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Tampa Electric's Response to Staff's Second Set of Interrogatories (Nos. 78-86)

(Nos. 85, 86 have attachments)

TAMPA ELECTRIC COMPANY
DOCKET NO. 20210034-EI
STAFF'S SECOND SET OF INTERROGATORIES
INTERROGATORY NO. 78
BATES PAGES: 1-19
FILED: JUNE 21, 2021

78. Please refer to Bates-stamped page 1450 of TECO's 2020 Depreciation And Dismantlement Study (2020 Study), where TECO identified Account 39401 - ECCR Solar Car Port as a new amortizable general account, with a proposed 20 percent depreciation rate (a 5-year amortizable period). TECO indicated that the manufacturer-suggested service life for this plant asset is 30 years (TECO' response to Staff's 3rd Set of Data Request, No. 4.(d), in Docket No. 20200264-EI). Please explain why TECO requested this new account as an amortizable account with 5-year recovery period rather than a depreciable account with a 3.3 percent initial annual deprecation rate based on the suggested service life.

A. Tampa Electric requested this new account as an amortizable account with a 5-year recovery for the ECCR Solar Car Port pilot program to match the energy conservation clause recovery mechanism using a 5-year recovery.

The Pilot program was approved by the Commission in Order No. PSC-2020-0274-PAA-EG and is attached.

The commercial/industrial Integrated Renewable Energy System Program (Solar Car Port) is a five-year pilot program to study the capabilities and Demand Side Management ("DSM") opportunities of a fully integrated renewable energy system. This program will be monitored and reported on until the end 2025, at which time the study period for the pilot program will retire. The system will continue to be used after the five-year period as an education platform for commercial and industrial customers and Tampa Electric will monitor and evaluate this program through cost-effectiveness techniques.

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FPSC - COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of demand-side management plan, by Tampa Electric Company.	DOCKET NO. 20200053-EG
In re: Petition for approval of proposed demand-side management plan, by Duke Energy Florida, LLC.	DOCKET NO. 20200054-EG
In re: Petition for approval of proposed demand-side management plan, by Gulf Power Company.	DOCKET NO. 20200055-EG
In re: Petition for approval of demand-side management plan and request to modify residential and business on call tariff sheets, by Florida Power & Light Company.	DOCKET NO. 20200056-EG
In re: Petition for approval of demand-side management plan, by Florida Public Utilities Company.	DOCKET NO. 20200060-EG ORDER NO. PSC-2020-0274-PAA-EG ISSUED: August 3, 2020

The following Commissioners participated in the disposition of this matter:

GARY F. CLARK, Chairman
ART GRAHAM
JULIE I. BROWN
DONALD J. POLMANN
ANDREW GILES FAY

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING DEMAND SIDE MANAGEMENT PLANS

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission (Commission) that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

Background

Enacted in 1980, Sections 366.80 through 366.83, and 403.519, Florida Statutes (F.S.), are known collectively as the Florida Energy Efficiency and Conservation Act (FEECA). Section 366.81, F.S., states, in part:

> The Legislature finds and declares that it is critical to utilize the most efficient and cost-effective demand-side renewable energy systems and conservation systems in order to protect the health, prosperity, and general welfare of the state and its citizens. Reduction in, and control of, the growth rates of electric consumption and of weather-sensitive peak demand are of particular importance.

FEECA requires us to adopt appropriate conservation goals that are to be reviewed at least every five years. The goals are intended to increase the efficiency of energy consumption, increase the development of demand-side renewable energy systems, reduce the growth rates of weather-sensitive peak demand, reduce and control the growth rates of electricity consumption, and reduce the consumption of expensive resources such as petroleum fuels. In adopting conservation goals, we must consider the multiple factors outlined in Section 366.82(3), F.S., and Rule 25-17.0021, Florida Administrative Code (F.A.C.).

The seven electric utilities subject to FEECA are Florida Power & Light Company (FPL), Duke Energy Florida, LLC (DEF), Tampa Electric Company (TECO), Gulf Power Company (Gulf), Florida Public Utilities Company (FPUC), JEA, and Orlando Utilities Commission (OUC). The Commission does not have rate setting authority over JEA and OUC, which are municipal electric utilities. The remaining utilities, referred to herein as the electric Investor Owned Utilities (IOUs), are subject to the Commission's rate setting authority.

We recently conducted our five-year review and established conservation goals by Order No. PSC-2019-0509-FOF-EG, issued November 26, 2019 (2019 Goal Setting Order).[1] After a full evidentiary hearing, we found that it was in the public interest to continue with the goals established in the prior FEECA Goal Setting proceeding for the period 2020 through 2024.[2]

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[1] Order No. PSC-2019-0509-FOF-EG, issued November 26, 2019, in Docket No. 20190015-EG, *In re: Commission review of numeric conservation goals (Florida Power & Light Company)*, Docket No. 20190016-EG, *In re: Commission review of numeric conservation goals (Gulf Power Company)*, Docket No. 20190017-EG, *In re: Commission review of numeric conservation goals (Florida Public Utilities Company),* Docket No. 20190018-EG, *In re: Commission review of numeric conservation goals (Duke Energy Florida, LLC)*, Docket No. 20190019-EG, *In re: Commission review of numeric conservation goals (Orlando Utilities Commission)*, Docket No. 20190020-EG, *In re: Commission review of numeric conservation goals (JEA),* and Docket No. 20190021-EG, *In re: Commission review of numeric conservation goals (Tampa Electric Company).*

[2] Order No. PSC-14-0696-FOF-EU, issued December 16, 2014, in Docket No. 20130199-EI, *In re: Commission review of numeric conservation goals (Florida Power & Light Company)*, Docket No. 20130200-EI, *In re: Commission review of numeric conservation goals (Duke Energy Florida, Inc.)*, Docket No. 20130201-EI, *In re: Commission review of numeric conservation goals (Tampa Electric Company)*, Docket No. 20130202-EI, *In re: Commission review of numeric conservation goals (Gulf Power Company)*, Docket No. 20130203-EM, *In re: Commission review of numeric conservation goals (JEA)*, Docket No. 20130204-EM, *In re: Commission review of*

Pursuant to Rule 25-17.0021(4), F.A.C., within 90 days of a final order establishing or modifying goals, each IOU must submit for our approval a Demand Side Management (DSM) plan designed to meet the utility's approved goals, including information about the programs proposed within the plan. Each of the IOUs filed a proposed 2020 DSM plan dated on or before February 24, 2020. As part of these filings, each of the IOUs provided a cost-effectiveness analysis of its proposed programs pursuant to Rule 25-17.008, F.A.C. On June 19, 2020, the Florida Industrial Power Users Group (FIPUG) filed comments in Docket No. 20200056-EG, FPL's DSM plan approval docket. The comments urged us to refrain from modifying FPL's existing Commercial and Industrial Load Credit and the Commercial and Industrial Demand Reduction Credit programs. On June 23, 2020, Walmart Inc. filed comments in support of FIPUG's position. On July 1, 2020, Earth Justice filed comments on behalf of the League of United Latin American Citizens of Florida, the Southern Alliance for Clean Energy, and the Environmental Confederation of Southwest Florida. The comments asked us to expand energy saving programs.

