

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

August 3, 2020

VIA: ELECTRONIC FILING

Mr. Adam J. Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Review of 2020-2029 Storm Protection Plan Pursuant to Rule 25-6.030, F.A.C.,
Tampa Electric Company; FPSC Docket No. 20200067-EI;
and
Storm Protection Plan Cost Recovery Clause; Docket No. 20200092-EI

Dear Mr. Teitzman:

Attached for filing in the above dockets is Tampa Electric Company's Motion to Approve Stipulation and Settlement Agreement.

Thank you for your assistance in connection with this matter.

Sincerely,



Malcolm N. Means

MNM/bmp
Attachment

cc: All Parties of Record (w/attachment)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

In re: Storm protection plan cost recovery) Docket No. 20200092-EI
Clause)
_____) Filed: August 3, 2020

**Tampa Electric Company’s
Motion to Approve Stipulation and Settlement Agreement**

Tampa Electric Company (“Tampa Electric” or “the company”), pursuant to Rule 28-106.204, Florida Administrative Code., hereby requests that the Florida Public Service Commission (“FPSC” or “Commission”) approve the Stipulation and Settlement Agreement included with this Motion as Attachment “A” and made a part hereof, and states:

1. On April 10, 2020 Tampa Electric filed a Petition to approve its 2020-29 Storm Protection Plan (“SPP” or “Plan”) in Docket No. 20200067-EI. Its SPP Petition was accompanied by the prepared direct testimony and exhibits of Gerry R. Chasse (Ex. No. GRC-1), Regan B. Haines (Ex. No. RBH-1), John H. Webster, A. Sloan Lewis (Ex. No. ASL-1) and Jason D. DeStigter.

2. On May 4, 2020, Tampa Electric filed a 2020 Settlement Agreement (“2020 Agreement”) for approval in Docket Nos. 20200064-EI, 20200065-EI, 20200067-EI and 20200092-EI. The Commission opened Docket No. 20200145-EI to serve as a centralized docket for consideration of all of the issues in the 2020 Agreement.

3. On May 26, OPC filed the direct testimony and exhibits of Lane Kollen (Ex. Nos. LK-1 thru LK-3) and Scott Norwood (Ex. Nos. SN-1 thru SN-3) and related exhibits addressing Tampa Electric’s SPP. Walmart filed the direct testimony and exhibits of Steve W. Chriss (Ex.

No. SWC-1) and Lisa V. Perry (Ex. No. LVP-1) on the same day. Tampa Electric filed rebuttal testimony from witnesses Haines, Lewis (and Ex. No. ASL-2) and DeStigter on June 26, 2020.

4. On June 30, 2020, the Commission memorialized its approval of the 2020 Agreement in Order No. PSC-2020-0224-AS-EI. The 2020 Agreement resolves several, but not all, issues in Docket No. 2020067-EI and in this Docket No. 2020092-EI. The centerpiece of 2020 Agreement is a provision under which Tampa Electric will reduce its base rates by an agreed-upon amount and will recover all of its SPP-related costs (with limited exceptions) deemed prudent by the Commission through the SPP Cost Recovery Clause (“SPPCRC”).

5. On July 24, 2020 Tampa Electric filed a petition to recover costs associated with its SPP (“Cost Recovery Petition”) in Docket No. 20200092-EI.

6. The Parties engaged in extensive discovery in the SPP docket (Docket No. 2020067-EI). Through this process, the Parties thoroughly reviewed and evaluated Tampa Electric’s SPP programs, the SPP projects planned for 2020 and 2021, and the related project costs, program costs, and rate impacts. Since the 2020 Agreement included the one-time base rate reduction, no discovery was necessary in the SPPCRC docket (Docket No. 20200092-EI) regarding whether the costs the company will recover through the SPPCRC include costs being recovered through the utility’s existing base rates or any other cost recovery mechanism.

