

AUSLEY McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

123 SOUTH CALHOUN STREET
P.O. BOX 391 (ZIP 32302)
TALLAHASSEE, FLORIDA 32301
(850) 224-9115 FAX (850) 222-7560

December 6, 2019

VIA: ELECTRONIC FILINGMr. Adam J. Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850Re: Tampa Electric Company's Petition for Approval of Depreciation Rates for Energy
Storage Equipment

Dear Mr. Teitzman:

Attached for filing in the above-styled matter is Tampa Electric Company's Petition for
Approval of Depreciation Rates for Energy Storage Equipment.

Thank you for your assistance in connection with this matter.

Sincerely,



Malcolm N. Means

MNM/pp
Attachment

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Tampa Electric Company)
For Approval of Depreciation Rates for Energy)
Storage Equipment)
_____)

DOCKET NO. _____

FILED: December 6, 2019

**TAMPA ELECTRIC COMPANY'S PETITION
FOR APPROVAL OF
DEPRECIATION RATES FOR ENERGY STORAGE EQUIPMENT**

Tampa Electric Company ("Tampa Electric" or "the company"), pursuant to Section 366.04, Florida Statutes and Rules 25-6.0436(2)(a) and 25-6.0436(3)(b), Florida Administrative Code, petitions for Commission approval of new depreciation accounts and rates for energy storage equipment effective with the in-service dates of such units and, in support thereof, says:

I. Preliminary Information

1. The Petitioner's name and address are:

Tampa Electric Company
702 North Franklin Street
Tampa, Florida 33602

2. Any pleading, motion, notice, order or other document required to be served upon

Tampa Electric or filed by any party to this proceeding shall be served upon the following individuals:

James D. Beasley
jbeasley@ausley.com
J. Jeffrey Wahlen
jwahlen@ausley.com
Malcolm N. Means
mmeans@ausley.com
Ausley McMullen
Post Office Box 391
Tallahassee, FL 32302
(850) 224-9115
(850) 222-7560 (fax)

Paula K. Brown
regdept@tecoenergy.com
Manager, Regulatory Coordination
Tampa Electric Company
Post Office Box 111
Tampa, FL 33601
(813) 228-1444
(813) 228-1770 (fax)

3. Tampa Electric is an investor-owned public utility subject to the Commission's jurisdiction pursuant to Chapter 366, Florida Statutes, and is a wholly owned subsidiary of Emera, Inc.

4. Tampa Electric serves more than 750,000 retail customers in Hillsborough and portions of Polk, Pinellas and Pasco Counties, Florida.

5. This petition is filed consistent with Rule 28-106.201, F.A.C. The agency affected is the Florida Public Service Commission, located at 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399. This Petition represents an original proceeding and does not involve reversal or modification of an agency decision or any proposed agency action.

II. Tampa Electric's Big Bend Battery Storage Project

6. Tampa Electric filed its annual Ten Year Site Plan with the Commission on April 1, 2019 in accordance with section 186.801, Florida Statutes.¹ In its plan, the Company announced its intent to install a 12.6 MW lithium-ion energy storage system adjacent to the Big Bend Solar site ("Big Bend Battery Project") at Big Bend Station.

7. The Big Bend Battery Project will begin commercial service before the end of 2019. The project will be coupled with the solar photovoltaic arrays of the Big Bend Solar Project. Expected project benefits include, but are not limited to, increasing reliability of power supplied to the grid, reducing peak demands, contribution to contingency reserves, and frequency regulation. Tampa Electric will continue to analyze storage technology and its applications with the objective of integrating these resources into the company's generation portfolio for the benefit of customers.

¹ Available at <http://www.psc.state.fl.us/Files/PDF/Utilities/Electricgas/TenYearSitePlans/2019/Tampa%20Electric%20Company.pdf> (last visited 11/20/19).

III. Statement on Disputed Issues of Material Fact

8. In compliance with paragraph (2)(d) of Rule 28-106.201, F.A.C., Tampa Electric states that it is not aware of any disputed issues of material fact at this time, and does not believe any disputed issues of material fact will arise in this docket, but acknowledges the possibility that the Office of Public Counsel and other parties could assert disputed issues of material fact during this proceeding.

IV. Statement of Ultimate Facts Alleged and Providing the Basis for Relief

9. 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 for Public Utilities and Licensees, as found in the Code of Federal Regulations, which is incorporated by reference in Rule 25-6.014(1), F.A.C.

10. Pursuant to Rule 25-6.0436(2)(a), F.A.C., no utility may initiate a new depreciation rate without Commission approval.

11. Pursuant to Rule 25-6.0436(3)(b), F.A.C., any utility that establishes a new account or subaccount classification must request Commission approval of a depreciation rate for the new plant category.

12. Tampa Electric does not currently have a depreciation account or rate for energy storage equipment such as that utilized in the Big Bend Battery Project.

13. Based on the expected use of the Big Bend Battery Project equipment, Tampa Electric's engineering subject matter experts, along with benchmarking by industry peers, estimate that a reasonable and appropriate estimated design life and net salvage percentage for battery storage equipment is ten (10) years and zero, respectively.

V. Relief Requested

14. In order to properly account for the depreciation related to energy storage equipment, Tampa Electric requests authority to record the costs of energy storage equipment in FERC Account 348 Energy Storage Equipment-Production, FERC Account 351 Energy Storage Equipment-Transmission, and FERC Account 363 Energy Storage Equipment-Distribution and to establish a depreciation rate of 10% for equipment so recorded. The FERC created these accounts in FERC Order No. 784 (Docket Nos. RM11-24-000 and AD10-13-000) to record installed costs of energy storage assets in accounts based on the function or purpose the asset serves, including the potential to allocate a single asset to multiple functions.

15. Tampa Electric's proposed accounting treatment for energy storage equipment is consistent with the accounting treatment approved by the Commission for Florida Power & Light Company in Order No. PSC-2017-0359-PAA-EI, issued September 20, 2017 in Docket No. 20170097-EI. Tampa Electric's proposed accounting treatment is also consistent with the depreciation rates and accounts proposed for energy storage equipment by Duke Energy Florida in Docket No. 20190183-EI.

16. Tampa Electric's petition to establish a new depreciation rate for energy storage equipment is for accounting purposes only and will have no impact on base rates during the term of Tampa Electric's 2017 Settlement Agreement. Tampa Electric will pursue cost recovery for the Big Bend Storage Project in its next general base rate case pursuant to paragraph 3 of the 2017 Settlement Agreement. Additionally, Tampa Electric will include FERC Accounts 348, 351, and 363 in its next depreciation study filed with the Commission.

WHEREFORE, Tampa Electric Company respectfully urges the Commission to approve the new depreciation rates for energy storage equipment, effective December 6, 2019.

DATED this 6th day of December, 2019

Respectfully submitted,



JAMES D. BEASLEY
J. JEFFRY WAHLEN
MALCOLM N. MEANS
Ausley McMullen
Post Office Box 391
Tallahassee, Florida 32302
(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY