

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for limited proceeding for recovery of incremental storm restoration costs related to Hurricanes Irma and Nate by Duke Energy Florida, LLC

Docket No. 20170272-EI

Dated: March 13, 2019

**DUKE ENERGY FLORIDA, LLC'S RESPONSE TO
CITIZENS' EIGHTH SET OF INTERROGATORIES (NOS. 119-131)**

Duke Energy Florida, LLC ("DEF") incorporates the objections filed contemporaneous with this response and responds to the Citizens of the State of Florida, through the Office of the Public Counsel's ("Citizens" or "OPC") Eighth Set of Interrogatories to DEF (Nos. 119-131) as follows:

INTERROGATORIES

For the purposes of Interrogatories 119 through 127, the term "embedded vendor" means a vendor providing storm restoration services using distribution line restoration and repair crews, transmission repair, restoration and construction crews, and vegetation management crews, and which vendor also performs similar or additional types of services for you in non-storm-restoration (non-emergency) conditions on a year-round basis.

119. Did you contract with embedded vendor crews that worked throughout the calendar years 2014, 2015, 2016, 2017 and 2018 doing non-storm work? If the answer is yes, please provide a list of all such embedded vendors that worked for you.

Answer:

Yes, DEF Transmission and Distribution has contracts with vendors that are utilized during non-storm / non-emergency on a year-round basis, that also get activated to perform storm restoration services. Please see the list of vendors bearing bates number 20170272-DEF-OPC-ROG 8-119-000001 through 20170272-DEF-OPC-ROG 8-119-000002.

120. For the embedded vendors listed in question 1, provide a detailed description of the type of work each embedded vendor performed for your company by calendar year.

Answer:

Please see attachments provided in response to interrogatory number 119 for description of vendors' work type.

121. Does the size of a construction project dictate when your company would hire or utilize an embedded vendor's crew(s)? If the answer is yes, please provide a detailed list of the types of construction projects such embedded vendor crews would perform.

Answer:

Distribution: Project size and scope are one of several factors considered when determining whether to engage native contractors (embedded vendors) or Duke Energy employee crews. Other considerations include geographic location, construction skill level required, planned versus emergent work, degree of direct customer coordination required, and need for specialized tools or equipment. As an example, a majority of streetlight repair is assigned to contractors who employ linemen qualified for secondary voltage, a skill set less costly than Duke Energy journeyman linemen qualified to work on secondary and primary voltage. Another example is underground cable installation, which requires specialized drilling equipment. In general work is assigned to contractors where it will maximize customer satisfaction and minimize cost.

Transmission: The size / scope of the project is one of several factors considered when determining whether to engage native/on-system contractors (embedded vendors) or DEF Transmission employee crews. Volume of work, budgetary requirements, schedule requirements, timing/duration of project, specialty equipment / skills, environmental / geographic requirements, and other criteria influence the decisions around utilizing internal or contract resources. If DEF Transmission does not have the internal resources to complete work projects, vendor resources are considered. If vendor resources are needed, DEF Transmission assigns or bids the work according to DEF sourcing guidelines and based on current contracts.

122. Do you have embedded vendor crews perform normal maintenance such as street light maintenance, or outage repairs?

Answer:

Transmission uses native/on-system contract crews (embedded vendor crews) for some maintenance activities:

- DEF Transmission organization does not use contractors in the Substation facilities to perform inspections.
- DEF Transmission Line facilities use contractors to perform the inspections as per asset management procedures
- DEF uses contractors to perform transmission vegetation management activities. Contractors performing work must follow the processes, policies, tracking, and

scheduling described in DEF Transmission Vegetation Management process and as per contract.

123. Do you have embedded vendor crews perform normal construction work such as pole or transformer replacement?

Answer:

Transmission uses native/on-system contract crews (embedded vendor crews) for some construction activities:

- DEF Transmission organization uses contractors in the Substation facilities to perform construction and equipment change outs
- DEF Transmission Line facilities use contractors to perform the construction / line & pole change outs
- DEF uses contractors to perform transmission vegetation management activities. Contractors performing work must follow the processes, policies, tracking, and scheduling described in DEF Transmission Vegetation Management process and as per contract.

124. Please identify all non-storm contract rates for any embedded vendor crews that you hired or utilized during 2014, 2015, 2016, 2017, and 2018.

Answer:

Please see table of vendors provided in response to interrogatory number 119, as well as the attached confidential documents bearing bates number 20170272-DEF-OPC ROG-8 124-000001 through 20170272-DEF-OPC ROG 8-124-000099. The attachments are confidential; a redacted slip sheet is attached hereto and unredacted copies have been filed with the Florida Public Service Commission (“Commission”) along with DEF’s Notice of Intent to Request Confidential Classification dated March 13, 2019.