7. As a direct result of these efforts, the Parties ultimately entered into the Stipulation and Settlement Agreement, which builds on the foundation of the 2020 Agreement and establishes a series of stipulations intended to resolve all issues in Tampa Electric’s SPP docket, Docket No. 20200067-EI, and to resolve all issues related to Tampa Electric in the SPPCRC docket, Docket No. 2020092-EI. The Stipulation and Settlement Agreement is attached to this Motion as Exhibit A.

8. The standard for approving a settlement agreement is whether it is in the public interest.¹

9. The Parties to the Stipulation and Settlement Agreement agree that the Agreement is in the public interest and should be approved. The Parties entered into the Agreement, each for their own reasons, but all in recognition that the cumulative total of the regulatory activity before the Commission involving Tampa Electric and the other investor owned electric utilities – now and for the rest of 2020 - is greater than normal. Approving these stipulations is in the public interest because doing so will, among other things: (a) allow Tampa Electric to implement its Storm Protection Plan and begin cost recovery through the SPPCRC without delay; (b) reduce the regulatory and administrative costs and risks that would have been associated with two contested hearings before the FPSC and (c) give the FPSC and consumer parties an opportunity to review the company’s next SPP one (1) year earlier than required by law while retaining the opportunity to participate in future proceedings on the prudence of costs to be recovered through the SPPCRC through the normal FPSC cost recovery clause process.

10. The Stipulation and Settlement Agreement represents a reasonable compromise of divergent positions and fully resolves all of the issues raised in the Tampa Electric SPP and SPPCRC dockets. Considered as a whole, the Stipulation and Settlement Agreement fairly and

¹ See Order No. PSC-2020-0084-S-EI, issued March 20, 2020, in Docket No. 20190061-EI (Petition for Approval of SolarTogether program and tariff, by Florida Power & Light Company) at 5, citing Sierra Club v. Brown, 243 So. 3d 903, 910-913 (Fla. 2018); Order No. PSC-13-0023-S-EI, issued on January 14, 2013, in Docket No. 120015-EI, In re: Petition for increase in rates by Florida Power & Light Company; Order No. PSC-11-0089-S-EI, issued February 1, 2011, in Docket Nos. 080677-EI and 090130-EI, In re: Petition for increase in rates by Florida Power & Light Company and In re: 2009 depreciation and dismantlement study by Florida Power & Light Company; Order No. PSC-10-0398-S-EI, issued June 18, 2010, in Docket Nos. 090079-EI, 090144-EI, 090145-EI, and 100136-EI, In re: Petition for increase in rates by Progress Energy Florida, Inc., In re: Petition for limited proceeding to include Bartow repowering project in base rates, by Progress Energy Florida, Inc., In re: Petition for expedited approval of the deferral of pension expenses, authorization to charge storm hardening expenses to the storm damage reserve, and variance from or waiver of Rule 25-6.0143(1)(c), (d), and (f), F.A.C., by Progress Energy Florida, Inc., and In re: Petition for approval of an accounting order to record a depreciation expense credit, by Progress Energy Florida, Inc.; Order No. PSC-05-0945-S-EI, issued September 28, 2005, in Docket No. 050078-EI, In re: Petition for rate increase by Progress Energy Florida, Inc.

reasonably balances the interests of customers and the utilities and is consistent with the stated purpose and intent of Section 366.96 of the Florida Statutes. Approving the Stipulation and Settlement Agreement is consistent with the Commission's long-standing policy of encouraging the settlement of contested proceedings in a manner that benefits the customers of utilities subject to the Commission's regulatory jurisdiction. Accordingly, the Stipulation and Settlement Agreement is in the public interest and should be approved.

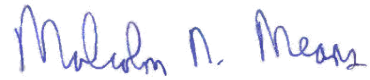
11. To maximize the administrative and regulatory efficiency benefits inherent in the Stipulation and Settlement Agreement for the Parties and the Commission, and the public, Tampa Electric, with the support of the Parties, requests that the Commission take up the Stipulation and Settlement Agreement for consideration as soon as possible, possibly as early as the beginning of the August 10th hearing scheduled in Docket No. 20200067-EI.² Tampa Electric will cooperate fully with Staff and will provide, in a timely manner, whatever information is necessary to enable Commission review of the Stipulation and Settlement Agreement.

