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# Public Service Commission

May 1, 2020

J. Jeffry Wahlen  
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**STAFF'S FIRST DATA REQUEST**  
*via e-mail*

RE: **Docket No. 20200064-EI** Petition for a limited proceeding to approve fourth SoBRA, by Tampa Electric Company.

**Docket No. 20200065-EI**-Petition for a limited proceeding to eliminate accumulated amortization reserve surplus for intangible software assets, by Tampa Electric Company.

**Docket No. 20200067-EI** Review of 2020-2029 Storm Protection Plan pursuant to Rule 25-6.030, F.A.C., Tampa Electric Company.

**Docket No. 20200092-EI** Storm protection plan cost recovery clause.

Dear Mr. Wahlen:

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

1. The Tampa Electric Company's 2020 Settlement Agreement (2020 Agreement) covers activities in four docketed matters. Please provide a brief statement of estimated procedural impacts within each docket and estimates of the filing dates for any materials that may be necessary to implement the 2020 Agreement.
  - a. Docket No. 20200064-EI.
  - b. Docket No. 20200065-EI
  - c. Docket No. 20200067-EI
  - d. Docket No. 20200092-EI

**Docket 20200092-EI**

2. Paragraphs 11 (a)-(c), (e), (f), 12, and 13 of the 2020 Agreement appear to describe limitations on TECO's ability to request certain costs for recovery. However, Paragraph 11(d) states, in part:
  - . . . the Parties agree that nothing in this Agreement shall preclude any Consumer Party from challenging the recovery of any specific cost or level of cost proposed for recovery by the company through the SPPCRC . . .
  - a. Please clarify whether the limitations and conditions on TECO's ability to request cost recovery for storm protection plan (SPP) operations and maintenance (O&M) expense through the storm protection plan cost recovery clause (SPPCRC), are based on a sum total of all expenses for all qualifying O&M projects or are the limitations and conditions to be applied to each qualifying O&M project individually?
  - b. Please clarify how, if at all, the language in paragraph 11(d) is intended to apply to TECO's 2020 SPPCRC proceeding.
  - c. Please clarify how, if at all, the language in paragraph 11(d) is intended to apply to TECO's 2021 SPPCRC proceeding.
  - d. Paragraph 15(a) states that ". . . [n]othing in this Agreement shall be construed to prevent any Party from challenging the reasonableness and/or prudence of all or part of any SPP program or project in any future proceeding." Please explain how, if at all, Paragraph 15(a) and Paragraph 11(d) provide for different scopes of intervenor challenge.
3. Paragraph 12(c)(ii) describes the treatment of depreciation expense as a netting process.
  - a. Assuming the monthly depreciation expense for a new asset is less than the monthly depreciation expense for the asset that is replaced, would the netting process result in a negative depreciation expense being recognized in the SPPCRC? If not, why not?
  - b. Is the netting process intended to be applied to each asset individually?
  - c. Are there situations when the netting process would be applied on cumulative basis for more than one asset such as by project, or by program?
4. Please refer to the 2020 Agreement, Paragraph 12, for the following questions:
  - a. Referring to the "assets" discussed in Paragraph 12, please specify the name (or type) of each, and identify the corresponding depreciation account to which such asset is normally booked.
  - b. Please identify all the depreciation accounts that could be affected by the accounting treatment stated in Paragraph 12(c)(i) that "... such net cost of removal will be debited to the company's accumulated depreciation reserve according to normal regulatory plant accounting procedures."

- c. With respect to the depreciation accounts that would be affected by the accounting treatment stated in Paragraph 12(c)(i), please comment on the potential impact (increases, decreases, or stay the same) that such accounting treatment would have on the depreciation rate to be determined in TECO's next depreciation study.
  - d. Please identify the total amounts of cost of removal net of salvage associated with the storm hardening asset-related asset retirements in 2018 and 2019, respectively.
  - e. Referring to Paragraph 12(c)(ii), please explain whether TECO's SPP activities, such as Infrastructure Inspections and Transmission Asset Upgrades, would result in any premature retirements; and if so, please explain how the associated unrecovered retired investments would be treated.
5. Please refer to the 2020 Agreement, Paragraph 13, for the following questions:
  - a. Please clarify whether "distribution pole replacements" discussed in Paragraph 13 refers to all the SPP-related asset replacements associated with Account 36400 — Poles, Towers & Fixture, i.e., including distribution towers replacements and distribution fixtures replacements. If the response is negative, please explain.
  - b. Does the "accounting and administrative efficiency" applicable to distribution pole replacements (associated with Account 36400) also apply to other mass plant assets' SPP-related replacement such as meter replacements (associated with Account 37000) and street lighting and signal system replacements (associated with Account 37300)? Please explain.
  - c. Please confirm that cost recovery for the plant additions and retirements associated with all transmission pole replacements will be through the SPPCRC.

**Docket 20200067-EI**

6. Please discuss the signatories intent regarding Commission staff involvement and attendance at the meetings discussed in Paragraph 15(c).

**Docket 20200065-EI**

7. Please refer to TECO's filings in Docket No. 20200065-EI: "Petition for Limited Proceeding to Eliminate Accumulated Amortization Reserve Surplus for Intangible Software Assets" (Petition), Attachment One, filed on February 28, 2020, and TECO's Revised Petition, Attachment One, filed on April 20, 2020. Please explain why the reported reserve balance of Account No. 30399 at 12/31/2019 has been changed from

negative \$9,338 (reported in TECO's Petition) to negative \$2,418 (reported in TECO's Revised Petition).

8. In reference to TECO's Revised Petition, Item 26(i), please provide an estimate to quantify the "negative impact on accumulated deferred income taxes in the Company's capital structure" for 2020.
9. Referring to TECO's response to Staff's First Data Request, No. 5.g. in Docket No. 20200065-EI, please provide responses to the following questions based on TECO's best information available:
  - a. Please provide TECO's preliminary estimates of the impacts of COVID-19 Pandemic on "the company's earned 13-month average return on equity" for 2020 and 2021, respectively.
  - b. Please discuss how TECO's energy sales of each rate class would be affected by the COVID-19 Pandemic (for example, the stay-at-home situation might result in the energy consumption of residential rate class increase and the energy consumption of industrial rate class decrease).
  - c. Please discuss how TECO's Total Retail Energy Sales would be affected by the COVID-19 Pandemic and how that would influence TECO's earning position in 2020 and 2021.

Please file all responses electronically no later than May 8, 2020 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 email me at [blheriss@psc.state.fl.us](mailto:blheriss@psc.state.fl.us). if you have any questions.

Sincerely,

*/s/ Bianca Lherisson*

Bianca Lherisson  
Senior Attorney

BYL/lms

cc: Office of Commission Clerk  
Paula Brown – Regulatory Affairs  
Office of Public Counsel