and
- Recalculated costs and a reconciliation of paid invoices against overall vendor invoice summaries.

Q. Is an audit the appropriate engagement for this type of compliance work?

A. After careful consideration and discussions with the audit firm, Tampa Electric determined that an "examination" was the appropriate type of engagement for this compliance work. An examination engagement is one in which a practitioner is engaged by a client to issue a report of findings based on specific procedures performed on subject matter. The client engages the practitioner to assist specified parties in evaluating subject matter or an assertion as a result of a need for evaluation. In contrast, an audit is a comprehensive examination of the

financial report of an organization as presented in the annual report and performed by someone independent of that organization. The purpose of an audit is to form a view on whether the information presented in the financial report, taken as a whole, reflects the financial position of the organization at a given date.

Q. When was this requirement triggered?

A. This requirement was triggered with Hurricane Ian, which affected the Tampa Electric service territory on September 28, 2022. Information related to Tampa Electric's preparations for and response to Hurricane Ian can be found in Tampa Electric witness Chip Whitworth's testimony.

Q. Did Tampa Electric engage an outside audit firm for the audit of its recoverable costs associated with Hurricane Ian?

A. Yes. Tampa Electric engaged PwC for an independent examination of the company's determination of recoverable storm restoration costs and compliance with the requirements of the 2019 Storm Cost Settlement Agreement. PwC is not the company's annual independent financial

statement auditor required for public companies, which creates additional independence over this engagement.

Q. What is the status of the examination?

A. The examination engagement took approximately 8 weeks to complete. The scope of the examination was to review all incremental storm restoration costs recognized as of June 30, 2023 for costs incurred for the period from September 25, 2022 through December 1, 2022. The examination report was completed on July 26, 2023. Tampa Electric filed its Report in this docket on July 28, 2023.

Q. What were the results of the examination?

A. Upon conclusion of the examination, PwC asserts that Tampa Electric maintained the appropriate documentation to support Hurricane Ian Incremental Storm Restoration Costs, as well as maintained internal controls over the process based on the criteria set forth in the 2019 Storm Cost Settlement.

Q. Is a copy of the examination report included in your exhibit?

A. Yes, Tampa Electric is filing a copy of the examination report as Exhibit No. RJL, Document No. 3.

Q. What are the components of the Regulatory Recovery Process agreed to in the 2019 Storm Cost Settlement Agreement?

A. As part of the settlement agreement, the company agreed to provide supporting documentation, to seek cost recovery for initial process implementation costs, and to follow the Incremental Cost Methodology outlined in Rule 25-6.0143, F.A.C. and the settlement agreement Addendum.

Q. What is the Provision of Supporting Documentation requirement you previously mentioned?

A. In addition to the storm cost documentation requirement, Tampa Electric is required to provide the supporting documentation to Intervenors in response to an agreed, standardized discovery request.

Q. Did Tampa Electric comply with this requirement?

A. The Office of Public Counsel issued its First Request for Production of Documents, totaling 36 requests, and its First Set of Interrogatories, totaling 27

interrogatories, on March 3, 2023. These requests were held in abeyance until after the independent auditor completed the examination and the company filed the report in this docket. Tampa Electric will provide the necessary documentation if the Office of Public Counsel renews the paused discovery requests.

Q. What is the Cost Recovery for Initial Process Implementation Provision that is referenced above as part of the Process Improvements?

A. Tampa Electric incurred costs to implement the new procedures that were required under these processes. As a result, the intervenors agreed that they would not object and would support the recovery of these startup costs.

Q. Is Tampa Electric seeking costs for process implementation?

A. Yes, Tampa Electric is seeking costs for ARCOS, a form of GPS software, and the examination (audit). The costs associated with ARCOS and the examination are $397,518 and $359,000, respectively. Information related to ARCOS can be found in Witness Whitworth's testimony. Tampa

Electric is not, however, seeking to recover base payroll for employees needed to implement the Process Improvements in the 2019 Storm Cost Settlement Agreement.

Q. What is the Incremental Cost Methodology outlined in Rule 25-6.0143, F.A.C.?

A. Per Rule 25-6.0143, Tampa Electric must utilize the Incremental Cost and Capitalization Approach methodology ("ICCA") for determining the costs to be charged to cover storm related damages. This rule also outlines the types of storm related costs charged to the storm reserve, such as contract labor, payroll, fuel costs, vegetation management, and logistics.

Q. What is the Incremental Cost Methodology Addendum and how does it differ from what is proposed in F.A.C 25-6.0143?

A. The Incremental Cost Methodology Addendum is part of the 2019 Storm Cost Settlement. It further prescribes the treatment for storm cost by charge categories specific to the company. The Incremental Cost Methodology Addendum also outlines what additional actions Tampa Electric must take in each of the following areas:

- Base Payroll and fringe;

- Overtime payroll and fringe;
- T&D Non-vegetation Management Contractor costs;
- T&D Vegetation Management Costs;
- Logistics/Other Costs and
- Capitalized Costs.

Finally, the Incremental Cost Methodology Addendum requires Tampa Electric to provide written testimony that details how incremental costs and non-incremental costs were determined in accordance with the Incremental Cost Methodology Addendum and Rule 25-6.0143. Notably, the Consumer Parties agreed in the 2019 Storm Cost Settlement Agreement that the Incremental Cost Methodology Addendum is a reasonable approach to identifying incremental storm costs.

Q. Did Tampa Electric employ the Incremental Cost Methodology Addendum for each of the seven storms listed in the 2018 – 2022 period?

A. Yes, with one exception. Tampa Electric did not implement this methodology for Tropical Storm Alberto in 2018 because that storm predated the 2019 Storm Cost Settlement.

Q. How did Tampa Electric determine whether costs were incremental or non-incremental?

A. Tampa Electric determined whether costs were incremental or non-incremental using the ICCA methodology set forth in Rule 25-6.0143 and the Incremental Cost Methodology Addendum included in the 2019 Storm Cost Settlement. Incremental storm costs were only charged to the storm reserve when they were greater than the calculated monthly average of the applicable costs charged to operation and maintenance expense for the same month in the three previous calendar years. For supplemental details of the methodology used, see the Examination Report in Document No. 3 of Exhibit No. RJL-1.

STORM COSTS

Q. What are the total storm restoration costs incurred by Tampa Electric in the 2018 through 2022 storm seasons?

A. As referenced in Witness Whitworth's testimony, the total storm restoration costs are $145,408,695.

Q. What is the amount of storm restoration costs that Tampa Electric is not seeking recovery for through this proceeding?

A. During the 2018 through 2022 storm seasons, Tampa Electric incurred $5.5 million in non-incremental O&M and $4.8 million in capital that were not charged to the storm reserve. As a result, the company is not seeking recovery of these costs through this proceeding.

Q. Based on the application of Rule 25-6.0143 and the process improvements, what were the incremental recoverable storm restoration costs incurred by Tampa Electric in the 2018 through 2022 storm seasons?

A. After applying the process improvements, as shown on Document No. 2 of my exhibit, the prudently incurred, incremental recoverable storm restoration costs were $135,099,098.

Q. What were the incremental storm restoration costs by storm?

A. As referenced in Document No. 1 of Exhibit No. RJL-1, the prudently incurred incremental restoration costs by storm are as follows:

TS Alberto - $1,944

Hurricane Dorian - $7,499,858

TS Nestor - $8,282

TS Eta - $729,515

Hurricane Elsa - $1,874,575

Hurricane Ian - $122,985,112

Hurricane Nicole - $1,243,293

Exanimation (Audit) costs - $359,000

ARCOS Costs - $397,518

Q. What were the incremental storm restoration costs by function?

A. As referenced in Document No. 2 of Exhibit No. RJL-1, the prudently incurred incremental restoration costs by function are $135,099,098

Q. What were the incremental recoverable storm restoration costs by cost category?

A. Please refer to Document No. 1 of Exhibit No. RJL-1, for the prudently incurred incremental recoverable storm restoration costs by cost category.

Q. Please explain the difference between the amount requested for the interim storm restoration surcharge of $130,880,964, filed in this docket on January 23, 2023 and the total recoverable incremental cost amount of

$135,099,098.

A. The difference between the amount requested in this docket filed on January 23, 2023, and the amount reflected in my testimony are driven by interest calculated on the deferred debit balance, the examination fee referenced above, and outstanding invoices not yet finalized. Tampa Electric will account for any variance related to these outstanding invoices and amend its testimony and exhibits in this proceeding to reflect an adjusted recoverable incremental amount if necessary.

Q. How will Tampa Electric determine the final over/under recovery related to Storm Surcharge and what is Tampa Electric's proposal to refund or charge customers for any excess or shortfall?

A. Upon expiration of the storm surcharge, Tampa Electric will file with the Commission a report that outlines the total amount recovered through the storm surcharge and any excess or shortfall will be recovered through the energy conservation cost recovery clause, with interest applied at the 30- day commercial paper rate.

CUSTOMER IMPACTS

Q. What is the customer impact for the incremental storm restoration costs to be collected?

A. On August 16, 2023, Tampa Electric filed a Supplemental Petition in this docket. Through this Supplemental Petition, the company proposed to adjust its existing storm surcharge factors to account for the additional $4.2 million incurred for storm restoration, compared to the amount included in the January filing. Tampa Electric also requested authority to adjust its storm surcharge from $10.22 per 1,000 kWh per to $2.19 per 1,000 kWh for a typical residential customer starting in January 2024. Tampa Electric originally proposed, and the Commission approved, a 12-month recovery period from April 2023 through March 2024. Through the Supplemental Petition, Tampa Electric proposed to modify the recovery period to collect the estimated un-recovered costs as of December 31, 2023 from January 2024 through December 2024. By spreading the recovery of the storm cost through 2024, Tampa Electric is reducing the impact on customers' bills.

SUMMARY

Q. Please summarize your testimony.

A. My testimony: 1) described the Process Improvements related to cost documentation, auditing, and regulatory recovery requirements agreed to in the 2019 Storm Settlement; 2) presented the actual storm costs by storm, function and cost category; and 3) described the customer impacts of the total actual incremental storm restoration costs on the storm surcharge.

In summary, Tampa Electric is proposing to reduce its Storm Surcharge beginning in the first billing cycle in January 2024 to $2.19 per 1,000 kWh for a typical residential customer based on incremental storm restoration costs of $135,099,098.

Q. Does this conclude your direct testimony?

A. Yes.

EXHIBIT

OF

RICHARD J. LATTA

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Tampa Electric Company
Total Restoration Costs by Storm and Cost Category

	Recoverable	O&M	Capital	Total
Alberto (2018)				
Base Payroll + Fringe	$ -	$ 270	$ -	$ 270
Overtime Payroll + Fringe	$ 1,944	$ 40,920	$ -	$ 42,863
T&D Non-Vegetation Management Contractor costs	$ -	$ -	$ -	$ -
T&D Vegetation Management costs	$ -	$ -	$ -	$ -
Logistics/Other	$ -	$ -	$ -	$ -
Total	**$ 1,944**	**$ 41,190**	**$ -**	**$ 43,133**
Dorian (2019)				
Base Payroll + Fringe	$ -	$ 277,396	$ -	$ 277,396
Overtime Payroll + Fringe	$ -	$ 377,850	$ -	$ 377,850
T&D Non-Vegetation Management Contractor costs	$ 5,596,291	$ 774,875	$ -	$ 6,371,166
T&D Vegetation Management costs	$ 973,414	$ 1,716	$ -	$ 975,129
Logistics/Other	$ 930,154	$ 65,852	$ 8,865	$ 1,004,871
Total	**$ 7,499,858**	**$ 1,497,689**	**$ 8,865**	**$ 9,006,413**
Nestor (2019)				
Base Payroll + Fringe	$ -	$ 311	$ -	$ 311
Overtime Payroll + Fringe	$ 8,282	$ 48,938	$ -	$ 57,220
T&D Non-Vegetation Management Contractor costs	$ -	$ 4,344	$ -	$ 4,344
T&D Vegetation Management costs	$ -	$ -	$ -	$ -
Logistics/Other	$ -	$ 1,975	$ -	$ 1,975
Total	**$ 8,282**	**$ 55,568**	**$ -**	**$ 63,850**
Eta (2020)				
Base Payroll + Fringe	$ -	$ 25,808	$ -	$ 25,808
Overtime Payroll + Fringe	$ 342,394	$ 1,325	$ -	$ 343,719
T&D Non-Vegetation Management Contractor costs	$ 324,250	$ -	$ -	$ 324,250
T&D Vegetation Management costs	$ 62,871	$ -	$ -	$ 62,871
Logistics/Other	$ -	$ 4,740	$ -	$ 4,740
Total	**$ 729,515**	**$ 31,873**	**$ -**	**$ 761,388**
Elsa (2021)				
Base Payroll + Fringe	$ 473,847	$ -	$ 3,137	$ 476,984
Overtime Payroll + Fringe	$ -	$ 50,776	$ 971	$ 51,748
T&D Non-Vegetation Management Contractor costs	$ 1,160,066	$ -	$ -	$ 1,160,066
T&D Vegetation Management costs	$ 106,072	$ -	$ -	$ 106,072
Logistics/Other	$ 134,591	$ 44,223	$ 27,329	$ 206,143
Total	**$ 1,874,575**	**$ 94,999**	**$ 31,438**	**$ 2,001,012**
Ian (2022)				
Base Payroll + Fringe	$ 2,807,941	$ 1,631,880	$ 286,142	$ 4,725,963
Overtime Payroll + Fringe	$ 5,938,412	$ 49,734	$ 642,726	$ 6,630,871
T&D Non-Vegetation Management Contractor costs	$ 83,189,021	$ 325,422	$ 542,780	$ 84,057,224
T&D Vegetation Management costs	$ 9,674,521	$ 64,954	$ -	$ 9,739,475
Logistics/Other	$ 21,375,217	$ 849,917	$ 3,287,267	$ 25,512,401
Total	**$ 122,985,112**	**$ 2,921,907**	**$ 4,758,915**	**$ 130,665,934**
Nicole (2022)				
Base Payroll + Fringe	$ -	$ 555,630	$ -	$ 555,630
Overtime Payroll + Fringe	$ 541,800	$ 150,618	$ -	$ 692,418
T&D Non-Vegetation Management Contractor costs	$ 583,161	$ 78,907	$ -	$ 662,068
T&D Vegetation Management costs	$ 61,758	$ 13,092	$ -	$ 74,850
Logistics/Other	$ 56,574	$ 68,908	$ -	$ 125,481
Total	**$ 1,243,293**	**$ 867,155**	**$ -**	**$ 2,110,448**
Examination (Audit) Costs	**$ 359,000**	$ -	$ -	**$ 359,000**
ARCOS Costs	**$ 397,518**	$ -	$ -	**$ 397,518**
Grand Total	**$ 135,099,098**	**$ 5,510,380**	**$ 4,799,217**	**$ 145,408,695**

Tampa Electric Company
Incremental Recoverable Restoration Costs by Storm and Function

		Generation	Transmission	Distribution	Other	Total
Alberto (2018)		$ -	$ -	$ 1,944	$ -	$ 1,944
Dorian (2019)		$ -	$ -	$ 7,499,858	$ -	$ 7,499,858
Nestor (2019)		$ -	$ -	$ 8,282	$ -	$ 8,282
Eta (2020)		$ -	$ -	$ 729,515	$ -	$ 729,515
Elsa (2021)		$ -	$ 29,642	$ 1,796,884	$ 48,049	$ 1,874,575
Ian (2022)	*	$ 705,937	$ 949,828	$ 115,774,386	$ 5,554,961	$ 122,985,112
Nicole (2022)	*	$ 4,268	$ 142,783	$ 1,039,668	$ 56,574	$ 1,243,293
Examination (Audit) Costs		$ -	$ -	$ -	$ 359,000	$ 359,000
ARCOS Costs		$ -	$ -	$ -	$ 397,518	$ 397,518
Total		$ 710,205	$ 1,122,253	$ 126,850,538	$ 6,416,101	$ 135,099,098

*Estimated Costs Include Interest Charges for 12 months contained in "Other" function

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July 28, 2023

VIA: ELECTRONIC FILING

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

Re: Docket 20230019; Petition for recovery of costs associated with named tropical systems during the 2019-2022 hurricane seasons and replenishment of storm reserve, by Tampa Electric Company

Dear Mr. Teitzman:

Attached for filing in the above-styled matter is PricewaterhouseCoopers' audit report on Tampa Electric Company's Hurricane Ian Incremental Storm Restoration Costs. This audit was performed to comply with Section II.B. of the Storm Restoration Cost Process Improvements reflected in Exhibit One of Tampa Electric's Storm Cost Settlement Agreement, the approval of which was memorialized in Order No. PSC-2019-0234-AS-EI, issued June 14, 2019 in Docket No. 20170271-EI.

Tampa Electric is providing a copy of this letter and the attached report to the parties of record in this docket and requests that they review the report so the company, the parties of record, and Commission Staff can communicate soon on the next steps to be taken in this docket.

Thank you for your assistance in connection with this matter.

Sincerely,

J. Jeffry Wahlen

JJW/ne
Attachment
cc: All parties of record

pwc

Report of Independent Accountants

To the Management of Tampa Electric Company

We have examined the accompanying management assertion of Tampa Electric Company (Tampa Electric) that (i) the accompanying Summary of Hurricane Ian Incremental Storm Restoration Costs is an accurate presentation of the incremental storm restoration costs recognized as of June 30, 2023 for costs incurred for the period from September 25, 2022 through December 1, 2022 based on the criteria described in Notes 1 and 2 and (ii) appropriate documentation to support the accompanying Summary of Hurricane Ian Incremental Storm Restoration Costs has been prepared, as well as that internal controls over the accompanying Summary of Hurricane Ian Incremental Storm Restoration costs have been established and maintained, based on the criteria described in Notes 3 and 4, respectively. Tampa Electric's management is responsible for the assertion. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. In performing our examination, consistent with the Tampa Electric Storm Cost Settlement Agreement filed on April 9, 2019 (Docket No. 20170271-EI), our examination procedures included the following activities:

a) Interviewed key personnel
b) Reviewed operating policies and procedures
c) Reviewed relevant documents, such as executed contracts, labor and equipment rates
d) Compared vendor employee rosters to approved timesheets and expense receipts
e) Inspected and compared paid invoices to submitted expense receipts and timesheets
f) Recalculated and reconciled paid invoices with overall vendor invoice summaries

We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

Management's assertion and our examination procedures were limited to evaluating the accuracy of the information presented in the Summary of Hurricane Ian Incremental Storm Restoration Costs and did not consider the completeness of the information presented in the Summary of Hurricane Ian Incremental Storm Restoration Costs.

The supplemental information to the Summary of Hurricane Ian Incremental Storm Restoration Costs, included on page 8, has been presented by Tampa Electric for additional analysis. Tampa Electric's filing on Document No. 00379-2023 was not part of our examination engagement, and accordingly, we do not express an opinion or provide any assurance on Tampa Electric's filing on Document No. 00379-2023 or the supplemental information.

In our opinion, management's assertion is fairly stated in all material respects.

PricewaterhouseCoopers LLP

New York, New York
July 26, 2023

Management Assertion on the Summary of Hurricane Ian Incremental Storm Restoration Costs

Management of Tampa Electric Company ("Tampa Electric" or the "Company") asserts that the accompanying Summary of Hurricane Ian Incremental Storm Restoration Costs is an accurate presentation of the incremental storm restoration costs recognized as of June 30, 2023 for costs incurred for the period from September 25, 2022 through December 1, 2022 based on the criteria described in Notes 1 and 2.

Management also asserts that appropriate documentation to support the accompanying Summary of Hurricane Ian Incremental Storm Restoration Costs has been prepared, as well as that internal controls over the accompanying Summary of Hurricane Ian Incremental Storm Restoration Costs have been established and maintained, based on the criteria described in Notes 3 and 4, respectively.

Tampa Electric Company
Summary of Hurricane Ian Incremental Storm Restoration Costs
As of June 30, 2023 for Costs Incurred for the period from September 25, 2022 through December 1, 2022

	Type	Settled in Cash	Imputed	Accrued for Future Payment	Total Incremental Storm Restoration Costs
A	Payroll	$ 8,746,353	$ -	$ -	$ 8,746,353
B	Contractor Labor	991,212	-	-	991,212
C	Base Camps	12,812,674	-	-	12,812,674
D	Foreign and Native Crews	83,651,256	-	7,981,000	91,632,256
E	Equipment Rentals	577,952	-	-	577,952
F	Miscellaneous and Logistic Services	2,998,522	-	-	2,998,522
G	Fuel	577,914	-	-	577,914
H	Interest Income	-	2,514,749	-	2,514,749
	Total Incremental Storm Restoration Costs	**$ 110,355,883**	**$ 2,514,749**	**$ 7,981,000**	**$ 120,851,632**

The accompanying notes are an integral part of this Summary of Hurricane Ian Incremental Storm Restoration Costs.