125. Please describe in detail any criteria the company uses to determine if and/or when to engage an embedded vendor’s crew in your operations. (These criteria should include the size of a construction project, the location of the project, etc.).

Answer:

Distribution: Embedded vendor’s crews are engaged in restoration (augmenting Duke Energy employee crews) when it is determined that their participation will significantly and cost effectively reduce overall customer outage time.

Transmission: Please see the response to Q121 for Operations “blue sky” construction work.

Contract vendors are utilized and deployed for Storm / Emergency restoration work when the capacity for restoration utilizing internal Duke crews has been exhausted and/or the volume of restoration work exceeds the ability of Duke Transmission crews to get service restored in a timely fashion. In Florida, this has historically occurred during major storm events such as named hurricanes.

126. Please state what factors determine when and whether an embedded vendor’s crew transitions from emergency storm restoration work at the higher rate (and greater than 40-hour work week) to a lower rate with limitations on the amount of overtime or premium time billing.

Answer:

Distribution: Embedded vendor crews transition from unscheduled emergency storm restoration to normal work following completion of their last assigned outage. Consideration is given to the priority, urgency, and customer impact of their scheduled projects.

Transmission: Embedded vendor’s crews transition from emergency storm restoration work to normal work once they have completed their last assigned outage.

127. Please provide a detailed list of all the types of projects or the types of functions which your company has used embedded vendors’ crews.

Answer:

Please see attachments provided in response to Q119, Q120, and text response provided for Q121.

128. Please provide your regular base payroll costs (i.e. do not include incentive compensation) for each of the last three years (2016, 2017, and 2018).

Answer:

	2016	2017	2018
Payroll (\$1,000's)	FF1	FF1	FF1
Total - Base	340,593	361,276	384,684

129. Please provide the historical average for regular base payroll (i.e. do not include incentive compensation) for the last three years (2016, 2017, and 2018).

Answer:

Payroll (\$1,000's)	Average 2016-2018
Total - Base	362,184

130. Please provide your overtime payroll costs for each of the last three years (2016, 2017, and 2018). Please provide overtime payroll with storm-related overtime included and excluded from the amounts.

Answer:

Payroll (\$1,000's)	2016	2017	2018
	FF1	FF1	FF1
OT - O&M (Not Including Storm)	44,072	45,158	50,216
OT - O&M (Storm)	4,820	13,357	3,277
OT - O&M Total (Incl Storm)	48,892	58,515	53,493

131. Please provide the historical average for overtime payroll for the last three years (2016, 2017, and 2018). Please provide the historical average for overtime payroll with storm-related overtime included and excluded from the amounts.

Answer:

Payroll (\$1,000's)	Average
OT - O&M (Not Including Storm)	46,482
OT - O&M (Storm)	7,151
OT - O&M Total (Incl Storm)	53,633

REDACTED

DEF's attachments responsive to interrogatory number 124, bearing bates number 20170272-DEF- OPC-ROG 8-124-000001 through 20170272-DEF- OPC-ROG 8-124-000099 are confidential. Unredacted copies have been filed with the Florida Public Service Commission ("Commission") along with DEF's Notice of Intent to Request Confidential Classification dated March 13, 2019.

2014-2018 Distribution Line Contractors and Contract Numbers (Passport/Maximo)	Powertown	Irby	Team Fishel	Primoris T&E (Formerly Willbros)	Pike	F&H Contractors (UG Contractor)	Mastec (UG Contractor)	ALS (Lighting)	LE Myers	T&D Solutions	Southern Electric	Heart Utilities (Lighting)	Service Electric
Type of Work Performed	OH Distribution Line Work	OH Distribution Line Work	OH Distribution Line Work	OH Distribution Line Work	OH Distribution Line Work	UG Distribution Line Work	UG Distribution Line Work	Lighting	OH Distribution Line Work	OH Distribution Line Work	OH Distribution Line Work	Lighting	OH Distribution Line Work
2014	738948	162913	741413	741559	454579	738947	162908	672940	807102	30174	X	X	X
2015	738948	162913	741413	741559	454579	738947	162908	672940	807102	30174	796504	X	776148
2016	738948	162913 738946	741413	741559	454579	738947	162908	672940	807102	30174	796504	X	X
2017	738948	738946	741413	741559	454579	738947	162908	672940 20528	X	30174	796504 813213	812390	X
2018	20309	20167 23066	20168 23056	22131 22167 23053	454579 23064	20159 23057	22209 23062	20528	X	X	796504 813213	X	X

