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Tampa Electric's Response to Staff's Eighth Set of Interrogatories Nos. 149-150

TAMPA ELECTRIC COMPANY
DOCKET NO. 20210034-EI
STAFF'S EIGHTH SET OF INTERROGATORIES
INTERROGATORY NO. 149
BATES PAGES: 1 - 2
FILED: AUGUST 30, 2021

149. Please reconcile TECO's 2022 test year Storm Protection Plan Cost Recovery Clause (SPPCRC) MFR adjustments with TECO's 2022 projected year filing in Docket 20210010-EI. Include in your response a table listing each MFR schedule identifying a 2022 test year SPPCRC adjustment.

A. Please see attached.

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SPPCRC Test Year Adjustments on MFR Schedule B-2	SPPCRC filing	MFR B-2	Difference	Primary driver of the difference:
SPPCRC Plant in Service	(167,357)	(217,141)	49,785	Lower beginning balance projected than budgeted for the test year due to 2021 capital project delays.
SPPCRC Accumulated Depreciation	1,634	2,684	(1,050)	Delays in 2021 capital expenditures and corresponding clearings to plant resulted in lower projected 2022 depreciation.
Deferred SPPCRC	0	(488)	488	Revenue requirement is set equal to projected costs, so no current period under-recovery was projected. The projected beginning balance is an over-recovery, resulting in zero net under-recovery to be adjusted out.

SPPCRC Test Year Adjustments on MFR Schedule C-2	SPPCRC filing	MFR C-2	Difference	Primary driver of the difference:
Revenue From Sales	(47,955)	(45,564)	(2,392)	Test year budgeted revenues were lower than budgeted costs. The projected revenue requirement is lower than budgeted test year costs but is higher than the budgeted test year revenues.
Other Operating	(1,434)	334	(1,767)	A higher projected prior-year over-recovery balance resulted in more current-year amortization. No offsetting current period over-recovery was projected because the revenue requirement is set equal to projected costs.
Other O&M	(27,739)	(18,808)	(8,931)	There is more O&M expense associated with Distribution Overhead Feeder Hardening, Transmission Asset Upgrades, and Common O&M, with zero offsetting projected current year under-recovery because the Revenue Requirement is set equal projected costs.
Depreciation & Amortization	(2,221)	(3,094)	873	Smaller Plant In Service Base projected, upon which depreciation is calculated.
Taxes Other Than Income Taxes	(1,850)	(2,412)	562	Lower projected in-service beginning asset balance. Property taxes are based on the beginning balance of in-service assets each year.
Income Taxes	(4,447)	(4,274)	(172)	The Preliminary 2022 FESR was not available at the time the 2022 SPPCRC test year budget was created; therfore, the 2021 FESR was used, resulting in a lower ROI rate. For the SPPCRC Projection filing, the 2022 WACC calculation was updated to use the Preliminary 2022 FESR.

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INTERROGATORY NO. 150
BATES PAGES: 3
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150. Should TECO's 2022 test year SPPCRC MFRs reflect revised TECO testimony filed May 10, 2021 in Docket 20210010-EI? If not, why not?

A. No. Tampa Electric does not believe that it would be appropriate to revise the company's 2022 test year Storm Protection Plan Cost Recovery Clause ("SPPCRC") MFRs to reflect the testimony that was filed on May 10, 2021 in Docket 20210010-EI. All of the company's test year MFRs were based on the 2022 budget that was constructed for this rate proceeding using a 0+12 projection timeframe. The SPPCRC projection filing was based upon a 2+10 projection timeframe. This projection timing difference changed the Plant in Service, Accumulated Depreciation, and deferred under-recovery 13-month averages. Please see Tampa Electric's response to Staff's Eighth Set of Interrogatories, No 149, above, for a table outlining the differences. In addition, the company does not believe it would be appropriate to revise the company's 2022 test year MFRs related to the other cost recovery clauses to reflect the testimony that will be filed as outlined in their individual clause Dockets over the next month.