We have already approved the proposed 2020 DSM plans for JEA and OUC.[3] This Order addresses only the IOUs' DSM plans. We have jurisdiction over these matters pursuant to Sections 366.80 through 366.83 and 403.519, F.S.

Review and Decision

In the 2019 FEECA Goal Setting proceeding, the IOUs presented us with new technical potential studies and analyses of economic and achievable potential savings based upon the cost-effectiveness of a host of individual DSM measures. The utilities and intervenors proposed goals based upon updated economic assumptions, consistent with Florida Statutes and our Rules. Such updated values included current estimates of fuel costs, avoided generation costs, and the impacts of current building codes and appliance efficiency standards. At the conclusion of the hearing and in consideration of all the evidence, we decided that it was in the public interest to continue the conservation goals previously approved by us in the 2014 Goal Setting Order for the period 2020-2024 instead of accepting the analyses, supporting data, and resulting proposed goals presented in the 2019 proceeding.

Pursuant to Rule 25-17.0021(4), F.A.C., the IOUs filed proposed 2020 DSM plans in an attempt to meet the approved goals. The criteria used to review the appropriateness of conservation programs are as follows: (1) whether programs advance the policy objectives of FEECA and its implementing rules; (2) whether programs are directly monitorable and yield measurable results; and (3) whether programs are cost-effective.[4] In 2015, we approved DSM

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numeric conservation goals (Orlando Utilities Commission), and Docket No. 20130205-EI, *In re: Commission review of numeric conservation goals (Florida Public Utilities Company)*.

[3] See Docket Nos. 20200057-EG *(Petition for approval of demand-side management plan, by JEA)*, and 20200058-EG *(Petition for approval of 2020 demand-side management plan, by Orlando Utilities Commission)*.

[4] PSC Order No. 22176, issued November 14, 1989, Docket No. 19890737-PU, *In re: Implementation of Section 366.80-.85, F.S., Conservation Activities of Electric and Natural Gas Utilities.*

plans for each of the IOUs that included proposed programs designed to meet the approved goals for the period 2015 through 2024.[5]

The IOUs' proposed 2020 DSM plans, as summarized in Attachment A, include both modifications to existing programs and new programs, including pilot programs. During our review of the IOUs' proposed 2020 DSM plans, we considered the rate impact of the plans, which are projected to result in lower bills or only minor increases. We recognized that by the plans, the IOUs are striving to be innovative and more relevant to today's customers and to provide robust low income programs. We also considered that the plans are critical to customers who can benefit from reducing energy consumption and that the plans continue important energy audits pursuant to Rule 25-17.003, F.A.C. Furthermore, as discussed at the July 7, 2020, Agenda Conference, we may initiate new goals and plans on our own motion, and we have flexibility in how we interpret and apply the cost-effectiveness tests required pursuant to Rule 25-17.008, F.A.C. Upon review, we find that the plans meet the criteria set forth above and that it is appropriate to approve the 2020 DSM plans as filed, with the caveat that FPL's Commercial/Industrial Demand Reduction and Commercial/Industrial Load Control programs shall be addressed during the next FPL base rate proceeding in accordance with FPL's settlement approved by Order No. PSC-16-0560-AS-EI, in Docket Nos. 20160021-EI, 20160061-EI, 20160062-EI, and 20160088-EI.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power & Light Company, Duke Energy Florida, LLC, Tampa Electric Company, Gulf Power Company, and Florida Public Utilities Company's proposed 2020 demand side management plans, as described in Attachment A, are hereby approved as filed, with the caveat that Florida Power & Light Company's Commercial/Industrial Demand Reduction and Commercial/Industrial Load Control programs shall be addressed during the next Florida Power & Light Company base rate proceeding in accordance with Florida Power & Light Company's settlement approved by Order No. PSC-16-0560-AS-EI, in Docket Nos. 20160021-EI, 20160061-EI, 20160062-EI, and 20160088-EI. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that any protest to the action proposed herein shall specify the entity or entities to which it applies. It is further

[5] *See* Order Nos. PSC-15-0331-PAA-EG, PSC-15-0332-PAA-EG, PSC-15-0323-PAA-EG, PSC-15-0330-PAA-EG, and PSC-15-0326-PAA-EG, for FPL, DEF, TECO, Gulf, and FPUC respectively.

ORDERED that if a protest to this Order is filed, the protest shall not prevent the action proposed herein from becoming final with regard to the remaining entities listed in this Order. It is further

ORDERED that in the event this Order becomes final, these dockets shall be closed.

By ORDER of the Florida Public Service Commission this 3rd day of August, 2020.

ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

AJW

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on August 24, 2020.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

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IOUs' Conservation Program Descriptions

Florida Power & Light Company

Residential Programs

Residential Energy Survey
This program educates customers on energy efficiency and encourages them to participate in applicable DSM programs and/or implement other recommended actions not included as part of FPL's residential programs. Surveys are delivered through three channels: a Home Energy Survey performed by an FPL representative at the customer's home, an Online Home Energy Survey performed by the customer using FPL's online system, and a Phone Energy Survey performed by an FPL representative using FPL's online system.

Residential Load Management (On Call®)
This program allows FPL to turn off customers' appliances during capacity constraints, system emergencies, or for system frequency regulation. FPL-installed equipment is connected to eligible customer-selected end-use equipment allowing FPL to control these loads.

Residential Air Conditioning
This program encourages customers to install high-efficiency central air conditioning systems.

Residential New Construction (BuildSmart®)
This program encourages builders and developers to design and construct new homes in a manner that moves toward ENERGY STAR® qualifications.

Residential Ceiling Insulation
This program encourages customers to improve the building envelope's thermal efficiency.

Residential Low Income
This program is delivered first through the "Power to Save" channel in which FPL provides energy retrofits to select low-income neighborhoods. FPL conducts an Energy Survey for each customer and installs, as appropriate, measures which address their main areas of energy use, including weatherization/infiltration, air conditioning, and water heating. The second channel is through state Weatherization Assistance Provider (WAP) agencies to which FPL provides incentives for certain energy measures as part of the total assistance they provide to their selected low-income customers.

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Commercial/Industrial Programs

Business Energy Evaluation
This program educates customers on energy efficiency and encourages them to participate in applicable DSM programs and/or implement other recommended actions not included as part of FPL's commercial/industrial programs. Surveys are delivered through three channels: a Field Business Energy Evaluation performed by an FPL representative at the customer's facility, an Online Business Energy Evaluation performed by the customer using FPL's online system, and a Phone Business Energy Evaluation performed by an FPL representative using FPL's online system.

