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March 13, 2012

VIA FEDEX

Judy Harlow
c/o Ann Cole
Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 110303 -- Section 120.745, F.S. (2011), Legislative review of agency rules in effect on or before November 16, 2010

Dear Ms. Harlow:

Enclosed for filing with the Commission, please find the original and five (5) copies of Tampa Electric Company's responses to the Commission Staff's Survey Questions regarding Rules 25-17.0021, 25-22.032 and 25-6.0436 dated February 24, 2012 in the above docket.

Please acknowledge your receipt of the enclosures on the enclosed copy of this letter, and return the same to me in the enclosed preaddressed envelope.

Thank you for your usual assistance.

Sincerely,

Paula K. Brown
Administrator Regulatory Coordination

Enclosures

- COM _____
- APA _____
- ECR 1
- GCL 2
- RAD 1
- SRC 1
- ADM _____
- OPC _____
- CLK _____

TAMPA ELECTRIC COMPANY
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Rule 25-17.0021

- A. What are the utility's estimated transactional costs resulting from the Company's compliance with Rule 25-17.0021, F.A.C., for the five year period beginning July 1, 2011?
- A. Please see the company's response to questions A1 through A4 of this Data Request.

**TAMPA ELECTRIC COMPANY
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- A1.** Goal Setting – Please provide the actual or estimated transactional costs for each of the 5 years, beginning July 1, 2011, to comply with Rule 25-17.0021, F.A.C., subparagraph 3. Also please specify which of these costs are recovered through base rates or a cost recovery clause. Include, for example, the following:
- a. The cost of any studies, such as a technical potential study – the portion of the cost paid by your company of the ITRON Technical Potential Study for the last goal-setting proceeding may be used as a starting point, but should be time-shifted to approximately 2014 when the next goal-setting proceeding will commence.
 - b. Witness preparation and their appearances before the Commission.
 - c. Petition and testimony filings.
 - d. Discovery costs.
 - e. Other costs associated with the goal-setting process – please identify each.

A. The table below is the annual estimated transactional costs associated with Tampa Electric’s Demand Side Management (“DSM”) Goals setting process. Non - labor classifications include the cost of any studies, witness preparation, petition and testimony filings, discovery and costs for travel. The non-labor base rates component is comprised of legal fees.

Year	DSM Goals Setting			Total
	Labor	Non - Labor ECCR	Non - Labor Base Rates	
1	0	0	0	\$0
2	7,651	985	0	\$8,636
3	209,106	95,085	105,600	\$409,791
4	80,265	71,404	8,500	\$160,169
5	\$0	0	0	\$0
			Total	\$578,596

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- A2.** DSM Plan – Please provide the actual or estimated transactional costs for each of the 5 years, beginning July 1, 2011, to comply with Rule 25-17.0021, F.A.C., subparagraph 4. Also please specify which of these costs are recovered through base rates or a cost recovery clause. Include, for example, the following:
- a. The cost of cost-effectiveness testing.
 - b. Witness preparation and appearances before the Commission.
 - c. Petition and testimony filings.
 - d. Discovery costs.
 - e. Other costs associated with developing the DSM plan - please identify each.

A. The table below is the annual estimated transactional costs associated with Tampa Electric's DSM Plan approval process. Non - labor classifications include the cost of any studies, witness preparation, petition and testimony filings, discovery and costs for travel. The non-labor base rates component is comprised of legal fees.

Year	DSM Plan				Total
	Labor	Non - Labor ECCR	Non - Labor Base Rates		
1	0	0	0		\$0
2	0	0	0		\$0
3	0	0	0		\$0
4	154,455	1,535	39,803		\$195,794
5	282,500	7,793	14,460		\$304,753
			Total		\$500,546

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A3. Annual Report – Please provide the actual or estimated transactional costs for each of the 5 years, beginning July 1, 2011, to comply with Rule 25-17.0021, F.A.C., subparagraph 5. Also please specify which of these costs are recovered through base rates or a cost recovery clause. Include, for example, the following:

- a. The cost of data collection.
- b. The cost of report preparation.
- c. Other costs associated with the annual report - please identify each.

A. The table below is the annual estimated transactional costs associated with Tampa Electric's Annual DSM Report.

Year	Annual DSM Report			Total
	Labor	Non - Labor ECCR	Non - Labor Base Rates	
1	6,421	0	0	\$6,421
2	6,614	0	0	\$6,614
3	6,812	0	0	\$6,812
4	7,016	0	0	\$7,016
5	7,227	0	0	\$7,227
			Total	\$34,090

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- A4.** Plan Implementation Cost – Please provide the actual or estimated transactional costs for each of the five years, beginning July 1, 2011, paid by residential and commercial/industrial customers to carry out the utility’s DSM plan. Please separate these costs into those applicable to residential programs and commercial/industrial programs. Also please specify which of these costs are recovered through base rates or a cost recovery clause. Include, for example, the following:
- a. The cost of advertising DSM programs.
 - b. The cost of informational and education materials.
 - c. The cost of energy surveys.
 - d. The cost of equipment and incentives provided to participating customers.
 - e. Administrative costs.
 - f. Other costs associated with implementing and conducting the DSM plan - please identify each.

A. The table below is the annual estimated transactional costs associated with Tampa Electric’s DSM Plan implementation. Non - labor classifications include the cost of advertising, materials, contractors, equipment, incentives and rebates, administrative expenses and vehicles.

Year	Residential DSM Programs			Total
	Labor	Non - Labor ECCR	Non - Labor Base Rates	
1	4,255,164	19,811,615	0	\$24,066,779
2	4,361,544	20,306,905	0	\$24,668,449
3	4,470,582	20,814,578	0	\$25,285,160
4	4,582,347	21,334,942	0	\$25,917,289
5	4,696,905	21,868,316	0	\$26,565,221
			Total	\$126,502,898

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Commercial DSM Programs				
Year	Labor	Non -	Non -	Total
		Labor ECCR	Labor Base Rates	
1	568,501	29,139,257	0	\$29,707,757
2	582,713	29,867,738	0	\$30,450,451
3	597,281	30,614,432	0	\$31,211,712
4	612,213	31,379,792	0	\$31,992,005
5	627,518	32,164,287	0	\$32,791,805
			Total	\$156,153,732

Combined DSM Programs				
Year	Labor	Non -	Non -	Total
		Labor ECCR	Labor Base Rates	
1	4,823,665	48,950,872	0	\$53,774,537
2	4,944,257	50,174,643	0	\$55,118,900
3	5,067,863	51,429,009	0	\$56,496,873
4	5,194,560	52,714,735	0	\$57,909,294
5	5,324,424	54,032,603	0	\$59,357,027
			Total	\$282,656,630

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A5. Of the costs provided above, please discuss which are likely to have an adverse impact on economic growth, private sector job creation or employment, or private sector investment.

A. Tampa Electric is unable to estimate the rule impact on economic growth, private sector job creation, employment or private sector investment.

However, to the extent any costs provided above are included based solely on those costs being determined cost-effective through a Total Resource Cost ("TRC") test analysis, adverse impact on economic growth, private sector job creation or employment will occur. This is due to the TRC test excluding certain appropriate costs in the cost-effectiveness analysis of each program contained in a utility's DSM plan. Only through utilizing the Rate Impact Measure ("RIM") test for cost-effectiveness evaluations can a utility offer DSM programs in its DSM plan that equitably and fairly distribute program costs across all customers such that a "no loser" criterion will be met. Simply stated, the TRC test will create a subsidization environment where those who cannot participate in a DSM program will still pay for those who can participate; however, the non-participant will not receive a benefit commensurate to the rate paid. As such, the TRC test will put undue upward pressure on rates that would otherwise not exist if the RIM test was used for cost-effectiveness evaluations.

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- A6.** Of the costs provided above, which are likely to have an adverse impact on business competitiveness, including the ability of persons doing business in the state to compete with persons doing similar business in other states or domestic markets, productivity, or innovation.
- A.** Tampa Electric is unable to estimate the rule impact on business competitiveness, including the ability of persons doing business in the state to compete with persons doing similar business in other states or domestic markets, productivity, or innovation. Additionally, the company's response to Staff's First Data Request, No. A5 has bearing on this question.

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- B.** For the five year period beginning July 1, 2011, which requirements of this rule, if any, would be performed by the Company assuming the rule were not in effect? Please explain.
- A.** The Florida Energy Efficiency and Conservation Act ("FEECA") is a statutory requirement for certain utilities to conduct conservation activity in its service area. Therefore, Tampa Electric may perform certain aspects of Rule 25-17.0021, F.A.C., as it meets its statutory requirement; however, it is unknown at this time what the specific aspects may be. Generally, the company anticipates it would continue offering energy audits and the administration of cogeneration activity absent the rule.

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C. For each of the requirements identified in B above, what are the transactional costs associated with such requirements for the five year period beginning July 1, 2011?

A. Please see the company's response to Staff's First Data Request, No. B. To the extent the company would continue energy audits and cogeneration administration activity. Estimated transactional costs are provided in the table below.

Costs for Energy Audits and Cogeneration Administration				
Year	Labor	Non - Labor ECCR	Non - Labor Base Rates	Total
1	1,652,227	1,774,556	0	\$3,426,783
2	1,701,794	1,818,920	0	\$3,520,714
3	1,752,848	1,864,393	0	\$3,617,241
4	1,805,433	1,911,003	0	\$3,716,436
5	1,859,596	1,958,778	0	\$3,818,374
			Total	\$18,099,547

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- D.** What is the utility's estimate of the likely impact, stated in terms of costs and/or benefits, on small businesses (as defined by s. 288.703, F.S.) located in the Company's service territory, resulting from the implementation of 25-17.0021, F.A.C., for the five year period beginning July 1, 2011?
- A.** Tampa Electric is unable to estimate the rule impact on small businesses located in the company's service territory resulting from the implementation of Rule 25-17.0021, F.A.C.

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- E.** What is the utility's estimate of the likely impact, stated in terms of costs and/or benefits, on small counties and small cities (as defined in s. 120.52) located in the Company's service territory, resulting from the implementation of 25-17.0021, F.A.C., for the five year period beginning July 1, 2011?

- A.** Tampa Electric is unable to estimate the rule impact on small counties and small cities located in the company's service territory resulting from the implementation of Rule 25-17.0021, F.A.C.

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- F.** What is the utility's estimate of the likely impact, stated in terms of costs and/or benefits, on entities located in the Company's service territory other than those specifically identified in Questions D and E, resulting from the implementation of 25-17.0021, F.A.C., for the five year period beginning July 1, 2011?

- A.** Tampa Electric is unable to estimate the rule impact on entities located in the company's service territory other than those specifically identified in Staff's First Data Requests, Nos. D and E resulting from the implementation of Rule 25-17.0021, F.A.C.

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- G.** What does the utility believe is the expected impact of Rule 25-17.0021, F.A.C., on economic growth, private sector job creation or employment, and private sector investment for the five year period beginning July 1, 2011, in the utility's service territory?
- A.** Tampa Electric is unable to estimate the rule impact on economic growth, private sector job creation or employment, and private sector investment for the five year period beginning July 1, 2011, in the utility's service territory.

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- H.** What does the utility believe is the expected impact of Rule 25- 17.0021, F.A.C., on business competitiveness, including the ability of persons doing business in the utility's service territory to compete with persons doing business in states other than Florida or other domestic markets, productivity, and innovation, for the five year period July 1, 2011?

- A.** Tampa Electric is unable to estimate the rule impact on business competitiveness, including the ability of persons doing business in the utility's service territory to compete with persons doing business in states other than Florida or other domestic markets, productivity, and innovation.

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- I. What are the benefits to your utility associated with Rule 25- 17.0021, F.A.C.?
 - A. Rule 25-17.0021, F.A.C., provides guidance for all FEECA utilities relative to the DSM Goals setting and DSM Plan development processes. Thus, it eliminates confusion and ensures consistency among the utilities.

Rule 25-22.032

1. What are the Company's estimated transactional costs resulting from the Company's compliance with Rule 25-22.032, F.A.C., for the five year period beginning July 1, 2011?
 - a. For the five year period beginning July 1, 2011, which requirements of Rule 25-22.032, F.A.C., if any, would be performed by the Company assuming the rule were not in effect? Please explain.
 - b. For each of the requirements identified in 1a., what are the estimated transactional costs associated with such requirements for the five year period beginning July 1, 2011.
 - c. What are your actual transactional costs resulting from your Company's compliance with Rule 25-22.032, F.A.C., for the period July 1, 2011 to December 31, 2011?

A. Tampa Electric's estimated transactional costs for compliance with Rule 25-22.032, F.A.C. are as follows:

July 1 – Dec 31, 2011	\$46,332
2012	\$93,822
2013	\$96,167
2014	\$98,571
2015	\$101,035
Jan 1 – July 31, 2016	\$51,780

- a. Tampa Electric would continue to try and resolve any disputes in a fair and reasonable manner if the requirements of Rule 25-22.032, F.A.C. were not in effect. Procedures for dispute resolution would have to be established as the Staff currently serves as an independent third party on issues where the parties cannot reach a satisfactory resolution.
- b. Tampa Electric has staff in place that can resolve the majority of disputes that do arise. For the few that escalate requiring third party intervention, steps would have to be put in place. A determination of the transactional costs necessary to perform the tasks in absence of the rule would depend on the resolution process established. However, it would be fair to assume that the transactional costs would be significantly greater than what currently exists.

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- c. Actual transactional costs resulting from compliance with Rule 25-22.032, F.A.C. for July 1, 2011 to December 31, 2011 were approximately \$46,332.

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2. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on small businesses (as defined by Section 288.703, F.S.) located in the Company's service territory, resulting from the implementation of 25-22.032, F.A.C., for the five year period beginning July 1, 2011?
 - A. Tampa Electric believes the impact on small businesses as defined by Section 288.703, F.S. is minimal as Tampa Electric small business customer complaints account for less than one percent of total customer complaints and of those none have resulted in an informal conference with the Commission Staff. There is a benefit with the rule in that in the event of an unresolved complaint the Commission Staff would be available as an independent third party to assist in reaching resolution.

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- 3.** What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on small counties and small cities (as defined in Section 120.52, F.S.) located in the Company's service territory, resulting from the implementation of 25-22.032, F.A.C., for the five year period beginning July 1, 2011?
 - A.** Tampa Electric is not aware of any significant costs or benefits on small counties or cities resulting from the implementation of Rule 25-22.032, F.A.C. However, the Rule does provide local government officials and small cities the ability to direct questions to the state Commission rather than the burden of having the local governments or cities attempt to assist their residents in resolving complaints.

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- 4.** What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on entities located in the Company's service territory other than those specifically identified in Questions 2 and 3, resulting from the implementation of 25-22.032, F.A.C., for the five year period beginning July 1, 2011?
 - A.** Tampa Electric is not aware of any other significant costs or benefits to entities within its service territory resulting from the implementation of Rule 25-22.032, F.A.C.

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- 5.** What does the Company believe is the expected impact of Rule 25-22.032, F.A.C., on economic growth, private sector job creation or employment, and private sector investment for the five year period beginning July 1, 2011 in the Company's service territory?
 - A.** Tampa Electric is not aware of any impact of Rule 25-22.032 F.A.C. on economic growth, private sector job creation or employment, and private sector investment in the company's service territory.

