

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Petition for rate increase by Tampa Electric Company.) **DOCKET NO. 20240026-EI**
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In re: Petition for approval of 2023 Depreciation and Dismantlement Study, by Tampa Electric Company.) **DOCKET NO. 20230139-EI**
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In re: Petition to implement 2024 Generation Base Rate Adjustment provisions in Paragraph 4 of the 2021 Stipulation and Settlement Agreement, by Tampa Electric Company.) **DOCKET NO. 20230090-EI**
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PREHEARING STATEMENT OF THE FEDERAL EXECUTIVE AGENCIES

Federal Executive Agencies (“FEA”), through the undersigned attorney, pursuant to the Order Establishing Procedure in this docket, Order No. PSC-2024-0096-PCO-EI, issued April 16, 2024, hereby submit this Prehearing Statement.

APPEARANCES:

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Attorneys on behalf of Federal Executive Agencies

1. **WITNESSES:**

FEA intends to call the following witnesses, who will address the issues indicated:

Witness	Subject Matter	Issues #
Direct		
Christopher C. Walters	Return of Equity, Rate of Return and Capital Structure	37-40
Brian C. Andrews	Depreciation Rates	7
Michael P. Gorman	Cost of Service, Revenue Allocation and Rate Design	70-74

2. **EXHIBITS:**

Incorporated into the pre-filed written testimony of the above-mentioned witnesses, Federal Executive Agencies intend to introduce the following exhibits, which can be identified on a composite basis for each witness:

Witness	Proffered By	Exhibit No.	Description
Direct			
Christopher C. Walters	FEA	CCW-1	Valuation Metrics
Christopher C. Walters	FEA	CCW-2	Proxy Group
Christopher C. Walters	FEA	CCW-3	Consensus Analysts' Growth Rates
Christopher C. Walters	FEA	CCW-4	Constant Growth DCF Model – Consensus Analysts Growth Rates
Christopher C. Walters	FEA	CCW-5	Payout Ratios
Christopher C. Walters	FEA	CCW-6	Sustainable Growth Rate
Christopher C. Walters	FEA	CCW-7	Constant Growth DCF Model – Sustainable Growth Rate
Christopher C. Walters	FEA	CCW-8	Multi-Stage Growth DCF Model
Christopher C. Walters	FEA	CCW-9	Common Stock Market/Book Ratio
Christopher C. Walters	FEA	CCW-10	Equity Risk Premium – Treasury Bond
Christopher C. Walters	FEA	CCW-11	Equity Risk Premium – Utility Bond
Christopher C. Walters	FEA	CCW-12	Bond Yield Spreads
Christopher C. Walters	FEA	CCW-13	Treasury and Utility Bond Yields
Christopher C. Walters	FEA	CCW-14	Beta Analysis
Christopher C. Walters	FEA	CCW-15	CAPM Return
Brian C. Andrews	FEA	BCA-1	Account 312 Life Analysis

Brian C. Andrews	FEA	BCA-2	Account 341 Life Analysis
Brian C. Andrews	FEA	BCA-3	Account 342 Life Analysis
Brian C. Andrews	FEA	BCA-4	Account 343 Life Analysis
Brian C. Andrews	FEA	BCA-5	Select TD&G Account Net Salvage Analyses
Brian C. Andrews	FEA	BCA-6	FEA Proposed Depreciation Rates
Brian C. Andrews	FEA	BCA-7	Comparison of TECO and FEA Depreciation Rates and Expense

3. **STATEMENT OF BASIC POSITION**

FEA recommends Tampa Electric Company (“TECO” or “the Company”) be awarded a return on equity (“ROE”) of 9.60%; a capital structure equity ratio of 52.0%; and an overall rate of return (“ROR”) of 6.36% which reduces TECO’s electric retail revenue requirements by approximately \$134.7 million.

FEA also proposes several adjustments to the Company’s proposed depreciation rates. These adjustments include a recommendation to: 1) increase the life of the Big Bend and Bayside combined cycle plant from and 35-year life to 40 years; 2) make adjustments to the interim retirement survivor cure for Production plant accounts 312, 341, 342 and 343; 3) maintain the Average Service Life (ASL) of Account 367 at the current 45-year life and TECO’s proposal to shorten it; and 4) make adjustments to the net salvage rates for Transmission, Distribution and General Plant (“TD&G”) accounts 356, 362, 363, 365, 367, 392.02, 392.03, 392. 12, and 392.13. These adjustments are captured in FEA Exhibit BCA-6 and result in a decrease in TECO’s 2024 depreciation expense by \$31.38 million.

Lastly, FEA supports the Company’s class cost of service study (“CCOSS”) and TECO’s proposed revenue spread. However, FEA recommends an adjustment to the proposed rate design for the time-of-day rates. Specifically, FEA recommends the GSLDPR demand charge be increased, and the energy charge be reduced to appropriately reflect the demand-related cost that should be collected through demand rates.

4. **STATEMENT OF FACTUAL ISSUES AND POSITIONS**

2025 TEST PERIOD AND FORECASTING

ISSUE 1: Is TECO's projected test period for the twelve months ending December 31, 2025, appropriate?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 2: Are TECO's forecasts of customers, KWH, and KW by revenue and rate class, appropriate?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 3: What are the inflation, customer growth, and other trend factors that should be approved for use in forecasting the test year budget?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

QUALITY OF SERVICE

ISSUE 4: Is the quality of electric service provided by TECO adequate?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

DEPRECIATION AND DISMANTLEMENT STUDY

ISSUE 5: Should currently prescribed depreciation rates and provision for dismantlement of TECO be revised?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 6: What should be the implementation date for new depreciation rates and the provision for dismantlement?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 7: What depreciation parameters and resulting depreciation rates for each depreciable plant account should be approved?

FEA Position: **The depreciation parameters and depreciation rates presented in Exhibit BCA-6 should be approved.**

ISSUE 8: Based on the application of the depreciation parameters and resulting depreciation rates that the Commission approves, and a comparison of the theoretical reserves to the book reserves, what are the resulting imbalances?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 9: What, if any, corrective reserve measures should be taken with respect to the imbalances identified in Issue 8?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 10: Should the current amortization of investment tax credits (ITCs) and flow back of excess deferred income taxes (EDITs) be revised to reflect the approved depreciation rates?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 11: What annual accrual for dismantlement should be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 12: What, if any, corrective dismantlement reserve measures should be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

2025 RATE BASE

ISSUE 13: Has TECO made the appropriate adjustments to remove all non-utility activities from Plant in Service, Accumulated Depreciation, and Working Capital in the 2025 projected test year? What, if any, adjustments should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 14: Should TECO's proposed Future Environmental Compliance Project be included in the 2025 projected test year? What, if any, adjustments should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 15: Should TECO's proposed Research and Development Projects be included in the 2025 projected test year? What, if any, adjustments should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 16: Should TECO's proposed Customer Experience Enhancement Projects be included in the 2025 projected test year? What, if any, adjustments should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 17: Should TECO's proposed Information Technology Capital Projects be included in the 2025 projected test year? What, if any, adjustments should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 18: Should TECO's proposed Solar Projects be included in the 2025 projected test year? What, if any, adjustments should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 19: Should TECO's proposed Grid Reliability and Resilience Projects be included in the 2025 projected test year? What, if any, adjustments should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 20: Should TECO's proposed Energy Storage projects be included in the 2025 projected test year? What, if any, adjustments should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 21: Should TECO’s proposed Corporate Headquarters project be included in the 2025 projected test year? What, if any, adjustments should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 22: Should TECO’s proposed South Tampa Resilience project be included in the 2025 projected test year? What, if any, adjustments should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 23: Should TECO’s proposed Bearss Operations Center project be included in the 2025 projected test year? What, if any, adjustments should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 24: Should TECO’s proposed Polk 1 Flexibility project be included in the 2025 projected test year? What, if any, adjustments should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 25: What amount of Plant in Service for the 2025 projected test year should be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 26: What amount of Accumulated Depreciation for the 2025 projected test year should be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 27: What amount of Construction Work in Progress for the 2025 projected test year should be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 28: What amount of level of Property Held for Future Use for the 2025 projected test year should be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 29: What amount of unfunded Other Post-retirement Employee Benefit (OPEB) liability and any associated expense should be included in rate base?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 30: What level of TECO's fuel inventories should be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 31: What amount of Working Capital for the 2025 projected test year should be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 32: What amount of rate base for the 2025 projected test year should be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

2025 COST OF CAPITAL

ISSUE 33: What amount of accumulated deferred taxes should be approved for inclusion in the capital structure for the 2025 projected test year?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 34: What amount and cost rate of the unamortized investment tax credits should be approved for inclusion in the capital structure for the 2025 projected test year?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 35: What amount and cost rate for customer deposits should be approved for inclusion in the capital structure for the 2025 projected test year?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 36: What amount and cost rate for short-term debt should be approved for inclusion in the capital structure for the 2025 projected test year?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 37: What amount and cost rate for long-term debt should be approved for inclusion in the capital structure for the 2025 projected test year?

FEA Position: **The appropriate long-term debt balance that should be approved for inclusion in the capital structure should be \$3,706,461.830, or 37.83%, for the 2025 projected test year.**

ISSUE 38: What equity ratio should be approved for use in the capital structure for ratemaking purposes for the 2025 projected test year?

FEA Position: **The appropriate equity ratio that should be approved for use in the capital structure for ratemaking purposes for the 2025 projected test year is 45.15%, or 52.0% on an investor-supplied basis.**

ISSUE 39: What authorized return on equity (ROE) should be approved for use in establishing TECO's revenue requirement for the 2025 projected test year?

FEA Position: **The authorized ROE of 9.60% should be approved for use in establishing TECO's revenue requirement for the 2025 projected test year.**

ISSUE 40: What capital structure and weighted average cost of capital should be approved for use in establishing TECO's revenue requirement for the 2025 projected test year?

FEA Position: **The capital structure and weighted average cost of capital that should be approve is demonstrated in the chart below:**

Class of Capital	Jurisdictional Capital Structure	Ratio	Cost Rate	Weighted Cost Rate
Long Term Debt	\$3,706,462	37.83%	4.53%	1.71%
Short Term Debt	376,625	3.84%	3.90%	0.15%
Customer Deposits	99,195	1.01%	2.41%	0.02%
Preferred Stock	-	0.00%	-	0.00%
Common Equity	4,423,344	45.15%	9.60%	4.33%
Deferred Income Taxes	980,855	10.01%	-	0.00%
Tax Credits - Zero Cost	-	0.00%	-	0.00%
Tax Credits - Weighted Cos	211,669	2.16%	7.14%	0.15%
	<u>\$9,798,150</u>	<u>100.00%</u>		<u>6.36%</u>

2025 NET OPERATING INCOME

ISSUE 41: Has TECO correctly calculated the revenues at current rates for the 2025 projected test year?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 42: What amount of Total Operating Revenues should be approved for the 2025 projected test year?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 43: What amount of O&M expense associated with Polk Unit 1 has TECO included in the 2025 projected test year? Should this amount be approved and what, if any, adjustments should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 44: What amount of O&M expense associated with Big Bend Unit 4 has TECO included in the 2025 projected test year? Should this amount be approved and what, if any, adjustments should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 45: What amount of generation O&M expense should be approved for the 2025 projected test year?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 46: What amount of transmission O&M expense should be approved for the 2025 projected test year?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 47: What amount of distribution O&M expense should be approved for the 2025 projected test year?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 48: Has TECO made the appropriate test year adjustments to remove fuel revenues and fuel expenses recoverable through the Fuel Adjustment Clause?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 49: Has TECO made the appropriate test year adjustments to remove conservation revenues and conservation expenses recoverable through the Conservation Cost Recovery Clause?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 50: Has TECO made the appropriate test year adjustments to remove capacity revenues and capacity expenses recoverable through the Capacity Cost Recovery Clause?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 51: Has TECO made the appropriate test year adjustments to remove environmental revenues and environmental expenses recoverable through the Environmental Cost Recovery Clause?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 52: Has TECO made the appropriate test year adjustments to remove all storm hardening revenues and expenses recoverable through the Storm Protection Plan Cost Recovery Clause?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 53: What amount of salaries and benefits, including incentive compensation, should be approved for the 2025 projected test year?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 54: Does TECO's pension and OPEB expense properly reflect capitalization credits in the 2025 projected test year? If not, what adjustments, if any should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 55: What cost allocation methodologies and what amount of allocated costs and charges with TECO's affiliated companies should be approved for the 2025 projected test year?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 56: What amount of Directors and Officers Liability Insurance expense for the 2025 projected test year should be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 57: What amount of Economic Development expense for the 2025 projected test year should be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 58: What amount and amortization period for TECO's rate case expense for the 2025 projected test year should be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 59: What amount of O&M Expense for the 2025 projected test year should be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 60: What amount of depreciation and dismantlement expense for the 2025 projected test year should be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 61: What amount of Taxes Other Than Income Taxes for the 2025 projected test year should be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 62: What amount of Parent Debt Adjustment is required by Rule 25-14.004, Florida Administrative Code, for the 2025 projected test year?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 63: What amount of Production Tax Credits should be approved and what is the proper accounting treatment for the 2025 projected test year?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 64: What treatment, amounts, and amortization period for the Production Tax Credits that were deferred in 2022-2024 should be approved for the 2025 projected test year?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 65: What treatment and amount of the Investment Tax Credits pursuant to the Inflation Reduction Act should be approved for the 2025 projected test year?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 66: What amount of Income Tax expense should be approved for the 2025 projected test year?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 67: What amount of Net Operating Income should be approved for the 2025 projected test year?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

2025 REVENUE REQUIREMENTS

ISSUE 68: What revenue expansion factor and net operating income multiplier, including the appropriate elements and rates, should be approved for the 2025 projected test year?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 69: What amount of annual operating revenue increase for the 2025 projected test year should be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

2025 COST OF SERVICE AND RATES

ISSUE 70: Is TECO’s proposed separation of costs and revenues between the wholesale and retail jurisdictions appropriate?

FEA Position: **FEA supports the Company’s jurisdiction allocation study.**

ISSUE 71: What is the appropriate methodology to allocate production costs to the rate classes?

FEA Position: **FEA supports the use of 4 Coincident Peak (“CP”) methodology as proposed by the Company.**

ISSUE 72: What is the appropriate methodology to allocate transmission costs to the rate classes?

FEA Position: **FEA supports the use of 4 Coincident Peak (“CP”) methodology as proposed by the Company.**

ISSUE 73: What is the appropriate methodology to allocate distribution costs to the rate classes?

FEA Position: **FEA supports the Company’s proposed use of the minimum distribution system to classify primary distribution cost as customer and demand. FEA supports the primary distribution cost classified as customer to be allocated across rate classes on class customer numbers. FEA supports allocating primary distribution costs classified as demand on a non-coincident class demand allocator.**

ISSUE 74: How should any change in the revenue requirement approved by the Commission be allocated among the customer classes?

FEA Position: **The revenue change should be allocated across rate classes based on the results of the Company’s class cost of service study.**

ISSUE 75: Should the proposed modifications to the delivery voltage credit be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 76: What are the appropriate service charges (initial connection, reconnect for nonpayment, connection of existing account, field visit, temporary overhead and underground, meter tampering)?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 77: Should the modifications to the emergency relay power supply charge be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 78: What are the appropriate basic service charges?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 79: What are the appropriate demand charges?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 80: What are the appropriate energy charges?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 81: What are the appropriate Lighting Service rate schedule charges?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 82: What are the appropriate Standby Services (SS-1, SS-2, SS-3) rate schedule charges?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 83: Should the proposed modifications to the time-of-day periods be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 84: Should the proposed modifications to the Non-Standard Meter Rider tariff (Tariff Sheet No. 3.280) be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 85: Should the proposed tariff modifications to the Budget Billing Program (Fifth Revised Tariff Sheet No. 3.020) be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 86: Should the proposed tariff modifications regarding general liability and customer responsibilities (Fifth Revised Tariff Sheet No. 5.070 and Original Tariff Sheet No. 5.081) be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 87: Should the proposed tariff modifications to Contribution in Aid of Construction (Fifth Revised Tariff Sheet No. 5.105) be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 88: Should the proposed tariff modifications to the Economic Development Rider (Third Revised Tariff Sheet Nos. 6.720, 6.725, 6.730) be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 89: Should the proposed modifications to LS-1 (Eleventh Revised Tariff Sheet No. 6.809) regarding lighting wattage variance be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 90: Should the proposed LS-2 Monthly Rental Factors (Original Tariff Sheet No. 6.845) be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 91: Should the proposed termination factors for long-term facilities (Fifth Revised Tariff Sheet No. 7.765) be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 92: Should the non-rate related tariff modifications be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 93: Should the Commission give staff administrative authority to approve tariffs reflecting Commission approved rates and charges?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

2026 AND 2027 SUBSEQUENT YEAR ADJUSTMENTS (SYA)

ISSUE 94: What are the considerations or factors that the Commission should evaluate in determining whether an SYA should be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 95: Should the Commission approve the inclusion of TECO's proposed Solar Projects in the 2026 and 2027 SYA? What, if any, adjustments should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 96: Should the Commission approve the inclusion of TECO's proposed Grid Reliability and Resilience Projects in the 2026 and 2027 SYA? What, if any, adjustments should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 97: Should the Commission approve the inclusion of TECO's proposed Polk 1 Flexibility Project in the 2026 SYA? What, if any, adjustments should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 98: Should the Commission approve the inclusion of TECO's proposed Energy Storage Projects in the 2026 SYA? What, if any, adjustments should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 99: Should the Commission approve the inclusion of TECO’s proposed Bearss Operations Center Project in the 2026 SYA? What, if any, adjustments should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 100: Should the Commission approve the inclusion of TECO’s proposed Corporate Headquarters Project in the 2026 SYA? What, if any, adjustments should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 101: Should the Commission approve the inclusion of TECO’s proposed South Tampa Resilience Project in the 2026 and 2027 SYA? What, if any, adjustments should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 102: Should the Commission approve the inclusion of TECO’s proposed Polk Fuel Diversity Project in the 2026 and 2027 SYA? What, if any, adjustments should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 103: What overall rate of return should be used to calculate the 2026 and 2027 SYA?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 104: Should the SYA for 2026 and 2027 reflect additional revenues due to customer growth? What, if any, adjustments should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 105: Should the Commission approve the inclusion of TECO’s proposed incremental O&M expense associated with the SYA projects in the 2026 and 2027 SYA?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 106: Should the depreciation expense and Investment Tax Credits amortization used to calculate the proposed 2026 and 2027 SYA be adjusted to reflect the Commission’s decisions on depreciation rates and ITC amortization for the 2025 projected test year?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 107: What annual amount of incremental revenues should be approved for recovery through the 2026 and 2027 SYA?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 108: What rate design approach should be used to develop customer rates for the 2026 and 2027 SYA?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 109: When should the 2026 and 2027 SYA become effective?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 110: Should TECO be required to file its proposed 2026 and 2027 SYA rates for Commission approval in September 2026 and 2027, respectively, reflecting then current billing determinants?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

OTHER

ISSUE 111: Should TECO’s proposed Corporate Income Tax Change Provision be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 112: Should TECO’s proposed Storm Cost Recovery Provision be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 113: Should TECO’s proposed Asset Optimization Mechanism be approved, and what, if any, modifications should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 114: What are the appropriate updated Clean Energy Transition Mechanism factors and when should they become effective?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 115: Should the proposed Senior Care Program (Original Tariff Sheet No. 3.310) and associated cost recovery be approved?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 116: Should TECO be required to perform any studies or analysis relating to the retirement of Polk Unit 1 and/or Big Bend Unit 4, including early retirement dates, environmental compliance costs, and/or procurement of alternative resources?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 117: What is the appropriate effective date for TECO's revised 2025 rates and charges?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 118: Has the Commission considered TECO's performance pursuant to Sections 366.80–366.83 and 403.519, Florida Statutes, when establishing rates?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 119: Should TECO be required to file, within 90 days after the date of the final order in this docket, a description of all entries or adjustments to its annual report, rate of return reports, and books and records which will be required as a result of the Commission's findings in this rate case?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

ISSUE 120: Should this docket be closed?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

Contested Issues

SC-2: Should TECO recover O&M expense associated with keeping integrated gasification, steam turbine, and/or heat recovery steam generator components at Polk Unit 1 in long-term standby, and what adjustments should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

SC-5: Should TECO recover O&M expense associated with injecting wastewater into deep wells at Polk Unit 1 and Big Bend Unit 4, and what adjustments should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

SC-6: Should TECO recover any O&M expense associated with coal or petcoke combustion at Polk Unit 1 and/or Big Bend Unit 4, and what adjustments should be made?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

SC-12: Should TECO be required to apply for the U.S. Department of Energy’s Energy Infrastructure Reinvestment Program for Polk Unit 1 and/or Big Bend Unit 4?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

SC-13: Should TECO be required to cease all coal combustion at Polk Unit 1 by 2024 and Big Bend Unit 4 by 2025?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

OPC-1: What considerations should the Commission give the affordability of customer bills in this proceeding?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

OPC-2: What impact will TECO’s rate increase have on rate payers?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

OPC-3: Should TECO continue to operate as the *de facto* centralized service provider, and if so, what additional measures should be taken, if any, to facilitate its operation as the centralized service provider?

FEA Position: FEA has no specific position on this issue. FEA does not waive its right to make argument on this issue once all facts are complete.

5. **STIPULATED ISSUES:**

No issues have been stipulated at this time.

6. **PENDING MOTIONS:**

No motions are pending.

7. **STATEMENT OF PARTY’S PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY:**

None at this time.

8. **OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT:**

None at this time.

9. **STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE:**

There are no requirements of the Order Establishing Procedure with which Federal Executive Agencies cannot comply.

Dated this 22nd day of July 2024

**Respectfully Submitted,
Attorneys for Federal Executive Agencies**

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CERTIFICATE OF SERVICE
Docket Nos. 20240026-EI

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by electronic mail this 22nd day of July, 2024, to the following:

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/s/ Ebony M. Payton _____

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