

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20230019-EI - Petition for recovery of costs associated with named tropical systems during the 2018-2022 hurricane seasons and replenishment of storm reserve, by Tampa Electric Company.

WITNESS: Direct Testimony of Ron Mavrides appearing on behalf of the Staff of the Florida Public Service Commission

DATE FILED: March 1, 2024

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **COMMISSION STAFF**

3 **DIRECT TESTIMONY OF RON MAVRIDES**

4 **DOCKET NO. 20230019-EI**

5 **FEBRUARY 29, 2024**

6

7 **Q. Please state your name and business address.**

8 A. My name is Ron Mavrides. My business address is 14507 Brentwood Drive, Tampa,
9 FL, 33618.

10 **Q. By whom are you presently employed and in what capacity?**

11 A. I am employed by the Florida Public Service Commission (FPSC or Commission) as a
12 Regulatory Analyst III. I have been employed by the Commission since October 2007.

13 **Q. Please give a brief description of your educational background and professional
14 experience.**

15 A. I received a Bachelor of Science Degree in accounting from the University of Central
16 Florida in 1990. I am also a Certified Management Accountant, a Certified Internal Auditor
17 and a Certified Government Auditing Professional. I have worked for the FPSC for 16 years,
18 and I have varied experience in the electric, gas, and water and wastewater industries. My
19 work experience includes various types of rate cases, cost recovery clauses, and utility audits.

20 **Q. Please describe your current responsibilities.**

21 A. My responsibilities consist of planning and conducting utility audits of manual and
22 automated accounting systems for historical and forecasted data.

23 **Q. Have you previously presented testimony before this Commission?**

24 A. Yes. I presented testimony in numerous dockets before this Commission. Those
25 dockets include Docket Nos. 20090001-EI and 20110001-EI and I filed testimony in the

1 Nuclear Cost Recovery Clause Docket Nos. 20140009-EI, 20150009-EI, 20160009-EI, and
2 20170009-EI.

3 **Q. What is the purpose of your testimony?**

4 A. The purpose of my testimony is to sponsor staff's Auditor Report of Tampa Electric
5 Company, which addresses the Utility's filing in Docket No. 20230019-EI. An Auditor's
6 Report was issued in the Docket 20230019-EI. This report is filed with my testimony and is
7 identified as Exhibit RM-1.

8 **Q. Was this audit prepared by you or under your direction?**

9 A. Yes. It was prepared by me and under my direction.

10 **Q. Please describe the objectives of the audit and the procedures performed during**
11 **the audit?**

12 A. The objectives and procedures are listed in the Objectives and Procedures section of
13 the attached Exhibit RM-1 pages 4 of 8 through 6 of 8.

14 **Q. Please review the audit findings in this audit report.**

15 A. There were no audit findings.

16 **Q. Does that conclude your testimony?**

17 A. Yes.

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State of Florida



Public Service Commission

Office of Auditing and Performance Analysis
Bureau of Auditing

Auditor's Report

Tampa Electric Company
Storm Recovery Cost Audit

January 1, 2020 through September 30, 2023

Docket No. 20230019-EI

Audit Control No. 2023-285-2-2

February 14, 2024

Ronald A. Mavrides

Ronald A. Mavrides
Audit Manager

Brian Lenberg

Brian Lenberg
Audit Staff

Donna Brown

Donna Brown
Reviewer

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Purpose

To: Florida Public Service Commission

We have performed the procedures described later in this report to meet the objectives set forth by the Division of Accounting & Finance in its audit service request dated October 12, 2023. We have applied these procedures to the attached schedules prepared by Tampa Electric Company in support of its filing for rate relief in Docket No. 20230019-EI.

The report is intended only for internal Commission use.

Objectives and Procedures

General

Definitions

TECO Energy, Inc. hereinafter referred to as TECO, or Utility

Incremental Costs are costs that are incremental to costs normally charged to non-cost recovery clause operating expenses in the absence of a storm.

Non-incremental Costs are costs that are not incremental to costs normally charged to non-cost recovery clause operating expenses in the absence of a storm.

Background

On September 29, 2023, TECO filed a Petition for Approval of Actual Storm Restoration Costs related to (1) Hurricane Alberto, Dorian, Nestor, Eta, Elsa, Ian, and Nicole, (2) costs for an external audit, and (3) costs for the purchase of ARCOS (a GPS system for tracking work crews).

TECO is seeking total retail recovery in the amount of \$135,099,098. This is pursuant to Rules 28-106.201 and 25-6.0431, Florida Administrative Code (F.A.C.) and the 2021 Settlement Agreement approved by the Florida Public Service Commission in Order No. PSC-2023-0116-PCO-EI.