2014-2018 Transmission Line Contractors and Contract Numbers (Passport/Maximo)		Service Electric	Irby	C&C		Elite	Service Electric	C&C	HEATs Inc.	Reliable Substation Services		HEATs Inc.	Power Grid		Burford's Tree	Davey Tree LLC	Lewis Tree LLC	Trees LLC
Type of Work Performed		Transmission Line Work	Transmission Line Work	Transmission Line Work		T-Substation C&M	T-Substation C&M	T-Substation C&M	T-Substation C&M	T-Substation C&M		Relay	Relay		Veg	Veg	Veg	Veg
Master Contract#		7746	7094	7751		7745	7746	7751	8575	20630		8575	8313		609800 (Passport)	513330 (Pasort) 22396 (MAXIMO)	609804 (Passport) 22403 (MAXIMO)	725547 (Passport)
2014 ?		N/A	N/A	N/A		N/A	N/A	N/A	N/A	N/A		N/A	N/A		See Upload files	See Upload files	See Upload files	See Upload files
2015 ?		N/A	N/A	N/A		N/A	N/A	N/A	N/A	N/A		N/A	N/A		See Upload files	See Upload files	See Upload files	See Upload files
2016 (Hermine/Matthew)		Hermine/Matthew	N/A	Hermine/Michael		N/A	N/A	N/A	N/A	N/A		N/A	N/A		See Upload files	See Upload files	See Upload files	See Upload files
2017 (Nate/Irma)		Nate/Irma	N/A	Nate/Irma		Irma	N/A	Irma	Irma	N/A		Irma	N/A		See Upload files	See Upload files	See Upload files	See Upload files
2018 (Michael)		Michael	Michael	Michael		N/A	N/A	N/A	N/A	N/A		N/A	N/A		See Upload files	See Upload files	See Upload files	See Upload files

AFFIDAVIT

STATE OF FLORIDA

COUNTY OF PINELLAS

I hereby certify that on this 13th day of March, 2019, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared SHARON BOGDANOS, who is personally known to me, and has acknowledged before me that she provided the answers to interrogatory numbers 119, 120, 122, and 123 of CITIZENS' EIGHTH SET OF INTERROGATORIES TO DUKE ENERGY FLORIDA, LLC (NOS. 119-131) in Docket No. 20170272-EI, and that the responses are true and correct based on her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 13th day of March, 2019.

Sharon L Bogdanos
SHARON BOGDANOS



Monque West
Notary Public
State of Florida, at Large

My Commission Expires: 6-28-19

AFFIDAVIT

STATE OF FLORIDA

COUNTY OF PINELLAS

I hereby certify that on this _____ day of March, 2019, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared JASON CUTLIFFE, who is personally known to me, and has acknowledged before me that he provided the answers to interrogatory numbers 119, 120, 121, 125, 126, and 127 of CITIZENS' EIGHTH SET OF INTERROGATORIES TO DUKE ENERGY FLORIDA, LLC (NOS. 119-131) in Docket No. 20170272-EI, and that the responses are true and correct based on his personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this _____ day of March, 2019.

Jason Cutliffe

Notary Public
State of Florida, at Large

My Commission Expires: _____

AFFIDAVIT

STATE OF FLORIDA

COUNTY OF PINELLAS

I hereby certify that on this _____ day of March, 2019, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared MARCIA OLIVIER, who is personally known to me, and she acknowledged before me that she provided the answers to interrogatory numbers 128, 129, 130, and 131, of OPC'S EIGHTH SET OF INTERROGATORIES TO DUKE ENERGY FLORIDA, LLC (NOS. 119-131) in Docket No. 20170272-EI, and that the responses are true and correct based on her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this _____ day of March, 2019.

MARCIA OLIVIER

Notary Public
State of Florida, at Large

My Commission Expires:

AFFIDAVIT

STATE OF FLORIDA

COUNTY OF PINELLAS

I hereby certify that on this _____ day of March, 2019, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared TESS ROEBUCK, who is personally known to me, and she acknowledged before me that she provided the answers to interrogatory number 119, 120, 121 and 127, of OPC'S EIGHTH SET OF INTERROGATORIES TO DUKE ENERGY FLORIDA, LLC (NOS. 119-131) in Docket No. 20170272-EI, and that the responses are true and correct based on her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this _____ day of March, 2019.

TESS ROEBUCK

Notary Public
State of Florida, at Large

My Commission Expires:
