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# Public Service Commission

May 22, 2013

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COMMISSION  
CLERK

Ausley & McMullen  
James D. Beasley/J. Jeffrey Wahlen  
Post Office Box 391  
Tallahassee, FL 32302

## STAFF'S SIXTH DATA REQUEST

RE: Docket No. 130024-EI – Petition for expedited approval of asset optimization incentive mechanism, by Tampa Electric Company.

Dear Messrs. Beasley and Wahlen:

By this letter, the Commission staff requests that Tampa Electric Company (TECO) provide responses to the following data requests.

1. In paragraph 8(a)(ii) of its petition, Tampa Electric listed "Solid Fuel purchasing, transportation and storage optimization" as an asset optimization measure that the Company may pursue in the future. In response to Staff's First Data Request No. 8, Tampa Electric only addressed the "sale of solid fuel commodity or transportation." Does Tampa Electric intend to realize (and include in the Total Gains Schedule) savings from the purchase of solid fuels?

- a. If so, how would the "savings" be calculated?
- b. Could the associated solid fuels purchased be burned to serve its native load?
- c. Would this undermine the notion that the fuel clause is a cost recovery mechanism?  
Please explain.


2. In its response to Staff's First Request for Production of Documents No. 1, Tampa Electric provided the historical gains on economy sales and savings on purchases since 2001. This document appears to indicate that the highlighted savings, from 2005 through 2008, have been affected by the "Extended outages due to installation of SCRs on Big Bend Units."

- a. Please provide a detailed explanation of how the installation of SCRs on the Big Bend Units affected the economy purchases during the highlighted years.
- b. Please identify, to the best of the Company's knowledge, what caused the apparent spike in gains from economic sales in 2009, and the precipitous decline thereafter.
- c. Please identify, to the best of the Company's knowledge, what caused the apparent spike in savings from economic purchases in 2010, and the precipitous decline thereafter.

- d. Please provide the gross amount of economy sales for each of the years 2009 through 2012.
  - e. Please provide the gross amount of economy purchases for each of the years 2009 through 2012.
3. In its response to Staff's Fifth Data Request No. 1, the Company stated that the amount of \$2 million would be an appropriate threshold reflecting a three- or four-year historic average of gains on economic sales and a "stretch goal."
- a. Assuming that the three-year average of \$1.37 million is used, please explain why Tampa Electric believes that a \$630,000 "stretch goal" is appropriate.
  - b. Assuming that the four-year average of \$1.91 million is used, please explain why Tampa Electric believes that a \$90,000 "stretch goal" is appropriate.
4. In its response to Staff's Fifth Data Request Nos. 12, 13 and 14, Tampa Electric cited its concerns about the risk of unrecovered costs associated with a "sunset" provision. Given that Paragraph 8(b) of its petition provides a means of recovering incremental O&M costs associated with the proposed Incentive Mechanism;
- a. Please provide an example of an incremental cost that Tampa Electric believes that it may not be able to recover in the event that the proposed Incentive Mechanism is discontinued after a four-year trial period.
  - b. Please provide an example of an ongoing incremental O&M expense, associated with the proposed Incentive Mechanism, that the Company believes it would continue to incur in the event that the proposed Incentive Mechanism is discontinued after a four-year trial period.
5. Please refer to Staff's Fifth Data Request No. 23. In its response, the Company stated that its customers would forego the benefits achieved by broader, deeper, and more balanced fuel and power markets in Florida. What, specifically, was the Company referring to as broader, deeper, and more balanced fuel and power markets in Florida?

Please file the original and five copies of the requested information by close of business May 29, 2013, with Ms. Ann Cole, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. We understand this is a fast turnaround but a timely response will allow staff to complete the recommendation in a timely manner. Feel free to call me at (850) 413-6212 if you have any questions.

Sincerely,

  
Martha F. Barrera  
Senior Attorney

MFB/nah

cc: ✓Office of Commission Clerk  
J.R. Kelly/P. Christensen, Office of Public Counsel  
Paula K. Brown, Tampa Electric Company