#### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Rate Increase by Tampa Electric Company.

Docket No. 130040-EI

Filed: August 13, 2013

# OFFICE OF PUBLIC COUNSEL'S CITIZENS' OBJECTIONS TO STAFF'S FIRST SET OF INTERROGATORIES (NOS. 1-12)

Office of Public Counsel, ("Citizens"), by the requirements set forth in the Commission Order No. PSC-13-0150-PCO-EI, Rule 28-106-206, Florida Administrative Code, and Rule 1.340, Florida Rules of Civil Procedure, submit the following response to the First Set of Interrogatories (Nos. 1-12) propounded by the Staff of the Florida Public Service Commission (Staff) on July 24, 2013.

## **GENERAL OBJECTIONS**

With respect to the "Definitions" and "Instructions" in the requests, Citizens object to any definitions or instructions that are inconsistent with Citizens' discovery obligations under applicable rules. If some question arises as to Citizens' discovery obligations, Citizens will comply with applicable rules and not with any of the definitions or instructions that are inconsistent with those rules.

Citizens object to each and every request to the extent it is vague, ambiguous, overly broad, imprecise, or utilizes terms that are subject to multiple interpretations but are not properly defined or explained for purposes of such discovery requests. Any responses provided by Citizens are provided subject to, and without waiver of, the foregoing objection.

Citizens object to the extent any discovery request is unduly burdensome. Citizens further object to any requests that would require Citizens and/or its consultants to perform a new study or analysis.

Citizens generally object to any request that calls for data or information protected by the attorney-client privilege, the work product privilege, the accountant-client privilege, the trade secret privilege, or any other applicable privilege or protection afforded by law.

Citizens reserve the right to supplement any of its responses if Citizens cannot locate the answers immediately due to their magnitude and the work required to aggregate them, or if Citizens later discover additional responsive information in the course of this proceeding. By making these general objections at this time, Citizens do not waive or relinquish its right to assert additional general and specific objections to Tampa Electric's discovery.

By making these responses herein, Citizens do not concede that any request is relevant to this action or is reasonably calculated to lead to the discovery of admissible evidence. Citizens expressly reserve the right to object to further discovery into the subject matter of any of these requests, to the introduction of evidence of any response or portion thereof, and to supplement its responses should further investigation disclose responsive information.

Citizens object to providing information to the extent that such information is already in the public record through the Florida Public Service Commission or other governmental body and available to Tampa Electric through normal procedures.

In responding to these Requests, Citizens do not waive the foregoing objections, or the specific objections that are set forth in the responses to particular requests.

# **ADDITIONAL SPECIFIC OBJECTIONS**

In addition to the general objections which apply to every interrogatory, Citizens provide the following objections to specific interrogatories:

### **INTERROGATORIES**

For the following interrogatories, please refer to the direct testimony of OPC witness Woolridge:

- 1. Please refer to page 13, lines 1 through 10 of the direct testimony of witness J. Randall Woolridge, and Exhibit JRW-4 attached to his direct testimony.
  - a. Please describe how witness Woolridge concluded that his proxy group has an A-/BBB+ bond rating from Standard & Poor's. Please provide an example of the calculation he used.

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

b. Did witness Woolridge perform any analyses to compare the risks attributable to Tampa Electric Company and the companies included in his proxy group other than the risks listed on page 2 of Exhibit JRW-4? If the answer is affirmative, please list those risks and describe the results and conclusions of any risk comparisons.

- Please refer to Exhibit JRW-10, page 1 of 6 attached to the direct testimony of witness J.
  Randall Woolridge.
  - a. Please describe how the adjustment factor is applied to the DCF study.

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

b. Please provide an example of the calculation.

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

3. Please refer to page 57, lines 9 – 10 of the direct testimony of witness J. Randall Woolridge. Please expound upon witness Wooldridge's statement that ". . . analysts' projected EPS growth rate should be limited." Please quantify the limits to which he refers.

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

4. Please refer to page 61, lines 16 – 17 of the direct testimony of witness J. Randall Woolridge. Please define "long-term earnings growth rates of companies" in terms of years.

- 5. Please refer to pages 31 through 38 of the direct testimony of witness J. Randall Woolridge. In his testimony, witness Woolridge discussed his analyses of the growth rate of his proxy group and witness Hevert's proxy group.
  - a. Did witness Woolridge perform any analysis to determine the expected growth rate of Tampa Electric Company over the next 3 to 5 years?

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

b. Did witness Woolridge perform any analysis to determine the investor holding period(s) for stocks in the companies in the proxy groups?

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

6. Please refer to Exhibit KWO-8, attached to the direct testimony of OPC witness Kevin W. O'Donnell. Please explain witness Woolridge's rationale for recommending a return on equity for Tampa Electric Company that is 102 basis points below the national average of return on equities of 9.77 percent thus far in 2013.

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

For the following questions, please refer to OPC witness Schultz's direct testimony:

7. Referring to page 7, lines 14-19, please explain witness Schultz's assertion that "careful analysis shows no basis to believe additional positions are necessary."

8. Referring to page 7, line 19 through page 8, line 3, is it witness Schultz's position that TECO's current complement of linemen, substation journeymen, cable splicers, and relay testers is sufficient to meet NERC requirements? If so, please explain his basis for this assertion.

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

9. Referring to page 10, lines 7-14, please provide the calculations used by OPC in determining the 10 positions it recommends for the 2014 test year.

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

10. Referring to page 10, lines 7-14, please provide the rationale used by OPC in determining the allowance for 10 more positions.

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

11. Referring to page 13, lines 13-19, please identify the specific cite(s) in the Company's MFRs, testimony, and/or discovery responses where the Company provided an explanation of the plan's objectives that suggests that the payouts have historically been tied to financial goals which benefit the shareholders, not ratepayers.

12. Referring to page 13, lines 17-19, please identify the specific event(s) to which the following statement references: "Based on this history, we would expect that the Company after the conclusion of this rate case is likely to again tie payout of operating goals with meeting the financial goals."

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

Respectfully submitted,

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## **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing Citizens Objections to Staff's First Set of Interrogatories (Nos. 1-12) was furnished by e-mail this 13<sup>th</sup> day of August, 2013 to:

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