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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20230020-EI

Petition for limited proceeding for
recovery of incremental storm restoration
costs related to Hurricanes Elsa, Eta, Isaias,
Ian, Nicole, and Tropical Storm Fred, by Duke
Energy Florida, LLC.

_____/ DOCKET NO. 20230116-EI

Petition for limited proceeding for
recovery of incremental storm restoration
costs related to Hurricane Idalia, by Duke
Energy Florida, LLC.

_____/

PROCEEDINGS: HEARING

COMMISSIONERS
PARTICIPATING: CHAIRMAN MIKE LA ROSA
COMMISSIONER ART GRAHAM
COMMISSIONER GARY F. CLARK
COMMISSIONER ANDREW GILES FAY
COMMISSIONER GABRIELLA PASSIDOMO SMITH

DATE: Tuesday, June 3, 2025

TIME: Commenced: 12:10 p.m.
Concluded: 12:25 p.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: DEBRA R. KRICK
Court Reporter

1 APPEARANCES:

2 DIANNE TRIPLETT, MATTHEW R. BERNIER, and
3 STEPHANIE CUELLO, ESQUIRES, 106 E. College Avenue, Suite
4 800, Tallahassee, Florida 32301; appearing on behalf of
5 Duke Energy Florida, LLC (DEF).

6 WALT TRIERWEILER, PUBLIC COUNSEL, CHARLES
7 REHWINKEL, DEPUTY PUBLIC COUNSEL, OFFICE OF PUBLIC
8 COUNSEL, c/o The Florida Legislature, 111 West Madison
9 Street, Room 812, Tallahassee, Florida 32399-1400,
10 appearing on behalf of the Citizens of the State of
11 Florida (OPC.).

12 SUZANNE BROWNLESS, ESQUIRE, FPSC General
13 Counsel's Office, 2540 Shumard Oak Boulevard,
14 Tallahassee, Florida 32399-0850, appearing on behalf of
15 the Florida Public Service Commission (Staff).

16 MARY ANN HELTON, INTERIM GENERAL COUNSEL,
17 Florida Public Service Commission, 2540 Shumard Oak
18 Boulevard, Tallahassee, Florida 32399-0850, Advisor to
19 the Florida Public Service Commission.

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I N D E X

WITNESS:	PAGE
CHRISTOPHER MENENDEZ	
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JIMMY NEW	
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TODD FOUNTAIN	
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CURT MOURING	
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EXHIBITS

NUMBER:		ID	ADMITTED
1	Comprehensive Exhibit List	55	55
2-13	As identified in the CEL	55	56

1 P R O C E E D I N G S

2 CHAIRMAN LA ROSA: We are ready to get
3 started.

4 All right. Again, good afternoon. Today is
5 June 3rd. That's not the last time I will say that
6 today, and a little after 12 o'clock, and let's go
7 ahead and call this hearing to order.

8 Staff, will you please read the notice?

9 MS. BROWNLESS: By notice issued on May 12th,
10 2025, this time and place has been set for a final
11 hearing in Docket Nos. 20230020-EI and 20230116-EI.
12 The purpose of this hearing is set forth more fully
13 in the notice.

14 CHAIRMAN LA ROSA: Great. Thank you.

15 Let's go ahead and take appearances at this
16 time, start with DEF.

17 MR. BERNIER: Good afternoon, Commissioners.
18 Matt Bernier for Duke Energy Florida. I will also
19 enter appearances for Stephanie Cuello and Dianne
20 Triplett.

21 Thank you.

22 CHAIRMAN LA ROSA: Thank you, on.

23 MR. REHWINKEL: Good morning, Commission --
24 good afternoon. Charles Rehwinkel and Walt
25 Trierweiler with the Office of Public Counsel for

1 the customers of Duke.

2 CHAIRMAN LA ROSA: Great. Thank you.

3 Staff.

4 MS. BROWNLESS: And Suzanne Brownless on
5 behalf of staff.

6 MS. HELTON: And Mary Anne Helton here as your
7 Advisor.

8 CHAIRMAN LA ROSA: Great. Thank you.

9 Are there any preliminary matters that need to
10 be addressed?

11 MS. BROWNLESS: Yes, sir.

12 There are proposed Type 1 stipulations for all
13 of the issues in these dockets, Issues 1 through
14 18. Type 1 stipulations occur when all parties
15 agree on the stated resolution of the issue,
16 therefore, all 18 issues can be voted upon today.

17 PCS Phosphate has agreed to stipulate Issues 1
18 through 18, and has been excused from attending
19 this final hearing.

20 CHAIRMAN LA ROSA: Great. Thank you.

21 Let's address prefiled testimony.

22 MS. BROWNLESS: All parties and the
23 Commissioners have agreed to excuse the following
24 witnesses and the prefiled testimonies of these
25 witnesses have been stipulated to by all parties.

1 Christopher Menendez, Jimmy New, Todd Fountain and
2 Curt Mouring.

3 We would ask that the prefiled testimony of
4 these witnesses be moved into the record at this
5 time.

6 CHAIRMAN LA ROSA: Great. Then the listed
7 prefiled testimony will be moved into the record
8 without objections.

9 MS. BROWNLESS: Thank you.

10 (Whereupon, prefiled direct testimony of
11 Christopher Menendez was inserted.)

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**IN RE: PETITION BY DUKE ENERGY FLORIDA, LLC, FOR LIMITED
PROCEEDING FOR RECOVERY OF INCREMENTAL STORM RESTORATION
COSTS RELATED TO HURRICANE IDALIA**

FPSC DOCKET NO. 20230116-EI

DIRECT TESTIMONY OF CHRISTOPHER A. MENENDEZ

SEPTEMBER 23, 2024

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

2 **A.** My name is Christopher A, Menendez. My business address is Duke
3 Energy Florida, LLC, 299 1st Avenue North, St. Petersburg, Florida 33701.

4
5 **Q. By whom are you employed and what is your position?**

6 **A.** I am employed by Duke Energy Florida, LLC (“DEF” or the “Company”) as
7 Director of Rates and Regulatory Planning.

8
9 **Q. Please describe your duties and responsibilities in that position.**

10 **A.** I am responsible for the Company’s regulatory planning and cost recovery,
11 including the Company’s Storm Cost Recovery Filings.

12
13 **Q. Please describe your educational background and professional
14 experience.**

15 **A.** I joined the Company on April 7, 2008. Since joining the company, I have
16 held various positions in the Florida Planning & Strategy group, DEF Fossil

1 Hydro Operations Finance, and DEF Rates and Regulatory Strategy. I was
2 promoted to my current position in April 2021. Prior to working at DEF, I
3 was the Manager of Inventory Accounting and Control for North American
4 Operations at Cott Beverages. I received a Bachelor of Science degree in
5 Accounting from the University of South Florida, and I am a Certified Public
6 Accountant in the State of Florida.

7

8 **Q. What is the purpose of your direct testimony?**

9 **A.** The purpose of my testimony is to explain DEF's proposed true-up of any
10 final over or under recovery amount related to the Interim Storm Restoration
11 Recovery Charge effective the first billing cycle of January 2024 and ending
12 the earlier of full recovery or with the last billing cycle of December 2024.
13 This charge was approved by the Commission in Order No. PSC-2023-
14 0375-PCO-EI ("the Order").

15

16 **Q. Do you have any exhibits to your testimony?**

17 **A.** Yes, I am sponsoring the following:

- 18 • Exhibit No. (CAM-1) "Recovery of Storm Restoration Costs." This
19 Exhibit shows the total recoverable restoration costs, along with monthly
20 revenues and interest collected through July 2024. An update to this
21 Exhibit will be filed with the Commission on the date that the Fuel Cost
22 Recovery Actual True-Up Filing for the Period of January 2024 through
23 December 2024 is made in in Docket No. 20250001-EI.

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Q. Please describe the Interim Storm Restoration Recovery Charge.

A. The Interim Storm Restoration Recovery Charge (“Interim Charge”) was designed to recover estimated incremental storm restoration costs of approximately \$166.1M in incremental storm restoration costs remaining from the Hurricanes Elsa, Eta, Ian, Isaias, Nicole, and Tropical Storm Fred (the “Storms”) and Hurricane Idalia, including interest and replenishment of the storm reserve, over a 12-month period from January 2024 through December 2024, or until fully recovered. The Order states “after the actual costs are reviewed for prudence and reasonableness and are compared to the actual amount recovered through the interim storm restoration charge, a determination will be made whether any over/under recovery has occurred. The disposition of any over/under recovery and associated interest, will be considered by us at a later date.”

