

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 Carl Vinson 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 CARL VINSON**

4 **DOCKET NO. 20230019-EI**

5 **FEBRUARY 29, 2024**

6

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

8 A. My name is Carl Vinson. My business address is 2540 Shumard Oak Boulevard,
9 Tallahassee, Florida 32399-0850.

10 **Q. By whom are you presently employed?**

11 A. I am employed by the Florida Public Service Commission (Commission) as the
12 supervisor of the Performance Analysis Section within the Office of Auditing and
13 Performance Analysis.

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

15 A. I oversee a team of five auditors who perform management or operational audits of
16 Commission-regulated utilities. These audits focus on issues such as effectiveness of
17 management and company practices, compliance with internal procedures, adequacy of
18 internal controls, and regulatory compliance.

19 **Q. Briefly describe your educational and professional background.**

20 A. In 1980, I received a Bachelor of Business Administration Degree in Finance from
21 Stetson University in DeLand, Florida. In 1984, I joined the consulting firm of Ben Johnson
22 Associates, Inc. The firm served public service commissions and offices of public counsel
23 around the U.S. in utility rate cases and other regulatory dockets.

24 In 1989, I joined the Commission staff and have served 34 years performing and
25 supervising management and operational audits of regulated electric, gas, water, and

1 telecommunications utilities.

2 **Q. Have you presented testimony before this Commission or any other regulatory**
3 **agency?**

4 A. Yes. In the Commission's Nuclear Cost Recovery Clause Dockets No. 20080009-EI,
5 20090009-EI, 20150009-EI, and 20170009-EI, I filed testimony presenting operational audit
6 reports regarding Florida Power & Light Company and Duke Energy Florida, LLC that
7 evaluated project management internal controls over their nuclear plant extended uprates and
8 the construction of proposed new nuclear units. In the Nuclear Cost Recovery Clause Dockets
9 for the years 2010-2014 and 2016, I also directed and supervised the preparation of similar
10 audits filed as staff testimony.

11 In 2020, I filed testimony regarding the Hurricane Michael storm cost management and
12 payment processing practices of Duke Energy Florida-LLC, Gulf Power Company, and
13 Florida Public Utility Company in Docket Numbers 20190110-EI, 20190038-EI, and
14 20190156-EI, respectively.

15 In February 2024 I filed testimony in Docket No. 20240001-EI regarding my
16 management audit of FPL Nuclear Operations.

17 **Q. Are you sponsoring any exhibits in this docket?**

18 A. No.

19 **Q. Please describe the purpose of your testimony in this docket.**

20 A. My testimony in this docket addresses Issue 2 regarding compliance by Tampa Electric
21 Company (Tampa Electric) with the terms of its 2019 Storm Cost Settlement, approved by
22 Order No. PSC-2019-0234-AS-EI.

23 **Q. Please describe the scope of your review and describe the methods used in your**
24 **analysis.**

25 A. The scope of my review included evaluation of the following:

- 1 • Tampa Electric’s compliance with the 2019 Storm Cost Settlement’s process
- 2 improvements related to Contracting and Vendor Engagement, Travel, and Work
- 3 Policies.
- 4 • Tampa Electric’s efforts to control its restoration and recovery costs from
- 5 Hurricanes Dorian, Elsa, Ian, and Nicole, and Tropical Storms Alberto, Nestor,
- 6 and Eta (the 2018-2022 Named Storms.)
- 7 • Adequacy of the examination by PricewaterhouseCoopers (PwC) of Tampa
- 8 Electric’s invoice review process for the 2018-2022 Named Storms costs.

9 **Q. Please describe your process and methodology in performing this review.**

10 **A.** My review centered on evaluating Tampa Electric’s compliance with the process
11 improvements agreed to in the 2019 Storm Cost Settlement. I issued data requests and
12 reviewed Tampa Electric’s responses regarding its implementation of the process
13 improvements. I also researched Tampa Electric’s implementation of the process
14 improvements by reviewing the work papers prepared by PwC in its evaluation of Tampa
15 Electric’s storm cost recovery processes and procedures. Finally, I evaluated Tampa Electric’s
16 efforts to control the costs of restoration and recovery by reviewing the testimony of Tampa
17 Electric witnesses Whitworth and Latta.

18 **Q. What conclusions did you reach through your review?**

19 **A.** Based upon the information reviewed, I have made the following conclusions:

- 20 • Tampa Electric has complied with the 2019 Storm Cost Settlement’s process
- 21 improvements related to Contracting and Vendor Engagement, Travel, and Work
- 22 Policies.
- 23 • PwC’s evaluation of Tampa Electric’s invoice processing was adequate and
- 24 appropriate, and complied with the requirements of the 2019 Storm Cost
- 25 Settlement.

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- Tampa Electric has made appropriate efforts to minimize restoration and recovery costs through its processes for acquisition and deployment of contractors and Tampa Electric personnel.

Q. Does this complete your testimony?

A. Yes.

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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 Carl Vinson 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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CERTIFICATE OF SERVICE

DOCKET NO. 20240001-EI

Page 2

<p>Major R. Thompson Office of General Counsel Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, Florida 32399 major.thompson@psc.state.fl.us cvaughan@psc.state.fl.us discovery-gcl@psc.state.fl.us</p>	
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/s/ Major R. Thompson

MAJOR R. THOMPSON

Senior Attorney, Office of the General Counsel

FLORIDA PUBLIC SERVICE COMMISSION

2540 Shumard Oak Blvd.

Tallahassee, FL 32399-0850

(850) 413-6199