| FILED 6/17/2020                |
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| DOCUMENT NO. 03129-2020        |
| <b>FPSC - COMMISSION CLERK</b> |
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|    | FPSC - COMINISSION CLERK                                      |                        |
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| 1  | BEFORE  | THE                    |
| 2  | FLORIDA PUBLIC SER  | VICE COMMISSION        |
| 3  | In the Matter of:   |                        |
| 4  |   | DOCKET NO. 20200145-EI |
| 5  |   | DOCKEI NO. ZUZUUI45-EI |
|    | PETITION TO APPROVE THE 2020<br>SETTLEMENT AGREEMENT BY TAMPA |                        |
| 6  | ELECTRIC COMPANY.   | /                      |
| 7  |   | DOCKET NO. 20200064-EI |
| 8  | PETITION FOR A LIMITED  |                        |
| 9  | PROCEEDING TO APPROVE FOURTH<br>SOBRA, BY TAMPA ELECTRIC COMP | ANY.                   |
| 10 |   | /                      |
| 11 |   | DOCKET NO. 20200065-EI |
| 12 | PETITION FOR A LIMITED<br>PROCEEDING TO ELIMINATE             |                        |
| 13 | ACCUMULATED AMORTIZATION                                      | -                      |
| 14 | RESERVE SURPLUS FOR INTANGIBLE<br>SOFTWARE ASSETS, BY TAMPA   | <u>e</u> .             |
| 15 | ELECTRIC COMPANY.   | /                      |
| 16 |   | DOCKET NO. 20200067-EI |
| 17 | REVIEW OF 2020-2029 STORM                                     |                        |
| 18 | PROTECTION PLAN PURSUANT TO<br>RULE 25-6.030, F.A.C.,         |                        |
| 19 | TAMPA ELECTRIC COMPANY.                                       | /                      |
| 20 |   | DOCKET NO. 20200092-EI |
| 21 | STORM PROTECTION PLAN COST                                    |                        |
| 22 | RECOVERY CLAUSE.  | 1                      |
|    |   | /                      |
| 23 | PROCEEDINGS: HEARING  |                        |
| 24 |   |                        |
| 25 |   |                        |

| 1  |                                 |  |
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| 2  | COMMISSIONERS<br>PARTICIPATING: | CHAIRMAN GARY F. CLARK<br>COMMISSIONER ART GRAHAM  |
| 4  |                                 | COMMISSIONER JULIE I. BROWN<br>COMMISSIONER DONALD J. POLMANN<br>COMMISSIONER ANDREW GILES FAY |
| 5  | DATE:                           | Tuesday, June 9, 2020  |
| 6  |                                 | -  |
| 7  | TIME:                           | Commenced: 11:45 a.m.<br>Concluded: 12:47 p.m.   |
| 8  |                                 |  |
| 9  | PLACE:                          | Betty Easley Conference Center<br>Room 148   |
| 10 |                                 | 4075 Esplanade Way<br>Tallahassee, Florida   |
| 11 | REPORTED BY:                    | DEBRA R. KRICK   |
| 12 |                                 | Court Reporter   |
| 13 |                                 |  |
| 14 |                                 | PREMIER REPORTING  |
| 15 |                                 | 114 W. 5TH AVENUE<br>TALLAHASSEE, FLORIDA  |
| 16 |                                 | (850) 894-0828   |
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1 **APPEARANCES:** 2 JEFFRY WAHLEN, JAMES D. BEASLEY and MALCOLM 3 MEANS, ESQUIRES, Ausley Law Firm, P.O. Box 391, 4 Tallahassee, Florida 32302-0391, appearing on behalf of 5 Tampa Electric Company. J.R. KELLY, PUBLIC COUNSEL; CHARLES REHWINKEL, 6 7 DEPUTY PUBLIC COUNSEL; and MIREILLE FALL-FRY, ESQUIRES; 8 Office of Public Counsel, c/o The Florida Legislature, 9 111 W. Madison Street, Room 812, Tallahassee, Florida 10 32399-1400, appearing on behalf of the Citizens of the 11 State of Florida. 12 JON C. MOYLE, JR., and KAREN A. PUTNAL, 13 ESOUIRES, Moyle Law Firm, P.A., 118 North Gadsden 14 Street, Tallahassee, Florida 32301, appearing on behalf 15 of Florida Industrial Power Users Group. ROBERT SCHEFFEL WRIGHT, ESOUIRE, Gardner, 16 17 Bist, Bowden, et al., 1300 Thomaswood Drive, 18 Tallahassee, Florida 32308, appearing on behalf of 19 Florida Retail Federation. 20 THOMAS "DREW" JERNIGAN, AFLOA/JACL-ULFSC, 139 21 Barnes Drive, Suite 1, Tyndall AFB, Florida 32403, 22 appearing on behalf of Federal Executive Agencies. 23 24 25

1 APPEARANCES (CONTINUED): 2 MARK F. SUNDBACK and WILLIAM M. RAPPOLT, 3 ESQUIRES, 2099 Pennsylvania Ave., Suite 100, Washington 4 DC, 20006, appearing on behalf of West Central Florida 5 Hospital Utility Alliance. STEPHANIE EATON, ESQUIRE, Spilman Thomas & 6 7 Battle, PLLC, 110 Oakwood Drive, Suite 500, 8 Winston-Salem, NC, 27103, appearing on behalf of 9 Walmart. 10 BIANCA LHERISSON and SHAW STILLER, ESQUIRES, 11 FPSC General Counsel's Office, 2540 Shumard Oak 12 Boulevard, Tallahassee, Florida 32399-0850, appearing on 13 behalf of the Florida Public Service Commission Staff. KEITH C. HETRICK, GENERAL COUNSEL; MARY ANNE 14 15 HELTON, DEPUTY GENERAL COUNSEL, ESQUIRES, Florida Public Service Commission, 2540 Shumard Oak Boulevard, 16 17 Tallahassee, Florida 32399-0850, Advisor to the Florida Public Service Commission. 18 19 20 21 22 23 24 25

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|   | 1  | I N D E X               |      |
|   | 2  | WITNESSES               |      |
|   | 3  | NAME :                  | PAGE |
|   | 4  | PENELOPE RUSK           |      |
|   | 5  | Presentation of summary | 29   |
|   | 6  | JEFF CHRONISTER         |      |
|   | 7  | OEFF CIRCUISTER         |      |
|   | 8  | Presentation of summary | 32   |
|   | 9  |                         |      |
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| 1  |         |               | EXHIBITS     |    |         |
|----|---------|---------------|--------------|----|---------|
| 2  | NUMBER: |               |              | ID | ADMIT'D |
| 3  | 1       | Comprehensive | Exhibit List | 26 | 27      |
| 4  | 2-7     | As identified | on the CEL   | 26 | 27      |
| 5  |         |               |              |    |         |
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1 PROCEEDINGS 2 CHAIRMAN CLARK: I will call this hearing to 3 order. We will begin by reading the notice. 4 Mr. Futrell, or I am sorry, Ms. Helton, who is 5 reading the notice? I believe that Ms. Lherisson will 6 MS. HELTON: 7 be reading the notice, Mr. Chairman. 8 CHAIRMAN CLARK: Okay. Thank you. 9 MS. LHERISSON: Pursuant to notice, this time 10 and place has been set for hearing in Docket Nos. 11 20200145-EI, 20200064-EI, 20200065-EI, 20200067-EI 12 and 20200092-EI. The purpose of the hearing is set 13 out in the notice. 14 CHAIRMAN CLARK: All right. Thank you very 15 much. 16 We will take appearances now. I will begin 17 with TECO. 18 MR. WAHLEN: Good morning, Commissioners. 19 It's Jeff Whalen, appearing with James D. Beasley 20 and Malcolm Means, all of the Ausley McMullen law 21 firm on behalf of Tampa Electric company. 22 CHAIRMAN CLARK: Thank you, Mr. Wahlen. 23 OPC. 24 MR. REHWINKEL: Good morning, Commissioner, 25 This is Charles Rehwinkel, Deputy Mr. Chairman.

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1 Public Counsel. I am here today with J.R. Kelly, 2 the Public Counsel, and Mireille Fall-Fry with the Office of Public Counsel, also appearing with us is 3 4 Marshall Willis. 5 CHAIRMAN CLARK: Okay. Thank you, Mr. Rehwinkel. 6 7 FIPUG. 8 MR. MOYLE: Good morning, Mr. Chairman. On 9 behalf of the Florida Industrial Power Users Group, 10 Jon Moyle with the Moyle Law Firm is appearing, and the record should also reflect an appearance for 11 12 Karen Putnal with our firm. 13 CHAIRMAN CLARK: Thank you, sir. 14 Florida Retail Federation. Mr. Wright, are 15 you on the line? Okay. We don't see Mr. Wright on 16 the line right now. 17 All right. FEA. 18 MR. MOYLE: Mr. Chairman, on behalf of the 19 Florida Industrial Power Users Group, Jon Moyle. 20 CHAIRMAN CLARK: Yes, Mr. Moyle. 21 That was a technical error. MR. MOYLE: Т 22 don't know how that happened. 23 CHAIRMAN CLARK: Okay. 24 MR. MOYLE: I have the computer on as well, so 25 anyway, my apologies. I am trying to see and talk,

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1 and I will turn the computer off and just stay on 2 the line. 3 CHAIRMAN CLARK: No -- no problem. We are 4 all -- we are all learning this new virtual world, 5 so we will get through this together. Let's try one more time for Florida Retail 6 7 Federation. Mr. Wright, are you on the phone? 8 Okay. Let's move on to FEA. 9 MR. WRIGHT: Here I am -- Mr. Chairman, I am 10 I am sorry, I was on mute and I am back. here. 11 CHAIRMAN CLARK: All right. No problem, Mr. 12 Wright. 13 MR. WRIGHT: Thank you. 14 Robert Scheffel Wright on behalf of the 15 Florida Retail Federation. Thank you, sir. 16 Thank you. CHAIRMAN CLARK: 17 Okay. Now, FEA. 18 MR. JERNIGAN: Good morning, Mr. Chairman, 19 this is Thomas Jernigan, for Federal Executive 20 Agencies. 21 Thank you, Mr. Jernigan. CHAIRMAN CLARK: 22 West Central Florida Hospital Utility 23 Alliance. 24 MR. SUNBACK: Good morning, Mr. Chairman, 25 Commissioners. Can you hear me?

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1 CHAIRMAN CLARK: Yes, sir, we can hear you. 2 MR. SUNBACK: Thank you. Mark Sundback of the 3 firm of Sheppard, Mullin, Richter & Hampton on behalf of the hospitals. 4 We would like to enter 5 also the appearance of William Rappolt in this 6 proceeding. 7 CHAIRMAN CLARK: Thank you, sir. 8 Walmart. 9 Good afternoon, Commissioners, MS. EATON: 10 this is Stephanie Eaton on behalf of Walmart. 11 CHAIRMAN CLARK: Thank you, Ms. Eaton. 12 Staff. 13 Bianca Lherisson, Commission MS. LHERISSON: 14 staff, and Shaw Stiller, Commission staff. 15 CHAIRMAN CLARK: Thank you very much. 16 MS. HELTON: And, Mr. Chairman and 17 Commissioners, I am here, Mary Anne Helton, as your advisor. I would also like to enter an appearance 18 19 for your General Counsel Keith Hetrick. He is also 20 here in the room with me. 21 CHAIRMAN CLARK: All right. Thank you very 22 much, Ms. Helton. 23 Let's move on to preliminary matters. Okay. 24 Staff, do we have any preliminary matters? 25 Staff notes for the record MS. LHERISSON:

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that State buildings are currently closed to the public and other restrictions on gathering remain in place due to COVID-19. Accordingly, this hearing is being conducted remotely and all parties and witnesses will be present -- will present argument and testimony by communications media technology.

8 Members of the public who want to observe or 9 listen to this hearing may do so by accessing the 10 live video broadcast, which is available from the 11 Commission website. Upon completion of the 12 hearing, the archived video will also be available.

13 Staff additionally notes that each person 14 participating today needs to keep their phone or 15 device muted when they are not speaking, and only 16 unmute when they are called upon to speak. If they 17 do not keep their phone muted, or put their phone 18 on hold, they may be disconnected from the 19 proceeding and will need to call back in.

Also, telephonic participants should speak
directly into their phone and not use the speaker
function.

23 Staff is not aware of any further preliminary
24 matters.
25 CHAIRMAN CLARK: Okay. Thank you very much.

1 All right. Status update. What is the 2 current status on this proceeding? 3 MS. LHERISSON: On April 27th, 2020, the 4 parties appearing before you entered into an 5 agreement addressing TECO's involvement in a number of dockets. 6 7 Docket No. 20200145 addresses the 2020 8 agreement itself. 9 Docket 20200064 is a limited proceeding to 10 approve TECO's 4th SoBRA. 11 Docket No. 20200065 is a limited proceeding to 12 eliminate the accumulated amortization reserve 13 surplus for its intangible software assets. 14 Docket No. 20200067 addresses TECO's 2020 15 through 2029 Storm Protection Plan. 16 And Docket No. 20200092 is the Storm 17 Protection Plan Cost Recovery Clause. 18 If the 2020 agreement is approved, it will 19 establish, as to TECO, a series of stipulations 20 that will reduce the issues to be litigated in 21 Docket Nos. 20200067 and 20200092, thereby, 22 allowing the signatories and the Commission to 23 focus on the merits of TECO's Storm Protection Plan 24 and the recovery of the costs associated with the 25 plan in 2020 and 2021.

1 The 2020 agreement also presents a base --2 base rate revenue reduction amount, and reflects a 3 determination of certain expenses for which TECO 4 plans to seek cost recovery through the Storm 5 Protection Plan Cost Recovery Clause, Docket No. 6 20200092.

Further, if the 2020 agreement is approved, it
will resolve all issues currently pending in
Dockets No. 2020065 and reduce the issues to be
litigated in Docket No. 20200064.

11 TECO contends that approval of the 2020 12 agreement promotes regulatory economy and 13 administrative efficiency, and avoids the time and 14 expense associated with litigating the settled 15 issues in the various existing and continuing 16 Commission dockets. The signatories request 17 approval of the 2020 agreement without 18 modification.

19 CHAIRMAN CLARK: Okay. Next we will move to 20 Each party has been allocated opening statements. 21 five minutes to make their opening statements. We 22 are going to go with TECO first, and we will follow 23 that with OPC, FIPUG, FRF, FEA, HUA and then 24 Walmart last. 25

So, Mr. Wahlen, you may make your opening

statement now.

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2 MR. WAHLEN: Thank you, Commissioners, and 3 good morning.

4 Today, Tampa Electric seeks approval of its 5 2020 agreement, which was filed on April 27th. The agreement was signed by all of the consumer parties 6 7 to the company's 2013 rate case stipulation and the 8 agreement that we entered into in 2017 that we call 9 the 2017 agreement. Those parties include the 10 Office of Public Counsel, FIPUG, Retail Federation, 11 the Federal Executive Agencies and the Hospital 12 Utility Alliance.

13 Tampa Electric will present two witnesses this 14 morning, Penelope Rusk and Jeff Chronister. They 15 will explain the 2020 agreement, the benefits the 16 agreement provides to the customers and why it is 17 in the public interest. They will answer your 18 questions on the substance of the agreement, and I 19 will be available to answer procedural questions, 20 if any. 21 The 2020 agreement resolves all or some of the 22 issues in four open dockets, Tampa Electric's Storm 23 Protection Plan docket, the general 2020 SPP Cost 24

4 Recovery Clause docket, the company's software

amortization docket and the company's 4th SoBRA

docket.