12. The undersigned counsel has consulted with counsel for the Office of Public Counsel, the Florida Industrial Power Users Group, and Walmart and is authorized to represent that they support this Motion.

² If for notice or other reasons, the Commission doesn't believe that it can take up the Motion and approve the Stipulation and Settlement Agreement in its entirety on August 10th, Tampa Electric requests that the Commission convene the final hearing in Docket No. 20200067-EI on August 10, 2020, admit the testimony and exhibits into the record as provided in the Agreement, recess the hearing, and take up the Motion and Agreement as soon as possible, perhaps at the September 1, 2020 agenda conference.

DATED this 3rd day of August 2020.

Respectfully submitted,

A handwritten signature in blue ink that reads "Malcolm N. Means". The signature is written in a cursive style with a horizontal line underneath it.

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 Motion, filed on behalf of Tampa Electric Company, has been furnished by electronic mail on this 3rd day of August, 2020 to the following:

Office of General Counsel
Jennifer Crawford
Charles Murphy
Rachel Dziechciarz
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
jcrawford@psc.state.fl.us
cmurphy@psc.state.fl.us
rdziehc@psc.state.fl.us

The Florida Industrial Power Users Group
Jon C. Moyle, Jr.
Karen A. Putnal
Moyle Law Firm
The Perkins House
118 North Gadsden Street
Tallahassee, FL 32301
jmoyle@moylelaw.com
kputnal@moylelaw.com
mqualls@moylelaw.com

Office of Public Counsel
J. R. Kelly
Charles Rehwinkel
Mireille Fall-Fry
Tad David
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400
kelly.jr@leg.state.fl.us
rehwinkel.charles@leg.state.fl.us
fall-fry.mireille@leg.state.fl.us
David.tad@leg.state.fl.us

Florida Power & Light Company *
John Burnett
Christopher Wright
Jason Higginbotham
Ken Hoffman
134 West Jefferson Street
Tallahassee FL 32301-1713
(850) 521-3900
(850) 521-3939
Christopher.Wright@fpl.com
John.T.Burnett@fpl.com
Jason.Higginbotham@fpl.com
ken.hoffman@fpl.com

Stephanie U. Eaton
Barry A. Naum
Spilman Thomas & Battle, PLLC
110 Oakwood Drive, Suite 500
Winston-Salem, NC 27103
seaton@spillmanlaw.com
bnaum@spillmanlaw.com

PCS Phosphate – White Springs *
James W. Brew/Linda Wynn Baker
c/o Stone Law Firm
1025 Thomas Jefferson St., NW
Suite 800 West
Washington, DC 20007-5201
jbrew@smxblaw.com
lwb@smxblaw.com

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

Duke Energy *
Dianne Triplett
Matthew R. Bernier
Robert Pickels
106 East College Avenue, Suite 800
Tallahassee FL 32301-7740
Robert.Pickels@duke-energy.com


Florida Public Utilities Company *
Mr. Mike Cassel
208 Wildlight Ave.
Yulee FL 32097
(904) 491-4361
mcassel@fpuc.com

* **Docket No. 20200092-EI Only**

Gulf Power Company *
Russel Badders
Mark Bubriski
134 West Jefferson Street
Tallahassee FL 32301
(850) 521-3937
(850) 521-3939
Russel.Badders@nexteraenergy.com
mark.bubriski@nexteraenergy.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

ATTACHMENT “A”

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

In re: Storm protection plan cost recovery)
Clause) Docket No. 20200092-EI
_____)

STIPULATION AND SETTLEMENT AGREEMENT

THIS AGREEMENT is dated this 3rd day of August 2020 and is by and between Tampa Electric Company (“Tampa Electric” or the “company”) and the Office of Public Counsel (“OPC” or “Citizens”), the Florida Industrial Power Users Group (“FIPUG”) and Walmart Inc. (“Walmart”). Collectively, Tampa Electric, OPC, FIPUG and Walmart shall be referred to herein as the “Parties” and the term “Party” shall be the singular form of the term “Parties.” This document shall be referred to as the “Tampa Electric SPP Agreement” or the “Agreement.”

