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TECO's response to Staff's First
Set of Interrogatories Nos. 1-2

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20220007-EI
STAFF'S FIRST SET OF
INTERROGATORIES
INTERROGATORY NO. 1
BATES PAGE: 1
FILED: MAY 16, 2022**

For the following question, please refer to TECO's witness Sizemore's direct testimony filed April 1, 2022, Exhibit MAS-1, page 27 of 30.

- 1.** TECO's Project aa – Coal Combustion Residuals (CCR Rule-Phase II). Please explain why the CWIP – Non Interest Bearing (line 4) has a beginning balance of \$1,155,762 when the ending balance from TECO's 2020 True-Up was \$1,191,772.

- A.** On June 7, 2021, Tampa Electric filed an Amended Petition and Revised Prepared Direct Testimony of M. Ashley Sizemore for the company's 2020 ECRC Final True-up. The amended filing contained a revision for Tampa Electric's over-recovery as a result of a reversal of an invoice that was charged to the Coal Combustion Residual Rule-Phase II project in error. The reversal was for \$36,010. The 2021 ECRC Final True-up and the Coal Combustion Residuals – Phase II CWIP – Non Interest Bearing (line 4) reflects the beginning balance of \$1,155,762 as adjusted for the error correction and is consistent with Tampa Electric's Amended Petition and Revised Prepared Direct Testimony for the company's 2020 ECRC Final True-Up.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20220007-EI
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INTERROGATORY NO. 2
BATES PAGE: 2
FILED: MAY 16, 2022**

For the following questions, please refer to TECO's witness Sizemore's Exhibit MAS-1.

2. Please explain if this exhibit includes an adjustment to reflect a change in the Florida state tax rate from 4.458% to 3.535%.
 - a. Did the change in tax rate impact the 2020 and 2021 tax years for ECRC purposes?
 - b. If the answer to (a) is "yes," please describe how you addressed the reduction in tax rate for 2020 and 2021.
 - c. If the answer to (a) is "no," please explain your answer in detail.

- A. Witness Sizemore's Exhibit MAS-1 includes an adjustment to reflect the change in Florida state tax rate from 4.458% in 2020 to 3.535% in 2021.
 - a. The state tax rate reduction from 4.458% to 3.535% impacted 2021. It did not impact 2020.
 - b. The state tax rate in the calculation of the expansion factor used in the ROI Equity rate for Tampa Electric's 2021 ECRC Final True-Up was 3.535%. The tax rate change caused a reduction in the tax multiplier identified in the Total Equity Cost Rate, on Form 42-9, Calculation of Revenue Requirement and Rate of Return. The equity cost rate then carried to each Form 42-8 page, Return on Capital Investments, Depreciation and Taxes, and was applied to the average net investment in the determination of the return on investment.
 - c. See Tampa Electric's response to Staff's First Set of Interrogatories, No. 2 (a) and (b), above.