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September 18, 2017

**VIA: ELECTRONIC FILING**

Ms. Carlotta S. Stauffer  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: Docket No. 20170181-EI – Petition for expedited approval of temporary territorial variance, by Tampa Electric Company

Dear Ms. Stauffer:

Attached for filing in the above docket are Tampa Electric Company's Answers to Staff's First Data Request (Nos.1-12) dated August 31, 2017.

Sincerely,

*s/James D. Beasley*

James D. Beasley

JDB/pp  
Attachment

cc: Elisabeth Draper (w/attachment)

**TAMPA ELECTRIC COMPANY  
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- 1.** Please state how long the Peacock facility has been receiving electric service from Duke.
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- A.** Duke Energy has served Peacock facility since July 31, 2006. However, from October 2013 through April 2016 there was little Mosaic load served from the Peacock substation. This load came back on-line April 2016.

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- 2.** Please discuss the “circumstances regarding that service” stated in paragraph 7 of the petition that cause adverse voltage effects on a) Duke facilities and b) PRECO retail load. Did the Peacock facilities’ load increase to now cause adverse voltage effects?
  - A.** Duke Energy served Mosaic’s Peacock load from July 31, 2006 until August 31, 2017. However, from October 2013 through April 2016 there was little Mosaic load served from the Peacock substation. Duke Energy started serving the load again in April 2016. In September 2016, PRECO started seeing voltage problems at its Duette substation which is connected to Duke Energy’s Peacock substation.

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- 3.** Referring to paragraphs 10 and 11 of the petition, please clarify whether Duke Energy will or will not implement system improvements to address the voltage effects.
  - A.** Duke Energy is currently working on building eight miles of 230 KV Transmission line and a new substation that will address these voltage effects. The project is expected to be completed by May 2019.

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- 4.** Referring to paragraph 11 of the petition, please explain if TECO plans to provide power for Mosaic if it takes longer than the projected temporary (24-36 months) time frame for the Peacock mining operation to require service.
  - A.** Yes. Tampa Electric is prepared to provide power to Mosaic for the Peacock mining operations until DEF has capacity to serve that Mosaic load, even if it takes longer than the projected temporary time frame.

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- 5.** Please discuss if the revenues lost for Duke (from not serving the Peacock facility) will offset the system upgrades Duke would need to do to resolve the adverse voltage issues.
  
- A.** The revenue lost to Duke Energy will be approximately \$6 million, which will not offset the system upgrades which are expected to cost in excess of \$6 million.

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- 6.** Please state the annual revenues Duke currently receives from the Peacock facility and provide an estimate of the system upgrade cost Duke would incur. As part of this response, please describe what system upgrades are necessary and how the 24 to 36 month estimate was developed.
- A.** Annual revenue equals \$3.2 million. DEF does not have a final cost estimate for the system upgrade, but believes the cost will exceed the projected loss in revenue discussed in response to Data Request No. 5. The system upgrade will entail building eight miles of 230 KV transmission line and a new substation. The 24 to 36 months was a timeframe developed to build the new transmission line and substation.

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7. Please provide the Order Nos for the three territorial agreements listed in paragraph 5 of the petition and clarify whether the Peacock facility is located in FPL's service territory and/or in PRECO's service territory.
- A. The Peacock substation is physically located within PRECO's retail territory. However, the territorial agreement between PRECO and DEF provides that all subtransmission voltage and above phosphate load within the PRECO retail territory will be served by DEF. FPL's retail territory is miles away from the Mosaic load; however, the territorial agreement between FPL and Tampa Electric provides that Tampa Electric cannot serve retail load within the county where the Mosaic load is served, hence the need for FPL's approval of Tampa Electric to serve the customer.