Q. How will DEF determine the final over or under recovery true-up amount related to the Interim Charge, and what is DEF’s proposal to refund or charge customers for any excess or shortfall?

A. DEF will compare the final Storm Recovery Amount approved for recovery by the Commission to actual revenues from the Interim Charge to determine any excess or shortfall. Interest will be applied to this amount at the 30-day commercial paper rate. Thereafter, DEF proposes to collect or refund the excess or shortfall through the fuel clause in the normal true-up process, as stated in Order No. PSC-2024-0377-FOF-EI issued August 27, 2024.

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Q. How will DEF notify the Commission of the actual revenues received from the Interim Charge?

A. DEF will file a supplement to my direct testimony in the form of Exhibit No. (CAM-1), on the date that the Fuel Cost Recovery True-up Filing for the Period January 2024 through December 2024 is made with the Commission, that will show actual approved recoverable restoration costs along with monthly revenues and interest collected through the earlier of December 2024 or full recovery of the total recoverable storm restoration costs.

Q. Does this conclude your testimony?

A. Yes.

1 (Whereupon, prefiled direct testimony of Jimmy
2 New was inserted.)

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**RE: PETITION BY DUKE ENERGY FLORIDA, LLC, FOR LIMITED
PROCEEDING FOR RECOVERY OF INCREMENTAL STORM
RESTORATION COSTS RELATED TO HURRICANE IDALIA**

FPSC DOCKET NO. 20230116-EI

DIRECT TESTIMONY OF JIMMY NEW

SEPTEMBER 23, 2024

1 **I. INTRODUCTION AND QUALIFICATIONS.**

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

3 **A.** My name is Jimmy New. My current business address is 525 South Tryon Street,
4 Charlotte, NC 28202.

6 **Q. By whom are you employed and what are your responsibilities?**

7 **A.** I am employed by Duke Energy Business Services, LLC, a Service Company
8 affiliate of Duke Energy Florida, LLC (“Duke Energy Florida,” “DEF,” or the
9 “Company”) and a subsidiary of Duke Energy Corporation (“DE”). My current
10 position is Manager Finance II of Power Grid Operations Regulatory Support. I
11 oversee a group that has responsibility for supporting regulatory filings for Power
12 Grid Operations. I collaborate with other finance personnel with responsibilities
13 for Power Grid Operations, Customer Operations and Fossil/Hydro Generation
14 Operations, and thus I am representing the finance and accounting organizations
15 that provide support to the functional groups of DEF that incur expenses during
16 major storm events.

1
2 **Q. Please summarize your educational background and professional experience.**

3 **A.** I have a Bachelor of Science Degree in Business Administration – Accounting from
4 Appalachian State University in 2007. I began my career at Deloitte & Touche
5 LLP in their Audit and Enterprise Risk Services area. In 2013, I joined Duke
6 Energy's Internal Audit Department in Charlotte. In 2016 I joined the Financial
7 Planning and analysis group as a Senior Financial Analyst supporting the
8 Information Technology group and was later promoted to Lead Financial Analyst
9 in 2018. I moved to the Customer Delivery Finance team in 2021 and was promoted
10 to Manager I in 2022 and later to Manager II in 2024. During my time in the
11 Customer Delivery Finance organization my roles have largely been related to
12 process development for capital investment as well as overview of some regulatory
13 reporting including the Florida Storm Protection Plan. In February 2024, the
14 Customer Delivery function and the Transmission function merged within Duke
15 Energy to become the Power Grid Operations organization. I am a licensed CPA
16 in North Carolina.

17
18 **II. PURPOSE OF TESTIMONY.**

19 **Q. What is the purpose of your direct testimony?**

20 **A.** On October 16, 2023, DEF filed estimated storm costs in the instant docket
21 associated with Hurricane Idalia (referred to herein as the “Storm”). The purpose
22 of my testimony is to explain and support the actual incremental cost of the Storm
23 and to discuss the methods used to comply with Rule 25-6.0143, F.A.C., and the
24 Storm Cost Settlement Agreement approved in Order No. PSC-2019-0232-AS-EI

1 (“Agreement”), to identify and remove non-incremental O&M and capitalized costs
2 from total storm restoration costs.

3

4 **Q. Do you have any exhibits to your testimony?**

5 **A.** Yes, I am sponsoring the following exhibits to my testimony:

- 6 • Exhibit No. (JN-1) – Cost Summary – Storm Reserve
- 7 • Exhibit No. (JN-2) – Cost Summary – Hurricane Idalia
- 8 • Exhibit No. (JN-3) – Remaining Recovery from Docket No. 20230020-EI
9 at 12/31/2023
- 10 • Exhibit No. (JN-4) – Interest & Unrecovered Costs Calculation

11 These exhibits were prepared based on information kept in the normal course of
12 business in the books and records of the Company and are true and accurate to the
13 best of my knowledge.

14

15 **Q. Please describe the net costs for which recovery is sought in this proceeding.**

16 **A.** DEF is seeking recovery of incremental costs incurred in responding to the named
17 Storm as defined under the Incremental Cost and Capitalization Approach
18 (“ICCA”) methodology required under Rule 25-6.0143, F.A.C. The Company has
19 prudently incurred \$166.5 million (retail) of incremental restoration costs which
20 includes Hurricane Idalia (\$97.7 million) as shown in Exhibit No. (JN-1). These
21 costs exclude all non-incremental costs and capital costs, as defined under the ICCA
22 methodology and adopted under the Agreement. Recovery of the total storm
23 restoration cost will also allow DEF to replenish the storm reserve (\$131.8 million)
24 which was depleted by the Storm and includes interest expense (\$0.2 million) as

1 shown in Exhibit No. (JN-4) calculated at the commercial paper rate from January
2 2024 to March 2024.

3

4 **Q. Please explain how storm-related costs are tracked and accounted for during**
5 **and after each storm, and the process that the Company uses to verify that**
6 **costs assigned to the Storm were in fact related to the Storm and were**
7 **incremental.**

8 **A.** When a potential major storm event is approaching its service territory, DEF creates
9 separate project codes for each function (Transmission, Distribution, Generation,
10 and Customer Service) to process and aggregate the total amount of storm
11 restoration costs incurred for financial reporting and regulatory recovery purposes.
12 DEF uses these codes to account for all costs directly related to storm restoration,
13 including costs that will not be recoverable from DEF's storm reserve, based on the
14 ICCA methodology and as further clarified in the Agreement. All storm restoration
15 costs charged to these storm projects are initially recorded in FERC Account 186,
16 Miscellaneous Deferred Debits except for Transmission capital projects. All costs
17 charged to FERC Account 186 are subsequently reviewed, and based on the
18 outcome of that review, are cleared, and charged to either the storm reserve (FERC
19 Account 228.1), normal O&M expense or capital. I will further discuss the
20 Company's process to review incurred costs and ensure only allowable costs as
21 defined in the ICCA methodology and Agreement are included for recovery later
22 in my testimony.

23

1 **Q. Please further explain the process for accumulating accounting data related to**
2 **storm costs.**

3 **A.** For Distribution, major storm costs are initially accumulated in FERC Account 186,
4 including charges that are considered non-incremental or capital. Using the ICCA
5 methodology and Agreement, non-incremental amounts are identified and
6 subsequently credited from FERC Account 186 and debited to base rate O&M
7 expense. Capital costs are also identified and subsequently credited from FERC
8 Account 186 and debited to FERC Account 107, Construction Work in Progress.
9 After non-incremental and capital costs are removed from FERC Account 186, the
10 remaining balance is then credited, and FERC Account 228.1 is debited to bring
11 FERC Account 186 to zero leaving only allowable costs for recovery in Account
12 228.1. Transmission follows the same process except that any capital work that is
13 done during the major storm is charged directly to specific projects that are mapped
14 to FERC Account 107.

15
16 **Q. Please explain the recoverable incremental costs incurred by DEF for**
17 **Hurricane Idalia.**

18 **A.** Exhibit No. (JN-2) summarizes total recoverable storm costs for Hurricane Idalia
19 (\$97.7 million) by each function.