Recitals

A. Tampa Electric filed a Petition to approve its Storm Protection Plan for 2020-2029 (“SPP”) with the Florida Public Service Commission (“FPSC” or “Commission”) on April 10, 2020, in Docket No. 20200067-EI. Its SPP Petition and SPP were accompanied by the prepared direct testimony and exhibits of Gerry R. Chasse (Ex. No. GRC-1), Regan B. Haines (Ex. No. RBH-1), John H. Webster, A. Sloan Lewis (Ex. No. ASL-1), and Jason D. DeStigter. The company’s SPP includes the following programs: Distribution Lateral Undergrounding, Vegetation Management, Transmission Asset Upgrades, Substation Extreme Weather Hardening, Distribution Overhead Feeder Hardening, Transmission Access Enhancement, Infrastructure Inspections, and Legacy Storm Hardening Plan Initiatives.

B. OPC filed the direct testimony and exhibits of Lane Kollen (Ex. Nos. LK-1 thru LK-3) and Scott Norwood (Ex. Nos. SN-1 thru SN-3) and related exhibits addressing Tampa Electric's SPP on May 26, 2020. Walmart filed the direct testimony and exhibits of Steve W. Chriss (Ex. No. SWC-1) and Lisa V. Perry (Ex. No. LVP-1) on the same day. Tampa Electric filed rebuttal testimony from witnesses Haines, Lewis (and Ex. No. ASL-2) and DeStigter on June 26, 2020.

C. Tampa Electric filed a 2020 Settlement Agreement ("2020 Agreement") for approval in Docket Nos. 20200064-EI, 20200065-EI, 20200067-EI, and 20200092-EI on May 4, 2020. The Commission opened Docket No. 20200145-EI to serve as a centralized docket for consideration of all of the issues in the 2020 Agreement.

D. The centerpiece of the 2020 Agreement is a provision under which Tampa Electric will reduce its base rates by an agreed-upon amount (approximately \$15 million) and will recover all of the costs (with limited exceptions) determined prudent by the Commission associated with activities in its SPP (O&M expenses and capital projects) through the Storm Protection Plan Cost Recovery Clause ("SPPCRC"). Among other things, the 2020 Agreement was intended to promote transparency and ensure that the costs the company will recover through the SPPCRC do not include costs being recovered through the utility's existing base rates or any other cost recovery mechanism as required by Rule 25-6.031(6)(b), Florida Administrative Code, in accord with Section 366.96(8), Florida Statutes. The Commission approved the 2020 Agreement and memorialized its decision in Order No. PSC-2020-0224-AS-EI, dated June 30, 2020, in Docket Nos. 20200145-EI, *et seq.*

E. Paragraph 11(b) of the 2020 Agreement specifies the cost of service and rate design principals to be used for the approximately \$15 million base rate reduction and development of

cost recovery factors in the SPPCRC proceeding. It states:

The specified amount of base revenue reduction described above will be accomplished through one-time reductions to base rates using the cost allocation and rate design principles reflected in paragraph 3 of the 2013 Stipulation among the Parties as modified by paragraph 3 of the 2017 Agreement, and those same cost allocation and rate design principles shall be used to develop the cost recovery factors/rates that will be used for SPP cost recovery in the SPPCRC beginning in 2020 and annually thereafter as provided in paragraph 3(g) of the 2017 Agreement.

F. Tampa Electric filed a motion to approve the tariff changes necessary to implement the base rate reduction contemplated in the 2020 Agreement in Docket No. 20200092-EI on July 31, 2020. The tariff changes necessary to implement the base rate reduction contemplated in the 2020 Agreement were prepared using the cost allocation and rate design principles in specified in paragraph 11(b) of that agreement.

