

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of 2020-2029 Storm Protection)
Plan pursuant to Rule 25-6.030, F.A.C.,)
Tampa Electric Company)

DOCKET NO.: 20200067-EI

DATE FILED: July 20, 2020

**TAMPA ELECTRIC COMPANY'S
PREHEARING STATEMENT**

A. APPEARANCES:

JAMES D. BEASLEY
J. JEFFRY WAHLEN
MALCOLM N. MEANS
Ausley McMullen
Post Office Box 391
Tallahassee, Florida 32302

On behalf of Tampa Electric Company

B. WITNESSES:

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
(Direct)		
1. Gerry R. Chasse (TECO)	Overview of Tampa Electric's 2020-2029 Storm Protection Plan	1A, 7A
	Implementation of the Plan will strengthen the company's infrastructure to withstand extreme weather conditions	2A, 7A
	Overview of the company's service area	3A, 4A
	Process for development of the Plan and selection of SPP Programs	2A, 7A

2.	Regan B. Haines (TECO)	Description of Distribution Lateral Undergrounding, Substation Extreme Weather Hardening, Distribution Overhead Feeder Hardening, Infrastructure Inspections, And Legacy Storm Hardening Initiatives Programs	1A, 2A, 3A, 5A
		Description of how each of these programs will reduce restoration costs and outage times associated with extreme weather events and enhance reliability	2A, 5A
3.	John H. Webster (TECO)	Description of the Vegetation Management and Transmission Access Programs	1A, 2A, 3A, 5A
		Description of how each of these programs will reduce restoration costs and outage times associated with extreme weather events and enhance reliability	2A, 5A
4.	A. Sloan Lewis (TECO)	Estimated annual jurisdictional revenue requirement for each year of the Plan	5A
		Estimated rate impacts for each of the first three years of the Plan	6A
5.	Jason D. DeStigter (1898 & Co.)	Methodology used to calculate estimated customer benefits and results	2A, 3A, 5A
		Prioritization of projects	2A, 3A, 5A
		Establishment of overall investment level for the Plan	2A, 3A, 5A

C. EXHIBITS:

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
<u> </u> (GRC-1)	Chasse	Tampa Electric’s 2020-2029 Storm Protection Plan

<u> </u> (RBH-1)	Haines	1. Projected Costs Versus Benefits by Program 2. Project Detail – Distribution Lateral Undergrounding Program 3. Project Detail – Transmission Asset Upgrades Program 4. Project Detail – Distribution Overhead Feeder Hardening Program
<u> </u> (ASL-1)	Lewis	Total Revenue Requirements by Program

D. STATEMENT OF BASIC POSITION

Tampa Electric Company's Statement of Basic Position:

The Commission should find that it is in the public interest to approve Tampa Electric Company’s 2020-2029 Storm Protection Plan without modification because that Plan meets all of the requirements of, and will further all of the objectives of, Section 366.96 of the Florida Statutes and Rule 25-6.030 of the Florida Administrative Code.

E. STATEMENT OF ISSUES AND POSITIONS

ISSUE 1A: Does TECO’s 2020-2029 Storm Protection Plan contain all of the elements required by Rule 25-6.030, Florida Administrative Code?

TECO: Yes. (Witness: Chasse, Haines, Webster).

ISSUE 2A: To what extent is TECO’s 2020-2029 Storm Protection Plan expected to reduce restoration costs and outage times associated with extreme weather events and enhance reliability?

TECO: Tampa Electric’s Storm Protection Plan will significantly reduce restoration costs and outage times associated with extreme weather events and will enhance reliability. The five programs analyzed by 1898 & Co. are expected to reduce restoration costs by \$397-\$578 million and reduce CMI by 31.5-31.8 percent over the next fifty years depending on future storm frequency and intensity. The company’s Vegetation Management Program is expected to improve SAIFI by 15.3 percent, SAIDI by 9.6 percent, and reduce restoration costs by 22.2 percent. (Witnesses: Chasse, Haines, Webster, DeStigter)

ISSUE 3A: To what extent does TECO's 2020-2029 Storm Protection Plan prioritize areas of lower reliability performance?

TECO: The company's methodology for prioritizing Storm Protection Projects incorporates reliability performance during extreme weather. Projects were prioritized based on their benefit to cost ratio, meaning those projects that will deliver the highest customer benefit at the lowest relative cost are prioritized higher. Furthermore, historical outage data and trim data were incorporated into the Vegetation Management Program design. (Witness: Chasse, Haines, Webster, DeStigter)

ISSUE 4A: To what extent is TECO's 2020-2029 Storm Protection Plan regarding transmission and distribution infrastructure feasible, reasonable, or practical in certain areas of TECO's service territory, including, but not limited to, flood zones and rural areas?