Business On Call®
This program allows FPL to turn off customers' direct expansion central electric air conditioning units during capacity constraints or system emergencies. FPL-installed equipment is connected to the customer's direct expansion units allowing FPL to control this load.

Commercial/Industrial Demand Reduction
This program allows FPL to control customer-determined loads of 200 kW or greater during capacity constraints or system emergencies. FPL equipment is installed at the customer's facility to allow FPL to control customer loads.

Commercial/Industrial Load Control
This program allows FPL to control customer-determined loads of 200 kW or greater during capacity constraints or system emergencies. FPL equipment is installed at the customer's facility to allow FPL to control customer loads. This program is closed to new participants as of December 31, 2000. Legacy participants are incentivized to participate with discounted demand rates.

Business Heating, Ventilating, and Air Conditioning (HVAC)
The program encourages customers to install high-efficiency HVAC systems. The primary types of eligible HVAC systems include chillers, split/packaged direct expansion systems, demand control ventilation systems, energy recovery ventilation systems, and thermal energy storage systems.

Business Lighting
This program encourages customers to install high-efficiency lighting systems. The primary types of eligible lighting systems include high bay light-emitting diodes, premium linear fluorescents with high-efficiency electronic ballasts, compact fluorescent lights, and pulse-start metal halides.

Business Custom Incentive
This program encourages customers to install unique high-efficiency technologies not covered by other DSM programs. The primary types of customized technologies include,

but are not limited to, process controls, efficient machinery, and other measures unique to particular industrial processes or business applications.

Research/Administrative Programs

Conservation Research & Development
This program identifies and scientifically evaluates the energy and demand reductions and customer economics of emerging energy efficiency and demand response technologies and practices under FPL's climate conditions. FPL typically collaborates with other utilities, Florida-based universities, the U.S. Department of Energy, and other independent research organizations to conduct joint studies.

Cogeneration & Small Power Production
This program was established to recover administrative costs incurred from execution of FPL's obligations to facilities defined as Qualifying Facilities under the Public Utility Regulatory Policies Act of 1978 and Commission rules. These costs include interconnection; installation, inspection, calibration and maintenance of meters; administration of power billing and accounting processes; Commission reporting; contract negotiation; contract administration, including legal expenses resulting from litigation; facility verifications and audits; communications; operating coordination; and problem resolution.

Duke Energy Florida, LLC

Residential Programs

Home Energy Check
This program provides residential customers an analysis of their energy consumption as well as educational information on how to reduce energy usage and save money.

Residential Incentive Program
The program is designed to provide incentives to residential customers for energy efficiency improvements for existing homes. The Residential Incentive Program builds on customer awareness through the Home Energy Check program, trade-ally support, and communication and marketing efforts designed to educate customers on cost-effective measures for their residences.

Neighborhood Energy Saver Program
This program is an energy conservation program available to customers in neighborhoods where approximately 50 percent of households have incomes equal to or less than 200 percent of the poverty level established by the U.S. Government. Following an energy use assessment in the home, DEF or a third-party contractor will install energy efficient devices, and the customer will be provided with a package of educational materials designed to assist them with energy saving practices.

Low Income Weatherization Assistance Program
The program is designed to encourage customers to install windows that improve energy efficiency in their homes by purchasing ENERGY STAR® rated energy efficient windows.

Residential Load Management (Energy Wise) Program
This program is a voluntary demand reduction program designed to control service to selected electrical equipment through communications devices installed at the customer's location. The credits for this program vary according to the duty cycle, and particular electrical equipment selected by the customer. This information is detailed in rate schedules RSL-1 and RSL-2.

Commercial Programs

Business Energy Check Program
This program is DEF's energy audit program for commercial customers which provides customers with an analysis of their energy use as well as recommendations on how they can save on their electricity bill. The customer may receive a Commercial Energy Efficiency Kit after the completion of the Business Energy Check which will contain energy saving measures that can be easily installed and utilized by the customer. In addition to the walk-through audit, DEF will offer phone-assisted audits and DEF is also working to develop an online audit tool for commercial customers.

Better Business Program
This program is designed to promote high efficiency measures and equipment to Commercial, Industrial, and Governmental customers. The measures included in this program are HVAC Equipment, Duct Leakage Test and Repair/Duct Seal, Ceiling Insulation Upgrade and Wall Insulation.

Commercial Custom Incentive Program
This programs objective is to encourage customers to make capital investments for installation of high efficiency technologies not covered by DEF's other commercial programs. Projects may include, but are not limited to, high efficiency equipment and machinery, whole-building construction or renovation projects, and other technologies specific to a particular industry or business process.

Demand Response Programs

Interruptible Service Program
This program is a direct load control program designed to reduce DEF's demand at times of capacity shortage during peak or emergency conditions. The program is available to all nonresidential customers with a minimum billing demand of 500 KW who are willing to have their power interrupted when required.

Curtailable Service Program
This program is an indirect load control program designed to reduce DEF's demand at times of capacity shortage during peak or emergency conditions. The program is available to non-residential customers who agree to curtail demand upon request.

Standby Generation Program
This program is a demand control program designed to reduce DEF's peak demand based on control of customer equipment. The program is voluntary and is available to all commercial and industrial customers that have on-site generation capability and are willing to reduce their DEF demand when required by initiating their own generation. The program is offered through rate schedule GSLM-2, and incentives are set out therein.

Research and Development Programs

Technology Development Program
This program is designed to allow DEF to investigate technologies that may support the development of new demand response and energy efficiency programs.

Qualifying Facilities Program
This program is designed to meet the objectives of Florida Statutes and Commission Rules regarding the purchase of as-available energy and firm energy and capacity from qualifying facilities including those that utilize renewable sources. This program develops standard offer contracts, negotiates, enters into, amends and restructures non-firm energy, and firm energy and capacity contracts entered into with qualifying cogeneration, small power producers, and renewable facilities.

Tampa Electric Company

Residential Programs

Residential Energy Audits
The Residential Energy Audits Program includes a walk-through free energy check, a customer-assisted energy audit, and a computer-assisted paid energy audit.

Residential Ceiling Insulation
The Residential Ceiling Insulation Program offers rebates to existing residential customers to install additional ceiling insulation in existing homes.

Residential Duct Repair
The Residential Duct Repair Program encourages residential customers to repair leaky duct work of central air conditioning systems in existing homes.

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Energy and Renewable Education, Awareness, and Agency Outreach
The Energy and Renewable Education, Awareness, and Agency Outreach Program engages and educates groups of customers and students on energy efficiency and renewable energy in an organized setting. Also, participants receive an energy savings kit with energy saving devices and information.

ENERGY STAR for New Multi-Family Residences
The ENERGY STAR for Multi-Family Residences Program utilizes a rebate to encourage construction of new multi-family residences that meet the requirements to achieve the ENERGY STAR certified apartments and condominiums label.