20
21 As shown on Exhibit No. (JN-2), DEF's incurred costs for the Storm is broken into
22 the categories below, and, when netted with non-incremental and capitalizable
23 costs, are consistent with the ICCA methodology and the Agreement.

24

- 1 1. Regular Payroll – Amounts in this category represent regular labor payroll
2 costs incurred by DEF employees or employees of affiliate entities of DEF
3 for time spent related to storm restoration activities. For Transmission and
4 Distribution (“T&D”), the difference between the actual (August and
5 September 2023) and 3-year historical average (August and September 2020-
6 2022) O&M base payroll for the month(s) of the activities directly related to
7 the storm in the absence of a storm was excluded from recoverable storm
8 costs as the non-incremental amount.
9
- 10 2. Overtime Payroll – Amounts in this category represent overtime labor costs
11 incurred by DEF employees or employees of affiliate entities of DEF for time
12 spent related to storm restoration activities. For T&D, the difference
13 between the actual (August and September 2023) and the 3-year historical
14 average (August and September 2020-2022) O&M overtime for the month(s)
15 of the activities directly related to the storm in the absence of a storm was
16 excluded from recoverable storm costs as the non-incremental amount.
17
- 18 3. Labor Burdens/Incentives – Amounts in this category include employee
19 bonuses and costs such as medical, payroll tax and other non-incentive benefits
20 incurred by DEF employees or affiliate entities of DEF for time spent related to
21 storm restoration activities. For T&D, the difference between the actual
22 (August and September 2023) and the three-year historical average (August and
23 September 2020-2022) O&M labor burdens/incentives for the months(s) of the

1 activities directly related to the storm in the absence of a storm was excluded
2 from recoverable storm costs as the non-incremental amount.

3
4 Bonuses paid to employees for their extraordinary efforts and dedication to
5 DEF's customers were removed from this Storm cost recovery request. Note,
6 while the Company believes the bonuses paid to employees are properly
7 recoverable, DEF is not seeking recovery of those costs.

8
9 4. Overhead Allocations – Amounts in this category include costs, such as
10 employee labor from support organizations, related to employees of DEF or
11 employees of affiliate entities of DEF that are allocated to the storm project
12 based on payroll and overtime charges. For T&D, the difference between the
13 actual (August and September 2023) and the three-year historical average
14 (August and September 2020-2022) overhead allocations for the month(s) of
15 the activities directly related to the storm in the absence of a storm was excluded
16 from recoverable storm costs as the non-incremental amount.

17
18 5. Employee Expenses – Amounts in this category include costs of lodging for
19 employee and contractor crews and expenses such as meals and mileage
20 reimbursement for employees using their personal vehicles during storm
21 restoration.

22
23 6. Contractor Costs – Amounts in this category include time and equipment costs
24 incurred by third party contractors hired for storm restoration activities. For

1 T&D, the difference between the actual (August and September 2023) and the
2 three-year historical average (August and September 2020-2022) contractor
3 costs for the month(s) of the activities directly related to the storm in the
4 absence of a storm was excluded from recoverable storm costs as the non-
5 incremental amount.

6
7 7. Materials and Supplies – Amounts in this category include materials and
8 supplies used to repair and restore service and facilities to pre-storm condition
9 and exclude the portion of materials and supplies used in restoration activities
10 that are included in capitalized cost. Fuel costs associated with fueling services
11 utilized during restoration to re-fuel contractor vehicles are also included as part
12 of materials and supplies costs.

13
14 8. Internal Fleet Costs – Amounts in this category include fuel and maintenance
15 costs for DEF fleet vehicles. For T&D, the difference between the actual
16 (August and September 2023) and the three-year historical average (August and
17 September 2020-2022) variable fleet costs for the month(s) of the activities
18 directly related to the storm in the absence of a storm was excluded from
19 recoverable storm costs as the non-incremental amount.

20
21 9. Uncollectible Account Expenses – DEF is not seeking recovery of uncollectible
22 account expenses.

23

1 10. Other Expenses – Amounts in this category include other minor amounts of
2 storm-related expenses not included in one of the categories above.

3
4 The Company has support for the Storm costs on Exhibit No. (JN-1) available for
5 Commission review.

6
7 **Q. Is the Company including for recovery in this filing any costs prohibited from
8 recovery under the ICCA methodology and the Agreement?**

9 **A.** No. DEF is not including any costs prohibited from recovery under the ICCA
10 methodology (that is, the types of costs identified in paragraph (1)(f) of the Rule)
11 or the Agreement. In the preceding section of my testimony, I discussed allowable
12 costs as well as amounts DEF excluded from this recovery request based on DEF's
13 determination that certain of the costs were non-incremental or capitalizable.

14
15 **Q. Please explain the amounts capitalized to property, plant, and equipment by
16 the Company.**

17 **A.** The ICCA methodology states, “. . . capital expenditures for the removal, retirement
18 and replacement of damaged facilities charged to cover storm-related damages
19 must exclude the normal cost for the removal, retirement and replacement of those
20 facilities in the absence of a storm.” Rule 25-6.0143(1)(d), F.A.C.

21
22 DEF has a process to ensure all units of property (“UOP”) installed during storm
23 restoration are capitalized at reasonable material and labor amounts (i.e., resulting
24 in capital amounts at the normal cost for the removal, retirement, and replacement

1 of those facilities), to ensure a storm cost recovery request that is incremental under
2 the ICCA methodology.

3

4 For Transmission, specific projects were issued for capital work allowing real-time
5 tracking of those projects for material and equipment costs. As capital work was
6 performed, associated labor costs were moved to the capital projects per the ICCA
7 methodology.

8

9 For Distribution, the Company's tracking of materials allows for accounting of all
10 units of property used during storm restoration resulting in the proper capitalization
11 of those units of property. DEF's Supply Chain organization issues materials
12 directly to the storm project when shipped from the distribution center to the various
13 base camps, and Supply Chain personnel at Operating Centers issue materials used
14 during the storm to the storm project. Once the restoration effort was completed,
15 all unused materials from the base camps were picked up and brought back to the
16 distribution center where they were placed in a specific area for return processing.
17 All returned materials were segregated and tagged to be identified as materials
18 initially charged to the storm restoration. The materials were then returned by
19 applying the same accounting that was used during the restoration effort. As a
20 result, only the actual units installed during storm restoration were capitalized.

21

22 Once the number of UOPs were confirmed, the Company's Finance organization
23 determined a normal, reasonable total dollar amount to capitalize those UOPs.

24

- 1 • Materials Costs – the number of each UOP was identified and grouped (e.g.,
2 poles, transformers, wire, etc.). The material costs associated with the UOP and
3 the number of UOP then became the basis of the calculation to determine the
4 estimated total capital amount. A material burden was applied to all materials
5 which represents the cost associated with warehousing, handling, and shipping,
6 and was reflected in the capital calculation. Working stock, which is generally
7 accounted for as a burden of chargeable materials, was directly charged to the
8 storm project.
- 9 • Contract Labor - For each grouping of UOP, DEF's Resource Optimization
10 group estimated the average number of hours to install under normal conditions
11 for that type of UOP and number of line resources needed. The average number
12 of hours was multiplied by the number of resources to derive the total hours to
13 install that UOP. Then a simple average was calculated of internal labor and
14 native contractor rates and that rate was multiplied by the number of hours for
15 each UOP to determine the estimated capital labor to install.
- 16 • Other costs – As part of the normal amount of capital cost for a UOP, an
17 overhead allocation rate was applied based on the total number of estimated
18 hours to install the UOP. This overhead rate is consistent with the rate used in
19 DEF's work management system – Maximo.

20
21 The amount of storm costs capitalized is outlined in Exhibit No. (JN-2).

22
23 **Q. In addition to T&D, please describe the other functional areas that incurred**
24 **costs related to the Storm.**

1 A. Customer Service incurred incremental, non-budgeted costs for some of the same
2 categories of costs as T&D. Generation including solar sites and Customer Service
3 used a non-incremental cost approach consistent with the ICCA methodology and
4 Agreement.

5
6 **Q. Please explain why there could be further adjustments to the costs for which**
7 **DEF is seeking recovery in this filing.**

8 A. As of the date of this filing, the Company has not yet finalized payment of all
9 contractor services related to Hurricanes Idalia. The Company reserves the right to
10 file supplemental schedules with any necessary adjustments with the Commission
11 as appropriate.

