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Public Service Commission

January 19, 2018

Mr. James Beasley
Ausley Law Firm
P.O. Box 391
Tallahassee, Florida 32302
jbeasley@ausley.com

STAFF'S FIRST DATA REQUEST

via email

Re: Docket No. 20170260-EI - Petition for limited proceeding to approve first solar base rate adjustment (SoBRA), effective September 1, 2018.

Dear Mr. Beasley:

By this letter, the Commission staff requests that Tampa Electric Company (TECO or Company) provide responses to the following data requests.

1. Please refer to the Direct Testimony of TECO witness R. James Rocha, page 16, lines 11-25.
 - a. Please fully explain how the Company developed the \$205.3 million projected value of fuel savings presented in this section of testimony.
 - b. Please identify the source and date of TECO's fuel price forecast used in developing the Current Present Value of Revenue Requirements (CPVRR) analysis of the proposed First Solar Base Rate Adjustment (SoBRA) Transaction.
 - c. Please identify the date, if known, of TECO's next/updated fuel price forecast that will be used for Company/business planning purposes.
 - d. Please discuss TECO's fuel forecast methodology. Please also remark on approximate the length of a time TECO has employed this same or very similar fuel forecasting methodology for company planning purposes.
 - e. Please fully explain how TECO developed the \$12 million projected value of (reduced) emissions presented in this section of testimony. Please also specify what particular "emissions" are being referred to and associate a dollar figure to the specific emission type.
 - f. Please identify the sources and dates of all environmental compliance cost related forecasts TECO used in developing its CPVRR analysis of the proposed First SoBRA Transaction.

- g. Please discuss TECO's environmental compliance cost related forecast methodology. Please also remark on approximate the length of a time TECO has employed this same or very similar methodology.
 - h. Please provide a detailed explanation of the sensitivity analyses TECO performed with regard to forecasted fuel prices and forecasted market prices for carbon dioxide (CO₂) in testing the robustness of the projected cost savings.
2. Please provide a summary of all the existing federal, state, and local government policies and rules regarding the regulation of CO₂ emissions. Please also discuss the economic impacts of any such policies or rules.
 3. To date, has TECO incurred any costs related to emissions of CO₂? If so, please discuss the economic details as well as the method of cost recovery.
 4. If the response is negative, when does TECO believe it will be affected by CO₂ emissions regulation/costs of emitting?
 5. Please refer to the Direct Testimony of TECO witness Rocha, page 17, lines 1-14. Please discuss how the CO₂, nitrogen oxide (NO_x), and sulfur dioxide (SO₂) reduction amounts presented in this section of testimony were formulated and concluded.
 6. Please refer to the Direct Testimony of TECO witness Rocha, page 16, lines 14-18. If the \$155.9 million customer savings figure presented in this section of testimony includes costs related to CO₂ emission, please provide an alternative CPVRR assuming zero CO₂ costs throughout the analysis term.
 7. Please provide the percent error in TECO's delivered natural gas price forecasts out 5 to 10 years for TECO's 2002 through 2007 Ten Year Site Plans, per the following tables.

Accuracy of Natural Gas Price Forecasts

Year	Natural Gas Price Annual Forecast Error Rate (%)					
	Years Prior					
	10	9	8	7	6	5
2012						
2013						
2014						
2015						
2016						
2017						
Average						

Natural Gas Price Forecasts

Year	Natural Gas Price Annual Forecast (\$/MMbtu)					
	Years Prior					
	10	9	8	7	6	5
2012						
2013						
2014						
2015						
2016						
2017						
Average						

Natural Gas Price

Year	Natural Gas Price Annual Actuals (\$/MMbtu)					
	Years Prior					
	10	9	8	7	6	5
2012						
2013						
2014						
2015						
2016						
2017						
Average						

8. Please provide the percent error in TECO's delivered coal price forecasts out 5 to 10 years for TECO's 2002 through 2007 Ten Year Site Plans, per the following tables.

Accuracy of Coal Price Forecasts

Year	Coal Price Annual Forecast Error Rate (%)					
	Years Prior					
	10	9	8	7	6	5
2012						
2013						
2014						
2015						
2016						
2017						
Average						

Coal Price Forecasts

Year	Coal Price Annual Forecast (\$/MMbtu)					
	Years Prior					
	10	9	8	7	6	5
2012						
2013						
2014						
2015						
2016						
2017						
Average						

Coal Price

Year	Coal Price Annual Actuals (\$/MMbtu)					
	Years Prior					
	10	9	8	7	6	5
2012						
2013						
2014						
2015						
2016						
2017						
Average						

9. Please refer to the Direct Testimony of TECO witness Rocha, page 16, lines 11-25. Please provide a copy of the Company's fuel forecast relied upon in developing its CPVRR analysis referenced in this section of testimony.
10. Please refer to the Direct Testimony of TECO witness Rocha, page 16, lines 11-25. Please provide copies of any environmental compliance cost related documents the Company relied upon in developing the CPVRR analysis of its proposed First SoBRA Transaction.
11. Please refer to the Direct Testimony of TECO witness Rocha, page 16, lines 21-25. Please provide all (if any) alternative fuel and emissions forecasts TECO used to gauge the robustness of its proposed SoBRA transaction.
12. Please refer to the Direct Testimony of TECO witness Rocha, page 16, lines 21-25. Please provide all documentation (if any) the Company may have related to the robustness testing (methodology) discussed in this section of testimony.

Please refer to the Direct Testimony of TECO witness J. Rocha and Exhibit RJR-1 for the following questions.

13. Please refer to page 7, line 23, for the following questions.
 - a. Please provide a detailed explanation of the “bonus depreciation.”
 - b. Please specify how the “bonus depreciation” was used in the annual revenue requirement calculation for TECO’s First SoBRA.
 - c. Please provide working papers in Microsoft Excel, with formulas intact, to support your response to (b), above.

14. Please refer to pages 9 (lines 10 - 11) and 11 (lines 11 - 12) for the following questions.
 - a. Referring to page 11, please specify the amount of depreciation expense included in the Revenue Requirement for First SoBRA presented in Document No. 3 of Exhibit RJR-1.
 - b. Referring to page 11, please explain in detail how the amount of depreciation expense discussed in Question (a) was derived.
 - c. Please provide working papers in Microsoft Excel, with formulas intact, to support your response to (b) above.
 - d. Is the “depreciation expense” referred on page 9, line 11, the same as what specified in Question (a)?
 - e. Referring to page 9, please explain why the depreciation expense discussed in Questions (a) and (c) deem as “reasonable estimates.”
 - f. For each affected depreciation accounts, please identify the following that were used in deriving the depreciation expense discussed in Question (a): (i) plant-in-service amount each month; (ii) the depreciation rate used.

15. Referring to page 12, line 18, please explain in detail how the referenced “book depreciation” was calculated.
 - a. Please provide working papers in Microsoft Excel, with formulas intact, to support your response to Interrogatory No. 3.

Please file all responses electronically no later than February 2, 2018, from the Commission's website at www.floridapsc.com, by selecting the Clerk's Office tab and Electronic Filing Web Form. Please feel free to call me at (850) 413-6218 if you have any questions.

Sincerely,

/s/ Suzanne Brownless

Suzanne Brownless
Special Counsel

SBr/as

cc: Office of Commission Clerk
Ausley Law Firm (Wahlen)
Tampa Electric Company (Brown)
Office of Public Counsel (Kelly, Rehwinkel)