ENERGY STAR for New Homes
The ENERGY STAR for New Homes Program incentivizes residential customers to build homes that qualify for the ENERGY STAR award by achieving energy efficiency levels greater than current Florida building code baseline practices.

ENERGY STAR Pool Pumps
The ENERGY STAR Pool Pumps Program offers customer rebates for installing high efficiency ENERGY STAR rated pool pumps to help reduce their energy consumption while reducing TECO's weather sensitive peak demand.

ENERGY STAR Thermostats
The ENERGY STAR Thermostats Program offers customer rebates for installing an ENERGY STAR certified smart thermostat to help reduce their energy consumption while reducing TECO's weather sensitive peak demand.

Residential Heating and Cooling
The Residential Heating and Cooling Program offers rebates to residential customers for installing high-efficiency heating and cooling equipment in existing homes.

Neighborhood Weatherization (Low-Income)
The Neighborhood Weatherization Program provides for the installation of energy efficient measures for qualified low-income customers, while also educating families and promoting energy conservation techniques to help customers control and reduce their energy usage.

Residential Price Responsive Load Management (Energy Planner)
The Residential Price Responsive Load Management (Energy Planner) Program reduces weather-sensitive loads through an innovative price responsive rate. The price responsive rate encourages residential customers to make behavioral or equipment usage changes by pre-programming HVAC, water heating, and pool pumps.

Residential Prime Time Plus (Residential Load Management)
The Residential Prime Time Plus (Residential Load Management) is a residential load management program designed to alter the Utility's system load curve by reducing summer and winter demand peaks. Customers participating in Prime Time Plus will receive monthly incentive credits on their electric bill.

Residential Window Replacement
The Residential Window Replacement Program offers rebates to existing residential customers to install window upgrades in existing homes.

Commercial Programs

Commercial/Industrial Energy Audits
In the C/I Energy Audits Program, C/I customers can receive more limited free energy audits or comprehensive paid energy audits.

Commercial Chiller
The Commercial Chiller Program offers rebates to C/I customers for installing high efficiency chiller equipment.

Cogeneration
The Cogeneration Program incentivizes large industrial customers with waste heat or fuel resources to use their onsite energy to avoid fuel waste and install electric generating equipment. The large industrial customers may sell their surplus electric generation to TECO.

Conservation Value
The Conservation Value Program offers rebates to C/I customers to invest in energy conservation measures that are not in other C/I programs.

Commercial Cooling
The Commercial Cooling Program encourages C/I customers to install high efficiency direct expansion commercial air conditioning cooling equipment.

Demand Response
The Demand Response Program incentivizes C/I customers to reduce electricity demand at certain peak times.

Facility Energy Management System
The Facility Energy Management System Program offers customer rebates for installing a facility energy management system that provides real time operational, production and energy consumption information which enables the customer to reduce their energy consumption and demand and reducing TECO's peak demand.

Industrial Load Management (GSLM 2&3)
The Industrial Load Management Program incentivizes large industrial customers to allow TECO to interrupt part of or their entire electrical service during periods of peak stress on the grid.

Street and Outdoor Lighting Conversion
The Street and Outdoor Lighting Conversion Program is designed to encourage the conversion from Non-Light Emitting Diode ("LED") street and outdoor lighting luminaires to eligible LED luminaires in a five-year program. The goal of this program is to install energy efficient LED street and outdoor lighting technology to reduce the energy consumption and demand and reducing TECO's peak demand.

Lighting Conditioned Space
The Lighting Conditioned Space Program encourages C/I customers to invest in more efficient lighting technologies in existing conditioned areas of C/I facilities.

Lighting Non-Conditioned Space
The Lighting Non-Conditioned Space Program encourages C/I customers to invest in more efficient lighting technologies in existing non-conditioned areas of C/I facilities.

Lighting Occupancy Sensors
The Lighting Occupancy Sensors Program encourages C/I customers to install occupancy sensors to control C/I lighting systems.

Commercial Load Management
The Commercial Load Management Program incentivizes C/I customers to allow TECO to control weather-sensitive heating, cooling, and water heating systems to reduce the associated weather-sensitive peak demand.

Commercial Smart Thermostats
The Commercial Smart Thermostats Program offers customer rebates for installing smart thermostats to help reduce their demand while reducing TECO's weather sensitive peak demand.

Standby Generator
The Standby Generator Program incentivizes C/I customers to use available emergency electrical generation capacity in order to reduce weather-sensitive peak demand on the grid.

Variable Frequency Drive for Compressors
The Variable Frequency Drive for Compressors Program offers customer rebates for installing variable frequency drives to their new or existing refrigerant or air compressor motors to help reduce their demand while reducing TECO's weather sensitive peak demand.

Commercial Water Heating
The Commercial Water Heating Program encourages C/I customers to install high efficiency water heating systems.

Research and Development

Conservation Research and Development
The Conservation Research and Development Program allows TECO to explore DSM measures that have insufficient data on cost-effectiveness and the impact on TECO's ratepayers.

Pilot

Integrated Renewable Energy System
The commercial/industrial Integrated Renewable Energy System Pilot Program is a five-year pilot program to study the capabilities and DSM opportunities of a fully integrated renewable energy system. The integrated renewable energy system will also be used as an education platform for commercial and industrial customers.

Other

Renewable Energy (Sun to Go)
The Renewable Energy (Sun to Go) Program delivers renewable energy options to TECO's customers through program administration, renewable electricity generation, evaluation of potential new renewable sources, and market research.

Gulf Power Company

Residential Programs

Residential Home Energy Survey
The program provides customers an assessment of their home energy usage and energy savings opportunities. Customers may choose to have a utility representative conduct an on-site audit of their home, they may opt to participate in an online interactive version of the survey, or they may call in to be assisted with the online, interactive version of the survey.

Community Energy Saver
The program assists low-income families in addressing energy costs through increased awareness and installation of efficiency measures. The program implements a comprehensive package of short payback electric conservation measures coupled with a Home Energy Survey at no cost to the customer.

Residential Heating, Ventilating, and Air Conditioning (HVAC)
The program is designed to increase energy efficiency and improve HVAC cooling and heating system performance for both new and existing single-family homes by encouraging customers to install high-efficiency central heat pumps.

Residential Ceiling Insulation
The program provides customers with incentives to upgrade ceiling insulation levels in existing homes to reduce heat gain and heat loss, which leads to reduced HVAC loads and operating costs.

Residential High Efficiency Pool Pump
The program provides customers with incentives to install high-efficiency variable speed or variable flow pool pumping and control equipment in both new and existing residential applications.

Energy Select
The program is an interactive energy management system that allows customers to program their central heating and cooling system, electric water heater, and pool pump, if applicable, to automatically respond to varying prices of electricity depending upon the time of day, day of week, and season. Using a price responsive programmable thermostat, timers for a water heater and pool pump, an electricity rate featuring four price tiers, and an online programming portal, customers can choose their own level of comfort and savings.