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- 6.** What does the Company believe is the expected impact of Rule 25-22.032, F.A.C., on business competitiveness, including the ability of persons doing business in the state to compete with persons doing business in other states or domestic markets, productivity, and innovation, for the five year period beginning July 1, 2011 in your service territory?
- A.** Tampa Electric is not aware of any impact of Rule 25-22.032 F.A.C. on business competitiveness, including the ability of persons doing business in the state to compete with persons doing business in other states or domestic markets, productivity, and innovation, for the five year period beginning July 1, 2011 in our service territory.

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7. What does the Company believe are the benefits associated with Rule 25-22.032, F.A.C.?
 - A. The existing Rules and guidelines provide a smooth and seamless process to resolve complaints while minimizing escalated complaints to the Commission.

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- 8.** Assuming Rule 25-22.032, F.A.C., is unchanged over the next five years, do you expect your Company's costs to comply with the rule, going forward, to increase, decrease, or remain the same. Please explain your response.
- A.** Tampa Electric expects its costs to comply with Rule 25-22.032, F.A.C., to increase somewhat over time as a result of continued cost increases for various O&M costs being experienced by the industry.

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- 9.** Does your Company currently have procedures/personnel in place to address complaints received directly from your consumers?
- A.** Yes, Tampa Electric has procedures and personnel in place to address complaints received directly from our customers.

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10. If Rule 25-22.032, F.A.C., were repealed would your Company continue to accept and address consumer complaints? Please explain your response.
 - A. Yes, the company would expect to continue to accept and address consumer complaints forwarded by the Commission, but the company would have to determine the appropriate dispute resolution process to follow in the absence of Rule 25-22.032, F.A.C.

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11. Do you believe the costs, if any, incurred by your Company to comply with the records retention, reporting, and auditing requirements of Rule 25-22.032(10), F.A.C., for the five year period beginning July 1, 2011, if any, have an adverse impact on your Company? If so, please provide any and all data which supports your response.
 - A. There are no significant adverse impacts associated with the records retention, reporting or auditing requirements associated with Rule 25-22.032(10) F.A.C.

12. Of the transactional costs estimated to be associated with compliance with 25-22.032, F.A.C., what percentage is spent on the following items:
- a. Staffing
 - b. Document storage and retention
 - c. Postage and shipping
 - d. Communications (dedicated phone lines, emails or faxes)
 - e. Other
- A.
- a. Staffing - 98 percent
 - b. Document storage and retention – less than 1 percent
 - c. Postage and shipping – less than 1 percent
 - d. Communications - 1 percent
 - e. Other – The company occasionally incurs legal costs associated with complaints

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13. How many staff members at your Company are currently responsible for handling consumer complaints associated with 25-22.032, F.A.C.?

- a. Are they full time employees?
- b. Do these employees have responsibilities apart from handling complaints?

A. a. Three full time employees.

- b. No. In the event additional information is required to resolve/respond to a complaint, individuals in other areas may assist. These individuals also have other responsibilities.

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- 14.** Section 3 of Rule 25-22.032, F.A.C., states that a customer's service shall not be discontinued during the complaint resolution process. Have there been instances in 2010 through 2011, when your Company was uncompensated for service provided as a result of a billing dispute?
- a.** In the majority of these cases, is the Company able to recoup these costs after the complaint is resolved?
- A.** **a.** Tampa Electric is typically able to recoup costs such costs as past due amounts, disconnect and reconnect fees, but not the transactional costs after complaints are resolved.

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- 15.** Does your Company subscribe to the Florida Public Service Commission's telephone "transfer-connect" or email transfer system?
- a.** What are the annual costs associated with subscription to these systems, including costs due to additional requirements for staffing, operating hours and document retention?
- A. a.** Yes, Tampa Electric subscribes to the "transfer connect" and email transfer system. Annual costs associated with the subscription to these systems are \$3,060.

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- 16.** Approximately what percentage of complaints are resolved prior to reaching the Informal Conference stage described in Section 8 of Rule 25-22.032, F.A.C.?
- a. How many times has your Company had a consumer complaint that has escalated all the way to the informal conference stage in the previous two years?
 - b. How many times in 2010 through 2011 has your Company had a complaint process that was escalated beyond the informal conference stage?
- A.**
- a. Two instances.
 - b. Two instances.

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- 17.** Approximately what percentage of complaints from your customers filed with the Florida Public Service Commission are successfully resolved within 30 days?
 - A.** Nearly all of Public Service Commission complaints are resolved by the company within 30 days. However, less than four percent result in supplemental requests by the FPSC which may extend full resolution beyond 30 days.

18. How has Rule 25-22.032, F.A.C., affected the way your Company processes complaints?
- a. Has the rule had a positive, negative, or neutral impact on your Company?
 - b. How has the rule affected the Company's cost of handling complaints?
- A.
- a. Tampa Electric believes the rule has had a positive impact as it provides a structured process for resolving customer complaints. Also, the Commission's complaint resolution process provides customers with the opportunity for an independent assessment of the company's actions.
 - c. While there are costs associated with handling of complaints as described in the response to Staff's First Data Request No. 15, they are not significantly incremental to the costs that would exist without the requirements of Rule 25-22.032, F.A.C.

Rule 25-6.0436

1a. What are the Company's estimated transactional costs resulting from the Company's compliance with Rule 25-6.0436, F.A.C., for the five year period beginning July 1, 2011?

A. The estimated transactional costs resulting from Tampa Electric's compliance with Rule 25-6.0436, F.A.C., for the five year period beginning July 1, 2011 is \$90,000. This assumes one depreciation study prepared in-house without outside consulting and does not include the cost of preparing a dismantling study.

Tampa Electric's depreciation study is pending before the Commission and is currently scheduled to be voted on at the March 13, 2012, Agenda Conference, with a proposed agency action order to be issued April 2, 2013. The costs cited above assume that the PAA Order is not protested.

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- 1b.** What are the Company's estimated recurring annual costs to maintain property records and to perform depreciation-related activities (including tracking additions, retirements, and adjustments, and determining associated reserves) for the FPSC jurisdiction?
- A.** Tampa Electric's estimated recurring annual costs to maintain property records and to perform depreciation-related activities (including tracking additions, retirements, and adjustments, and determining associated reserves) for the FPSC jurisdiction is \$340,000.

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1c. Is the quadrennial depreciation study prepared in-house or by an outside consultant?

A. Tampa Electric prepares the quadrennial depreciation study in-house.

- 1d. If the answer to 1c. is "outside consultant," please respond to the following questions:
- a. What was the cost of the most recent study prepared by an outside consultant, and on what date was the consultant paid for their services?
 - b. What is the utility's estimated cost to provide the necessary information required for the outside consultant to prepare a study, and when were these costs incurred?
 - c. Will an outside consultant be used to prepare the next study? If yes, what is the estimated cost to prepare the next study?
- A.
- a. N/A
 - b. N/A
 - c. N/A

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- 1e.** If the answer to 1c. is "in-house," please respond to the following questions.
- a. What was the utility's cost to prepare the most recent depreciation study, and over what time period were such costs incurred?
 - b. What is the utility's estimated cost to prepare the next depreciation study?
- A.**
- a. The cost to prepare Tampa Electric's most recent depreciation study is \$90,000. These costs were incurred over a period of 18 months.
 - b. Tampa Electric estimates the cost to prepare the next depreciation study to be comparable to those cited above.

