

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

FILED: April 16, 2024

PREHEARING STATEMENT OF THE OFFICE OF PUBLIC COUNSEL

The Citizens of the State of Florida, through the Office of Public Counsel (OPC), pursuant to Florida Public Service Commission (Commission) Order Establishing Procedure PSC-2023-0309-PCO-EI issued October 17, 2023, and modified by First Order Modifying Order Establishing Procedure PSC-2023-0335-PCO-EI issued November 6, 2023, hereby submit this Prehearing Statement.

APPEARANCES:

Walt Trierweiler
Public Counsel

Charles Rehwinkel
Deputy Public Counsel

Mary A. Wessling
Associate Public Counsel

Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, Florida 32399-1400
On behalf of the Citizens of the State of Florida

1. **WITNESSES:** None.

2. **EXHIBITS:** None.

3. STATEMENT OF BASIC POSITION:

The burden of proof in a Commission proceeding is always on a utility seeking a rate change and upon other parties seeking to change established rates. *Fla. Power Corp. v. Cresse*, 413 So. 2d 1187, 1191 (Fla. 1982). Tampa Electric Company has the burden to prove whether the Commission should approve Tampa Electric's Petition for Approval of Actual Storm Restoration Costs Associated with Named Tropical Systems During the 2018-2022 Hurricane Seasons and Associated True-Up Mechanism.

As a result of the stipulation entered into among the parties to Docket No. 20170271-EI and approved in Order No. PSC-2019-0234-AS- EI (2019 Settlement), Tampa Electric agreed to follow certain processes for incurring storm restoration costs. Tampa Electric also agreed to engage an independent accountant to perform an audit of its compliance with the agreed processes.

The OPC has reviewed Tampa Electric's audit plan, audit report and audit workpapers, and the OPC further conducted discovery involving a review of a representative sample of invoices and cost documentation. After conducting this review and cooperatively meeting with Tampa Electric and their outside auditors, the OPC determined that the company has materially complied with the 2019 Settlement and that the audit was well designed and executed. Tampa Electric has also demonstrated that it maintains a practice of working to continuously improve its stewardship of the resources it acquires for restoring service after severe weather events.

Based on the entirety of the circumstances, Tampa Electric's petition meets the burden of proof established by the 2019 Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by Tampa Electric in this matter, OPC is in support of Tampa Electric's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events.

4. **STATEMENT OF FACTUAL ISSUES AND POSITIONS:**

ISSUE 1: Should the incremental cost and capitalization approach (ICCA) found in Rule 25-6.0143, F.A.C., be used to determine the reasonable and prudent amounts to be included in the restoration costs?

OPC Position: Based on the entirety of the circumstances, Tampa Electric's petition meets the burden of proof established by the 2019 Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by Tampa Electric in this matter, OPC is in support of Tampa Electric's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. Thus, OPC agrees with Tampa Electric.

ISSUE 2: Have the terms of TECO's 2019 Stipulation and Settlement, approved by Order No. PSC-2019-0234-AS-EI, issued June 14, 2019, been complied with? If not, why not?

OPC Position: Based on the entirety of the circumstances, Tampa Electric's petition meets the burden of proof established by the 2019 Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by Tampa Electric in this matter, OPC is in support of Tampa Electric's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. Thus, OPC agrees with Tampa Electric.

ISSUE 3: What is the reasonable and prudent amount of regular payroll expense to be included in the restoration costs?

OPC Position: Based on the entirety of the circumstances, Tampa Electric's petition meets the burden of proof established by the 2019 Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by Tampa Electric in this matter, OPC is in support of Tampa Electric's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. Thus, OPC agrees with Tampa Electric.

ISSUE 4: What is the reasonable and prudent amount of overtime payroll expense to be included in the restoration costs?

OPC Position: Based on the entirety of the circumstances, Tampa Electric's petition meets the burden of proof established by the 2019 Settlement and other applicable laws. As

a result of the due diligence performed by the OPC and the cooperation by Tampa Electric in this matter, OPC is in support of Tampa Electric's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. Thus, OPC agrees with Tampa Electric.

ISSUE 5: What is the reasonable and prudent amount of contractor costs to be included in the restoration costs?

OPC Position: Based on the entirety of the circumstances, Tampa Electric's petition meets the burden of proof established by the 2019 Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by Tampa Electric in this matter, OPC is in support of Tampa Electric's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. Thus, OPC agrees with Tampa Electric.

ISSUE 6: What is the reasonable and prudent amount of vegetation and line clearing costs to be included in the restoration costs?

OPC Position: Based on the entirety of the circumstances, Tampa Electric's petition meets the burden of proof established by the 2019 Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by Tampa Electric in this matter, OPC is in support of Tampa Electric's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. Thus, OPC agrees with Tampa Electric.

ISSUE 7: What is the reasonable and prudent amount of employee expenses to be included in the restoration costs?

OPC Position: Based on the entirety of the circumstances, Tampa Electric's petition meets the burden of proof established by the 2019 Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by Tampa Electric in this matter, OPC is in support of Tampa Electric's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. Thus, OPC agrees with Tampa Electric.