Tampa Electric Company
Notes to the Summary of Hurricane Ian Incremental Storm Restoration Costs
As of June 30, 2023 for Costs Incurred for the period from September 25, 2022 through December 1, 2022

1. Background

Tampa Electric Company ("Tampa Electric" or the "Company") is a public utility providing electric service to approximately 826,700 customers in West Central Florida. Tampa Electric is an indirect, wholly owned subsidiary of Emera Inc., a public energy holding company.

In September 2022, Hurricane Ian struck the Company's service territory, severely damaging parts of the electrical system and causing power outages. Customer interruptions peaked at approximately 256,000 on September 29, 2022. The accompanying Summary of Hurricane Ian Incremental Storm Restoration Costs includes the total incremental storm restoration costs recognized as of June 30, 2023 for costs incurred for the period from September 25, 2022 through December 1, 2022 to repair Tampa Electric's electrical system as a direct result of the effects of Hurricane Ian.

For purposes of this assertion, incurred costs are those for which (A) employees have delivered a service for which base pay, overtime, and labor burdens have been paid, (B-G) vendors have delivered a service for which an amount has been paid or is owed to the vendor, or (H) carrying charges for amounts recognized for A through G, calculated using an annualized 30-day commercial paper rate for AA entities.

Accounting Policies & Regulation

The Company's accounting policies conform to generally accepted accounting principles in the United States of America (US GAAP), including the accounting principles for rate-regulated entities and are in accordance with the accounting requirements and ratemaking practices of the applicable regulatory authorities of the Florida Public Service Commission (FPSC) including the Tampa Electric Storm Cost Settlement Agreement filed on April 9, 2019 (Docket No. 20170271-EI) (hereinafter referred to as the "2019 Storm Cost Settlement Agreement") and the Florida Administrative Code (FAC) rule 25-6.0143. Tampa Electric's operations are subject to regulation by the Federal Energy Regulatory Commission (FERC) and Tampa Electric's retail operations are also subject to regulation by the FPSC.

2. Cost Identification and Basis of Preparation

On June 14, 2019, the FPSC issued an order approving the settlement agreement for the recovery of storm restoration costs associated with the 2015, 2016 and 2017 hurricane seasons and ordering an "incremental cost methodology" and "process improvements" designed to reduce the number of disputes regarding storm restoration costs in the future (the 2019 Storm Cost Settlement Agreement). The cost methodology and process improvements related to incremental storm restoration costs recognized as of June 30, 2023 for costs incurred for the period from September 25, 2022 through December 1, 2022 include the following:

A. **Payroll** represents labor costs (base pay, overtime, and labor burdens) incurred by employees of Tampa Electric or employees of affiliate entities of Tampa Electric for time spent related to storm restoration activities. Payroll costs were evaluated on a monthly basis and only those actual labor costs charged to storm reserve project work orders (i.e., charge codes) that were (a) comprised of (i) base pay plus overtime and labor burdens for transmission & distribution (T&D) employees of Tampa Electric, other employees of Tampa Electric whose cost would otherwise have been recovered via existing regulatory mechanisms ("clause recoverable employees") and employees of affiliate entities of Tampa Electric and (ii) overtime only and labor burdens for all other employees of Tampa Electric (not covered by (a) (i)), and (b) greater than the operation and maintenance expense three-year average for the same month, were deemed recoverable under the Incremental Cost and Capitalization Approach (ICCA) methodology set forth in FAC 25-6.0143*.

B. **Contractor labor** represents labor costs (base pay, overtime) incurred for time spent by third party contractors hired for storm restoration activities. Contractor labor costs were evaluated on a monthly basis and only those actual contractor labor costs charged to storm reserve project work orders (i.e., charge codes) that were greater than the operation and maintenance expense three-year average for the same month, were deemed recoverable under the ICCA methodology set forth in FAC 25-6.0143*. Contractors are third party vendors providing contract services in the utility industry.

C. **Base camps** represent third party vendor costs incurred related to providing staging areas for employees of Tampa Electric, employees of affiliate entities of Tampa Electric, and contractors at locations throughout the service territory in which Tampa Electric provided storm restoration services to customers.