G. Tampa Electric filed a petition to recover costs associated with its SPP (“Cost Recovery Petition”) on July 24, 2020, in Docket No. 20200092-EI. Its Cost Recovery Petition was accompanied by the prepared direct testimony of Mark R. Roche (Ex. MRR-1), David L. Plusquellic (Ex. DLP-1), A. Sloan Lewis (Exs. ASL-1 and ASL-2), and William R. Ashburn (Ex. WRA-1). The SPP cost recovery factors proposed by the company were developed in accordance with paragraph 11(b) of the 2020 Agreement.

H. The Parties have engaged in extensive formal discovery in the SPP docket and informal discovery in the SPPCRC docket. Through this process, the Parties have thoroughly reviewed and evaluated Tampa Electric’s 2020-2029 SPP and the projects planned for 2020 and 2021 and the related project costs, program costs and rate impact of the proposed SPP. The 2020 Agreement included the approximately \$15 million base rate reduction described above, so it was not necessary for the Parties to conduct discovery to detect possible double recovery of costs through the SPPCRC and base rates in the SPPCRC docket.

I. Having considered the company's SPP, the testimony and exhibits filed by the Parties, and the extensive information exchanged during formal and informal discovery, the Parties have agreed that there is a record basis for the Commission to approve: (1) the SPP as filed in Docket No. 20200067-EI and (2) cost recovery as proposed by Tampa Electric in Docket No. 20200092-EI, subject to the terms and conditions specified in this Agreement, thereby essentially resolving by approval all of the issues currently pending for Tampa Electric in those two dockets.

J. The Parties have entered into this Agreement in compromise of positions taken in accord with their rights and interests under chapters 350, 366 and 120, Florida Statutes, as applicable, and as part of a negotiated exchange of consideration among the Parties to this Agreement, each Party has agreed to concessions to the others with the expectation, intent, and understanding such that all provisions of the Agreement, upon approval by the Commission, will be enforced by the Commission as to all matters addressed herein with respect to all Parties. The Parties agree that this Agreement is in the public interest and should be approved.

NOW, THEREFORE, in light of the mutual covenants of the Parties and the benefits accruing to all Parties through this Agreement, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

Terms

Docket No. 20200067-EI
2020-2029 Storm Protection Plan

1. The Parties agree that the direct and rebuttal testimony and exhibits filed by Tampa Electric, OPC and Walmart as described above should be inserted into the evidentiary record in Docket No. 20200067-EI and waive cross examination of those witnesses. The Parties also further agree that the other exhibits related to Tampa Electric as shown on the Comprehensive Exhibit List prepared by the FPSC Staff should also be admitted into the evidentiary record in Docket No.

20200067-EI. Upon the admission of the testimony and exhibits into the evidentiary record as specified in this paragraph, the Parties agree as provided in paragraphs 2 through 17, below.

2. The Parties agree that the record supports a Commission finding that Tampa Electric's Distribution Lateral Undergrounding Program is in the public interest and that Tampa Electric proceeding to implement the program in 2020, 2021 and 2022 is not evidence of imprudence.

3. The Parties agree that the record supports a Commission finding that Tampa Electric's Vegetation Management Program is in the public interest and that Tampa Electric proceeding to implement the program in 2020, 2021 and 2022 is not evidence of imprudence.

4. The Parties agree that the record supports a Commission finding that Tampa Electric's Transmission Asset Upgrades Program is in the public interest and that Tampa Electric proceeding to implement the program in 2020, 2021 and 2022 is not evidence of imprudence.

5. The Parties agree that the record supports a Commission finding that Tampa Electric's proposed study for the Substation Extreme Weather Hardening Program is in the public interest and that Tampa Electric proceeding with the study is not evidence of imprudence.