TECO: There are no areas of the company's service area where it would be impractical, unfeasible, or imprudent to harden. All components of the transmission and distribution system can be hardened to achieve resiliency benefits. (Witness: Chasse, Haines)

ISSUE 5A: What are the estimated costs and benefits to TECO and its customers of making the improvements proposed in the 2020-2029 Storm Protection Plan?

TECO: Tampa Electric estimates that the total costs for its Storm Protection Plan for the 2020-2029 period are \$1,920 million, resulting in a total revenue requirement of \$972 million for all Storm Protection Programs or Activities, regardless of where they are recovered. The five programs analyzed by 1898 & Co. are expected to reduce restoration costs by \$397 - \$578 million and reduce CMI by 31.5-31.8 percent over the next fifty years depending on future storm frequency and intensity. The company's Vegetation Management Program is expected to improve SAIFI by 15.3 percent, SAIDI by 9.6 percent, and reduce restoration costs by 22.2 percent. (Witness: Haines, Webster, Lewis, DeStigter)

ISSUE 6A: What is the estimated annual rate impact resulting from implementation of TECO's 2020-2029 Storm Protection Plan during the first 3 years addressed in the plan?

TECO: The following table shows the full rate impact of the SPP on typical bills:

Tampa Electric's Storm Protection Plan "Total Cost" Customer Bill Impacts (in percent)				
Customer Class				
	Residential 1000 kWh	Residential 1250 kWh	Commercial 1 MW 60 percent Load Factor	Industrial 10 MW 60 percent Load Factor
2020	1.50	1.48	1.44	0.55
2021	2.22	2.21	2.14	0.84
2022	3.09	3.06	2.98	1.13
2023	4.12	4.07	3.95	1.46

(Witness: Lewis)

ISSUE 7A: Is it in the public interest to approve, approve with modification, or deny TECO's 2020-2029 Storm Protection Plan?

TECO: It is in the public interest to approve Tampa Electric's 2020-2029 Storm Protection Plan without modification because that Plan meets all of the requirements of, and will further all of the objectives of, Section 366.96 of the Florida Statutes and Rule 25-6.030 of the Florida Administrative Code. (Witness: Chasse, Haines, Webster)

ISSUE 8A: Should Docket No. 20200067-EI be closed?

TECO: Yes.

OPC – CONTESTED ISSUES

Are any of the proposed SPP project or program related costs, if approved, and presumably to be requested for recovery by the Company through the SPPCRC, costs recovered through the Company's base rates?

TECO: This issue was resolved as to Tampa Electric by the Commission's approval of the 2020 Settlement Agreement in Order No. PSC-2020-0224-AS-EI issued June 30, 2020 in Docket No. 20200145.

Should the Commission defer its determination of prudence for any of the Company's proposed programs and projects?

TECO: Tampa Electric believes this issue is subsumed in Issue 7A. Furthermore, the company believes that the final determination of prudence for the Company's

proposed projects will occur in the Storm Protection Plan Cost Recovery Clause docket, and as such this issue is inappropriate for this docket.

F. STIPULATED ISSUES

TECO: None at this time.

G. MOTIONS

TECO: None at this time.

H. PENDING REQUEST OR CLAIMS FOR CONFIDENTIALITY

TECO: Tampa Electric's First Request for Confidential Classification, Document No. 02867-2020, filed June 1, 2020.

I. OTHER MATTERS

TECO: None at this time.

DATED this 20th day of July 2020.

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

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Tampa Electric Company's Prehearing Statement, has been furnished by electronic mail on this 20th day of July 2020 to the following:

Ms. Rachael Dziechciarz
Mr. Charles Murphy
Office of General Counsel
Florida Public Service Commission
Room 390L – Gerald L. Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
RDziehc@psc.state.fl.us
CMurphy@psc.state.fl.us

Mr. J. R. Kelly, Jr.
Mireille Fall-Fry
Office of Public Counsel
111 West Madison Street – Room 812
Tallahassee, FL 32399-1400
kelly.jr@leg.state.fl.us
fall-fry.mireille@leg.state.fl.us

Jon C. Moyle
Karen Putnal
Moyle Law Firm
118 North Gadsden Street
Tallahassee, FL 32301
jmoyle@moylelaw.com
kputnal@moylelaw.com
mqualls@moylelaw.com

Stephanie Eaton
Spilman Thomas & Battle, PLLC
110 Oakwood Drive, Suite 500
Winston-Salem, NC 27103
seaton@spilmanlaw.com

Derrick Price Williamson
Barry Naum
Spilman Thomas & Battle, PLLC
1100 Bent Creek Blvd., Suite 101
Mechanicsburg, PA 17050
dwilliamson@spilmanlaw.com
bnaum@spilmanlaw.com

Katie Chiles Ottenweller
Vote Solar
151 Estoria Street SE
Atlanta GA 30316
katie@votesolar.org

Zayne Smith
AARP
360 Central Ave., Suite 1750
St. Petersburg, FL 33701
zsmith@aarp.org



ATTORNEY