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2 Mr. Chronister will discuss the effects of the 3 2020 agreement on the two SPP dockets. Ms. Rusk 4 will discuss the effects on the other two dockets. 5 The centerpiece of the 2020 agreement is Tampa Electric's agreement to reduce its base rates one 6 7 time by approximately \$15 million effectively --8 effective January 1 of 2021. This reduction will 9 pave the way for the company to recover, subject to 10 a prudency determination by the Commission, costs 11 associated with the programs in its SPP through the 12 SPP Cost Recovery Clause. 13 The company believes, and the consumer parties 14 concur, that the 2020 agreement will benefit 15 customers and is in the public interest for these 16 and other reasons. 17 First, the agreement will protect customers 18 against double recovery of Storm Protection Plan 19 costs. 20 Second, the agreement will streamline cost 21 recovery for certain SPP costs. I say streamline, 22 not because the agreement lowers the standard for 23 proving prudence, but because the Commission and 24 parties will be able to evaluate the SPP costs to 25 be recovered through the clause without worrying

1 about what portion of those costs are already being 2 recovered through base rates. The \$15 million base 3 rate reduction makes this possible. Third, the \$15 million base rate reduction 4 5 will promote transparency and accountability that benefits customers. 6 When the SPP cost recovery line item appears 7 8 on customer bills in January of 2021, customers will have a higher level of clarity about the 9 10 amounts they are paying for approved Storm 11 Protection Plan activities. We think that kind of 12 transparency and accountability benefits customers 13 much. 14 Fourth, the agreement will reduce the volume 15 of discovery in two SPP dockets, clarify the issues 16 to be litigated for Tampa Electric, and promote 17 administrative and regulatory efficiency. This 18 will allow all of us to focus our attention and 19 resources on the merits of the company's SPP and 20 the prudency of costs associated with that plan. 21 I can provide examples of how the agreement 22 simplifies the issues and has already reduced 23 discovery disputes if requested. 24 Promoting administrative and regulatory 25 efficiency was not our primary goal in and of

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itself, but these kinds of efficiencies benefit everyone when they arise.

3 Commissioners, the parties entered into the 2020 agreement each with their own reasons, but all 4 5 recognizing that the level of regulatory activity before the Commission involving Tampa Electric and 6 7 the other IOUs this year and next will be greater 8 than normal. None of us are afraid of hard work, 9 but we all hope that approving the 2020 agreement 10 will help better manage the workload ahead of us.

Before I finish, I would like to thank the consumer parties for their hard work and cooperation on the agreement. We don't always agree, but we agree when we can.

15 Going back to 2013, we have been able to 16 listen to each other, consider what's good for 17 customers and talk through complex issues with professionalism, candor and respect. 18 Sometimes our 19 discussions become very spirited, but we seem to 20 have found a way as a group to be hard on ideas and 21 easy on people, and that makes our conversations a little more tolerable. 22

I would also like to thank your staff for
their hard work in cooperation scheduling this
hearing. They jumped right on the motion and

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1 agreement as soon as we filed it. They asked tough 2 questions and played an important role in getting 3 us here today. 4 And I guess I would like to add a special 5 thanks to Mike and Lee for their help with the technology this morning. 6 Finally, I would like to thank you, 7 8 Commissioners, for your time this morning, Tampa 9 Electric looks forward to answering any questions 10 you may have, following which the company will ask 11 that you approve the 2020 agreement. 12 Thank you. 13 CHAIRMAN CLARK: Thank you, Mr. Wahlen. 14 Okay, OPC, Mr. Rehwinkel. 15 MR. REHWINKEL: Yes. Good morning again, Mr. 16 Chairman and Commissioners. My name is Charles 17 Rehwinkel, and I am here with J.R. Kelly, Mireille 18 Fall-Fry and Marshall Willis, who is our CPA and 19 regulatory expert. 20 I would like to thank Mr. Wahlen for his 21 comprehensive remarks and express our agreement and 22 appreciation for his statements. It's -- it's a 23 breath of fresh air to be able to work in an 24 environment like this, so thank you. 25 Public Counsel is here today in support of the

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1 comprehensive and multifaceted agreement that is 2 before you. J.R. Kelly, the Public Counsel, by his 3 signature, has indicated his belief that the 4 settlement, taken as a whole, is fair to customers 5 and the company, and is in the public interest. While we support the entire agreement, I would like 6 to highlight one element in my comments this 7 8 morning.

9 Public Counsel submits that a primary reason 10 this deal is fair to customers is because it 11 establishes that Tampa Electric has fairly, 12 rationally and transparently identified the base 13 rate impacts of its storm hardening activities, and 14 has committed to removing them from base rates so 15 that they may be included in its filing for SPP for 16 Storm Protection Plan clause recovery, and there 17 after tracked and evaluated.

18 While the OPC may challenge the need for some 19 of the incremental new programs or activities that 20 Tampa Electric proposes for approval as a part of 21 the SPP docket, these transferred base rate costs 22 are eligible for inclusion in and recovery through 23 the clause upon your approval of the agreement. 24 This agreed to process is fair and 25 transparent, and will allow the Commission to

| 1  | identify and report to the Legislature and to the   |
|----|---|
| 2  | public on the true incremental rate impact of the   |
| 3  | costs you may ultimately approve in the CRC or      |
| 4  | clause or cost recovery process.                    |
| 5  | Furthermore, Commissioners, by your approval,       |
| 6  | we believe that you will largely, if not entirely,  |
| 7  | eliminate the need for the Public Counsel to        |
| 8  | litigate Tampa Electric's portion of the SPP clause |
| 9  | recovered docket, or docket 20200092.               |
| 10 | We commend Tampa Electric for its willingness       |
| 11 | to work out this process and to be fully            |
| 12 | transparent in doing so. Again, we ask for your     |
| 13 | support for the settlement as being in the public   |
| 14 | interest.   |
| 15 | I want to thank you, and I would also like to       |
| 16 | add a special thank you to your staff for their     |
| 17 | prompt, thorough and in-depth review under very     |
| 18 | trying circumstances of the matters covered in the  |
| 19 | settlement.   |
| 20 | Thank you.  |
| 21 | CHAIRMAN CLARK: Thank you, Mr. Rehwinkel.           |
| 22 | FIPUG, Mr. Moyle.                                   |
| 23 | MR. MOYLE: Thank you, Mr. Chairman.                 |
| 24 | FIPUG wants to be clear on the record that we       |
| 25 | support this 2020 settlement agreement. We think    |

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it's a good idea, and we think it's in the public interest.

3 I also want to commend Tampa Electric for the 4 approach that they took reaching out to the parties 5 in a constructive, productive, and we believe instructive way with respect to the PP -- the Storm 6 7 Protection Plan issues. They have come up, we 8 believe, with a workable approach that had give and 9 take associated with it, you know, a lot of the 10 issues, it dealt with more dockets, and we think 11 that we have done a good job of identifying areas 12 where we could reach agreement that we didn't need 13 to burden the Commission with, but we've also, I 14 think, done a good job of identifying areas where we need either further conversations or we are 15 16 going to need to ask the Commission when they get 17 to an issue, to give their thought and 18 consideration to any disputes that we may -- may 19 have. 20 So at the end of the day, we think it's a good

20 So at the end of the day, we think it's a good 21 agreement. We think it's worthy of your positive 22 action and support. And there has been discussion 23 about administrative efficiency. I thought it 24 would not be a good idea to take the entire five 25 minutes allotted to me to give an opening statement

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1 if one of the -- the key aspects of this is 2 administrative efficiency. So with that, I will 3 close. 4 Thank you, Mr. Chair. 5 Thank you, Mr. Moyle, for CHAIRMAN CLARK: yielding that time back to us. 6 7 Mr. Wright. 8 MR. WRIGHT: Thank you, Mr. Chairman and 9 Commissioners. Good afternoon. 10 The Florida Retail Federation supports the 11 2020 settlement agreement. It provides fair value 12 to all parties, and it will significantly and 13 importantly ensure transparency on multiple issues 14 in multiple proceedings before the Commission. 15 We are particularly grateful for the 16 cooperation of Tampa Electric, their initiative in 17 starting this process, and all the other parties, 18 and especially for the hard work put in by Tampa 19 Electric personnel, the Public Counsel's personnel, 20 especially Mr. Willis, and especially also your 21 staff in bringing this in for a landing. 22 In summary, the 2020 settlement agreement is 23 fair to all. It is in the public interest, and the 24 Retail Federation urges the Commission to approve 25 this comprehensive settlement.