Commercial/Industrial Programs

Business Energy Survey
The program educates customers on energy efficiency and encourages them to participate in applicable DSM programs and/or implement other recommended actions not included as part of Gulf's commercial/industrial programs. Customers may choose to have a utility representative conduct an on-site audit of their facility or may opt to participate in an online version of the survey.

Business Heating, Ventilating, and Air Conditioning (HVAC)
The program encourages customers to install high-efficiency HVAC systems. The primary types of eligible HVAC systems include chillers, split/packaged direct expansion systems, demand control ventilation systems, and energy recovery ventilation systems.

Curtailable Load
The program provides qualifying customers capacity payments for electric load which can be curtailed during certain conditions. Qualifying customers must commit a minimum of 4,000 kW of non-firm load.

Business Custom Incentive
The program is designed to establish the capability and process to offer advanced energy services and energy efficient end-use equipment to customers. Specifically, the types of projects covered under this program would be demand reduction or efficiency improvement retrofits that are beyond the scope of other programs.

Research Programs

Conservation Demonstration and Development
The program enhances and complements the residential and business conservation programs currently implemented by Gulf by evaluating new and existing technologies and program designs that may be incorporated in future program offerings.

Florida Public Utilities Company

Residential Programs

Residential Energy Survey
The program provides residential customers with energy conservation advice that encourages the implementation of efficiency measures resulting in energy savings for the customer. During the survey process, the customer is provided with specific whole-house recommendations.

Residential Heating and Cooling Efficiency Upgrade
The program provides incentives to customers to install high-efficiency central air condition systems or heat pumps.

Commercial Programs

Commercial Heating and Cooling Efficiency Upgrade
The program provides rebates to small commercial customers for the installation of a high-efficiency central air conditioner or heat pump.

Commercial Reflective Roof
The program provides rebates to non-residential customers who convert or install a new cool roof on an existing or new building.

Commercial Chiller Upgrade
The program offers incentives for the replacement of existing chillers with higher efficient systems.

Energy Education Programs

Conservation Demonstration and Development
The Conservation Demonstration and Development Program researches energy efficiency and conservation projects to identify, develop, demonstrate, and evaluate promising end use energy efficient technologies across a wide variety of applications.

Low-Income Energy Outreach
The program partners with Department of Economic Opportunity approved Low Income Weatherization Program operators by offering Residential Energy Surveys scheduled by the Low Income Weatherization Program operators, weatherization contractor training, distributing energy efficiency educational literature to participants, and hosting energy conservation events customized for low income households.

Commercial Energy Consultation
The program conducts commercial site visits to to educate customers about FPUC's commercial DSM programs, assess the potential for applicable DSM Programs, conduct an electric bill review, offer commercial energy savings suggestions, and inform customer about FPUC's commercial online energy efficiency resources and tools.

79. Rule 25-6.0436(2)(a), F.A.C., provides "[n]o utility shall change any existing depreciation rate or initiate any new depreciation rate without prior Commission approval." TECO requested to establish Account - 39401 ECCR Solar Car Port, as an amortizable account with an annual accrual rate of 20 percent, effective January 1, 2022, in its 2020 Study, Bates-stamped page 1450. It appears that prior to the Commission's approval of the proposed new rate for the new Account 39401, TECO identified a 20 percent annual depreciation rate applicable to the projected prior test year 2021 (MFR Schedule B-7, page 18 of 30, Line 33).

a. Did TECO calculate its 2021 depreciation expense for this account in Schedule B-9, page 18 of 30, Line 33, using the rate identified In MFR Schedule B-7 (20 percent) to derive the projected $523,000 depreciation accrued for 2021?

b. If the response to Question (a) above is affirmative, is the company seeking retroactive approval of a 20% depreciation rate in this proceeding for amounts in 2021, and if so, how does this comport with Rule 25-6.0436(2)(a), F.A.C.?

A. a. Yes. Tampa Electric did calculate its 2021 depreciation expense using the 20 percent depreciation rate.

b. Please see Tampa Electric's response to Staff's Second Set of Interrogatories, No. 78.

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80. Please refer to MFR Schedule B-7, pages 4 and 5 of 30, and 2020 Study, Bates-stamped page 66, for the questions below:

a. For the projected test year 2022, TECO used a 2.6 percent depreciation rate for Account 34684 - Misc. Power Plant Equipment associated with Polk Unit 4 (Schedule B-7, page 4, Line 41). However, TECO proposed a 3.6 percent depreciation rate, effective January 1, 2022, for this account in its 2020 Study (Bates-stamped page 66). Please explain why.

b. Please provide any revisions to the affected MFR Schedules that are necessary to conform with your response to Question 80(a)

c. For the projected test year 2022, TECO used a 2.6 percent depreciation rate for Account 34685 - Misc. Power Plant Equipment associated with Polk Unit 5 (Schedule B-7, page 5, Line 7). However, TECO proposed a 3.6 percent depreciation rate, effective January 1, 2022, for this account in its 2020 Study (Bates-stamped page 66). Please explain why.

d. Please provide any revisions to the affected MFR Schedules that are necessary to conform with your response to Question 80(c).

A. a. MFR Schedule B-7 has a presentation error and should list the 3.6 percent depreciation rate for 2022 purposes.

b. There is no impact to the test year calculation of annual depreciation expense since there are no asset cost balances to depreciate.

c. MFR Schedule B-7 has a presentation error and should list the 3.6 percent depreciation rate for 2022 purposes.

d. There is no impact to the test year calculation of annual depreciation expense since there are no asset cost balances to depreciate.

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81. On MFR Schedule B-7, pages 7, 17 and 27 of 30, Lines 21 and 23, TECO listed the following production accounts for 2020, 2021 and 2022 respectively. Account 34800 - Energy Storage EQP-Production, depreciation rate equals 10.0 percent; and Account 34388 - Distributed Generation, depreciation rate equals 4.0 percent.

a. Have these two accounts been approved by the Commission previously to be established with the stated depreciation rates? If so, please identify the corresponding Order(s).

b. Has TECO requested an approval to establish these two accounts, with the stated corresponding depreciation rates, in either the 2020 Study or the instant rate case? Please explain.

A. a. Yes. Account 34800 - Energy Storage EQP-Production was approved in Order No. PSC-2020-0116-PAA-EI. See attached.

Account 34388 - Distributed Generation is being used as a budget placeholder. Currently, no asset costs exist in this account. Account 34388 should not have been filed on MFR Schedule B-7 and MFR Schedule B-9 to avoid confusion.

b. No. Should Account 34388 – Distributed Generation be needed in the future, the company will petition the Commission in accordance with Rule 25-6.0436(2)(a).