D. **Foreign and native crews** represent third party vendor costs incurred for vegetation management and other T&D (utility field) services related to storm restoration activities. Costs incurred for vegetation management were evaluated on a monthly basis and only those actual vegetation management costs charged to storm reserve project work orders (i.e., charge codes) that were greater than the operation and maintenance expense (excluding vegetation management costs recovered through existing regulatory mechanisms) three-year average for the same month, were deemed recoverable under the ICCA methodology set forth in FAC 25-6.0143*. Approximately $8.0 million of such costs incurred remain unpaid as of June 30, 2023. For purposes of this assertion, foreign and native crews are employees from out-of-state or other Florida based utility providers that are not employees of Tampa Electric or its affiliate entities (A) or third party contractors (B).

E. **Equipment rentals** represent third party vendor costs incurred for equipment, such as helicopters, cars, trucks, dumpsters and porta-toilets, that were rented to support storm restoration activities.

F. **Miscellaneous and logistic services** represent third party vendor costs not captured under base camps, foreign and native crew, and equipment rentals and represents costs incurred related to base camp or incident base set-up and logistic service needs. Examples of these costs include catering, hotel stays, and laundry.

G. **Fuel** represents third party vendor costs incurred for fuel provided at base camps by way of fueling trucks, and miscellaneous fuel costs related to storm restoration activities. Fuel costs were evaluated on a monthly basis and only those actual fuel costs charged to storm reserve project work orders (i.e., charge codes) that were greater than the operation and maintenance expense three-year average for the same month, were deemed recoverable under the ICCA methodology set forth in FAC 25-6.0143*.

H. **Interest income** represents the carrying charges for amounts recognized that is calculated by the Company when the storm reserve balance is in an asset position.

**Under the ICCA methodology set forth in FAC 25-6.0143, additional internal and contract labor hired (or related costs) and fuel costs for storm restoration activities (i.e., transmission and distribution (T&D) utility field activities) (including vegetation management) were only charged to the storm reserve project work orders when greater than the actual monthly average of internal and contract labor (or related) costs and fuel costs, respectively, charged to operation and maintenance expense for the same month in the three previous calendar years. The three-year average was based on calendar years 2019-2021. As permitted by FAC 25-6.0143, and as applicable, management adjusted the historical monthly internal and contract labor (or related) costs and fuel costs charged to operation and maintenance expense from calculated monthly averages. Each adjustment was properly documented, including a detailed explanation of the nature and derivation of the adjustment.*

3. Documentation and Internal Controls

Storm Cost Documentation

For purposes of this assertion, "appropriate documentation to support the accompanying Summary of Hurricane Ian Incremental Storm Restoration Costs has been prepared" means the following:

i. For type A in Note 2, a labor analysis workpaper, which summarized the payroll costs presented in the Summary, including the inputs used to calculate the actual labor costs charged to storm reserve

project work orders (i.e., charge codes) that were greater than the operation and maintenance expense three-year average for the same month.

ii. For type D in Note 2, reconciliation files by third party vendor, which included any reference number associated with discreet vendor crews, billing and point of origin location, distance to travel, assumed travel days, dates secured, date started travel, date arrived, date released, time released, released to whom and, if vendor travels home, the date arrived at home.

iii. For type D in Note 2, a vegetation management analysis workpaper, which summarized the vegetation management costs presented in the Summary, including the inputs used to calculate the actual vegetation management costs charged to storm reserve project work orders (i.e., charge codes) that were greater than the operation and maintenance expense three-year average for the same month.

iv. For third party services and out-of-pocket costs incurred in connection with types B through G in Note 2, a summary in a format that shows total billing (all costs incurred are listed separately).

v. For type G in Note 2, a fuel analysis workpaper, which summarized the fuel costs presented in the Summary, including the inputs used to calculate the actual fuel costs charged to storm reserve project work orders (i.e., charge codes) that were greater than the operation and maintenance expense three-year average for the same month.

vi. For type H in Note 2, an electronic file with the calculation of interest income which included screenshots to support the storm reserve balance on the Company's general ledger at the end of each month for the period from September to June, and the short-term debt rate imputed using publicly-available data.

vii. The Company's request and collection of support obtained for invoice payment was not limited to a pre-established materiality threshold therefore for types B through G in Note 2, storm restoration costs approved for payment are supported by the items described in 2) and 3) in Note 3.

Internal Controls

For purposes of this assertion, "internal controls over the Summary of Hurricane Ian Incremental Storm Restoration Costs have been established and maintained" means the following:

Control objective

To ensure that storm restoration costs incurred and included in the Company's Summary of Hurricane Ian Incremental Storm Restoration Costs are accurate and meet the criteria necessary for recovery under the 2019 Storm Cost Settlement Agreement.

Control activities

1) For the analysis workpapers described in i., iii, and v. in Note 3, an individual other than the preparer of the analysis reviewed the analysis and documented their approval of the analysis.
2) For each foreign and native crew third party vendor (type D in Note 2), described in ii. in Note 3, the Company prepared a storm audit narrative, summarizing the services provided by the third party vendor and the Company's conclusions with respect to the accuracy of such costs, including but not limited to, the Company's review for reasonableness, allowability and compliance with contract terms.
3) For each third party vendor invoice described in ii., iv. and vii. in Note 3, an individual other than the preparer of the storm restoration costs approval documentation reviewed the invoice, supporting documentation, and where applicable, the storm audit narrative.
4) For carrying charges calculated based on the amount deferred as an asset, described in vi. in Note 3, an individual other than the preparer of the calculation reviewed the calculation and documented their approval of the calculation each month.
5) For the Summary of Hurricane Ian Incremental Storm Restoration Costs, the numerical schedules and accompanying notes have been reviewed and approved by the Company's Finance Vice President.
6) The Company prepared an analysis workpaper of T&D capitalized costs and compared it to the combined three-year average of T&D capitalized costs normally incurred in the absence of a storm for the same month considering the 2019 Storm Cost Settlement Agreement. The analysis was prepared

to infer whether the storm reserve project work orders improperly included amounts that, in the absence of a storm, would have been capitalized to property, plant and equipment. For the T&D capitalized cost analysis workpaper, an individual other than the preparer of the analysis reviewed the analysis and documented their approval of the analysis.

Tampa Electric Company
Supplemental information to the Summary of Hurricane Ian Incremental Storm Restoration Costs (unaudited – not part of the examination engagement)
As of June 30, 2023 for Costs Incurred for the period from September 25, 2022 through June 30, 2023

The supplemental information to the Summary of Hurricane Ian Incremental Storm Restoration Costs is a rollforward of the incremental storm restoration costs recognized as of December 31, 2022 (the date of the Company's original filing with the FPSC) to June 30, 2023 for costs incurred for the period from September 25, 2022 through December 1, 2022 plus recoverable costs recognized for costs incurred subsequent to December 1, 2022 related to the third party examination of the Summary of Hurricane Ian Incremental Storm Restoration Costs.

	Incremental Storm Restoration Costs	Settled in Cash	Accrued for Future Payment or Imputed
Recognized as of December 31, 2022 (presented in Document No. 00379-2023)	**$ 119,216,291**	**$ 57,151,020**	**$ 62,065,271**
Adjustments subsequent to Document No. 00379-2023:			
Accrual/Payment Changes:			
Payment of Foreign/Native Crew Invoices	520,741	53,103,741	(52,583,000)
Payment of Other Contractor Invoices	(90,008)	567,992	(658,000)
Imputed Storm Interest Income	1,798,478	-	1,798,478
	2,229,211	**53,671,733**	**(51,442,522)**
Management Adjustments:			
Reverse Duplicate Fred's Catering Invoice	(127,000)	-	(127,000)
3 year Average - Vegetation Mgmt. Adjustment	(59,865)	(59,865)	-
Griffin Reclass - Native Crew	(77,878)	(77,878)	-
Starlink Reclass - Native Crew	(247,777)	(247,777)	-
Post Storm Forensics	(81,350)	(81,350)	-
	(593,870)	**(466,870)**	**(127,000)**
Recognized as of June 30, 2023 (Presented in Management's Assertion)	**$ 120,851,632**	**$ 110,355,883**	**$ 10,495,749**
Recognized costs incurred after December 1, 2022 for Hurricane Ian Incremental Storm Restoration:			
Third Party Examination of Hurricane Ian Incremental Storm Restoration Costs Summary	315,000	315,000	-
Recognized costs incurred after December 1, 2022 for Hurricane Ian Incremental Storm Restoration	**$ 315,000**	**$ 315,000**	**$ -**
Recognized as of June 30, 2023 for Hurricane Ian Incremental Storm Restoration	**$ 121,166,632**	**$ 110,670,883**	**$ 10,495,749**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Audit Report has been furnished by electronic mail on this 28th day of July 2023 to the following:

Major Thompson
Ryan Sandy
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