

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of depreciation rate
for electric vehicle charging stations, by
Tampa Electric Company.

DOCKET NO. 20230089-EI
ORDER NO. PSC-2023-0379-PAA-EI
ISSUED: December 20, 2023

The following Commissioners participated in the disposition of this matter:

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

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING NEW DEPRECIATION ACCOUNT
AND DEPRECIATION RATE FOR
ELECTRIC VEHICLE CHARGING STATIONS

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.).

Background

On August 11, 2023, Tampa Electric Company (TECO or Company) filed a petition for approval of a new depreciation account and rate for electric vehicle (EV) charging stations (Petition). The Company's request is made in accordance with Rule 25-6.0436(2)(a), Florida Administrative Code (F.A.C.), which provides that "[n]o utility shall change any existing depreciation rate or initiate any new depreciation rate without prior Commission approval," and Rule 25-6.0436(3)(b), 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 (USOA) for Public Utilities and Licensees, as

found in the Code of Federal Regulations,¹ which is incorporated by reference in Rule 25-6.014(1), F.A.C.

On April 21, 2021, TECO received our authorization to implement its electric vehicle charging pilot program (Pilot).² Under this Pilot, TECO will purchase, install on customer premises within the Company's service territory, own, and maintain 200 Level 2 EV charging ports and 4 direct current fast charging (DCFC) ports.³ The first EV chargers under the Pilot went into service on September 30, 2023.⁴ As of October 6, 2023, 50 EV charging ports have been installed on customer premises.⁵

With this Petition, TECO requests our approval to establish a new depreciation account, 370.10 – Electric Vehicle Charging Stations, with an average service life (ASL) of 10 years, a net salvage (NS) of zero percent, and an annual depreciation rate of 10 percent, for recording all of its Pilot-related EV charging stations.

Currently, TECO also owns some Non-Pilot EV charging stations that are sited on the Company's property. These charging stations are not accessible to the public and are used for internal company purposes. TECO began purchasing these stations in 2019. Given the location and primary use of the stations, TECO recorded these charging stations in existing Account 394.00 – Tool Shop & Garage Equipment, which utilizes an ASL of 7 years.⁶ TECO noted that it plans to add more of the Non-Pilot charging stations on Company property.⁷ Through the Petition, TECO requests authority to record the costs of its Non-Pilot Company-Use EV charging station equipment in the new Account 370.10 – Electric Vehicle Charging Stations with the same 10 percent annual depreciation rate.

We are not aware of any public comments or concerns regarding this matter.

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

Decision

TECO seeks our approval to establish a new Account 370.10 – EV Charging Stations to record all its Company-owned EV charging stations. The Company proposes an ASL of 10 years, a net salvage (NS) of zero percent, and an annual depreciation rate of 10 percent for this account.

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

² Order No. PSC-2021-0144-PAA-EI, issued April 21, 2021, in Docket No. 20200220-EI, *In re: Petition for approval of electric vehicle charging pilot program, by Tampa Electric Company*.

³ *Id.*, at page 5. Level 2 Ports operate at 208 or 240 volts (V) alternating current (AC), and DCFC Ports typically require a 208/480 V AC three phase connection.

⁴ Document No. 05565-2023, No. 1(c).

⁵ *Id.*, No. 1(b).

⁶ Document No. 04689-2023, ¶ 16.

⁷ *Id.*, ¶ 17.

Account Classification

Regulatory guidance regarding account classification of electric vehicle charging stations and related equipment is not clearly defined, as there is currently no listing of electric vehicle charging stations under any plant account within the USOA. In its Petition, TECO references two utilities that currently record depreciation of EV charging stations. These two referenced utilities are Duke Energy Florida, LLC. (DEF) and Florida Power & Light Company (FPL).⁸

On December 2, 2021, we approved FPL's request to record EV charging stations in Account 371.00 – Installations on Customer Premises.⁹ On May 20, 2022, we approved DEF's request to establish Account 370.70 – EV Charging Stations for recording EV DCFC assets.¹⁰

DEF's chargers were installed on customer premises as part of a pilot program, and the stations incorporated a meter that DEF utilized for its own purposes.¹¹ TECO stated that its Pilot EV charging stations also include a metering device which is used in part for the Company's own purposes.¹² TECO explained that one of the purposes of the Pilot is to collect "a variety of data points" regarding EV charging, which will provide TECO with the ability "to understand any potential system planning impacts."¹³ Based on these aspects of TECO's charging stations, the Company concluded that Account 370.10 is the appropriate account for TECO's charging stations.