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FILED 4/20/2020
DOCUMENT NO. 02093-2020
FPSC - COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of depreciation rates for energy storage equipment, by Tampa Electric Company.	DOCKET NO. 20190215-EI ORDER NO. PSC-2020-0116-PAA-EI ISSUED: April 20, 2020

The following Commissioners participated in the disposition of this matter:

GARY F. CLARK, Chairman
ART GRAHAM
JULIE I. BROWN
DONALD J. POLMANN
ANDREW GILES FAY

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING NEW ENERGY STORAGE EQUIPMENT DEPRECIATION CLASSIFICATION AND RATE FOR TAMPA ELECTRIC COMPANY

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

I. Background

On December 6, 2019, Tampa Electric Company (TECO or Company) filed a request for approval of a new depreciation classification and depreciation rate for the accounting of its energy storage equipment (Petition). The Company filed its request in accordance with Rule 25-6.0436(3)(b), Florida Administrative Code (F.A.C.), which requires that: "[u]pon establishing a new account or subaccount classification, each utility shall request Commission approval of a depreciation rate for the new plant category."

Pursuant to Rule 25-6.0436(3)(a), F.A.C., electric utilities are required to maintain depreciation rates and accumulated depreciation reserves in accounts or subaccounts in accordance with the Uniform System of Accounts for Public Utilities and Licensees, as found in the Code of Federal Regulations, which is incorporated by reference in Rule 25-6.014(1), F.A.C.[1]

[1]Code of Federal Regulations, Title 18, Subchapter C, Part 101, for Major Utilities, as revised April 1, 2013.

In its annual Ten Year Site Plan filed on April 1, 2019, the Company stated that it intended to implement a 12.6 megawatt (MW) lithium-ion energy storage system adjacent to the Big Bend Solar site at Big Bend Station.[2] On January 13, 2020, TECO filed its response to Commission Staff's First Data Request. In that response, the Company stated that installation of the Big Bend Battery Project began in 2019 and TECO placed the project into service in January of 2020.[3]

Currently, the Company does not have an authorized depreciation rate for the types of equipment required for the Big Bend Battery Project or any other energy storage endeavors.

In 2017 and 2020, we approved similar petitions filed by Florida Power & Light Company (FPL) and Duke Energy Florida, LLC (DEF), respectively, for approval of a new depreciation class and rate for energy storage equipment. In those dockets, we allowed a 10 percent depreciation rate and zero net salvage for similar equipment.[4]

Presently, we are unaware of any public comments or concerns on this matter.

We have jurisdiction in this matter pursuant to Sections 366.04, 366.05, and 366.06, Florida Statutes (F.S.).

II. Decision

A. Establishment of a new annual depreciation rate applicable to energy storage equipment for TECO

As outlined in its petition, TECO does not currently maintain a stand-alone Federal Energy Regulatory Commission (FERC) account classification, nor does it have a specifically authorized depreciation rate, for investments related to energy storage. The Company is requesting authorization to record and depreciate energy storage-related investments by plant function as defined in FERC Accounts; 348 - Energy Storage Equipment – Production, 351 - Energy Storage Equipment – Transmission, and 363 - Energy Storage Equipment – Distribution. These accounts were originally established by the FERC in 2013, by Order No. 784, with the primary purpose of accounting for energy storage investments based on how specific assets are used in providing electric service.[5]

[2]See TECO's Ten Year Site Plan, filed April 1, 2019.
[3]Document No. 00228-2020, TECO's Responses to Commission Staff's First Data Request, No. 3.
[4]Order No. PSC-2017-0359-PAA-EI, issued September 20, 2017, in Docket No. 20170097-EI, In re: Petition for approval of a new depreciation class and rate for energy storage equipment by Florida Power & Light Company; and Order No. PSC-2020-0056-PAA-EI, issued February 24, 2020, in Docket No. 20190183-EI, In re: Petition for approval of a new depreciation class and for energy storage, by Duke Energy Florida, LLC.
[5]U.S. Federal Energy Regulatory Commission, Order No. 784, issued July 18, 2013, in Docket Nos. RM11-24-000 and AD10-13-000, In re: Third-Party Provision of Ancillary Services; Accounting and Financial Reporting for New Electric Storage Technologies.

1. TECO's Proposed Depreciation Parameters

In its Petition, the Company requests our approval of a 10-year average service life (ASL), and a zero percent net salvage level (NS), for depreciating its energy storage equipment. An annual depreciation rate of 10 percent is computed by using these parameters.[6]

There is a limited amount of industry-wide depreciation data and regulatory guidance regarding energy storage equipment. In its petition, TECO referenced petitions filed in 2017 by FPL and 2019 by DEF for similar authority to establish an annual depreciation rate for energy storage equipment.[7] In those 2017 FPL[8] and 2019 DEF[9] petitions, the utilities requested a 10 percent depreciation rate and a zero percent NS level. We approved these petitions.[10]

To support its proposed parameters, TECO explained that the Company held consultations with its engineering subject matter experts and industry peers, including FPL and DEF, to arrive at its proposed 10-year ASL and zero percent NS parameters.[11]

Given that utility-scale energy storage equipment/technology is relatively new, we find the Company's proposed ASL represents a measured and reasonable approach in life estimation. TECO asserts in its Petition that its request is for accounting purposes only and would have no impact on base rates during the term of the 2017 Settlement Agreement.[12] We agree with this assertion regarding impact.

Further, based on existing rules, we will have future opportunities to evaluate TECO's depreciation data associated with useful lives and net salvage levels and to order modifications as appropriate.[13] We find that the Company's account classifications outlined in its petition, to

[6]Rule 25-6.0436(1)(e), F.A.C., and Rule 25-6.0436(1)(m), F.A.C., specify our depreciation rate formulae and methodologies.
[7]Document No. 11245-2019, Tampa Electric Company's Petition for Approval of Depreciation Rates for Energy Storage Equipment, ¶15.
[8] Document No. 04534-2017, Florida Power & Light Company—Petition for approval of a new depreciation class and rate for energy storage equipment, filed May 1, 2017, in Docket No. 20170097-EI, In re: Petition for approval of a new depreciation class and rate for energy storage equipment, by Florida Power & Light Company.
[9] Document No. 08868-2019, Duke Energy Florida, LLC—Petition for approval of a new depreciation class and for energy storage equipment, filed September, 18, 2019, in Docket No. 20190183-EI, In re: Petition for approval of a new depreciation class and for energy storage equipment, by Duke Energy Florida, LLC.
[10]Order No. PSC-2017-0359-PAA-EI, issued September 20, 2017, in Docket No. 20170097-EI, In re: Petition for approval of a new depreciation class and rate for energy storage equipment, by Florida Power & Light Company; Order No. PSC-2020-0056-PAA-EI, issued February 24, 2020, in Docket No. 20190183-EI, In re: Petition for approval of a new depreciation class and for energy storage equipment, by Duke Energy Florida, LLC.
[11]Document No. 00228-2020, TECO's Responses to Commission Staff's First Data Request, No. 9.
[12]Pursuant to the terms of the 2017 Settlement Agreement, approved by Order No. PSC-2017-0456-S-EI, ¶ 3(b), TECO: "Except as specified in the 2017 Agreement, the company may not petition to change any of its general base rates, charges, credits, or rate design methodologies for retail electric service with an effective date for the new rates, charges, or rate design methodologies earlier than January 1, 2022."
[13]Rule 25-6.0436(4)(a), F.A.C., requires investor-owned electric companies to file a depreciation study for Commission review at least once every four years from submission of the previous study and/or pursuant to Commission order.