There are several orders that approve the territorial agreements (and subsequent modifications to those agreement):

*In re: Joint Application of Tampa Electric Company and Florida Power & Light Company for Approval of Retail Territorial Agreement Relative to Their Respective Electric Systems and Service Areas*, which approved a territorial boundary line between their respective areas at the Hillsborough-Manatee county line. (Order No. 10564, issued February 3, 1982 in Docket No. 810466-EU)

*In re: Joint Petition for Approval of Territorial Agreement between Tampa Electric Company and Florida Power Corporation* (Order No. 24593, issued May 29, 1991 in Docket No. 910085-EI)

*In re: Joint Petition of Tampa Electric Company and Peace River Electric Cooperative, Inc. for Approval of a Territorial Agreement* (Order No. 17585, issued May 22, 1987 in Docket No. 870303-EU)

*In re: Petition for Expedited Approval of Temporary Territorial Variance by Tampa Electric Company (Altman Facility Variance)* (Order No. PSC-07-0906-PAA-EI, issued November 8, 2007 in Docket No. 070546-EI)

A third Commission approved agreement mentioned in the petition is one between Peace River Electric Cooperative and Duke Energy's predecessor, Florida Power Corporation. *In re: Joint Petition for Approval of Territorial Agreement between Florida Power Corporation and Peace River Electric Cooperative, Inc.* (Order No. PSC-94-1522-FOF-EU, issued November 12, 1994 in Docket No. 940376-EU)



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8. Referring to the Exhibit "A" and "B", please clarify the Legal Description of the Pump loads and Mining locations.
- A. Pump loads are located in Section 1 Township 33 South Range 21 East, Section 2 Township 33 South Range 21 East, Section 11 Township 33 South Range 21 East and Section 14 Township 33 South Range 21 East.

Mining loads are approximately located in the south  $\frac{1}{2}$  of the Southeast  $\frac{1}{4}$  of Section 13 Township 33 South Range 21 East, and the Northeast  $\frac{1}{4}$  of Section 24 Township 33 South Range 21 East.

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9. Please explain how each utility contacted determine that it is unable to provide service or unable to provide service economically. As part of this response, please identify the nearest potential interconnection for each utility and its voltage level.
- A. Mosaic requires 69kV service for its mining operations near Peacock. PRECO is only able to provide distribution level voltage service from the Peacock and Duette substations. They currently feed retail customers in their service territory from these substations. PRECO does not have the ability to serve customers at 69kV from these substations.

FPL has the ability to serve Mosaic mining operations at 69kV from their substation facilities. However, they do not have substation facilities that are close to Mosaic's mining operations near the Peacock substation. FPL would need to spend millions of dollars to construct a new power line and metering station to be able to serve. In addition, before FPL could construct they would have to site, permit, design and then secure a territorial waiver (such as the one being requested in the instant petition) before service could be initiated. It is not timely or cost effective for FPL to provide a source to serve the Mosaic mining operations. To the best of TEC's knowledge, FPL's closest substation, Keentown, is rated at 230/69kV. However, this substation is approximately 5.5 miles from the mining load.

PRECO contacted Duke Energy in September 2016 and reported increased voltage regulator operations at the Duette PRECO substation. This was caused when Mosaic's Peacock electric load came back on-line. Duke Energy contacted Mosaic to discuss its operations to find ways to reduce the voltage issues to PRECO. However no feasible or cost effective solutions were identified to resolve the issues.

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- 10.** Please reconcile paragraph 4 and paragraph 7 regarding delivery voltage levels. Please identify at what voltage TECO intends to provide service.
  - A.** DEF serves subtransmission customers at 69kV. Tampa Electric also serves subtransmission customers at this same voltage. Tampa Electric serves some of Mosaic's mining load from its Mines substation at 69kV. Tampa Electric currently serves Mosaic Four Corners mining load from this substation and has the ability to serve the additional 20-25 MW Peacock pump and dragline load through the Mosaic Four Corner's meter. This additional load will not create voltage issues for the period of time Tampa Electric will need to serve.

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- 11.** Please reconcile the timeframe for the agreement discussed in paragraph 7 (6 to 12 months) for the duration of activities causing adverse voltage effects and paragraph 11 (24 to 36 months) for the period to provide service.
  
- A.** The reference to the period 6 to 12 months in paragraph 7 is a scrivener's error.

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- 12.** Please explain the analysis of the additional amount it will cost TECO to handle the extra voltage for the temporary time frame (24 to 36 months).
  - A.** There is no issue with voltage. The extra load is being served behind an existing Mosaic meter and there is no incremental investment cost on the part of Tampa Electric to provide service during the temporary time frame.