

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: September 21, 2023

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Guffey) *EG*
Office of the General Counsel (Dose) *JSC*

RE: Docket No. 20230090-EI – Petition to implement 2024 generation base rate adjustment provisions in paragraph 4 of the 2021 stipulation and settlement agreement, by Tampa Electric Company.

AGENDA: 10/03/23 – Regular Agenda – Tariff Suspension – Participation is at the Commission’s Discretion

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 10/15/23 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

Case Background

On August 16, 2023, Tampa Electric Company (TECO or Company) filed a petition to implement the 2024 Generation Base Rate Adjustment (GBRA) provisions pursuant to its 2021 rate case Stipulation and Settlement Agreement (settlement agreement). The Commission previously approved the settlement agreement in Order No. PSC-2021-0423-S-EI (settlement order).¹ The GBRA provisions of the settlement order and agreement provide for an increase in base rates to reflect the 2024 GBRA amount of \$21,376,909, effective with the first billing cycle of January 2024.² In this petition, TECO proposed to increase the GBRA amount to \$21,689,323

¹ Order No. PSC-2021-0423-S-EI, issued November 10, 2021, in Docket No. 20210034-EI, *In re: Petition for rate increase by Tampa Electric Company*.

² See page 20 in Order No. PSC-2021-0423-S-EI, issued November 10, 2021, in Docket No. 20210034-EI, *In re: Petition for rate increase by Tampa Electric Company*.

to reflect the updated 10.20 percent mid-point return on equity (ROE) allowed by a trigger provision of the 2021 settlement agreement and approved by the Commission on August 16, 2022, in Docket No. 20220122-EI.³ In Order No. PSC-2022-0434-TRF-EI, the Commission approved TECO's 2023 GBRA provision of the 2021 settlement agreement.⁴ During the review process, staff issued a data request to TECO on September 7, 2023, for which the responses are pending. This is staff's recommendation to suspend the proposed tariffs. The Commission has jurisdiction over this matter pursuant to Sections 366.04, 366.05, and 366.06, Florida Statutes (F.S.).

³ Order No. PSC-2022-0322-FOF-EI, issued September 12, 2022, in Docket No. 20220122-EI, *In re: Petition for limited proceeding rate increase to implement return on equity provisions in 2021 agreement, by Tampa Electric Company.*

⁴ Order No. PSC-2022-0434-TRF-EI, issued December 21, 2022, in Docket No. 20220148-EI, *In re: Petition to implement 2023 generation base rate adjustment provisions in 2021 agreement, by Tampa Electric Company.*

Discussion of Issues

Issue 1: Should TECO's revised tariffs to implement the 2024 GBRA increase effective January 2024 be suspended?

Recommendation: Yes. Staff recommends that TECO's revised tariffs to implement the 2024 GBRA increase effective January 2024 be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the proposed tariff modifications. (Guffey)

Staff Analysis: Staff recommends that TECO's revised tariffs to implement the 2024 GBRA increase effective January 2024 be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the proposed tariff modifications.

Pursuant to Section 366.06(3), F.S., the Commission may withhold consent to the operation of all or any portion of the new rate schedules, delivering to the utility requesting such a change a reason or written statement of a good cause for doing so within 60 days. Staff believes that the reason stated above is a good cause consistent with the requirement of Section 366.06(3), F.S.

Issue 2: Should this docket be closed?

Recommendation: No. This docket should remain open pending the Commission decision on TECO's proposed GBRA amount of \$21,689,323 and associated tariff modifications. (Dose)

Staff Analysis: This docket should remain open pending the Commission decision on TECO's proposed GBRA amount of \$21,689,323 and associated tariff modifications.