

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of 2020 depreciation and dismantlement study and capital recovery schedules, by Tampa Electric Company.

DOCKET NO. 20200264-EI

In re: Petition for rate increase by Tampa Electric Company.

DOCKET NO. 20210034-EI
ORDER NO. PSC-2021-0156-PCO-EI
ISSUED: May 7, 2021

The following Commissioners participated in the disposition of this matter:

GARY F. CLARK, Chairman
ART GRAHAM
ANDREW GILES FAY
MIKE LA ROSA

ORDER SUSPENDING REQUEST FOR RATE INCREASE
AND ALL ASSOCIATED TARIFF REVISIONS

BY THE COMMISSION:

Background

On April 9, 2021, Tampa Electric Company (TECO or Company) filed its petition for a permanent rate increase (Petition). TECO provides electric service to approximately 800,000 retail customers in Hillsborough and portions of Polk, Pasco, and Pinellas counties.

TECO requests an increase in its retail rates and charges to generate \$295 million in additional gross annual revenues, effective January 1, 2022. The Company also requests an increase in its retail rates and charges to generate \$102 million in additional gross annual revenues, effective January 1, 2023 and \$26 million in additional gross annual revenues, effective January 1, 2024. TECO requests that it also be allowed an overall rate of return of 6.67 percent, which equals the Company's total cost of capital, including a return on common equity of 10.75 percent. In addition, TECO asks to continue implementing the Asset Optimization Program contained in the 2017 amended and restated stipulation and settlement agreement (2017 Agreement.)¹

¹ Order No. PSC-2017-0456-S-EI, issued November 27, 2017, in Docket No. 20170210-EI, *In re: Petition for limited proceeding to approve 2017 amended and restated stipulation and settlement agreement, by Tampa Electric Company.*

The Company based its requests on a projected test period of January 1, 2022, through December 31, 2022. In total, the Company requests a \$423 million base rate increase. TECO did not request interim rate relief.

TECO's last base rate hearing was in 2013, and was resolved by a settlement (2013 Agreement), which allowed a total base rate increase of \$70 million, including \$57.5 million in 2013, \$7.5 million in 2014, \$5.0 million in 2015, plus an additional \$110 million generation base rate adjustment (GBRA) associated with the Polk 2-5 conversion, effective 2017.² The 2013 Agreement was followed by a settlement in 2017 (2017 Agreement), which allowed a cumulative revenue increase of \$122 million over the four-year period of 2018 to 2021.³ The 2017 revenue increase was associated with a solar base rate adjustment mechanism (SoBRA) which included four tranches over the term of the 2017 Agreement.

On February 16, 2021, the Florida Public Service Commission (Commission) acknowledged the Office of Public Counsel's Notice of Intervention in this proceeding.⁴ On March 5, 2021, the Florida Industrial Power Users Group (FIPUG) filed its Motion to Intervene in this docket. By this order we address the suspension of the requested permanent rate increase and all associated tariff revisions. This Commission has jurisdiction over this matter pursuant to Sections 366.06, F.S.

Decision

On April 9, 2021, TECO filed its Petition, testimony, and minimum filing requirements. The Company requests an increase in its retail rates and charges to generate approximately \$295 million in additional gross annual revenues, effective January 1, 2022. The Company also requests an increase in its retail rates and charges to generate approximately \$102 million in additional gross annual revenues, effective January 1, 2023, and approximately \$26 million in additional gross annual revenues, effective January 1, 2024. Further, the Company requests to continue implementing the Asset Optimization Program contained in the 2017 Agreement.

Historically, we have suspended requested permanent rate schedules in order to adequately and thoroughly examine the basis for the new rates. Suspension of a requested rate increase is authorized by Section 366.06(3), F.S., which provides:

Pending a final order by the commission in any rate proceeding under this section, the commission may withhold consent to the operation of all or any portion of the new rate schedules, delivering to the utility requesting such increase, within 60 days, a reason or written statement of good cause for withholding its consent.

² Order No. PSC-2013-0443-FOF-EI, issued September 30, 2013, in Docket No. 20130040-EI, *In re: Petition for rate increase by Tampa Electric Company*.

³ Order No. PSC-2017-0456-S-EI, issued November 27, 2017, in Docket No. 20170210-EI, *In re: Petition for limited proceeding to approve 2017 amended and restated stipulation and settlement agreement, by Tampa Electric Company*.

⁴ Order No. PSC-2021-0080-PCO-EI, issued February 16, 2021, in Docket No. 20210034-EI, *In re: Petition for increase in rates by Tampa Electric Company*.

Upon review, we shall suspend TECO's requested permanent rate schedules to allow sufficient time to adequately investigate whether the request for permanent rate relief is appropriate.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Tampa Electric Company's request for a \$295 million permanent rate increase for January 1, 2022, a \$102 million permanent rate increase for January 1, 2023, a \$26 million permanent rate increase for January 1, 2024, and all associated tariff revisions are hereby suspended pending a final decision in this docket. It is further

ORDERED that this docket shall remain open pending final resolution of Tampa Electric Company's petition for a permanent rate increase.

By ORDER of the Florida Public Service Commission this 7th day of May, 2021.



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.

CWM

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 or judicial review of Commission orders that is available under Sections 120.57 or 120.68, 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 or judicial review 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.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.