As mentioned earlier, TECO currently books all EV charging stations, both Pilot and Non-Pilot Company-Use, in Account 394.00 – Tool Shop & Garage Equipment. As of September 30, 2023, the total plant amounts for both Pilot-related Customer-Premise and Non-Pilot Company-Use EV charging stations are \$663,191 and \$398,747, respectively.¹⁴ The Company additionally requests approval to transfer the plant and reserve associated with these existing EV charging stations from Account 394.00 to Account 370.10 – EV Charging Stations, if the establishment of Account 370.10 is approved. TECO claimed that this accounting treatment is more appropriate than the existing classification in Account 394.00, and will also ensure consistency across both types of charging stations owned by the company.¹⁵

Account 370.10 is a subaccount of Account 370 – Meters. To determine if this account is the most appropriate account for recording TECO's EV charging stations, we considered the nature of the Pilot EV charging stations and their control and monitoring capabilities. Additionally, we considered that Account 370.10 – EV Charging Stations will also be used to

⁸ Document No. 04689-2023, ¶¶ 12 and 18.

⁹ Order No. PSC-2021-0446-S-EI, issued December 2, 2021, in Docket No. 20210015-EI, *In re: Petition for rate increases by Florida Power & Light Company*.

¹⁰ Order No. PSC-2022-0183-PAA-EI, issued May 20, 2022, in Docket No. 20220029-EI, *In re: Petition for approval of a plant account and depreciation rate for electric vehicle DC fast charge stations by Duke Energy Florida, LLC*.

¹¹ *Id.*

¹² Document No. 04689-2023, ¶ 14.

¹³ *Id.*

¹⁴ Document No. 05565-2023, No. 5(a).

¹⁵ Document No. 04689-2023, ¶ 17.

record TECO's Non-Pilot Company-Use EV charging stations, which are located on company property. We conclude that Account 370.10 – EV Charging Stations is more appropriate than Accounts 371.00 – Installations on Customer Premises or 394.00 – Tool Shop & Garage Equipment due to the service functions of data collection and consistency discussed previously.

We approve TECO's request to establish Account 370.10 and transfer the plant and reserve that are associated with the existing EV charging stations from Account 394.00 to Account 370.10.

Depreciation Parameters and Depreciation Rate

TECO proposes an ASL of 10 years, a NS of zero percent and an annual depreciation rate of 10 percent for its petitioned Account 370.10 – EV Charging Stations. This proposal is consistent with the depreciation parameters and rate we approved for DEF's EV charging account.¹⁶

TECO stated that, as we noted in Order No. PSC-2022-0183-PAA-EI, DEF relied on guidance from the manufacturer of the charging stations and the advice of a third-party depreciation consultant to establish that a 10-year ASL is typical for DCFC stations.¹⁷ In its Petition, TECO acknowledged that it similarly based its proposal of the petitioned account's service life and depreciation rate on feedback from the manufacturer of the Pilot charging stations.¹⁸

According to the distributor/manufacturer of TECO's Pilot charging stations, the recommended minimum design life of the EV charging stations is 7 years.¹⁹ TECO stated that the Company's proposal of a 10-year ASL is based on the expectation that EV charging stations will last longer than the vendor's minimum design life of 7 years.²⁰

We inquired of TECO about the warranty terms for its EV charging stations. The Company responded that all Pilot charging stations have a 4-year warranty which includes maintenance and labor.²¹ The warranty terms of the Non-Pilot EV charging stations vary based on the manufacturer. Some existing Company-Use EV charging stations are no longer under warranty and the warranty for those stations may have varied from one to five years at the time of installation. However, the Non-Pilot charging stations that were installed more recently are warrantied to be free of defects in materials and workmanship under normal use for a period of 4 years.²²

¹⁶ See Order No. PSC-2022-0183-PAA-EI.

¹⁷ Document No. 04689-2023, ¶ 15.

¹⁸ *Id.*

¹⁹ Document No. 05565-2023, No. 1(f).

²⁰ *Id.*, No. 2(b).

²¹ *Id.*, No. 1(g).

²² *Id.*, No. 3(e).

We previously approved FPL's request to use an ASL of 15 years for its EV charging stations account.²³ We also approved DEF's request to use an ASL of 10 years for its EV charging stations account.²⁴ We find that an ASL of 10 years is more appropriate for TECO's currently petitioned Account 370.10 – EV Charging Stations based on the design life and the warranty period of the Company's EV charging stations.

TECO proposed a NS of zero percent for the petitioned Account 370.10. The Company reported that it began installation of the Non-Pilot EV charging station in 2019, and has not had to retire or remove any assets.²⁵ As such, there is no TECO-specific retirement data available, at this time, to either support or oppose the Company's proposed zero present NS. We approve the Company's NS proposal, which is consistent with our prior order for DEF.²⁶

Using the proposed ASL of 10 years and NS of zero percent, the resulting annual remaining life depreciation rate for Account 370.10 is 10 percent. The appropriateness of these depreciation parameters and rate will be evaluated periodically through our review of TECO's depreciation study that will be filed at least every four years per Rule 25-6.0436(4)(a), F.A.C.

In conclusion, we approve TECO's petition to establish a new Account 370.10 – EV Charging Stations to record all of its Company-owned EV charging stations. We also approve an ASL of 10 years, a NS of zero percent, and an annual depreciation rate of 10 percent applicable to this account.

Effective Date

TECO indicated that it would like its petitioned 10 percent depreciation rate to be effective October 1, 2023, as the first Pilot-related EV charging stations were placed into service in September, 2023.²⁷ The Company reported that, as of September 30, 2023, all existing EV charging ports that were placed in-service are booked to the existing Account 394.00. The total plant amounts for Pilot-related Customer-Premise and Non-Pilot Company-Use charging ports are \$663,191 and \$398,747, respectively.²⁸ TECO noted that, if authorized, it would perform the necessary asset cost transfers and related reserve transfers for the EV charging stations from the current Account – 394.00 Tool Shop & Garage Equipment to the new Account 370.10 – EV Charging Stations.

Depreciation is the recovery of invested capital representing equipment that is providing service to the public. This recovery is designed to take place over the related period of service to the public, which begins with the equipment's in-service date. Therefore, we approve an implementation date of October 1, 2023, based on the aforementioned plant in-service status of the EV charging stations.

²³ Document No. 04689-2023, ¶ 18.

²⁴ See Order No. PSC-2022-0183-PAA-EI.

²⁵ Document No. 05565-2023, No. 3(h).

²⁶ See Order No. PSC-2022-0183-PAA-EI and Document No. 04689-2023, ¶ 12.

²⁷ Document No. 05565-2023, Nos. 1(c) and 6.

²⁸ *Id.*, No. 5(a).

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Petition for approval of depreciation rate for electric vehicle charging stations, by Tampa Electric Company, is approved. It is further

ORDERED that TECO may establish a new Account 370.10 – EV Charging Stations, to record all of its Company-owned EV charging stations, and shall apply to this account an average service life of 10 years, a net salvage of zero percent, and an annual depreciation rate of 10 percent. It is further

ORDERED that the new depreciation rate approved herein is effective October 1, 2023. 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 if no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 20th day of December, 2023.



ADAM J. FEITZMAN
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.

SPS

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 January 10, 2024.

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

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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.