STATE OF FLORIDA

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Public Service Commission

March 6, 2024

Malcom N. Means, Esq
Ausley McMullen
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STAFF'S SECOND DATA REQUEST
via e-mail

Re: Docket No. 20230139-EI – Petition for approval of 2023 depreciation and dismantlement study, by Tampa Electric Company.

Dear Mr. Means:

Please refer to Tampa Electric Company's (TECO's) 2023 Depreciation and Dismantlement Study (2023 Study) for the questions below.

1. In accordance with Rule 25-6.04364(3)(d), (e), (f), and (l), Florida Administrative Code, please provide the following information regarding TECO's 2023 Study:

   a. A summary of the major assumptions used in the study (in addition to those details included in Section 3.0 Decommissioning Costs).

   b. The explanation of the methodology selected to dismantle <u>each</u> generating unit and support for the selection.

   c. The explanations of the methodology and escalation rates used in converting the current estimated dismantlement costs to future estimated dismantlement costs and supporting documentation and analyses.

   d. A summary and explanation of material differences between the current study and the utility's last filed study including changes in methodology and assumptions.

2. Bates Stamped Page 476 reads:

   > "[…] it is 1898 & Co.'s typical practice and recommendation that 20 percent contingency be included on the direct costs in the estimates prepared as part of this study and that owner indirect costs be included as 5 percent of the direct cost."

a. Bates Stamped Pages 539-540 show that a 15 percent contingency factor was used for the instant study. Please explain, with necessary supporting documentation and analyses, why TECO believes the 15 percent rather than the 20 percent contingency factor is appropriate.

b. Please identify and explain the components and their corresponding weights that comprise the 15 percent contingency factor TECO used for the 2023 Study.

3. Referring to Bates Stamped Pages 552-554, please provide a comparison between the inflation and escalation indexes used in TECO's 2023 Study, and its last dismantlement study, and explain your response.

4. Please refer to Bates Stamped Page 479, Section 2.0 Plant Description, Subsection 2.5 Big Bend Power Station, for the questions below regarding Big Bend Units 1-3:

   a. Have all the dismantling/decommissioning activities of Units 1-3 been completed? If not, when does TECO expect them to be finished?

   b. Please identify the respective actual/estimated dismantlement expense, reserve, deficiency (if any), and the cumulative deficiency each year from 2022 through the year when Units 1-3 dismantling/decommissioning is accomplished.

5. Please refer to Bates Stamped Pages 488-489, Section 3.0 Decommissioning Costs, Subsection 3.2.2 Big Bend Power Station, for the questions below:

   a. Item 2 of Subsection 3.2.2 reads "[i]t is assumed that approximately 145,800 tons of gypsum will be removed from site and disposed of as part of the gypsum storage remediation cost." TECO conventionally sells its gypsum. (see Document No. 6238-2011 in Docket No. 20110262-EI) Does the dismantlement cost of Big Bend Station include an estimate of the gypsum sales proceeds? Please explain your response.

   b. Item 3 of Subsection 3.2.2 reads "[t]he bottom ash ponds, settling pond, […] will have all material removed by TECO prior to decommissioning. As such the costs for removal of this material are not included." Does TECO intend to book the cost associated with the removal of this material as "cost of removal" in depreciation? Please explain your response.

   c. Please elaborate on the statement of Item 13, "Unit 1 asbestos was assumed to be partially remediated during the Big Bend Modernization, after discussion during the site visit."

6. Bates Stamped Pages 489-494, provide the specific assumptions for 32 existing and planned solar sites. For each of the 16 sites listed below, the "cost for substation removal was not included." Please explain why.

   Agrivoltaics Solar (Subsection 3.3.1)
   Alafia Solar (Subsection 3.3.2)
   Balm Solar (Subsection 3.3.3)
   Big Bend Floating Solar (Subsection 3.3.4)
   Bonnie Mine Solar (Subsection 3.3.7)
   Bull Frog Creek Solar (Subsection 3.3.9)
   Eastern PVS+ES Solar (Subsection 3.3.12)
   Florida Aquarium Pavilion Solar (Subsection 3.3.14)

Grange Hall Solar (Subsection 3.3.17)
Lake Hancock Solar (Subsection 3.3.20)
Lithia Solar (Subsection 3.3.24)
Little Manatee River Solar (Subsection 3.3.25)
Payne Creek Solar (Subsection 3.3.28)
Peace Creek Solar (Subsection 3.3.29)
Tampa International Solar (Subsection 3.3.31)
Wimauma Solar (Subsection 3.3.32)

7. Please refer to Bates Stamped Pages 482, 489, and 577-582 (as pertains to MacDill AFB RICE/Battery) for the questions below:

    a. Please identify the respective in-service date of RICE Units 1-4 and the battery energy storage system.

    b. What is the respective probable life of the RICE units and the on-site battery energy storage?

    c. Please explain how the 2055 capital recovery date was determined for the site.

8. Referring to Bates Stamped Page 535, please define the abbreviation "CCST."

9. Referring to Bates Stamped Pages 565-566, Big Bend Unit 4, please explain in detail why TECO revised the capital recovery year from 2045 (estimate of the 2020 Dismantlement Study) to 2040 (estimate of the 2023 Study).

10. Referring to Bates Stamped Pages 569-570, Big Bend GT's 5-6, please explain in detail why TECO revised the capital recovery year form 2061 (estimate of the 2020 Dismantlement Study) to 2057 (estimate of the 2023 Study).

11. Referring to Bates Stamped Pages 575-576, Polk Units 2-5 (4XGT), please explain in detail why TECO revised the capital recovery year form 2057 (estimate of the 2020 Dismantlement Study) to 2052 (estimate of the instant Study).

12. Please refer to Bates Stamped Pages 487-488, 537-538 for the questions below:

    a. Please describe in detail how labor rates were determined for deriving the estimate of the dollar amounts associated with each dismantlement task and/or job.

    b. Referring to Bates Stamped Pages 537-538, please identify the components that comprise the labor cost, such as direct cost of completing a dismantlement activity, and indirect cost such as engineering services and construction management support, along with any allocated expenditure such as overhead cost. Please also explain the weight assigned to each of the cost components identified.

    c. Please explain how the scrap metal values were determined, and provide a copy of supporting documentation and analysis.

    d. Apart from the stainless steel, titanium, and Inconel scrap metal values (Bates Stamped Pages 487-488), what other cost components, if any, are included in the column titled "Salvage" reflected on Bates Stamped Page 537?

e. Please explain how TECO determined the environmental & disposal expenses for the instant Decommissioning Study, and provide a copy of supporting documentation and analysis.

13. Referring to Bates Stamped Page 535, Summary of Dismantling Accruals, please explain why TECO proposed a positive amount of FPSC Dismantlement Accrual – Salvage component, effective 1/1/2025, for Big Bend Common (Handling) and Polk Common (Handling), respectively, in contrast to the Company's proposed negative amount of Accrual – Salvage component for each and all of the other plant sites/items.

14. Referring to Table 1 below, please summarize and explain the major drivers and/or causes of the significant increase in the dismantlement costs associated with the Bayside and Polk Power Stations, respectively.

Table 1: Comparison of TECO's Generation Plant Dismantlement Cost Estimates (Including Contingency @ 15%)

Account	2020 Study	2023 Study	Change ($)	Change (%)
Bayside Power Station	$14,575,850	$21,418,750	$6,842,900	46.9%
Big Bend Power Station	$80,772,550	$86,859,500	$6,086,950	7.5%
Polk Power Station	$15,229,450	$20,115,800	$4,886,350	32.1%
MacDill Station		1,061,750	$1,061,750	
Solar Sites	81,786,195	$228,872,135	$147,085,940	179.8%
Total Surviving Assets	$192,364,045	$358,327,935	$165,963,890	86.3%
Source: TECO's 2020 and 2023 Dismantlement Studies.				

15. Referring to Table 2 below, please summarize and explain the major drivers and/or causes of the proposed increase in the dismantlement accruals for Bayside Station, Big Bend Station, Polk Station, and the existing Solar Sites, respectively.

Table 2: Comparison of TECO's Generation Plant Dismantlement Accruals

Account	Current Accrual (01/01/2022) (1)	Company Proposed Accrual (01/01/2025) (2)	Company Proposed Change in Accrual (3) = (2) - (1)	Change in (%) (4) = (3) / (1)
Bayside Power Station	$445,892	$991,627	$545,735	122.4%
Big Bend Power Station	$2,311,891	$2,722,952	$411,061	17.8%
Polk Power Station	$680,254	$970,585	$290,331	42.7%
MacDill Station		57,082	$57,082	
Existing Solar Sites	4,576,706	$5,471,855	$895,149	19.6%
New Solar Sites		$7,228,291	$7,228,291	
Solar Sites Subtotal	4,576,706	$12,700,146	$8,123,440	177.5%
Total Surviving Assets	$8,014,743	$17,442,392	$9,427,649	117.6%
Source: "2023 Generation Dismantling Model for FPSC - Filed.xlsx" TECO filed on 12/27/2023.				

Please file all responses electronically no later than Wednesday, April 3, 2024, from the Commission's website at www.floridapsc.com, by selecting the **Clerk's Office** tab and **Electronic Filing Web Form**. Please feel free to call me at (850) 413-6212 if you have any questions.

Sincerely,

/s/ Carlos Marquez

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