6. The Parties agree that the record supports a Commission finding that Tampa Electric's Distribution Overhead Feeder Hardening Program is in the public interest and that Tampa Electric proceeding to implement the program in 2020, 2021 and 2022 is not evidence of imprudence.

7. The Parties agree that the record supports a Commission finding that Tampa Electric's Transmission Access Enhancement Program is in the public interest and that Tampa Electric proceeding to implement the program in 2020, 2021 and 2022 is not evidence of imprudence.

8. The Parties agree that the record supports a Commission finding that Tampa Electric's Infrastructure Inspections Program is in the public interest and that Tampa Electric proceeding to implement the program in 2020, 2021 and 2022 is not evidence of imprudence.

9. The Parties agree that the record supports a Commission finding that Tampa Electric's Legacy Storm Hardening Plan Initiatives Program is in the public interest and that Tampa Electric proceeding to implement the program in 2020, 2021 and 2022 is not evidence of imprudence.

10. The Parties agree that the record supports a Commission finding that Tampa Electric's 2020-2029 Transmission and Distribution Storm Protection Plan meets all of the requirements of Section 366.96 of the Florida Statutes.

11. The Parties agree that the record supports a Commission finding that Tampa Electric's 2020-2029 Transmission and Distribution Storm Protection Plan will further the objectives of Section 366.96 of the Florida Statutes.

12. The Parties agree that the record supports a Commission finding that Tampa Electric's 2020-2029 Transmission and Distribution Storm Protection Plan contains the elements required by Rule 25-6.030 of the Florida Administrative Code.

13. The Parties agree that the record supports a Commission finding that it is in the public interest to approve Tampa Electric's 2020-2029 Transmission and Distribution Storm Protection Plan without modification.

14. The Parties agree that the approval of the SPP and its Programs consistent with this Agreement should not include or imply any determination of prudence for any project in a Program. Except as provided in paragraphs 19 through 26, below, OPC, FIPUG, and Walmart

retain the right to challenge the prudence or reasonableness of any project or costs for any project submitted through the SPPCRC during a true-up proceeding in 2021 or thereafter.

15. The Parties agree that Tampa Electric will work with Walmart to discuss and evaluate new potential SPP Programs prior to filing its next SPP and that this effort shall be separate from and supplemental to the activity specified in paragraph 15(c) of the 2020 Agreement. OPC and FIPUG take no position with regard to this paragraph.

16. Section 366.96(6), Florida Statutes, states:

At least every 3 years after approval of a utility's transmission and distribution storm protection plan, the utility must file for commission review an updated transmission and distribution storm protection plan that addresses each element specified by commission rule. The commission shall approve, modify, or deny each updated plan pursuant to the criteria used to review the initial plan.

17. Notwithstanding the three-year requirement in Section 366.96(6), in early 2022, Tampa Electric shall file for Commission review and approval an updated transmission and distribution storm protection plan ("2022 Updated SPP"). The company's 2022 Updated SPP shall reflect, at a minimum: (a) a comprehensive review of all of the Programs included in the company's 2020 SPP with revisions and modifications as deemed appropriate by Tampa Electric and (b) any new programs to be proposed by Tampa Electric. Upon approval by the Commission, the Parties intend that the 2022 Updated SPP will form the basis for cost recovery of SPP activities in 2023, 2024, and 2025 and that Tampa Electric will then next be required to file an updated SPP for approval again in 2025. TECO agrees it will not materially expand the scope of the programs and associated expenditures it seeks to recover in the SPPCRC for the years 2020 – 2022 beyond those that are included in the estimates shown in Tampa Electric's SPP filed on April 10, 2020, and as modified in the filing made on July 24, 2020, in the SPPCRC. TECO will base its requests

for cost recovery through the SPPCRC for the years 2023, 2024, and 2025 on the SPP update to be filed in 2022.