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1 Thank you. 2 CHAIRMAN CLARK: Thank you, Mr. Wright. 3 FEA, Mr. Jernigan. 4 MR. JERNIGAN: Pardon me. Thank you, sir. 5 Thank you, Commissioners. The FEA also supports the -- the settlement as 6 7 prepared in front of you, and would like to thank 8 all the parties, including TECO, for their efforts 9 in reaching out to us and -- and bringing this 10 forward so that we can bring something forward to 11 the Commission that will -- of all the consumers 12 and the efficiencies that have already been 13 And we urge the Commission to adopt the mentioned. 14 settlement as written. 15 Thank you very much. 16 CHAIRMAN CLARK: Thank you, Mr. Jernigan. 17 HUA, Mr. Sundback. 18 Good afternoon, Mr. Chairman and MR. SUNBACK: 19 Commissioners. 20 The hospitals support the settlement as filed. 21 It's in the public interest by enhancing clarity 22 and predictability around the SPP, as well as the 23 projects and the cost recovery methodologies that 24 would be implemented under that program. It should 25 enhance the likelihood that public safety

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facilities and critical public infrastructure can
 maintain service during storms, that benefits the
 entire population.

4 The hospitals would like to commend the 5 settlement participants, starting with TECO and all of the other participants as well for finding 6 7 mutually agreeable resolutions that are embodied in the settlement. We would like to thank the staff 8 9 for its effort and the Commission -- and the 10 Commissioners themselves for their time and 11 attention on this important matter. 12 Thank you.

13 CHAIRMAN CLARK: Thank you very much.

14 Walmart, Ms. Eaton.

MS. EATON: Good afternoon, Commissioners and counsel.

17 Walmart appreciates the opportunity to 18 participate in the SPP docket 20200067 and 19 20200092. While Walmart is not a signatory to the 20 TECO 2020 settlement agreement, Walmart does not 21 oppose the approval of the 2020 settlement 22 agreement, so it does not waive its position as to 23 parts of the SPP that are not covered by the 24 settlement agreement. 25 Walmart appreciates the efficiencies, the

| 1   | agreements to that we did achieve and wants to      |
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| 2   | thank, especially Ms. Lherisson for all of her work |
| 3   | coordinating the hearing.                           |
| 4   | Thank you.  |
| 5   | CHAIRMAN CLARK: Thank you very much.                |
| 6   | Okay. That concludes our opening statement.         |
| 7   | We will move into the portion of the agenda where   |
| 8   | we have set aside for public testimony. We have     |
| 9 : | notified everyone there is an opportunity for       |
| 10  | members of the public who wish to testify on this   |
| 11  | matter to do so, either telephonically or by        |
| 12  | submitting their comments in writing.               |
| 13  | I would like to note for the record that there      |
| 14  | were no requests for public testimony. There were   |
| 15  | no comments that were filed, but at this time, we   |
| 16  | will open the floor up if there is anyone that has  |
| 17  | dialed in or called in specifically to address the  |
| 18  | Commission in this matters.                         |
| 19  | Is anyone on the line requesting to address         |
| 20  | the Commission?                                     |
| 21  | Ms. Helton.   |
| 22  | MS. HELTON: Mr. Chairman, it's my                   |
| 23  | understanding that no member of the public          |
| 24  | identified themselves as wishing to speak today.    |
| 25  | CHAIRMAN CLARK: Okay. All right. Thank you          |

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very much.

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Let's move to the next item, marking and
moving exhibits. Staff.

MS. LHERISSON: Staff has -- staff has
prepared a comprehensive exhibit list which
includes TECO's agreed to motion to approve the
2020 agreement with the 2020 agreement itself
attached as Exhibit A to the motion.

9 Also, on the comprehensive exhibit list, as 10 Exhibit Nos. 2 through 7, are a series of TECO's 11 responses to staff's data request and TECO's 12 revised petition filed in Docket No. 20200065.

13The list and the identified exhibits have been14provided to the parties, Commissioners and the15court reporter.

16 Staff requests that the comprehensive exhibit 17 list itself be marked as Exhibit No. 1, with all 18 subsequent exhibits marked as identified on the 19 list.

20 COMMISSIONER GRAHAM: Okay. The exhibits will 21 be marked as they have been identified.

22 (Whereupon, Exhibit No. 1 was marked for 23 identification.)

24 (Whereupon, Exhibit Nos. 2-7 were marked for 25 identification.)

1 MS. LHERISSON: It is staff's understanding 2 that the parties do not object to the entry of 3 Exhibits 1 through 7. Staff requests that Exhibits 4 1 through 7 be entered into the record at this 5 time. Okay. 6 CHAIRMAN CLARK: Unless there is an 7 objection, we are going to move them into the 8 record, do I hear objections? 9 Hearing none, they are moved into the record. 10 (Whereupon, Exhibit Nos. 1-7 were received 11 into evidence.) 12 CHAIRMAN CLARK: Okay. Let's go to witnesses. 13 TECO witnesses, Jeff MS. LHERISSON: 14 Chronister and Penelope Rusk are available to speak 15 in support of the 2020 agreement and to answer any 16 questions by the Commissioners. 17 CHAIRMAN CLARK: All right. At this time, I 18 will swear in the witnesses that are going to be 19 testifying. 20 Mr. Chronister and Ms. Rusk, would you raise 21 your right hand and repeat after me. 22 Whereupon, 23 JEFF CHRONISTER 24 PENELOPE RUSK 25 were called as a witness, having been first duly sworn

| 1  | to speak the truth, the whole truth, and nothing but the |
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| 2  | truth, was examined and testified as follows:            |
| 3  | WITNESS CHRONISTER: I do.                                |
| 4  | WITNESS RUSK: I do.                                      |
| 5  | CHAIRMAN CLARK: Okay. Thank you very much.               |
| 6  | All right. I would like to ask TECO's counsel            |
| 7  | to introduce their witnesses and to relay for us         |
| 8  | their area of expertise as it pertains to the 2020       |
| 9  | agreement, then the witnesses will have three            |
| 10 | minutes to provide their summary.                        |
| 11 | Mr. Wahlen.  |
| 12 | MR. WAHLEN: Thank you, Mr. Chairman.                     |
| 13 | This morning, we have a panel of two                     |
| 14 | witnesses, Penelope Rusk, who is employed by Tampa       |
| 15 | Electric as Director of Regulatory Affairs. She          |
| 16 | will handle questions about the software docket and      |
| 17 | the 4th SoBRA docket.                                    |
| 18 | Mr. Chronister is our second witness. He is              |
| 19 | the Vice-President of Finance and Comptroller of         |
| 20 | Tampa Electric. His areas include the matters in         |
| 21 | the 2020 agreement that relate to the SPP plan and       |
| 22 | Cost Recovery Clause docket.                             |
| 23 | But they are both available to answer your               |
| 24 | questions. They each have a brief summary, and           |
| 25 | with your permission, you could call on them one at      |