which any newly-established depreciation rate would apply, are consistent with recent accounting guidance from the FERC.[14]

2. Conclusion

For the reasons outlined above, we approve an annual depreciation rate of 10 percent, and a zero percent net salvage level, applicable to TECO's newly-established Account 348 - Energy Storage Equipment – Production, Account 351 - Energy Storage Equipment – Transmission, and Account 363 - Energy Storage Equipment – Distribution.

B. Authorization of transfers of plant investments and associated book reserves

TECO requested that we authorize the transfer of certain investments and corresponding reserve amounts related to energy storage equipment presently on TECO's books.[15] These assets are currently recorded to FERC Account 362 – Station Equipment, and are being depreciated at the authorized rate of 2.4 percent for this account.[16]

In response to Commission Staff's First Data Request No. 5, TECO stated the following:

> Effective in February 2020, the Big Bend Battery Storage Project plant in service and accumulated depreciation will be recorded in FERC Account 362 – Station Equipment with a depreciation rate of 2.4%. The amounts to transfer will depend on timing of the approval for energy storage depreciation rates. Once approved, the project amounts should be moved from FERC Account 362 to FERC Account 348 Energy Storage Equipment – Production, FERC Account 351 Energy Storage Equipment – Transmission, FERC Account 363 Energy Storage Equipment – Distribution, as appropriate depending on the use of the asset.

We find that the transfer of plant and reserve balances associated with energy storage is appropriate based upon the establishment of a new depreciation rate applicable to Account 348 - Energy Storage Equipment – Production, Account 351 - Energy Storage Equipment – Transmission, and Account 363 - Energy Storage Equipment – Distribution as approved above. These transfers would assist in ensuring that costs are assigned appropriately to the function for which the equipment is being used, as well as further refining cost recovery to the useful life patterns of the three energy storage (equipment) property groups.

TECO's methodology for determining its proposed plant investment apportionments focuses on how the assets are utilized on the Company's system. Specifically, if the asset is used for peak shaving, it's classified as a production investment and recorded to Account 348. If an

[14]U.S. Federal Energy Regulatory Commission, Order No. 784, issued July 18, 2013, in Docket Nos. RM11-24-000 and AD10-13-000, In re: Third-Party Provision of Ancillary Services; Accounting and Financial Reporting for New Electric Storage Technologies.
[15]Rule 25-6.0436(2)(b), F.A.C., requires that: "[n]o utility shall reallocate accumulated depreciation reserves among any primary accounts and sub-accounts without prior Commission approval."
[16]Order No. PSC-12-0175-PAA-EI, issued April 3, 2012, in Docket No. 110131-EI, In re: Petition for approval of 2011 depreciation study and annual dismantlement accrual amounts by Tampa Electric Company.

asset is used for frequency response, it's classified as a transmission investment and recorded to Account 351. Assets that provide reliable energy back-up can be classified as a distribution investment and recorded to Account 363. If an asset serves roles across multiple functions, it is allocated on a percentage basis (by usage) accordingly.[17] We agree with the use of this methodology.

Therefore, we authorize TECO to record book transfers from Account 362 - Station Equipment to Account 348 - Energy Storage Equipment – Production, 351 - Energy Storage Equipment – Transmission, and Account 363 - Energy Storage Equipment – Distribution.

C. Effective date for the new depreciation rate

Pursuant to our above approval of a new depreciation rate for TECO's energy storage equipment, applicable to Accounts 348 - Energy Storage Equipment – Production, Account 351 - Energy Storage Equipment – Transmission, and Account 363 - Energy Storage Equipment – Distribution, the effective date this new rate shall be upon this Order becoming final.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that an annual depreciation rate of 10 percent, and a zero percent net salvage level, applicable to Tampa Energy Company's energy storage equipment, is approved. It is further

ORDERED that book transfers from Account 362 - Station Equipment to Account 348 - Energy Storage Equipment – Production, 351 - Energy Storage Equipment – Transmission, and Account 363 - Energy Storage Equipment – Distribution are authorized. It is further

ORDERED that the newly-authorized depreciation rate for energy storage equipment applicable to Account 348 - Energy Storage Equipment – Production, Account 351 - Energy Storage Equipment – Transmission, and Account 363 - Energy Storage Equipment – Distribution, shall become effective upon this Order becoming final. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

[17]Document No. 00228-2020, TECO's Responses to Commission Staff's First Data Request, No. 8.

By ORDER of the Florida Public Service Commission this 20th day of April, 2020.

ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

KMS

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on May 11, 2020.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

TAMPA ELECTRIC COMPANY
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STAFF'S SECOND SET OF INTERROGATORIES
INTERROGATORY NO. 82
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82. Referring to TECO's 2020 Study, Bates-stamped page 1456 and MFR Schedule B-9, page 29 of 30, please explain, and provide reconciliation if necessary, for the differences between TECO's reported 2019 end-of-year and 2020 beginning of year depreciation reserve balances on a workpaper for the intangible accounts shown in Table 1 below:

Table 1: Reported Differences in Depreciation Reserve Balances

		Accumulated Depreciation		
		12/31/2019	1/1/2020	Difference
		2020 Study	MFR Schedule B-9	
Account		Bates-stamped	Page 29 of 30	
No.	Description	page 1456	Lines 13 and 15	
30315	Software	$67,115,050	$83,086,000	$15,970,950
30399	Software Solar	$6,919	$5,000	($1,919)

A. This is a timing difference related to the actual booking of reserve adjustments per PSC Docket No. 20200065-EI. The 2020 depreciation study filing included these adjustments as proposed reserve transfers for December 31, 2019 book reserve purposes to stabilize the remaining life formula calculations. The reserve adjustments were booked as depreciation expense reductions in the year 2020.

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INTERROGATORY NO. 83
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83. Please refer to TECO's 2020 Study and MFR Schedule B-9 for the questions below:

a. Please refer to MFR Schedule B-9, page 19 of 30. On Line 35 "Fossil Dismantling-Stream," column (6), TECO projected that a negative $1,000,000 "Gross COR" will be incurred in 2021.

(i) Please elaborate on the nature and cause of this $1 million COR (gross cost of removal).