Docket No. 2020092-EI
Storm Protection Plan Cost Recovery Clause

18. The Parties agree that the direct testimony and exhibits filed by Tampa Electric in Docket No. 2020092-EI as described above should be inserted into the evidentiary record in Docket No. 2020092-EI and agree to waive cross examination of those witnesses. Walmart and OPC will not file testimony addressing Tampa Electric's petition for cost recovery in Docket No. 2020092-EI, however, Walmart may file testimony referencing Tampa Electric's demand charges in its testimony addressing rate design of the other investor-owned utilities in Docket No. 2020092-EI. Tampa Electric agrees that the company's responses to the Office of Public Counsel's Interrogatory Nos. 189 and 224 may be entered into the record of this proceeding. Upon the admission of the testimony and exhibits into the evidentiary record as specified in this paragraph, the Parties agree as provided in paragraphs 19 through 26, below.

19. The Parties agree that there is an evidentiary basis to support Tampa Electric's petition for approval of 2020-2021 costs associated with its 2020-2029 SPP, filed on July 24, 2020, in Docket No. 2020092-EI, and the petition should be granted.

20. The Parties agree that there is an evidentiary basis to approve the costs incurred for development of Tampa Electric's 2020-2029 SPP proposed for recovery in the SPPCRC and that those costs are reasonable and eligible for cost recovery through the SPPCRC, subject to a prudence review of actual costs in the applicable SPPCRC proceeding.

21. The Parties agree that there is evidentiary basis to approve the proposed total SPPCRC amounts to be collected by Tampa Electric during the period January 2021 through December 2021 in the amount of \$39,460,120. This amount includes the recovery of costs in the

amount of \$16,435,191 projected to be incurred in 2020, then reduced by \$10,400,000 to recognize those SPP costs in 2020 that are being transferred from base rates to the SPPCRC as agreed upon in Tampa Electric’s 2020 Settlement Agreement; the recovery of costs in the amount of \$33,908,399 projected to be incurred in 2021; a reduction of \$511,861 to recognize those cost associated with Tampa Electric’s Open Access Transmission Tariff; and an adjustment of \$28,391 to include the associated Revenue Tax Factor and that those costs are reasonable, subject to a prudence review of actual costs in the applicable SPPCRC proceeding. In addition, Tampa Electric as part of the 2020 Settlement Agreement will reduce the retail portion of the \$15 million in revenue requirements to recognize those ongoing SPP costs transferred from base rates to the SPPCRC.

22. The Parties agree that the appropriate SPPCRC factors for Tampa Electric for the period January 2021 through December 2021 as presented below are reasonable, have evidentiary support in the record and should be approved, subject to true-up in a future SPPCRC proceeding:

<u>Rate Schedule</u>	<u>Cost Recovery Factors (cents per kWh)</u>
RS	0.239
GS and CS	0.251
GSD Optional–Secondary	0.168
GSD Optional–Primary	0.166
GSD Optional–Subtransmission	0.164
LS-1, LS-2	0.354
<u>Rate Schedule</u>	<u>Cost Recovery Factors (dollars per kW)</u>
GSD-Secondary	0.72
GSD-Primary	0.71
GSD-Subtransmission	0.71
SBF–Secondary	0.72
SBF–Primary	0.71

SBF–Subtransmission	0.71
IS-Primary	0.17
IS–Subtransmission	0.17

23. The Parties agree that the effective date for billing purposes of Tampa Electric’s proposed SPPCRC cost recovery factors specified above shall be the first billing cycle of January 2021.

24. The Parties agree that Tampa Electric Company’s Motion to Approve Revised Tariff, dated July 31, 2020, should be approved so that the approximately \$15 million base rate reduction contemplated in paragraph 11 of the 2020 Agreement can be implemented concurrently with the implementation of the new SPPCRC cost recovery factors effective the first billing cycle of January 2021.

25. The Parties agree and acknowledge that all issues addressed herein may, consistent with Rule 25-6.031, Florida Administrative Code, still be subject to review and challenge by all Parties.

26. The Parties agree that nothing in this Agreement shall be construed to prevent any Party from challenging the reasonableness or prudence of SPP projects or costs of any projects in any future SPPCRC proceedings.