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1 a time and they would offer their statements to the 2 Commission. 3 CHAIRMAN CLARK: Thank you very much. We will 4 do so. 5 Ms. Rusk, we will begin with you. I am sorry. One moment. 6 7 Mr. Chairman, were you going to MS. HELTON: 8 swear the witnesses in before they --9 CHAIRMAN CLARK: I did. I thought I did 10 anyway. 11 All right. Ms. Rusk, we will begin with you. 12 WITNESS RUSK: Good afternoon, Commissioners. 13 My name is Penelope Rusk, and I am employed by 14 Tampa Electric as the Director of Regulatory 15 Affairs, here to address sections one and two of 16 the agreement relating to the company's software 17 amortization petition and the 4th SoBRA docket. 18 I agree that the 2020 agreement is in the 19 public interest for the reasons already explained 20 by Mr. Wahlen. I also state for the record that 21 Tampa Electric responses to staff's data requests 22 included in the exhibits listed in the 23 comprehensive exhibit list are true and correct to 24 the best of my knowledge. 25 Tampa Electric filed its amortization petition

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1 on February 28th, 2020, and revised its petition on 2 April 20th, 2020, and requested permission in both 3 to credit an approximately \$16 million amortization 4 reserve surplus through amortization expense during 5 2020.

The consumer parties have agreed that the relief requested in the amortization petition does not violate the 2017 agreement, and should be granted.

10 Approving the 2020 agreement will resolve this 11 docket without a hearing, which promotes regulatory 12 efficiency and is in the public interest. And 13 importantly for customers, it provides Tampa 14 Electric a little cushion during these very 15 uncertain times, and reduces the possibility that 16 the company will need to seek general base rate 17 relief prior to January 1st, 2022.

18 The 2020 agreement also resolves the potential 19 issue about the interpretation of the cost cap 20 trigger for the company's 4th SoBRA as specified in 21 paragraph six of the 2017 agreement.

Public Counsel has taken the position that for the company to meet that trigger for the 4th SoBRA a two-part test should apply, namely the average cost of the project in the company's 1st SoBRA must

1 be less than or equal to \$1,475 per kW, and in 2 addition, the average cost of the project in the 3 2nd SoBRA must be less than or equal to \$1,475 per 4 kW. 5 The company believes that if it meets the cost cap trigger for the 4th SoBRA through a one-part 6 7 test, namely the average cost of the project in 8 both the 1st and 2nd SoBRAs taken together must be 9 at or below that \$1,475 per kW cap. 10 To the extent that the cost of the actual 1st 11 and 2nd SoBRAs are determined in our 1st and 2nd 12 SoBRA true-up docket makes this difference an issue 13 in the docket, the consumer parties have agreed 14 that the one-step test proposed by Tampa Electric 15 shall be used to request the eligibility of the 4th 16 SoBRA for recovery under the SoBRA mechanism. This 17 agreement eliminates a potential issue in that 18 docket, and promotes regulatory efficiency and is 19 in the public interest. 20 I would be happy to answer any questions if 21 you have in these areas. 22 CHAIRMAN CLARK: Thank you, Ms. Rusk. 23 Any Commissioners have any questions for Ms. 24 Rusk? 25 All right. We will move right on to Mr.

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1 Chronister.

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2 WITNESS CHRONISTER: Thank you, Commissioners.
3 Can you hear me?

CHAIRMAN CLARK: Yes, sir, we can hear you. WITNESS CHRONISTER: Very good. Thanks.

6 My name is Jeff Chronister. I am employed by 7 Tampa Electric as its Vice-President of Finance and 8 Comptroller. I am here to discuss Section 3 of the 9 2020 agreement which addresses elements of the 10 company's Storm Protection Plan and issues in the 11 upcoming Storm Protection Plan Cost Recovery 12 Clause.

I agree with Mr. Wahlen's description of
Section 3 and the \$15 million base rate reduction
in Section 3. I also agree that the 2020 agreement
is in the public interest for the reasons explained
by Mr. Wahlen.

18 I would like to point out that the \$15 million 19 base rate reduction provided for in the 2020 20 agreement is not a black box amount. It was agreed 21 to by the parties after a thorough review of the 22 actual 2018 and 2019 costs associated with the six 23 activities currently being performed by the company 24 that have been included and expanded for in the 25 company's Storm Protection Plan, which we filed on

1 April 10th, 2020.

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The parties included the calculation of this amount in the exhibits to the 2020 agreement so that your staff and the public could see how the amount was calculated.

6 The agreement provides consumers with 7 protections that there will be no double recover 8 and transparency that allows customers to know what 9 is included in the Storm Protection Plan activities 10 and costs.

I would like to highlight briefly some of the provisions and explain how they benefit customers and are in the public interest.

14 The agreement provides for project level 15 detail. It provides a cutoff point for the 16 initiation of projects to be included in the 17 clause. We have agreed to maintain our accounting 18 records in a way that establishes a clear line 19 between rate base capital assets and costs --20 (inaudible) -- assets. We have agreed to the 21 handling of cost removal and depreciation expense 22 savings treatment that allows all for reduction in 23 the possibility of double recovery, and it benefits 24 the customers.

As I mentioned, these reasons to protect

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1 ratepayers against double recovery of costs 2 currently covered through base rates, they provide 3 comprehensive transparency for SPP Cost Recovery 4 Clause costs, they promote regulatory and 5 accounting efficiency, and are in the public interest. 6 7 I would be happy to answer any questions you 8 may have in these areas. 9 CHAIRMAN CLARK: Thank you, Mr. Chronister. 10 Okay. Commissioners, any questions for Mr. 11 Chronister? 12 Commissioner Polmann. 13 COMMISSIONER POLMANN: Thank you, Mr. 14 Chairman. 15 Just a comment. You noted, sir, that the --16 the calculation, the dollar amount that was 17 provided is not a reflection of a black box, and 18 that you provided transparency and details on the 19 calculation, and -- and I -- I would suggest TECO 20 and the -- and the parties involved, I will express 21 the utility to correctly make depreciation for the 22 detail that was provided, the transparency in 23 bringing forth that information. OPC identified 24 transparency specifically. 25 We have had many comments in the past

1 settlements regarding the notion of a black box, 2 and the Commission is very concerned about not 3 having full information, and I understand the circumstances under which that -- those conditions 4 5 But again, I am deeply appreciative of occurred. the detail and willingness for Tampa Electric to 6 7 provide the detail, the opportunity for staff --(inaudible) -- forward, and it provides us truly 8 the information that we feel most comfortable with 9 10 in being able to judge and evaluate public the 11 interest test. 12 I -- I will say here that -- that I am hopeful 13 that your example sets -- sets the stage for future 14 activities, future discussions among -- among all of the parties, utilities. 15 So I thank -- I thank the utility for this 16 17 effort. I look forward to more detail on 18 settlement agreements going forward. 19 Thank you, sir. 20 CHAIRMAN CLARK: Thank you, Commissioner 21 Polmann. Commissioner Brown. 22 23 COMMISSIONER BROWN: Thank you, Mr. Chairman. 24 I am actually very impressed that you got all 25 of these parties together to come to an agreement

on such an all-encompassing settlement agreement that really covers a lot of material, and you -and you did it very quickly. I am hopeful that this will be -- will help avoid an adversarial process in the SPP docket for this utility.

I do also want to say -- I do have a few
questions, but I want to -- we have said this
before at the Commission. We are dedicated to
transparency of any incremental rate impact in all
of the SPP, not just for TECO. So that is an
underlying theme that we have been repeating since
the Storm Protection Rule was implemented.