(ii) TECO's 2021 dismantlement accrual amount as well as the dismantlement reserve should be determined by the application of the currently approved annual dismantlement accrual, in the amount of $1,186,000. Please explain why this extra $1 million dismantling removal cost should be considered in determining TECO's 2021 accumulated dismantlement reserve balance presented in columns (9) and (10).

b. Please refer to MFR Schedule B-9, page 9 of 30. On Line 35 "Fossil Dismantling - Stream", column (6), TECO projected that a negative $1,100,000 "Gross COR" will be incurred in 2022.

(i) Please elaborate on the nature and cause of this $1.1 million COR.

(ii) Please explain why this $1.1 million dismantling cost was not included in the estimated 2022 dismantlement cost in the 2020 Study which was used in deriving the proposed annual dismantlement accrual, which is to be effective on January 1, 2022.

A. a. (i) The $1,000,000 gross cost of removal expenditure is related to front-end engineering for Big Bend Units 1, 2 and 3 dismantlement between years 2023 to 2026.

(ii) The budgeted $1,000,000 gross cost of removal capital expenditure (not an expense accrual) was included on the MFR Schedule B-9 reserve balance for 2021; however, this was not factored into the 2020 dismantlement study filing as it relates to Big Bend Units 1, 2 and 3 dismantlement front-end engineering. Had the budgeted $1,000,000 gross cost of removal capital expenditure been included in the dismantlement study filing, the study reserve would decrease

and would cause a $1,000,000 increase in the requested dismantlement deficiency 10-year amortization recovery accrual with effective date on 1/1/2022.

b. (i) The $1,100,000 gross cost of removal expenditure is related to detailed engineering for Big Bend Units 1, 2 and 3 dismantlement occurring between years 2023 to 2026.

(ii) The budgeted $1,100,000 gross cost of removal capital expenditure (not an expense accrual) was included on the MFR Schedule B-9 reserve balance for 2022, as it relates to Big Bend Units 1, 2 and 3 dismantlement detailed engineering and cannot be factored into the 2020 dismantlement study filing based on draft reserve balances projected through 12/31/2021 with requested dismantlement accrual with effective date on 1/1/2022.

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STAFF'S SECOND SET OF INTERROGATORIES
INTERROGATORY NO. 84
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84. Please refer to TECO's 2020 Study, Bates-stamped pages 1143-1145 for the questions below regarding dismantlement reserve:

a. Please elaborate on the benefit, if any, of TECO's proposed dismantlement reserve transfer, in the amount of $5,801,641 which includes $950,307 associated with each of the Big Bend Units 1 - 3, from the retired assets to the surviving assets.

b. Please elaborate on the impact of this proposed transfer on the total amount of TECO's proposed Capital Recovery Schedule associated with the Big Bend Units 1, 2 and 3-related Dismantlement Reserve Deficiency.

A. a. The proposed reserve transfer of $5,801,641 from the retired asset section for Gannon Power Station reserve surplus into the surviving asset section for Bayside unit reserves is due to the Gannon Power Station being repowered into Bayside Power Station in 2002 and 2003. The Gannon Power Stations assets not repowered were segregated from the Bayside Power Station assets for dismantlement reserve and accruals purposes in prior studies. This instant Study filing addresses the finality of Gannon Power Station dismantlement status and its remaining reserve balance transferred to Bayside to defray the dismantlement accrual for Bayside Power Station units by reducing the accrual requested by ($238,907) per year. The proposed reserve transfers from the retired asset section for Phillips Station reserve surplus of $2,640,822 and City of Tampa reserve surplus of $210,099 equaling $2,850,921 was evenly spread over Big Bend Units 1, 2 and 3 at $950,307 and has an immediate impact for reducing the dismantlement reserve deficiency.

b. The Big Bend Units 1, 2 and 3 dismantlement reserve transfer equaling $2,850,921 reduces the requested capital recovery 10-year amortization schedule. This reserve transfer reduces the annual amortization expense by ($285,092) per year.

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85. Referring to MFR Schedule C-6, page 6 of 6, please explain how each of the following budgeted amounts were derived with detailed step-by-step calculations on spreadsheets:

a. $356,535,000 Depreciation 2021 budget, on Line 12, column (13);

b. $458,320,000 Depreciation 2022 budget, on Line 12, column (14);

c. $18,018,000 Amortization expense 2021 on Line 13, column (13);

d. $29,517,000 Amortization expense 2022 on Line 13, column (14);

e. $186,000 Misc. Amortization 2021 on Line 14, column (13); and

f. $186,000 Misc. Amortization 2022 on Line 14, column (14).

A. Please see electronic response document provided in MS Excel format entitled "(BS 35) IRR No. 85.xlsx."

a. The budget amounts were derived by multiplying the accounts beginning month gross plant balances times the depreciation rate divided by 12. In addition, the dismantlement accrual is using the same actual fixed amount per month.

b. The budget amounts were derived by multiplying the accounts beginning month gross plant balance times the depreciation rate divided by 12. In addition, the dismantlement accrual is a fixed amount per month. Certain accounts include the 10-year amortization recovery of the net book value for Big Bend Units 1, 2 and 3, AMR meters, and the dismantlement reserve deficiency for Big Bend Units 1, 2, and 3.

c. The budget amounts were derived by multiplying the accounts beginning month gross plant balances times the depreciation rate divided by 12.

d. The budget amounts were derived by multiplying the accounts beginning month gross plant balances times the depreciation rate divided by 12.

e. The budget amounts were derived by using the same actual fixed accrual amount per month.

f. The budget amounts were derived by using the same fixed accrual amount per month.

TAMPA ELECTRIC COMPANY
DOCKET NO. 20210034-EI
STAFF'S SECOND SET OF INTERROGATORIES
INTERROGATORY NO. 86
BATES PAGES: 36-37
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86. Please refer to TECO witness Avellan's Direct Testimony, page 30. On Line l4, witness presented a 10-year Amortization Capital Recovery Schedule for Transmission, in the amount of $532,506.

a. Please indicate the locations within TECO's petition, testimony, and MFRs that explains and/or identifies this transmission-related Capital Recovery Schedule item.

b. If such information has not been filed, please provide a detailed explanation regarding the nature and cause of this Capital Recovery Schedule item, and show how the stated amount was derived on a workpaper.

A. a. The cited 10-year amortization annual expense amount of $532,506 results from the following plant accounts net book values of assets being retired in account 35200 for the amount of $1,074 and account 35300 in the amount of $5,323,985. These asset retirements are related to Big Bend Units 1, 2 and 3 generator step-up transformer equipment that will be shutdown.

b. Please see electronic response document provided in MS Excel format entitled "(BS 37) IRR No. 86 Amortization Capital Recovery Sch Trans.xlsx". Additionally, please see Tampa Electric's response to Staff's Second Set of Interrogatories, No. 86(a) above.