In accordance with these requirements in the Order, TECO submitted a petition to provide the required documentation of actual recoverable storm costs and proposed a final true-up mechanism for the Interim Storm Restoration Charge.

Expense

Payroll, Overhead and Related Costs

Objectives: The objective was to determine whether payroll, overhead, and related costs were properly stated, were storm-related, and are recoverable pursuant to Rule 25-6.0143, F.A.C.

Procedures: We scheduled payroll, overhead, and related costs by storm. We selected a statistical sample of costs for testing to include payroll, overhead, and logistics and traced the amounts to the invoice and/or supporting documentation. No exceptions were noted.

Employee Expense

Objectives: The objective was to determine whether employee expense was properly stated, storm-related, and recoverable pursuant to Rule 25-6.0143, F.A.C.

Procedures: We scheduled employee expense by storm. We selected a statistical sample of costs for testing which include meals, travel and lodging, and traced the amounts to the invoice and/or supporting documentation. No exceptions were noted.

Contractor Costs

Objectives: The objective was to determine whether contractor costs were properly stated, storm-related, and recoverable pursuant to Rule 25-6.0143, F.A.C.

Procedures: We scheduled contractor costs by storm. We selected a statistical sample of costs for testing and traced the amounts to the supporting documentation. No exceptions were noted.

Materials and Supplies

Objectives: The objective was to determine whether materials and supplies were properly stated, storm-related, and recoverable pursuant to Rule 25-6.0143, F.A.C.

Procedures: We scheduled material and supplies by storm. We selected a statistical sample of costs for detail testing and traced the items to the documentation or supporting invoices. No exceptions were noted.

Other Costs

Objectives: The objective was to determine whether other costs were properly stated, storm-related, and recoverable pursuant to Rule 25-6.0143, F.A.C.

Procedures: We scheduled other operating costs by storm. We selected a statistical sample of costs for detail testing and traced the items to supporting invoices and documentation. No exceptions were noted.

Other

Capitalized Costs

Objectives: The objective was to determine whether the capitalized costs have been accounted for correctly and removed in their entirety from the recoverable costs as per Rule 25-6.0143(1)(d), F.A.C.

Procedures: We requested a detailed description of the capitalized costs as well as the policies and procedures for recording these costs. We tested a sample of the capitalized costs to determine if the Utility included for recovery, only those costs that are allowed by the applicable Rule. No exceptions were noted.

Non-Incremental Costs

Objectives: The objective was to determine whether the non-incremental costs have been accounted for correctly and removed in their entirety from the recoverable costs pursuant to Rule 25-6.0143, F.A.C.

Procedures: We requested a detailed description of non-incremental costs as well as the policies and procedures for recording these costs. We selected a sample of costs for detail testing and traced the items to supporting invoices and documentation. No exceptions were noted.

Third-Party Reimbursements

Objectives: The objective was to determine whether third-party reimbursement costs have been accounted for correctly and removed in their entirety from the recoverable costs pursuant to Rule 25-6.0143(1)(b), F.A.C.

Procedures: We requested a detail listing of any third-party reimbursements or insurance claims. We noted that there were no third-party reimbursements. No exceptions were noted.

Audit Findings

None

Exhibits

Exhibit 1: Total Restoration Costs by Storm and Cost Category

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

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

DOCKET NO. 20230019-EI

DATED: March 1, 2024

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Direct Testimony of Ron Mavrides on behalf of the Florida Public Service Commission has been served by electronic mail to the following this 1st day of March, 2024:

<p>J. Jeffrey Wahlen Malcolm Means Virginia Ponder Ausley Law Firm Post Office Box 391 Tallahassee, Florida 32302 jwahlen@ausley.com mmeans@ausley.com vponder@ausley.com</p> <p>Walt Trierweiler Charles Rehwinkel Mary Wessling c/o The Florida Legislature Office of Public Counsel 111 W. Madison Street, Room 812 Tallahassee, Florida 32399 Trierweiler.walt@leg.state.fl.us Rehwinkel.charles@leg.state.fl.us Wessling.Mary@leg.state.fl.us</p>	<p>Ms. Paula K. Brown Tampa Electric Company Regulatory Affairs Post Office Box 111 Tampa, Florida 33601 regdept@tecoenergy.com</p> <p>Stephanie U. Eaton Spilman Law Firm 110 Oakwood Drive Suite 500 Winston-Salem, NC 27103 seaton@spilmanlaw.com</p> <p>Derick Price Williamson Steven W. Lee Spilman Law Firm 1100 Bent Creek Blvd. Suite 101 Mechanicsburg, PA 17050 dwilliamson@spilmanlaw.com slee@spilmanlaw.com</p>
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/s/ Major R. Thompson

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