13 I do have a guestion, Mr. Chronister, for you. 14 Regarding comment on page seven of the actual 15 settlement agreement regarding the project level 16 detail of those three programs that do not have 17 project components, education management, 18 infrastructure inspections and legacy storm 19 hardening initiatives, as well as the extreme 20 weather hardening study. 21 So when -- I am curious when the Commission 22 will actually get updates on the milestones for 23 each of these projects through different storm 24 hardening initiatives since there aren't going to 25 be specific project level specific components

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1 details.

2 WITNESS CHRONISTER: Sure. Those particular 3 programs in the SPP actually don't involve capital 4 expenditures. They only involve O&M expense. And 5 so the distinction there is that there won't be capital project level detail for those because 6 7 there won't be capital projects with those.

8 So what will happen is you will see when we 9 make our filing for the SPP Cost Recovery Clause, 10 you will see all of the expense detail to support 11 the expenses that we have in those particular 12 programs.

13 So in terms of, like, for COMMISSIONER BROWN: 14 example, vegetation management, you know, under our 15 previous storm hardening quidelines, we would get 16 updates, let's say, you know, how many miles of 17 vegetation you cleared; additionally, hardening for 18 the extreme weather hardening, how many projects or 19 how many poles have been hardened, et cetera. Will 20 we get those milestones in addition annually at 21 the -- at the cost recovery or every three years 22 when TECO files its Storm Protection Plan? 23 WITNESS CHRONISTER: You will -- you will see it in both situations. 24 So you will -- you will see 25 it in the Storm Protection Plan information that we

1 file when we file our SPP, but there will also be 2 statistical support of the expense profile when we 3 submit testimony related to the clause recovery. I think that information 4 COMMISSIONER BROWN: 5 is so important, and I rely on it year-round so I think I that that's -- I would like to make sure 6 7 that we have that information. 8 Also, on page 11 of the settlement agreement, 9 we've got the unplanned vegetation management 10 activities, and it's kind of along the same lines. 11 The unplan -- unplanned vegetation management 12 will be outside of the SPP, obviously, because it's 13 unplanned so it's going to be in base rates moving 14 forward. So are we going to get annual updates, 15 though, on any of the unplanned vegetation 16 management? How are we going to receive info? 17 WITNESS CHRONISTER: Yes, so unplanned 18 vegetation management, some examples of it are if 19 lightning hits a tree, or wind uproots a tree, or 20 if a car or a vehicle runs into and damages a tree, 21 those -- those vegetation management activities are 22 the unplanned vegetation management. And because 23 of the uncertainty of exactly how those events will 24 occur and how the expenses will be incurred, we 25 wanted to keep that volatility out of the clause

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and have that be in base rate.

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2 But to your point, we -- you know, we are more 3 than happy to provide information to the Commission 4 as it expenses that we are incurring as it relates 5 to unplanned vegetation management. So there will still be a full record in our accounting records 6 7 and -- and our ability to communicate to the 8 Commission the dollar amounts associated with 9 unplanned vegetation.

10 COMMISSIONER BROWN: That -- that's great, 11 because unplanned can actually grow exponentially, 12 and so I think it's important for the Commission 13 to -- to just have that information even though 14 that amount is going to continue to be -- or is 15 going to stay in base rate, we still want that 16 detail because it can be over -- a part can be 17 overall Storm Protection Plan.

18 WITNESS CHRONISTER: Yeah, and I -- and I 19 think that unplanned vegetation management and 20 planned vegetation management actually are in 21 concert. And so I think over time, we will -- we 22 will look at those and be able to understand and --23 and, you know, talk to the Commission about how 24 they interrelate.

25 COMMISSIONER BROWN: Right. So if you have a

1 hurricane, you are going to have, you know, that's -- (inaudible) -- should be incorporated 2 3 into the overall SPP --4 WITNESS CHRONISTER: Yeah. 5 COMMISSIONER BROWN: -- so that the Commission has a holistic approach moving forward, and to rely 6 7 on that holistic approach. And along the same lines, the distribution 8 9 pole replacement, which is the legacy storm 10 hardening activity, so in terms of cost recovery, 11 that amount is going to continue to stay in base 12 rates, if I am correct --13 WITNESS CHRONISTER: Yes. 14 COMMISSIONER BROWN: -- but it will be part of 15 the SPP. 16 WITNESS CHRONISTER: Correct. And so to your 17 point, the Storm Protection Plan itself will have distribution pole replacements in it, and -- and 18 19 the entirety of distribution pole replacement along 20 with all the things that we do with our 21 infrastructure is going to be a critical sort of 22 comprehensive picture that we have to provide to 23 the Commission. 24 And really, because of the fact that 25 distribution poles are tracked more by vintage than

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1 location, just because of the nature of the asset, 2 the accounting for it is -- is unique enough that 3 it made sense and created some efficiency and 4 effectiveness in the accounting for it to keep it on the base rate side of things as opposed to the 5 6 cost. 7 Yeah, and it will still COMMISSIONER BROWN: 8 be part of the analysis for SPP? 9 WITNESS CHRONISTER: Correct. And I think --10 I think the -- the -- the note that you are -- that 11 you are making here is important in that when you 12 think about the SPP plan, then there will be a 13 subset of SPP that goes through the clause, but the 14 company will continue to communicate the entirety of the statistics and dollars associated with the 15 16 plan. So the Commission will see statistics and 17 dollars for the plan and statistics and dollars 18 associated with what's traveling through the 19 clause. 20 COMMISSIONER BROWN: That's great. That's 21 exactly what I wanted. 22 So lastly, the third paragraph on page 14, 23 under 15, subsection (c), regarding other SPP 24 items, it says that beginning October 1st, 2020, 25 and for a period of 60 days thereafter, the utility

1 and the parties will meet, will work in good faith 2 to identify a method to all parties to modify the 3 analytical framework used in the development of the 4 company's SPP Docket 067. What does that mean? 5 And what happens if you can't come to an agreement unanimous -- unanimously the settlement doesn't 6 7 provide for that? 8 WITNESS CHRONISTER: So I am going to do two 9 things. I will just briefly mention what it is and 10 then turn it over to Mr. Wahlen. 11 This is more of an administrative step having 12 to do with discussions of some future elements of the SPP, and so I am going to turn it over to Mr. 13

14 Wahlen to explain that.

15 COMMISSIONER BROWN: Thank you.

16 MR. WAHLEN: Commissioner Brown, while we were 17 negotiating the agreement, some of the consumer 18 parties raised some ideas with us about how we 19 would evaluate SPP projects that impact public 20 safety. And as you know, we have kind of been on a 21 sprint to get our plan filed and -- and everything 22 going, and it would have been, I think, difficult 23 for us to make some changes on the fly. 24 So we've agreed to meet with the consumer 25 parties in October after the -- the plan docket has

1 started to wind down to talk about those ideas for 2 the next cycle. We anticipate that the -- the 3 meeting initially will be just with the consumer 4 parties, and, you know, if we don't reach an 5 agreement on a change, you know, everybody will have a chance to litigate their position in the 6 7 next cycle. If we can agree on a change, we will include that in our next cycle. 8

9 Along the way, I want to be clear, after we 10 talk with the consumer parties, we will make it a 11 point to talk with staff, and -- and brief your 12 staff on what's going on. And just so there is no 13 concern about it, we will be willing to talk with 14 any of our customers about ideas that they have for 15 improving the way we develop our plan in the 16 future.