12
13 **Q. Does this conclude your testimony?**

14 A. Yes.
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1 (Whereupon, prefiled direct testimony of Todd
2 Fountain was inserted.)

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: PETITION BY DUKE ENERGY FLORIDA, LLC, FOR LIMITED PROCEEDING FOR RECOVERY OF INCREMENTAL STORM RESTORATION COSTS RELATED TO HURRICANE IDALIA

DOCKET NO. 20230116-EI

DIRECT TESTIMONY OF WILLIAM TODD FOUNTAIN

SEPTEMBER 23, 2024

1 **I. INTRODUCTION AND QUALIFICATIONS.**

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

3 **A.** My name is William Todd Fountain. I am employed by Duke Energy Florida, LLC
4 ("DEF" or the "Company"). My business address is 6571 38th Avenue North, St.
5 Petersburg, FL 33710.

6
7 **Q. Please tell us about your position with DEF and describe your duties and**
8 **responsibilities in that position.**

9 **A.** I am the General Manager of Emergency Preparedness for Customer Delivery
10 responsible for DEF's annual hurricane season readiness, and when hurricanes
11 strike, I serve as the Incident Commander for restoration.

12
13 **Q. Please summarize your educational background and employment**
14 **experience.**

15 **A.** I have over 32 years of experience in the utility industry. I began my career in 1991
16 with then Florida Power Corporation and have worked my way up from my

1 apprenticeship to making Journeyman Lineman. After spending time as a lineman,
2 I moved into the Control Room as a dispatcher and later became the Director of
3 the Dispatch Control Room. After spending a number of years in the Control Room,
4 I became the Director of DEF's Distribution Vegetation Management program.
5 After approximately four-and-a-half years as the Director of Vegetation
6 Management, in June 2021, I assumed my current role as GM, Emergency
7 Preparedness.

8
9 **II. PURPOSE AND SUMMARY OF TESTIMONY**

10 **Q. What is the purpose of your testimony in this proceeding?**

11 **A.** I am testifying on behalf of the Company in support of recovery of DEF's
12 incremental storm-related costs incurred responding to Hurricane Idalia. I will
13 begin by providing an overview of the total distribution storm-related costs and cost
14 categories. I will discuss the operation of the Company's storm plan, including the
15 Company's goals and priorities as it prepares for, responds to, and recovers from
16 a storm's impact on its system. I will conclude my testimony by describing DEF's
17 successful efforts at implementing its plan in response to the storm and, ultimately,
18 to restore electric service safely and efficiently to its customers.

19
20 **Q. Are you sponsoring any exhibits to your testimony?**

21 **A.** No, I am not sponsoring any exhibits.

22
23 **Q. Please summarize your testimony.**

1 **A.** My testimony explains the Company's Storm Response Plan (the "Plan") as well
2 as implementation of the Plan in response to Hurricane Idalia. My testimony
3 demonstrates that the Company's preparations in advance of the storm, actions in
4 response to the storm, and ultimately costs incurred responding to the storm were
5 prudently taken and prudently incurred, and therefore the Company should be
6 permitted to fully recover its Incremental Storm Restoration Costs.

7
8 **Q.** Will you please provide a summary of Hurricane Idalia?

9 **A.** Yes.

10 Hurricane Idalia made landfall on Wednesday, August 30th near Keaton Beach
11 quickly moving ashore between Perry and Salem, with maximum sustained winds
12 of 125 mph. In addition to major hurricane force winds, Idalia produced a
13 devastating storm surge along coastal communities from Deckle Beach in Taylor
14 County southeastward to Horseshoe Beach in Dixie County. Surge heights along
15 the immediate coast were 7-12 feet above normally dry ground. Lower values of
16 up to 6 feet above normally dry ground were noted south of Horseshoe Beach.
17 Hurricane Idalia caused severe flooding and widespread destruction.

18 DEF began mobilizing resources and incurring costs on August 27th. The
19 Company was able to begin releasing resources on August 31st and continued a
20 measured drawdown of resources through September 7th, with 100 native
21 contractor resources staying in the North Coastal region to support sweep and

1 rebuild activities. By September 4th, DEF had restored all customers able to
2 receive power, though work continued to sweep and complete necessary rebuilds.
3 Hurricane Idalia impacted more than 200,000 customers in DEF's service territory.
4 More than 5,000-line workers, tree professionals, damage assessors, and support
5 personnel were staged strategically throughout the state of Florida.

7 **III. THE COMPANY'S DISTRIBUTION STORM PLAN**

8 **Q. Please describe DEF's distribution system storm plan.**

9 **A.** DEF prepares for major storms year-round. Hurricane season readiness begins
10 several months before the start of the season and includes training, drills, and
11 implementation of lessons learned from the prior year. DEF's comprehensive
12 storm plan is modeled on Homeland Security's Incident Command Structure
13 ("ICS") and incorporates the best practices the Company has developed from
14 experiences with past storms. The ICS affords rapid scalability in response to a
15 specific threat.

16 The scalability of ICS is reflected in DEF's three distinct levels of restoration
17 response. Level 1 is for restoration events lasting 6-12 hours, Level 2 is for 12-24-
18 hour events, and level 3 is for major events exceeding 24 hours and is designed
19 for restoration on the scale of a hurricane. The same basic functions are performed
20 at all storm levels, but as resources increase to match the storm's anticipated
21 threat, the organization expands to ensure efficient restoration of the Company's
22 system. While it is appropriate for an individual in a lower-level event to perform

1 parts of several storm roles, those same roles are broken out and staffed by an
2 increasing number of dedicated resources as the scope of restoration work
3 increases. The decision to activate at a particular response level is made by the
4 storm management team, and is guided by weather forecasts, resource modeling,
5 and expected restoration duration. The flexibility of the storm plan is such that, for
6 any given restoration event, DEF may have an area operating at Level 2 while
7 another area is activated at Level 3. This allows areas within the Company
8 operating at a lower restoration level to finish sooner and release resources to
9 work in regions operating at higher restoration levels.

10 The ICS plan is built upon three phases of storm restoration: (1) pre-storm
11 activation, (2) outage repair and restoration, and (3) returning the distribution grid
12 to normal. Pre-storm activation begins as early as 120 hours prior to landfall, and
13 includes detailed weather forecasting, modeling of potential damage and resource
14 requirements, and preparation for support of logistics needs. The outage repair
15 and restoration phase include operational activities after storm impact to restore
16 service to all customers capable of receiving it. Returning the grid to normal is
17 necessary to restore DEF's electrical infrastructure to its pre-hurricane condition.

18
19 **Q. Can you please describe the different roles within DEF's storm plan?**

20 **A.** Yes. Within the storm plan there are a multitude of roles that facilitate an efficient
21 restoration process. These roles are organized along the following functional lines:
22 (1) Operations (restoration of service);

1 (2) Planning (forecasts, modeling, damage assessment, and situational
2 awareness);

3 (3) Logistics (resource management, mustering sites and base camps, material,
4 and supplies);

5 (4) Governmental Liaison (coordination with state and county Governmental
6 Agencies);

7 (5) External Communication (outreach and communication to customers,
8 community leaders and media);

9 (6) Distribution Grid Officer (oversees the distribution grid and the restoration of
10 the distribution customers);

11 (7) Transmission Grid Officer (oversees the transmission grid and coordinates
12 restoration of substation and transmission);

13 (7) Finance Section Chief (oversees storm charging and provides necessary
14 guidelines); and

15 (8) Safety Officer (oversees safe restoration, provides safety messages that are
16 relevant to storm response).

17 Personnel are assigned roles under the storm plan that may differ from their
18 regular daily responsibilities and, as a result, it is imperative that they are
19 effectively trained. This training is normally completed in the second quarter of
20 each year throughout the Company and within each of the functional areas of
21 responsibility. To further ensure storm preparedness, DEF conducts storm
22 readiness drills to test the effectiveness of the training program and employees'
23 ability to execute their assigned storm roles. DEF's Plan is coordinated with the

1 state-wide storm preparedness efforts through participation in the state
2 Emergency Operations Center ("EOC") coordinated storm drill conducted each
3 May.

4
5 **Q. When and how do you activate your ICS major storm organization?**

6 **A.** DEF's formal ICS activation process kicks off as soon as a threat is identified,
7 which is typically 72 to 96 hours prior to forecasted landfall. DEF's initial focus is
8 to ascertain the most detailed weather information available including date, time,
9 and strength of the storm, path, size and wind fields, precipitation, and exact time
10 when wind is anticipated to diminish and fall below 39 mph (OSHA's limit for safe
11 travel).