ISSUE 8: What is the reasonable and prudent amount of materials and supplies expense to be included in the restoration costs?

OPC Position: Based on the entirety of the circumstances, Tampa Electric's petition meets the burden of proof established by the 2019 Settlement and other applicable laws. As

a result of the due diligence performed by the OPC and the cooperation by Tampa Electric in this matter, OPC is in support of Tampa Electric's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. Thus, OPC agrees with Tampa Electric.

ISSUE 9: What is the reasonable and prudent amount of logistics costs to be included in the restoration costs?

OPC Position: Based on the entirety of the circumstances, Tampa Electric's petition meets the burden of proof established by the 2019 Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by Tampa Electric in this matter, OPC is in support of Tampa Electric's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. Thus, OPC agrees with Tampa Electric.

ISSUE 10: What is the reasonable and prudent total amount of costs to be included in the restoration costs?

OPC Position: Based on the entirety of the circumstances, Tampa Electric's petition meets the burden of proof established by the 2019 Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by Tampa Electric in this matter, OPC is in support of Tampa Electric's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. Thus, OPC agrees with Tampa Electric.

ISSUE 11: What is the reasonable and prudent amount of storm-related costs that should be capitalized?

OPC Position: Based on the entirety of the circumstances, Tampa Electric's petition meets the burden of proof established by the 2019 Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by Tampa Electric in this matter, OPC is in support of Tampa Electric's commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. Thus, OPC agrees with Tampa Electric.

ISSUE 12: What is the appropriate accounting treatment associated with any storm costs found to have been imprudently incurred?

OPC Position: Based on the entirety of the circumstances, Tampa Electric’s petition meets the burden of proof established by the 2019 Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by Tampa Electric in this matter, OPC is in support of Tampa Electric’s commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. Thus, OPC agrees with Tampa Electric.

ISSUE 13: If applicable, how should any under-recovery or over-recovery be handled?

OPC Position: OPC is able to facilitate a Type 2 stipulation.

ISSUE 14: Should this docket be closed?

OPC Position: No position.

CONTESTED ISSUES:

ISSUE A: Should any cost recovery approved in this docket be recovered from demand-metered customers through the demand charge?

OPC Position: No position.

TAMPA ELECTRIC PROPOSED ISSUE:

ISSUE B: What additional storm restoration process improvements should Tampa Electric follow in future storms?

OPC Position: Based on the entirety of the circumstances, Tampa Electric’s petition meets the burden of proof established by the 2019 Settlement and other applicable laws. As a result of the due diligence performed by the OPC and the cooperation by Tampa Electric in this matter, OPC is in support of Tampa Electric’s commitment to an ongoing, continuous storm restoration process improvement plan so that current and future customers only pay for prudent, cost-effective storm restoration costs incurred due to extreme weather events. Thus, OPC agrees with Tampa Electric.

5. **STIPULATED ISSUES:** None at this time.

6. **PENDING MOTIONS:** None at this time.

7. **STATEMENT OF PARTY'S PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY:**

OPC has no pending requests or claims for confidentiality at this time.

8. **OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT:**

OPC has no objections to the qualification of any witnesses as an expert in the field which they pre-filed testimony as of the present date.

9. **SEQUESTRATION OF WITNESSES:**

OPC does not request the sequestration of any witness at this time.

10. **STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE:**

There are no requirements of the Order Establishing Procedure with which OPC cannot comply.

Respectfully submitted,

Walt Trierweiler
Public Counsel

/s/ Mary A. Wessling
Mary A. Wessling
Associate Public Counsel
Florida Bar No. 93590

Charles J. Rehwinkel
Deputy Public Counsel
Florida Bar No. 527599

Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400

*Attorneys for the Citizens
of the State of Florida*

CERTIFICATE OF SERVICE
DOCKET NO. 20230019-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail on this 16th day of April 2024, to the following:

Major Thompson
Ryan Sandy
Office of the General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
mthompso@psc.state.fl.us
rsandy@psc.state.fl.us
discovery-gcl@psc.state.fl.us

Derrick Price Williamson
Steven W. Lee
c/o Spilman Law Firm
1100 Bent Creek Blvd., Suite 101
Mechanicsburg, PA 17050
dwilliamson@spilmanlaw.com
slee@spilmanlaw.com

J. Jeffrey Wahlen
Malcolm N. Means
Virginia L. Ponder
Ausley McMullen
P.O. Box 391
Tallahassee, FL 32302
jwahlen@ausley.com
mmeans@ausley.com
vponder@ausley.com

Stephanie U. Eaton
c/o Spilman Law Firm
110 Oakwood Drive, Suite 500
Winston-Salem, NC 27103
seaton@spilmanlaw.com

Paula K. Brown
Regulatory Affairs
P.O. Box 111
Tampa, FL 33601-0111
regdept@tecoenergy.com

/s/ Mary A. Wessling
Mary A. Wessling
Associate Public Counsel
Wessling.Mary@leg.state.fl.us