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# Public Service Commission

May 7, 2019

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## STAFF'S FIRST DATA REQUEST VIA EMAIL

RE: Docket No. 20190107-EI – Petition for approval of commencement date for depreciation of AMI program assets, by Tampa Electric Company.

Dear Mr. Beasley and Mr. Wahlen:

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

1. For the purposes of the following request, please refer to the Petition by TECO for Approval of Commencement Date for Depreciation of AMI Program Assets (Petition), page 4. A portion of Section 6 reads:

Tampa Electric follows Section 25-6.0142, Florida Administrative Code (Uniform Retirement Units for Electric Utilities), for its AMR meters. This rule prescribes a cradle-to-grave accounting method for meters. Cradle-to-grave accounting is “an accounting method which treats a unit of plant as being in service from the time it is first purchased until it is finally junked or disposed of in another manner.”

For clarity, is Tampa Electric Company (TECO or Company) requesting a waiver of Florida Public Service Commission (FPSC or Commission) Rule 25-6.0142, Florida Administrative Code (F.A.C.), Uniform Retirement Units for Electric Utilities, specifically Rule 25-6.0142(2)(d) F.A.C., as it relates to the commencement of depreciation of the Company’s advanced metering infrastructure (AMI) asset?

2. Please refer to page 6 of the Petition, Footnote No. 1 for the following request. Is TECO aware of any previous instance of recording to Federal Energy Regulatory Commission (FERC) Account 107 – Construction Work in Progress its assets which are currently in service? For example, has the Commission ever approved such accounting treatment for any of TECO's in-service assets?
3. If currently known, will the Company seek a capital recovery schedule for any unamortized plant balance associated with its automated meter reading (AMR) investments in conjunction with TECO's next rate case or depreciation study? If so, under which portion/section of Rule 25-6.0436 F.A.C., does the Company envision filing such request?
4. Please refer to Section 7 of the Petition.
  - a. In what year did the Company begin recording depreciation of its AMR assets?
  - b. At what rate does TECO currently depreciate its AMR assets?
  - c. If known, at what rate does TECO envision initially depreciating its AMI assets on January 1, 2022?
  - d. Has the Company begun depreciating any of its AMI assets for tax purposes? If so, when did TECO first begin recording AMI meter depreciation for tax purposes?
5. Please refer to Section 8 of both the Petition and TECO's 2017 Amended and Restated Stipulation and Settlement Agreement (2017 Settlement).
  - a. Is there any specific language or provision of the Company's 2017 Settlement Agreement that forbids TECO from depreciating both AMR and AMI meters concurrently during the settlement term?
6. A portion of Section 8 of the 2017 Settlement reads: "If the company installs Automated Meter Infrastructure ("AMI") meters and retires Automated Meter Reading ("AMR") meters during the Term, such assets will continue to be depreciated using their then existing depreciation rates and special capital recovery issues will be addressed in conjunction with the company's next depreciation study."
  - a. Which asset or assets is/are specifically being referred to by the term "such assets?"
  - b. Does TECO have more than one depreciation rate associated with meters currently in effect/approved at this time?
  - c. If the term "such assets" is singularly referring to either AMR or AMI meters, why is "existing depreciation rates [emphasis added]" in plural form?
  - d. Does TECO record and depreciate its distribution metering equipment to FERC Account – 370 – Meters only?

7. Please refer to TECO's responses to Staff's First Data Request, in Docket Nos. 20170210-EI and 20160160-EI, filed October 16, 2017, Request No. 22, for the following questions.
  - a. Is it correct that TECO's response to 22(d.) shows that depreciation expense on AMI meters began in September of 2017?
  - b. Is it correct that TECO's response to 22(d.) shows depreciation expense on both AMR and AMI meters occurring concurrently from 2017 through 2021?
  - c. Is it correct that TECO's response to 22(d.) shows approximately \$35MM of estimated cumulative depreciation expense associated with AMI meters occurring prior to January 1, 2022?
  - d. A portion of TECO's response to Request No. 22(d.) reads: "[t]he AMI Pilot Program for Meters began in 2016, therefore the 2017 reserve balance will include the ending reserve amount from December 2016 in addition to the 2017 depreciation expense." Is it correct that the language quoted above indicates that TECO had begun depreciating AMI meter prior to approval of the 2017 Settlement?
8. For the purposes of TECO's next depreciation study, please discuss how both AMR and AMI meters will be reflected in the life analysis of FERC Account – 370 – Meters.
9. Please specify TECO's current total AMI meter investment amounts by year. Please also specify any monthly 2019 AMI investment amounts to date.
10. Please specify the most-current accumulated depreciation balance (if any) associated with the Company's AMI meters.
11. Please specify the annual retirement amounts associated with retired AMR meters. Please also specify any monthly 2019 amounts to date.
12. Please specify the most-current accumulated depreciation balance associated with AMR meters.
13. If TECO's Petition is ultimately approved by the Commission, will the Company need to reverse any prior period journal entries related to AMI meters? If so, please detail such journal entries.
14. In terms of bookkeeping, please discuss how TECO accounted for the transition from analog meters to AMR meters. For example, did the Company seek a Capital Recovery Schedule as provided for by Rule 25-6.0436(7), F.A.C. when it transitioned from analog to AMR meters?
15. Has the Company inquired with the signatories to the 2017 Settlement if an understanding of the meaning of paragraph 8 (of the 2017 Settlement) is consistent across all parties? Please explain.

Please file all responses electronically no later than Tuesday, May 14, 2019 from the Commission's website at [www.floridapsc.com](http://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.

Very truly yours,

*/s/ Suzanne Brownless*

Suzanne Brownless, Esq.  
Special Counsel

SBr/lms

cc: Office of Commission Clerk  
Ms. Paula Brown- Regulatory Affairs