12 At 48 to 72 hours prior to projected landfall, DEF uses storm modeling tools to
13 predict the amount of damage to DEF's system, where that damage will likely
14 occur, and the quantity of resources required to quickly restore outages. Also
15 considered are potential forecast variables including track and intensity changes,
16 early hurricane arrival, and when travel conditions will deteriorate affecting travel
17 to the DEF mustering locations. More specifically, the modeling tools estimate the
18 number of personnel required, such as linemen, tree trimmers and damage
19 assessors, providing the Company an estimate of the necessary scale of
20 restoration response. At this point, efforts are focused on notifying DEF customers
21 and employees of potential impact and beginning storm readiness activities and
22 initial efforts to acquire resources. A progression of pre-landfall checklists is
23 followed to ensure orderly preparation each day thereafter.

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Q. How does DEF use the information from predictive hurricane damage models?

A. Once DEF has estimated the number of resources required and where and to what extent each region within DEF's territory will be impacted, several processes begin in unison. DEF's Resource Management function secures commitments for restoration support and Staging and Logistics prepares to open mustering and base camp sites to receive them.

Resource Management

Resource Management first secures internal line and tree resource commitments from other Duke Energy jurisdictions. Internal Duke Energy personnel are available immediately and can be moved into forward positions to expedite restoration. Next, DEF contacts the Southeastern Electric Exchange ("SEE") Mutual Assistance Group to secure commitments from the participating companies for remaining resource needs. SEE Mutual Assistance is governed by an existing agreement between all participating utilities. Most Mutual Assistance utilities assess the impact of the storm on their systems and hold resources until their utility is in the clear. Utilities not in the storm's projected path typically must travel from significant distances and must be activated several days prior to landfall.

Staging

Depending on the time, path, and confidence in the storm's expected impact, decisions concerning when committed crews are activated, paid to be mobilized,

1 and sent to an off-site mustering location are made prior to landfall. To expedite
2 the restoration process, DEF mobilizes crews to mustering sites located along
3 Interstates 75, 4, and 95. Safety is the highest priority, so the sites ultimately used
4 depend upon the path of the storm; DEF seeks sites as close as possible to
5 expected damage without unnecessarily placing crews in harm's way. The number
6 of crews mobilized and where they are mustered depends greatly on confidence
7 in the weather forecast. Restoration is fastest when resources are pre-staged
8 before driving conditions deteriorate.

9 Logistics

10 Concurrent with the acquisition of resources, DEF's Logistics function establishes
11 a coordinated schedule to open mustering sites and base camps and to secure
12 anticipated lodging needs. The use of mustering sites allows the Company to
13 validate rosters and crew compliments for billing; orient non-native crews to DEF's
14 safety policies, switching practices, and technical specifications; and prepare
15 crews for reassignment to a restoration base camp that accommodates truck
16 parking, inventory storage, refueling, meals, and lodging.

17
18 **Q. Is pre-staging restoration crews part of DEF's hurricane plan, and is the**
19 **practice supported by industry experience and regulatory guidance?**

20 **A.** Yes. About 24 hours before impact DEF focuses on pre-staging, which is an
21 integral part of DEF's hurricane plan, a well-established industry best practice, and
22 a hedge against uncertain hurricane forecasts (timing and location). When

1 combined with strong logistics and operational procedures, acquiring resources
2 prior to landfall reduces restoration time.

3 Rebuilding and repairing the electric grid after a hurricane requires more resources
4 than native staffing. Not only must the area of impact and extent of direct damage
5 be considered, but also the hurricane's subsequent path that could affect travel to
6 the state, access to damage, and availability of remaining resources. Securing,
7 mobilizing, on-boarding, and strategically locating Mutual Assistance crews takes
8 several days and must be initiated before weather impact is certain. Pre-staging
9 decisions are based on detailed forecast data and advanced modeling tools
10 developed and continuously improved through years of experience.

11 Pre-staging reduces overall restoration days and total customer outage hours.
12 During a hurricane state of emergency, communities suffer economic loss and deal
13 with threats to public health and safety. For these reasons, DEF's primary
14 objective in storm response is the safest, fastest, most transparent restoration
15 managed responsibly from a cost perspective.

16 Pre-staging greatly improves the accuracy of Estimated Times of Restoration
17 ("ETRs"). Accurate and early ETRs are vital to community first responders who
18 are managing threats to public health and safety, and to customers who evacuated
19 and are seeking to return home. ETRs are a combination of estimated repair hours
20 and resources available to do the work. When available resources are in place
21 and engaged in work, the resulting ETRs can be provided sooner and are far more
22 accurate than when acquisition and mobilization uncertainties must be included.

1 **Q. How does the Company on-board crews and what steps does the Company**
2 **take to ensure that they are effectively utilized?**

3 **A.** The Company on-boards newly arriving crews at staging and logistics sites where
4 rosters are verified, and arrival times documented. Crews go through a detailed
5 overview of Company safety rules and protocols, as well as information on
6 construction standards. Once restoration begins, crews are assigned to
7 Restoration Coordinators (“RC”). The RC is a key oversight role for managing
8 work. RCs assign their crews daily work packages that are prepared in advance
9 and monitor progress of restoration. RCs also review time sheets and provide
10 feedback to the storm center about crew effectiveness. This information is used
11 by Operations and Logistics during demobilization to sequence crew releases so
12 that the more productive and lower cost crews are among the last to be released.

13
14 **Q. How is DEF’s resource plan developed?**

15 **A.** Resource plan commitments must be made far enough in advance to allow
16 mobilization to strategically placed mustering sites. The timing of crew mobilization
17 is based on getting resources into position before driving conditions deteriorate
18 and crew safety is endangered. The resource plan is continuously checked and
19 adjusted as information becomes more certain. Adjustments can include both
20 additions and releases of resources.

21
22 Predictive damage modeling provides a target number of resources and is the
23 basis for Mutual Assistance requests. The resource plan covers many risks

1 including early hurricane arrival and increased strength (as Hurricane Michael
2 quickly did in 2018, attaining Category 5 status at landfall), shifting of storm track,
3 widening of wind field, tornados, and flooding. These risks are mitigated by the
4 number of resources secured, skill type (e.g., line, tree, damage assessment), pre-
5 position location, and if not pre-positioned, the influence of the hurricane on post-
6 landfall highway travel. While these decisions are made, by necessity, with
7 imperfect forecast information, the consequences of inaction are enormous and
8 well-documented.

9
10 **Q. What occurs as the storm begins to impact DEF's service territory?**

11 **A.** When the storm-force winds commence in DEF's service territory, the Distribution
12 Control Center ("DCC") is in constant communication with the Energy Control
13 Center ("ECC") and the Transmission storm center. The ECC gives both storm
14 centers a thorough description of what transmission lines and substations are
15 dropping out of service as the storm passes, giving the Company a real-time
16 assessment of the location of the storm damage. Crews in the storm's direct path
17 shelter in place where safe to do so, while crews on the boundaries respond to
18 emergency calls. The ECC and storm centers jointly establish restoration priorities
19 and coordinate restoration strategies to maintain grid stability.

20
21 **Q. What happens after the storm passes?**

22 **A.** DEF's storm response has three main components: (1) governmental and EOC
23 support and response; (2) statistical damage assessment; and (3) Assess, Isolate,

1 and Restore (“AIR”) feeder backbone restoration. These three components enable
2 local and state governments to respond to the storm's impact and allows DEF to
3 both estimate the amount of storm damage actually incurred by the distribution
4 system and begin restoration of the highest priority feeders.

5
6 DEF can promptly respond as local governments and county EOCs encounter
7 issues that require immediate attention. These issues may involve, for example,
8 support for road clearing teams, or removing a downed power line with police
9 personnel standing by at the site. By having DEF personnel assigned to county
10 EOCs, DEF can facilitate communication with various governmental agencies also
11 at the EOCs, such as fire departments, to quickly respond to the site, take care of
12 the downed line, and allow the government agency staff to pursue other critical
13 assignments.

14
15 Concurrent with these activities, DEF rapidly assesses a statistically valid sample
16 of its total facilities to validate the damage and associated resources that were
17 predicted by the model, and to provide operations management more information
18 for determining the best restoration strategy. As part of pre-storm season
19 preparation, DEF identifies segments of feeders and associated branch lines in
20 each area served by an operations center that are representative of the overall
21 network of feeders and branch lines for the local area. As soon as the storm winds
22 drop below 39 miles per hour, damage assessment teams are activated to get a
23 better understanding of the damage to the distribution system. The previously

1 identified representative distribution line segments are assigned to damage
2 assessment teams who are responsible for a pole-by-pole survey of those
3 segments, to inventory the extent of damage incurred, and return damage
4 information to be compiled and analyzed. Based upon the storm damage found in
5 this representative sample, DEF extrapolates the amount of storm damage for the
6 rest of the local distribution network and aggregates these assessments to get a
7 system-wide storm damage estimate. These estimates are used to adjust the pre-
8 landfall resource mobilization plan as needed.

9
10 The AIR feeder backbone restoration process is a method by which DEF restores
11 core infrastructure and catalogues storm damage for further repair. This process
12 is intended to quickly restore the feeder backbone through the operation of
13 switches only, inventory sections of the feeder that DEF is not able to immediately
14 restore and identify devices off the feeder that are not in service. DEF begins
15 planning for the AIR effort prior to the storm season when each of the local
16 management teams prioritize the order of restoration for critical feeders within their
17 jurisdiction. Highest priority is assigned to feeders that are crucial to the health,
18 safety, and welfare of the public.

19
20 **Q. How is the restoration phase of the storm plan carried out?**

21 **A.** At this juncture of the restoration efforts, DEF deploys resources to the local
22 operating areas. To efficiently use this first wave of resources, DEF assigns them
23 to the storm damage that was identified through the feeder AIR process. This

1 allows the Company to assign the first wave to the highest priority work on the
2 most critical components of the distribution infrastructure. Based upon the
3 information collected from the statistical assessment, including aerial storm
4 damage assessments using drones and helicopters, information reported to DEF's
5 outage management system, and the knowledge of local management, the
6 management team has the information it needs to determine what feeders require
7 detailed damage assessment. When the detailed assessment of a feeder segment
8 is complete, the results of that effort are compiled into an associated work
9 package. This work package allows DEF to effectively communicate the scope of
10 the work to be done and further assists the Company in managing productivity
11 expectations of line and tree crew resources. Additionally, the work package
12 information assists local management in allocating resources and determining
13 ETRs.

14
15 **Q. How does the Company communicate information to its customers prior to,**
16 **during and after a storm?**

17 **A.** Before a storm, the Company issues news releases, posts social media
18 information related to storm and safety tips, issues public service announcements,
19 sends customers emails focused on preparedness, and proactively shares stories
20 with the media focused on DEF's preparedness efforts to inform customers. To
21 address the needs of customers with medical or special needs, DEF conducts
22 outbound call campaigns to ensure these customers are aware of pending severe
23 weather and to prepare for potentially extended outages.

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The Company also launches a dedicated webpage focused on the specific storm event where the public can find news releases, safety tips, videos, restoration information and links to other valuable resources. Banners on the Company's main page direct customers to the storm and safety information and eventually to the dedicated storm webpage once it is launched. All pre-storm communications include storm and safety tips, and instructions on how to report outages. DEF's proactive outreach to the media often results in interviews and stories focused on storm preparedness.

During a storm, the Company develops daily messages for the media, customers, and field personnel. The Company publishes daily updates via news releases and social media on various topics, including storm damage, ETRs, and out of town resources. DEF secures TV, print, and radio advertising to provide restoration updates. Customers participating in DEF outage communication programs receive updates via email, phone, and text on restoration progress and ETRs. Ongoing updates regarding storm restoration are also provided on the Company's dedicated storm page which includes updated outage maps. Furthermore, during a storm event, updates are continuously provided to elected officials, community leaders and other stakeholders to ensure that they have the information needed to share with the public and to plan accordingly.

1 After a storm, the Company prepares wrap-up messages to share with customers,
2 community leaders, and other stakeholders. News releases are published to
3 provide final outage-related numbers, thank customers for their patience, thank
4 local first responders, and thank the companies that provided off-system
5 resources.

6
7 **Q. Does the Company update ETRs during the restoration process?**

8 **A.** Yes. DEF has three levels of ETRs: (1) an initial system level ETR; (2) a view of
9 ETRs by city and county; and (3) device level ETRs. As the storm restoration
10 progresses, DEF moves from higher level ETRs to increasing levels of detail,
11 providing customers with immediate information. ETRs are continuously updated
12 and expanded to greater levels of detail during restoration. Factors that influence
13 ETR updates include integrating any new information the Company has collected;
14 the extent and severity of the storm damage; the critical and priority restoration
15 needs DEF may receive from ECC, state and local governments, and EOCs; and
16 the availability of resources. Additionally, ETR's can be impacted by timing of
17 resource arrival due to a number of external factors such as road and bridge
18 closures, crews that have to travel through the path of the storm (after it has
19 cleared), evacuee traffic, and lodging and fuel availability along major routes into
20 the state. As required, DEF shifts line and tree crews, equipment, and material to
21 address new priorities or to increase productivity. During restoration, DEF is
22 constantly striving to improve ETRs and meet or exceed ETR goals.

23

1 **Q. How does the Company wind down its restoration process?**

2 **A.** As the Company nears the completion of storm restoration work within any part of
3 the service territory, DEF begins demobilization efforts. DEF makes a best faith
4 effort to use the most productive and cost-effective resources during restoration.
5 As a part of the demobilization plan, DEF surveys local management and RCs to
6 assess productivity of the non-native line and tree personnel. Combining this
7 information with the daily cost of the personnel, DEF builds a restoration plan that
8 retains the safest, most productive, cost-effective resources until no longer
9 needed.

10

11 **Q. Is there anything else that must be done after storm restoration is complete?**

12 **A.** Yes. The final phase of hurricane response is restoration of the system to its pre-
13 storm status. When in the storm outage restoration phase, DEF performs the
14 essential work necessary to restore the fundamental operating characteristics of
15 the distribution infrastructure. The initial primary focus is getting “lights on” and
16 safety considerations rather than correcting all damaged facilities that are still
17 capable of functioning. For example, during the storm outage restoration phase,
18 DEF may leave in place poles that are damaged and in need of repair but are able
19 to safely provide service to customers in the short term, capacitor banks and
20 reclosers are returned to service only if immediately required, and animal
21 mitigation hardware is not installed pursuant to DEF’s day-to-day standards. After
22 the restoration efforts are concluded, DEF conducts electrical and physical

1 condition sweeps of the feeder backbone and identifies the issues that require
2 mitigation to return the distribution system to its pre-storm state.

3
4 The Company also conducts a “tree sweep” which is a detailed vegetation patrol
5 of the feeder backbones to identify any storm damage to trees that were not
6 mitigated during the storm restoration phase. The tree sweep is focused on
7 cracked or broken limbs that are tenuously hanging over-top of facilities and will
8 eventually come down. Trained vegetation management personnel are
9 responsible for identifying trees or branches damaged by the storm and
10 immediately mitigating any such damage. This process requires considerable
11 subject matter expertise because these issues can be camouflaged when the
12 leaves are still green, meaning that only the most obvious can be easily identified.
13 However, even after the initial tree sweep is concluded, we would still expect
14 additional vegetation mitigation to be required in the year or so following a storm
15 as vegetation damaged during the storm succumbs to that damage – even though
16 these types of costs would not be at issue in this proceeding.

17
18 **Q. How do you measure the effectiveness of your storm planning and**
19 **restoration process?**

20 **A.** Beginning with restoration effectiveness, one of the main measures that the
21 Company uses is the cumulative percentage of customers restored versus the
22 projection of where DEF would be at the end of each day. Moving backward from
23 DEF’s final ETR goals, the Company sets milestones that must be achieved each

1 day to achieve the overall goal. DEF generates these milestones down to the
2 operations center level based on the amount of storm damage on DEF's system,
3 the level of resources at the Company's disposal, and DEF's restoration history.
4 This analysis tells DEF whether it is being as effective as it needs to be and, if not,
5 helps to highlight or correct any issues that may be impacting the Company's
6 performance.

7
8 Effective planning comes down to ensuring that the Company has the processes
9 in place to provide maximum flexibility. Due to the nature of these storms, DEF
10 will never be able to precisely predict the location and timing of the storms or the
11 extent of damage they will create. It is more important that DEF's planning process
12 ensures it has the flexibility to adapt to inevitable changes in the location, timing,
13 and intensity of storms as they arise. In DEF's judgment, the planning process
14 does in fact provide DEF with the needed flexibility to cope effectively with the
15 hurricane season.

16
17 Finally, safety of the restoration workforce is another critically important measure
18 of effectiveness. There were no serious or OSHA recordable injuries responding
19 to Hurricane Idalia.

20
21 **IV. DEF'S INCREMENTAL COSTS INCURRED AS A RESULT OF HURRICANE**
22 **IDALIA**
23

1 **Q. Please identify what incremental costs the Company incurred in connection**
2 **with Hurricane Idalia.**

3 **A.** Incremental storm-related costs incurred by the Company attributable to Hurricane
4 Idalia are \$97.7 million, as shown on Exhibit No.__(JN-2) to the direct testimony of
5 DEF Witness Mr. Jimmy New.
6

7 **Q. Please describe Hurricane Idalia and how you implemented the Plan you**
8 **described above.**

9 **A.** Idalia's timeline and DEF's response was as follows:

10 Saturday, August 26th: The NHC forecast indicated that the depression was
11 forecasted to strengthen during the next few days and could become a hurricane
12 over the eastern Gulf of Mexico, bringing a potential of dangerous storm surge,
13 heavy rainfall, and strong winds to portions of the west coast of Florida and the
14 Florida Panhandle by the middle of next week. Heavy rainfall was also likely to
15 spread into portions of the Southeast U.S. by mid to late next week. As a result,
16 DEF began resource acquisition and ultimately secured 5,274 crew members
17 consisting of:

- 18 ○ 526 DEF employee Line crews;
- 19 ○ 895 DEF Native Line contractors;
- 20 ○ 210 Duke Energy Midwest Line contractors;
- 21 ○ 1,285 Transmission Resources
- 22 ○ 1,334 non-MA line contractors;
- 23 ○ 232 Damage Assessment contractors; and

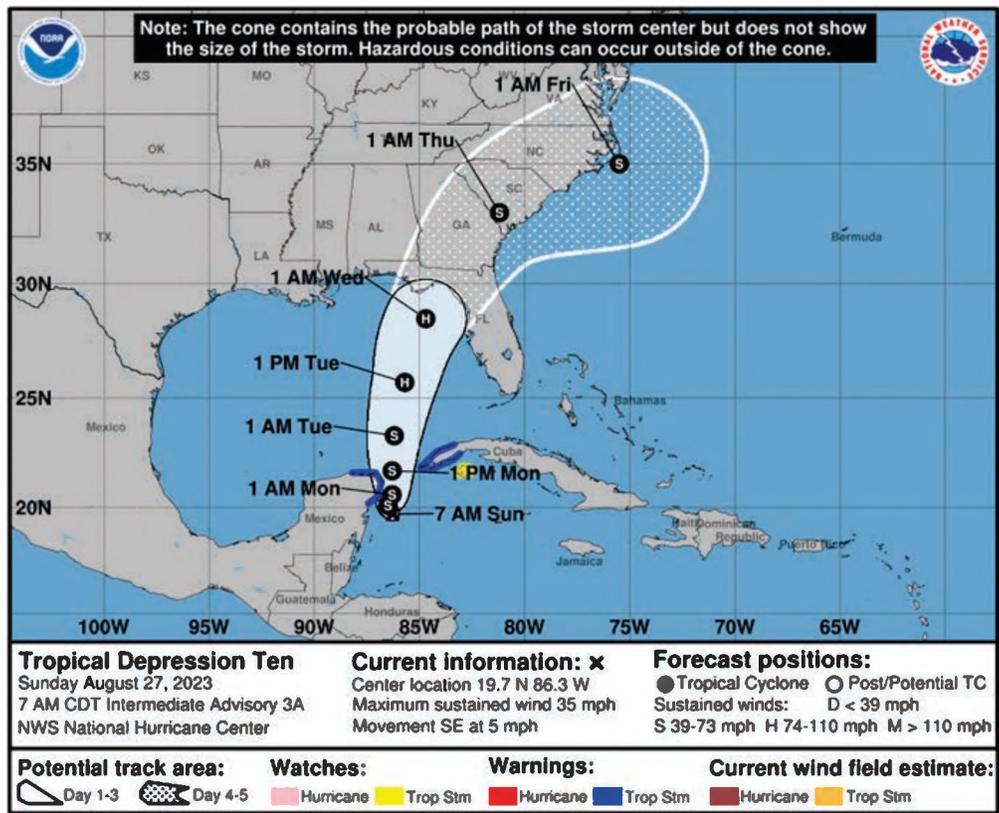
- 792 DEF Vegetation Management contractors.

Sunday, August 27th: The NHC forecast indicated that the depression was forecast to become a hurricane over the eastern Gulf of Mexico, and there was an increasing risk of life-threatening storm surge, flooding from heavy rainfall, and hurricane-force winds along portions of the west coast of Florida and the Florida Panhandle beginning as early as Tuesday, August 29th.

Hurricane Idalia made landfall at 7:45 am EDT on Wednesday, August 30th near Keaton Beach, Florida with maximum sustained winds of 125 mph. Idalia produced a devastating surge along coastal communities in Taylor and Dixie Counties within our service territory. The peak surge values observed were from Dekle Beach in Taylor County southeastward to Horseshoe Beach in Dixie County. Surge heights in this area along the immediate coast were within the range of 7 to 12 feet above normally dry ground. Lower values of up to 6 feet above normally dry ground were noted south of Horseshoe Beach near the community of Suwannee.

Restoration crews began work as soon as it was safe to do so and continued throughout the next four days. By Thursday, August 31st, crews began to be released including a small contingency released to assist Tri-County Electric Cooperative and Suwannee Valley Electric Cooperative. Demobilization continued over the next seven days as impacted areas were restored and sweeps were completed.

1 Below is the NOAA storm tracker projected storm path as of the Saturday, August
 2 26, 5:00 PM EDT report.



4
5
6 **Q. Please describe the Company’s process for seeking Mutual Assistance from**
 7 **outside sources and identify the date on which the Company communicated**
 8 **with Mutual Assistance organizations with respect to Hurricane Idalia.**

9 **A.** Once a tropical system is identified that threatens DEF’s service territory, the
 10 process to acquire off system restoration personnel is activated. There are
 11 primarily two avenues for acquiring off system support. The first is through non-
 12 Investor-Owned Utility (“IOU”) vendors using pre-negotiated agreements. DEF
 13 had over 90 vendor agreements in place prior to Hurricane Idalia. The second

1 avenue for off system support is through the SEE Mutual Assistance process.
2 Mutual Assistance calls are set up to assess resource availability from outside the
3 projected impact area. Resources typically include linemen, vegetation
4 management, damage assessment, support, and logistics personnel for both
5 distribution and transmission restoration work. Depending on the projected event
6 timing and intensity, the objective is to have resources mobilized and pre-
7 positioned ahead of impact. Due to the time it takes for crews outside Florida to
8 mobilize, this requires the Company to incur costs for off-system resources based
9 on NHC tropical weather forecasts, which are subject to change. The Company's
10 communications with Mutual Assistance organizations for Idalia began Saturday
11 August 26th. Mobilization was based on travel distance and arrival at pre-stage
12 locations south of the track before deterioration of safe driving conditions.

13
14 **Q. When did the Company's Mutual Assistance costs for Hurricane Idalia begin**
15 **to accrue?**

16 **A.** Costs for Hurricane Idalia began to substantially accrue on Sunday, August 27th,
17 as crews were mobilized. Mobilization was based on travel distance and arrival at
18 DEF mustering locations before driving conditions deteriorated to the point of being
19 unsafe. As is industry standard, Mutual Assistance charging begins when the
20 responding entities prepare to travel and work on DEF's system (examples include
21 stocking material and preparing trucks and equipment for highway travel).

22

1 **Q. Did the Company issue public announcements in connection with Hurricane**
2 **Idalia?**

3 **A.** Yes. To keep customers and the public updated on preparation and restoration
4 efforts, DEF issued news releases in English and Spanish and responded to
5 multiple inquiries from TV, radio, and print media outlets. More than 87,000 users
6 visited Duke Energy's outage map. In addition, DEF published social media posts
7 which covered several topics including safety, storm damage, resources, updated
8 outage information and restoration progress.

9
10 **Q. When was the Company fully restored from Hurricane Idalia?**

11 **A.** DEF was fully restored by midnight on September 4, 2023. Over the preceding
12 120 hours, more than 215,000 customers were restored from 5,963 outage and
13 non-outage events.

14
15 **V. COMPLIANCE WITH THE HURRICANE IRMA SETTLEMENT'S PROCESS**
16 **IMPROVEMENTS.**

17
18 **Q. Did DEF comply with the Storm Restoration Cost Process Improvements**
19 **included as part of the Hurricane Irma Settlement when responding to**
20 **Hurricane Idalia and calculating the incremental costs?**

21 **A.** Yes. Since entering the Agreement, DEF has developed detailed practices and
22 policies to ensure compliance with the Process Improvements during a restoration
23 event. Indeed, DEF's compliance with the terms of the Irma Settlement Agreement

1 has been confirmed by an independent audit as well as by this Commission in the
2 wake of Hurricane Ian”¹. DEF has also entered into service agreements with many
3 vendors that include acknowledgment of and compliance with the vendor-specific
4 Process Improvements. That said, as was noted in that order, “all parties are in
5 agreement regarding DEF’s primary objective following a storm, which is power
6 restoration to its customers, and that ‘the company will not allow the policies and
7 procedures to impede speedy power restoration for its customers.’”² In recognition
8 of the primary importance of safe and speedy restoration, if a situation occurs
9 during a restoration event that would result in Process Improvement compliance
10 hampering, rather than aiding, restoration efforts, the Company would document
11 why compliance is causing unwarranted delays, and then implement a work-
12 around.

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14 **Q. Does this conclude your testimony?**

15 **A.** Yes.
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¹ Order No. PSC-2024-0377-FOF-EI

² Order No. PSC-2019-0232-AS-EI, pg. 4.

1 (Whereupon, prefiled direct testimony of Curt
2 Mouring was inserted.)

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1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**
2 **COMMISSION STAFF**
3 **DIRECT TESTIMONY OF CURT MOURING**
4 **DOCKET NO. 20230116-EI**
5 **APRIL 14, 2025**
6

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

8 A. My name is Curt Mouring. My business address is 2540 Shumard Oak Boulevard,
9 Tallahassee, FL, 32399.

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
12 the Director of the Office of Auditing and Performance Analysis. I have been employed by
13 the Commission since April 2008.

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

16 A. I received a Bachelor of Science Degree in Finance from Florida State University in
17 2007. I have worked for the FPSC for 17 years, and I have experience in electric, gas, and
18 water and wastewater regulation. I have worked on multiple utility dockets, including rate
19 cases and cost recovery clauses, which require the review and implementation of Auditor's
20 reports. In the course of my career, I have reviewed numerous Auditor's reports and the
21 accompanying work papers. I am also familiar with sections of the Commission's
22 Administrative Procedures Manual related to auditing and the Commission's Auditing
23 Standard Operating Procedures that dictate how audits are to be performed.

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

25 A. As Director, my responsibilities include the oversight of both the financial and

1 performance based audits in my division.

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

3 A. Yes. I presented testimony before this Commission in the Sunshine Water Services
4 Company rate case, Docket No. 20240068-WS.

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

6 A. The purpose of my testimony is to sponsor the staff Auditor's Report of Duke Energy
7 Florida, LLC. which addresses the Utility's filing in Docket No. 20230116-EI. This report is
8 filed with my testimony and is identified as Exhibit CM-1.

9 **Q. Was this audit completed by you or under your direction?**

10 A. Yes. It was completed under my direction.

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

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

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

16 A. There were no findings in this audit report.

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

18 A. Yes.

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1 CHAIRMAN LA ROSA: Let's move to exhibits.

2 MS. BROWNLESS: Yes. Staff has compiled a
3 Stipulated Comprehensive Exhibit list which
4 includes the prefiled exhibits attached to the
5 witnesses' testimony as well as the staff's
6 exhibits. The list has been provided to the
7 parties, the Commissioners and the court reporter.

8 At this time, staff requests that the
9 Comprehensive Exhibit List be marked for
10 identification purposes as Exhibit No. 1, and that
11 the other exhibits be marked for identification as
12 set forth on the Comprehensive Exhibit List.

13 CHAIRMAN LA ROSA: Exhibits, then, are so
14 marked.

15 (Whereupon, Exhibit No. 1-13 were marked for
16 identification.)

17 MS. BROWNLESS: We would now request that the
18 Comprehensive Exhibit List, marked as Exhibit No.
19 1, be entered into the record.

20 CHAIRMAN LA ROSA: Okay. Exhibit 1 is then
21 entered.

22 (Whereupon, Exhibit No. 1 was received into
23 evidence.)

24 MS. BROWNLESS: We request now that stipulated
25 witness exhibits be entered into the record,

1 Exhibits 2 through 7, and that the stipulated staff
2 exhibits numbers 8 through 13 being entered into
3 the record.

4 CHAIRMAN LA ROSA: Okay. No objections?
5 Okay. So hearing no objections, that's -- then
6 Exhibits 2 through 13 will be entered.

7 (Whereupon, Exhibit Nos. 2-13 were received
8 into evidence.)

9 CHAIRMAN LA ROSA: All right. Do the parties
10 wish to make opening statements?

11 MR. BERNIER: Very briefly. Yeah, I have no
12 more than 15 or 20 minutes.

13 CHAIRMAN LA ROSA: Great, you are allotted 30.

14 MR. BERNIER: I know we are the only ones
15 standing between us and lunch.

16 I want to thank Public Counsel for working
17 together with us on this, obviously your staff and
18 the Prehearing Officer for handling of this docket.
19 And of course, you know, the people who prepare for
20 those storms year-round and then go out and, you
21 know, restore us, as we just heard from the
22 division, the critical work of getting the state
23 back up and running, and not only our company, but
24 all the companies, they deserve a tip of the cap
25 and they get us where we are today. So I

1 appreciate it, and I urge y'all to approve the
2 stipulations as presented.

3 Thank you.

4 CHAIRMAN LA ROSA: Great.

5 OPC.

6 MR. REHWINKEL: Just very briefly.

7 Thank you, Commissioners. I want to thank the
8 staff and I want to thank Duke especially for
9 working with us to clarify some issues that we have
10 agreed to in the attachment that will be part of
11 the order. It's unusual for us to do a Type 1
12 stipulation, but we worked with the company, and
13 they satisfied us, and have given us confidence
14 that these numbers can be agreed to, so we believe
15 the stipulations are in the interest of the public,
16 and we support them and ask you to approve them.

17 Thank you.

18 CHAIRMAN LA ROSA: Thank you.

19 Staff.

20 MS. BROWNLESS: With regard to the Type 1
21 stipulations, the parties have agreed to Type 1
22 stipulations for all of the Issues 1 through 18.
23 The issues having been stipulated to by the
24 parties, if the parties wish, they may waive filing
25 briefs. Waiving briefs will allow the

1 Commissioners, should they choose, to vote on
2 issues today.

3 CHAIRMAN LA ROSA: Okay. Would you like to
4 waive briefs? Okay. So they have waived briefs.

5 Then, Commissioners, are there any questions?

6 Seeing no questions, no discussions. Open for
7 a motion on the proposed stipulations.

8 COMMISSIONER CLARK: Move to approve the
9 stipulations, Mr. Chairman.

10 COMMISSIONER GRAHAM: Second.

11 CHAIRMAN LA ROSA: All right. Hearing a
12 motion and hearing a second.

13 All those in favor signify by saying yay.

14 (Chorus of yays.)

15 CHAIRMAN LA ROSA: Yay.

16 Opposed no?

17 (No response.)

18 CHAIRMAN LA ROSA: Show that the motion
19 passes.

20 Are there any other matters that need to be
21 addressed?

22 MS. BROWNLESS: Not at this time, sir.

23 CHAIRMAN LA ROSA: Okay. Do the parties have
24 any additional matters that we need to address?

25 Okay. Well, I appreciate everything, and I

1 appreciate you guys coming together and staff
2 working with them to get this done.

3 If there is no other business before us, we
4 can go ahead and call this adjourned. Thank you
5 all.

6 MS. BROWNLESS: Thank you.

7 (Proceedings concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 17th day of June, 2025.


DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #HH575054
EXPIRES AUGUST 13, 2028