Other Provisions

27. Commission Approval.

(a) The provisions of this Agreement are contingent on approval of this Agreement in its entirety by the Commission without modification, regardless of the sequence of the individual above styled Docket decisions; further, any decision by the Commission not to approve any provision of this Agreement shall, per se and as a matter of law, render the Agreement null and void and of no force or effect. The Parties further agree that this Agreement is in the public interest,

that they will support this Agreement and that they will not request or support any order, relief, outcome, or result in conflict with the terms of this Agreement in any administrative or judicial proceeding relating to, reviewing, or challenging the establishment, approval, adoption, or implementation of this Agreement or the subject matter hereof.

(b) No Party will assert in any proceeding before the Commission that this Agreement or any of the terms in the Agreement shall have any precedential value. The Parties' agreement to the terms in the Agreement shall be without prejudice to any Party's ability to advocate a different position in future proceedings not involving this Agreement (meaning the Parties are not precluded from raising or advocating any issue in the 2022 SPP docket). The Parties further expressly agree that no individual provision, by itself, necessarily represents a position of any Party in any future proceeding, and the Parties further agree that no Party shall assert or represent in any future proceeding in any forum that another Party endorses any specific provision of this Agreement by virtue of that Party's signature on, or participation in, this Agreement. It is the intent of the Parties to this Agreement that the Commission's approval of all the terms and provisions of this Agreement is an express recognition that no individual term or provision, by itself, necessarily represents a position, in isolation, of any Party or that a Party to this Agreement endorses a specific provision, in isolation, of this Agreement by virtue of that Party's signature on, or participation in, this Agreement.

(c) No Party shall seek appellate review of any Commission order approving this Agreement in its entirety.

28. Disputes. To the extent a dispute arises among the Parties about the provisions, interpretation, or application of this Agreement, the Parties agree to meet and confer in an effort

to resolve the dispute. To the extent that the Parties cannot resolve any dispute, the matter may be submitted to the Commission for resolution.

29. Execution. This Agreement is dated as of August 3, 2020. It may be executed in counterpart originals and a facsimile of an original signature shall be deemed an original. Tampa Electric is authorized to compile executed signature pages and to attach them to this Agreement to constitute the original to be filed with the Commission and served on the Parties.

IN WITNESS WHEREOF, the Parties evidence their acceptance and agreement with the provisions of this Agreement by their signature(s):

Tampa Electric Company
702 N. Franklin Street
Tampa, FL 33601

E-Signed : 08/03/2020
Nancy Tower

By Nancy Tower, President

ntower@tucosenergy.com

DocID: 20200803100655835

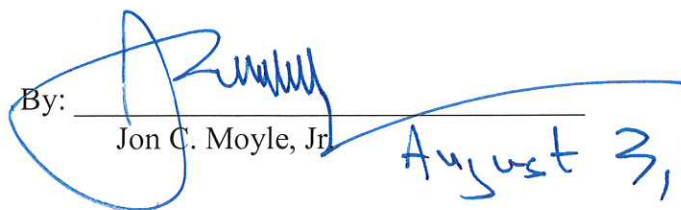
Signature Page to Tampa Electric SPP Agreement

Office of Public Counsel
J. R. Kelly, Esquire
Public Counsel
Charles Rehwinkel, Esquire
Deputy Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400

By: /s/ J.R. Kelly
J.R. Kelly

Signature Page to Tampa Electric SPP Agreement

The Florida Industrial Power Users Group
Jon C. Moyle, Jr., Esquire
Moyle Law Firm
The Perkins House
118 North Gadsden Street
Tallahassee, FL 32301

By:  _____
Jon C. Moyle, Jr. August 3, 2020

Signature Page to Tampa Electric SPP Agreement

Walmart Inc.
Stephanie U. Eaton
Spilman Thomas & Battle, PLLC
110 Oakwood Drive, Suite 500
Winston-Salem, NC 27103

By: 
Stephanie U. Eaton