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- 2.** What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on small businesses (as defined by Section 288.703, F.S.) located in the Company's service territory, resulting from the implementation of 25-6.0436, F.A.C., for the five year period beginning July 1, 2011?
- A.** The definition of a small business under Section 788.703 F. S. is "...an independently owned and operated business concern that employs 200 or fewer permanent full-time employees and that, together with its affiliates, has a net worth of not more than \$5 million or any firm based in this state which has a Small Business Administration 8(a) certification. As applicable to sole proprietorships, the \$5 million net worth requirement shall include both personal and business investments." Tampa Electric does not keep statistics on its non-residential customer base in sufficient detail to enable it to identify which customers might qualify under this definition and, thus, is unable to estimate what, if any, impact implementation of the rule has on this group.

With respect to general costs and benefits associated with implementation of this Rule, please refer to the company's response to Staff's First Data Request No. 7.

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- 3.** What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on small counties and small cities (as defined in Section 120.52, F.S.) located in the Company's service territory, resulting from the implementation of 25-6.0436, F.A.C., for the five year period beginning July 1, 2011?
- A.** Section 120.52, F.S. defines "Small county" as any county that has an unincarcerated population of 75,000 or less according to the most recent decennial census and "Small city" as any municipality that has an unincarcerated population of 10,000 or less according to the most recent decennial census. Tampa Electric provides retail electric service within four counties in Florida: Hillsborough, Polk, Pasco and Pinellas. None of these counties would qualify as small counties. Tampa Electric provides retail electric service to a number of cities that could be defined as "small cities"; however, Tampa Electric does not know what, if any, impact implementation of the rule has on these cities.

With respect to general costs and benefits please refer to the company's response to Staff's First Data Request No. 7.

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- 4.** What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on entities located in the Company's service territory other than those specifically identified in Questions 2 and 3, resulting from the implementation of 25-6.0436, F.A.C., for the five year period beginning July 1, 2011?
- A.** Tampa Electric does not know what, if any, impact implementation of the Rule has on entities located in the company's service territory other than those specifically identified in Requests 2 and 3.

With respect to general costs and benefits associated with implementation of this rule, please refer to the company's response to Staff's First Data Request No. 7.

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5. What does the Company believe is the expected impact of Rule 25-6.0436, F.A.C., on economic growth, private sector job creation or employment, and private sector investment for the five year period beginning July 1, 2011 in the Company's service territory?
 - A. Tampa Electric does not know what, if any, impact this rule has on economic growth, private sector job creation or employment, and private sector investment for the five year period beginning July 1, 2011 in the company's service territory.

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- 6.** What does the Company believe is the expected impact of Rule 25-6.0436, F.A.C., on business competitiveness, including the ability of persons doing business in the Company's service territory to compete with persons doing business in states other than Florida or other domestic markets, productivity, and innovation, for the five year period beginning July 1, 2011?
- A.** Tampa Electric does not know what, if any, impact this rule could be expected to have on business competitiveness, including the ability of persons doing business in the company's service territory to compete with persons doing business in states other than Florida or other domestic markets, productivity, and innovation, for the five year period beginning July 1, 2011 in the company's service territory.

7. What does the Company believe are the benefits associated with Rule 25-6.0436, F.A.C.?
- A. Rule 25-6.0436, F.A.C., requires electric utilities to seek periodic approval from the Commission prior to changing existing depreciation rates or initiating new depreciation rates as a way of assuring proper inter-period cost allocation. The Rule also provides accounting requirements for maintaining depreciation rates and accumulated depreciation reserves, as well as guidelines and procedures for conducting depreciation studies and seeking depreciation rate changes. The Rule, therefore, provides clarity and efficiency with respect to how to account for depreciation reserves and to how to seek changes in depreciation rates. In the absence of required periodic adjustments in depreciation rates, costs of utility plant investment may not be allocated appropriately across the productive lives of the respective assets. Without a Rule, depreciation rates, depreciation expense and depreciation reserves may be addressed inconsistently, which is not conducive to proper inter-period cost allocation and would likely result in more complex and expensive regulatory proceedings. In conclusion, Rule 25-6.0436, F.A.C., is beneficial because it provides an orderly process for accounting for depreciation reserves and for seeking changes in depreciation rates.