17 So we have had a pretty good track record 18 working with the consumer parties on reaching 19 agreement. We are optimistic that we will be able 20 to do something that makes sense, and are going to 21 proceed forward in an optimistic way. And we will 22 keep staff informed on our progress, and also be 23 willing to talk with other customers along the way. 24 COMMISSIONER BROWN: I appreciate that -- the 25 answer, and also recognize the -- the swift nature

1 that this all had to occur prior to the -- the 2 dockets that we are going to hear in the fall. 3 When you say public safety, are -- the 4 settlement agreement doesn't really address 5 directly undergrounding, which was a big focus of the actual original legislation that led to the 6 7 development of the rule. Are -- are you talking 8 about undergrounding in terms of certain critical infrastructure areas or just broader than that? 9 10 Well, I think undergrounding will MR. WAHLEN: 11 be a key part of it. There -- there may be other 12 pieces. I don't want to get too far into a 13 discussion of how our plan was developed and the 14 methodologies that are in there, because they are 15 spelled out in our testimony, but we are going to 16 take a look at how we measure customer benefit, 17 and -- and how that works for important public 18 safety facilities like hospitals, police stations, 19 hurricane shelters, those sorts of things, not just 20 for undergrounding, but for other things as well. 21 COMMISSIONER BROWN: Thank you, Mr. Wahlen, 22 and thank you, Mr. Chronister, again. Verv appreciative of having this for consideration. 23 24 It -- it really is all-encompassing, and -- and 25 really is going to help with the administrative

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|--|----|--|--|
| efficiency component here.                         |    |  |  |
| WITNESS CHRONISTER: Thank you.                     |    |  |  |
| COMMISSIONER GRAHAM: Thank you, Commissioner       |    |  |  |
| Brown.   |    |  |  |
| Commissioner Polmann.                              |    |  |  |
| COMMISSIONER POLMANN: Thank you, Mr.               |    |  |  |
| Chairman.  |    |  |  |
| A follow-up to the last question from              |    |  |  |
| Commissioner Brown to Mr. Wahlen in that same      |    |  |  |
| paragraph there.                                   |    |  |  |
| As I understand the point of the paragraph,        |    |  |  |
| the whole first sentence, in fact, indicates, if I |    |  |  |
| am reading it correctly, you are working to        |    |  |  |
| identify a method to modify the analytical         |    |  |  |
| framework. So even even though you in the          |    |  |  |
| parentheticals, there are two items that are       |    |  |  |

13 am reading it correc 14 identify a method to framework. So even 15 16 parentheticals, ther 17 that are called out, the effort is really a 18 modification of the framework you used to develop 19 the plan. 20 So if I heard your comments, or I understood 21 your comment in answering Commissioner Brown, 22 you -- you spoke to the -- the cost,

cost-effectiveness, or perhaps I misunderstood. 23

24 Could you -- could you just round back on

25 explaining the intent of working with the parties

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1 and what it is that -- that you are trying to keep 2 going forward and -- and looking to modify the 3 framework? 4 MR. WAHLEN: Sure. Good question. 5 Our -- our Storm Protection Plan, and the cost-effectiveness calculations we have done, and 6 7 the ranking that we have done of undergrounding in 8 other projects is -- is based on a pretty rigorous 9 engineering and cost-effectiveness test. 10 And so what we are talking about here is not 11 just looking at a list of projects and negotiating, 12 you know, on which projects should be, you know, 13 moved to the front of the line, if you will, but 14 rather to look at the approach that we have taken, 15 and whether the approach that we have taken can be 16 improved going forward to recognize, you know, the 17 importance of certain features. 18 This is the first time Tampa Electric has 19 prepared a plan like this. I think it's the first 20 time the Commission will be considering these 21 It's possible, of course, that we got it plans. 22 perfect the first time, but we are open to the idea 23 that what we have done can be improved in the next 24 cycle. 25 We expect that we will learn from the other

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1 utilities. We think the hearing process and 2 working with staff will inform us, and that, as we 3 move forward, we can be smarter tomorrow than we 4 were today, and improve the process that we use in 5 the analytical work that we do to develop these 6 plans in the next cycle. 7 COMMISSIONER POLMANN: Thank you, sir. 8 So if I -- if I understood what you just said, 9 there are really two aspects of this. One is the 10 nature of -- of the answer to the question, and the 11 other is the method of answering the question. 12 I think that's a fair --MR. WAHLEN: 13 COMMISSIONER POLMANN: Yeah. 14 -- that's a fair assessment. MR. WAHLEN: 15 COMMISSIONER POLMANN: So what this paragraph 16 speaks to is examination of your methodology, as it 17 says here, the analytical framework and -- and to review how you might improve your method. 18 19 MR. WAHLEN: That's correct. 20 COMMISSIONER POLMANN: And there is a -- there 21 is a particular identification here of the public 22 safety aspect of it being very important. 23 MR. WAHLEN: That's correct. 24 COMMISSIONER POLMANN: Okay. Well, thank --25 thank you, Mr. Wahlen.

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| 1       Thank you, Mr. Chairman.         2       CHAIRMAN CLARK: Thank you, Commissioner         3       Folmann.         4       Any other questions for either of these two         5       witnesses?         6       Okay. Mr. Wahlen, would you like to have your         7       witnesses excused?         8       MR. WAHLEN: Yes, sir. We would ask that you         9       excuse the witnesses.         10       CHAIRMAN CLARK: All right. Thank you very         11       much for your testimony today.         12       (Witnesses excused.)         13       COMMISSIONER GRAHAM: All right. Let's move         14       to other matters.         15       Do the parties have any other matters that         16       need to be addressed at this time?         17       Staff?         18       MS. LHERISSON: Staff understands that the         19       parties before you have agreed to waive the filing         20       of post-hearing briefs. If there are no further         21       proceeding matters to be addressed, staff believes         22       that if you so choose, the Commission may make a         23       bench decision at this time.         24       CHAIRMAN CLARK: Okay. Commissioners, tha |    |  |
|---|----|--|
| 3       Polmann.         4       Any other questions for either of these two         5       witnesses?         6       Okay. Mr. Wahlen, would you like to have your         7       witnesses excused?         8       MR. WAHLEN: Yes, sir. We would ask that you         9       excuse the witnesses.         10       CHAIRMAN CLARK: All right. Thank you very         11       much for your testimony today.         12       (Witnesses excused.)         13       COMMISSIONER GRAHAM: All right. Let's move         14       to other matters.         15       Do the parties have any other matters that         16       need to be addressed at this time?         17       Staff?         18       MS. LHERISSON: Staff understands that the         19       parties before you have agreed to waive the filing         20       of post-hearing briefs. If there are no further         21       proceeding matters to be addressed, staff believes         22       that if you so choose, the Commission may make a         23       bench decision at this time.         24       CHAIRMAN CLARK: Okay. Commissioners, that's   | 1  | Thank you, Mr. Chairman.                           |
| <ul> <li>Any other questions for either of these two</li> <li>witnesses?</li> <li>Okay. Mr. Wahlen, would you like to have your</li> <li>witnesses excused?</li> <li>MR. WAHLEN: Yes, sir. We would ask that you</li> <li>excuse the witnesses.</li> <li>CHAIRMAN CLARK: All right. Thank you very</li> <li>much for your testimony today.</li> <li>(Witnesses excused.)</li> <li>COMMISSIONER GRAHAM: All right. Let's move</li> <li>to other matters.</li> <li>Do the parties have any other matters that</li> <li>need to be addressed at this time?</li> <li>Staff?</li> <li>MS. LHERISSON: Staff understands that the</li> <li>parties before you have agreed to waive the filing</li> <li>of post-hearing briefs. If there are no further</li> <li>proceeding matters to be addressed, staff believes</li> <li>that if you so choose, the Commission may make a</li> <li>bench decision at this time.</li> <li>CHAIRMAN CLARK: Okay. Commissioners, that's</li> </ul>   | 2  | CHAIRMAN CLARK: Thank you, Commissioner            |
| 5       witnesses?         6       Okay. Mr. Wahlen, would you like to have your         7       witnesses excused?         8       MR. WAHLEN: Yes, sir. We would ask that you         9       excuse the witnesses.         10       CHAIRMAN CLARK: All right. Thank you very         11       much for your testimony today.         12       (Witnesses excused.)         13       COMMISSIONER GRAHAM: All right. Let's move         14       to other matters.         15       Do the parties have any other matters that         16       need to be addressed at this time?         17       Staff?         18       MS. LHERISSON: Staff understands that the         19       parties before you have agreed to waive the filing         20       of post-hearing briefs. If there are no further         21       proceeding matters to be addressed, staff believes         22       that if you so choose, the Commission may make a         23       bench decision at this time.         24       CHAIRMAN CLARK: Okay. Commissioners, that's  | 3  | Polmann.   |
| 6Okay. Mr. Wahlen, would you like to have your7witnesses excused?8MR. WAHLEN: Yes, sir. We would ask that you9excuse the witnesses.10CHAIRMAN CLARK: All right. Thank you very11much for your testimony today.12(Witnesses excused.)13COMMISSIONER GRAHAM: All right. Let's move14to other matters.15Do the parties have any other matters that16need to be addressed at this time?17Staff?18MS. LHERISSON: Staff understands that the19parties before you have agreed to waive the filing20of post-hearing briefs. If there are no further21proceeding matters to be addressed, staff believes22that if you so choose, the Commission may make a23bench decision at this time.24CHAIRMAN CLARK: Okay. Commissioners, that's  | 4  | Any other questions for either of these two        |
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| 8       MR. WAHLEN: Yes, sir. We would ask that you         9       excuse the witnesses.         10       CHAIRMAN CLARK: All right. Thank you very         11       much for your testimony today.         12       (Witnesses excused.)         13       COMMISSIONER GRAHAM: All right. Let's move         14       to other matters.         15       Do the parties have any other matters that         16       need to be addressed at this time?         17       Staff?         18       MS. LHERISSON: Staff understands that the         19       parties before you have agreed to waive the filing         20       of post-hearing briefs. If there are no further         21       proceeding matters to be addressed, staff believes         22       that if you so choose, the Commission may make a         23       bench decision at this time.         24       CHAIRMAN CLARK: Okay. Commissioners, that's  | 6  | Okay. Mr. Wahlen, would you like to have your      |
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| where we come in. What's the pleasure of this   | 24 | CHAIRMAN CLARK: Okay. Commissioners, that's        |
|   | 25 | where we come in. What's the pleasure of this      |

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1 Are you guys ready to make a decision group? 2 today? Any questions or comments? 3 COMMISSIONER BROWN: Yes, sir. 4 CHAIRMAN CLARK: Commissioner Fay. 5 COMMISSIONER FAY: Thank you, Mr. Chairman. 6 And I just have a comment. 7 I think the -- the turnaround on this is 8 extremely impressive, and I think even when these 9 statutes were originally passed and implemented 10 through the rule-making process, I think all of 11 that has been expedited. So I think the parties 12 have consistently, on all sides, consistently 13 worked extremely hard to get us in this posture. 14 I -- I think this -- this agreement is in the 15 public interest for a number of reasons, and I 16 am -- I am very supportive of it, not of the least 17 that I am the prehearing officer on the recovery 18 clause docket, and so I think that's -- it's always 19 nice to see that some of these issues are being 20 worked out ahead of time. 21 But I do think it also lays somewhat of a 22 clear roadmap for the clarity of the process to 23 ensure there -- there is separation between the --24 the base rate capital investments and the recovery 25 clause process and investments. And I think

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1 that -- that was clear in the statute and that's 2 clear in the rules, and so this is something that I 3 believe, based on the -- the testimony and what's 4 been put in the settlement does that with clarity. 5 And I think that's important to do. And I recognize that each utility is different, but I am 6 7 hopefully that -- that that will be taken into 8 consideration for future decisions on ensuring that that line is clear. 9

10 And the final part of it is, and it was 11 discussed a little bit by my colleagues, in that 12 we -- some of the discussion of this we will see 13 will lead to improvement and better operation as we 14 move forward beyond our -- our first and second 15 year of this, but I think Commissioner Brown asked 16 some very good questions, in that some of what 17 we -- we hear regarding this will be very customer 18 oriented, and might impact an undergrounding or 19 might impact something in -- in their -- their 20 area, and I think the constant communication moving 21 forward with these investments is -- is also a key 22 point for the utilities to put forward, and I think 23 the settlement does that. 24 So with that, I am -- I am in support of 25 the -- to approve the 2020 settlement as written,

| 1  | but I will let my colleagues opine.                 |
|----|---|
| 2  | CHAIRMAN CLARK: Thanks you, Commissioner Fay.       |
| 3  | Any other comments from Commissioners?              |
| 4  | Commissioner Brown.                                 |
| 5  | COMMISSIONER BROWN: Second all the way              |
| 6  | around.   |
| 7  | CHAIRMAN CLARK: Any other comments?                 |
| 8  | Commissioner Polmann?                               |
| 9  | COMMISSIONER POLMANN: I think we are taking         |
| 10 | Commissioner Fay's remarks as a motion, and I would |
| 11 | also second that motion.                            |
| 12 | CHAIRMAN CLARK: All right. Commissioner             |
| 13 | Commissioner Fay, did you move to approve the       |
| 14 | settlement agreement as presented?                  |
| 15 | COMMISSIONER FAY: I do, Mr. Chairman.               |
| 16 | CHAIRMAN CLARK: All right. We have a motion         |
| 17 | and we have a second.                               |
| 18 | Any further discussion?                             |
| 19 | All on the motion, all in favor, say aye.           |
| 20 | (Chorus of ayes.)                                   |
| 21 | CHAIRMAN CLARK: All right. We got everybody         |
| 22 | recorded as an aye.                                 |
| 23 | All right. The item is approved by your vote.       |
| 24 | Okay. Are there any other matters that we           |
| 25 | need to address here today from the parties?        |
|    |   |

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1 MR. WAHLEN: None from Tampa Electric, except 2 thank you. 3 CHAIRMAN CLARK: All right. Thank you all for your participation. Thank you for your hard work. 4 5 Staff. With the Commission making a 6 MS. LHERISSON: 7 bench decision, staff notes that a final order is 8 due to be issued by June 29th. 9 CHAIRMAN CLARK: All right. We will make that 10 so. 11 All right. Seeing no other additional 12 matters, we are going to adjourn this hearing. 13 Just a reminder, the IA will occur -- do we 14 need 30 minutes? We need 30 minutes. So we will 15 have IA back here in this same room in exactly 30 16 minutes. 17 No questions? We are adjourned. 18 (Proceedings concluded at 12:47 p.m.) 19 20 21 22 23 24 25

| 1  | CERTIFICATE OF REPORTER                                  |
|----|--|
| 2  | STATE OF FLORIDA )<br>COUNTY OF LEON )                   |
| 3  |  |
| 4  |  |
| 5  | I, DEBRA KRICK, Court Reporter, do hereby                |
| б  | certify that the foregoing proceeding was heard at the   |
| 7  | time and place herein stated.                            |
| 8  | IT IS FURTHER CERTIFIED that I                           |
| 9  | stenographically reported the said proceedings; that the |
| 10 | same has been transcribed under my direct supervision;   |
| 11 | and that this transcript constitutes a true              |
| 12 | transcription of my notes of said proceedings.           |
| 13 | I FURTHER CERTIFY that I am not a relative,              |
| 14 | employee, attorney or counsel of any of the parties, nor |
| 15 | am I a relative or employee of any of the parties'       |
| 16 | attorney or counsel connected with the action, nor am I  |
| 17 | financially interested in the action.                    |
| 18 | DATED this 17th day of June, 2020.                       |
| 19 |  |
| 20 |  |
| 21 | Debbri R Kaici   |
| 22 | DEBRA R. KRICK   |
| 23 | NOTARY PUBLIC<br>COMMISSION #GG015952                    |
| 24 | EXPIRES JULY 27, 2020                                    |
| 25 |  |