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July 14, 2021

VIA: ELECTRONIC FILING

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


Re: Petition of Tampa Electric Company for Approval of Revised Underground
Residential Distribution Tariff
Dkt.: 20210064-EI

Dear Mr. Teitzman:

Attached for filing in the above docket is Tampa Electric Company's Response to Staff's
Second Data Request (Nos. 1-5), propounded on June 30, 2021.

Thank you for your assistance in connection with this matter.

Sincerely,



Malcolm N. Means

MNM/bmp
Attachment

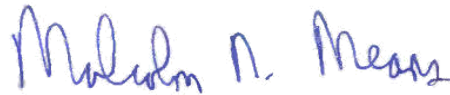
cc: All Parties of Record (w/attachment)
Holly Forrest, FPSC (w/attachment)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing responses of Tampa Electric Company to Staff's 2nd Data Request (Nos. 1-5), have been furnished by electronic mail on this 14th day of July, 2021 to the following:

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ATTORNEY

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20210064-EI
STAFF'S SECOND DATA REQUEST
REQUEST NO. 1
BATES PAGES: 1
FILED: JULY 14, 2021**

1. Section 366.96(1)(c), Florida Statutes (F.S.), specifies that “[i]t is in the state’s interest to strengthen electric utility infrastructure . . . by promoting the overhead hardening of electrical transmission and distribution facilities, the undergrounding of certain electrician distribution lines, and vegetation management.” (Emphasis added). Section 366.96(3), F.S., further requires each public utility to file storm protection plans for Commission review and approval. Please explain how TECO’s proposal to waive the low density lot charge for all new undergrounding meets the statute’s requirement for a systematic approach to underground certain distribution lines and consider costs and benefits to the utility and its customers.
 - A. Tampa Electric views waiving the low density lot charge for all new underground as a measure that benefits all customers. History has shown throughout the state that the winds associated with hurricanes and tropical storms can result in significant damage to overhead electric facilities, even those which have been hardened, leading to increased customer outages. In lieu of providing financial incentives for a developer to request that Tampa Electric install overhead facilities, which are more susceptible to storm damage, the company proposes to incent developers to build underground facilities at the onset. Overhead facilities are also more prone to lightning strikes than underground facilities, which is more critical in the company’s service territory given Tampa, Florida is one of the top locations in the United States for lightning. According to the National Weather Service, “Where there is a lot of lightning, there is an increased chance of being struck. The corridor from Tampa Bay, FL to Titusville, FL (a.k.a. "Lightning Alley") receives the most lightning in the United States on an annual basis.” This systematic approach assures that more distribution lines are constructed underground providing benefits to all customers in furtherance of statutory guidance.

**TAMPA ELECTRIC COMPANY
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STAFF'S SECOND DATA REQUEST
REQUEST NO. 2
BATES PAGES: 2
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- 2.** Does TECO construct new overhead distribution facilities to meet current storm hardening standards? If so, are these same standards used by the company when updating overhead facilities under its storm hardening protection plan? Please explain.
- A.** Yes. When Tampa Electric constructs new overhead distribution facilities, they are constructed to meet current storm hardening standards. In addition, these are the same standards used by the company when updating overhead facilities under Tampa Electric's Storm Protection Plan. However hardened are new overhead facilities, underground facilities withstand storms much better, and this is the reason the Storm Protection Program was instituted to underground existing overhead facilities.

**TAMPA ELECTRIC COMPANY
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STAFF'S SECOND DATA REQUEST
REQUEST NO. 3
BATES PAGES:3
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3. Please explain the reasons for the significant reduction in the Company's NPV Operational Cost since its last URD petition (-\$1,282 in Docket 180086-EI for the low density subdivision vs -\$642.29 in the instant petition) In your response, discuss any changes since 2017/2018 in storm costs (including which hurricanes were included in the 2018 and which in the 2021 calculations) and in non-storm operational costs separately.
- A. The main reason for the reduction in NPV from the last URD petition result from a change in the calculation of the 3-year average for storm costs. The company has moved from a 3-year calculation based on actual costs to a long-term potential cost based on hurricane simulations. Actual storm costs in historical years, as shown below, are not consistent from year to year.

Storm costs included in 2017 filing (as shown on OC-2)

<u>2015</u>	<u>2016 (Colin & Matthew)</u>	<u>2017 (Irma)</u>	<u>3 Year AVG</u>
\$710,000	\$8,948,000	\$92,818,327	\$34,158,776

Using a 3-year average of actual storm cost can lead to averages that swing widely depending on the magnitude, timing, and impact of each storm. As of the 2021 filing Tampa Electric determined it best to use a study that looked at storm costs over a longer period and on a projected basis. At the time of this URD filing, Tampa Electric had also filed its retail rate case that included just such a study and testimonial support. The value from that study was used for this analysis.

Storm costs included in 2021 filing (as shown on OC-2)

\$27,000,000

The source of this value comes from the testimony of Steven P. Harris in Docket No. 20210034-EI, Exhibit No. SPH-1, Document No. 1, Page 12 of 19, filed 4/09/2021, within which Mr. Harris states:

“The expected annual loss (EAL) hurricane damage to transmission and distribution is \$27.3 million. This value represents the average loss from all simulated hurricanes. The EAL is not expected to occur each and every year. Some years will have no damage from hurricanes, some years will have small amounts of damage, and a few years will have large amounts of damage. The EAL represents the average of all hurricane years over a long period of time.”

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20210064-EI
STAFF'S SECOND DATA REQUEST
REQUEST NO. 4
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- 4.** In response to staff's first data request, question 1, TECO provided a narrative analysis. Has the Company conducted a mathematical analysis that quantifies the benefit to the general body of ratepayers? If so, please explain the analysis and its findings, including any conclusions regarding the monetary benefit to the general body of ratepayers.
- A.** No. Tampa Electric has not conducted such a mathematical analysis. However, clearly it is financially beneficial to the general body of ratepayers to install distribution facilities serve load once during the lifetime of those facilities. Providing any financial incentive to developers to build those facilities overhead, however hardened they may be based on current practice, increases risk that they will be damage or destroyed from a storm. The best practice now to assure long-term distribution service, in particular to subdivisions, is to build those facilities underground. This is the major focus of the new Storm Protection Plan Cost Recovery Clause which is over time addressing overhead facilities and undergrounding them to improve reliability and reduce restoration times.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20210064-EI
STAFF'S SECOND DATA REQUEST
REQUEST NO. 5
BATES PAGES:5
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- 5.** In response to staff's first data request, question 2, the Company stated that undergrounding "could be dictated by land covenants for a specific development or parcel."
- a. Does TECO track when a development is required to underground due to a land covenant? If so, please list all developments within its territory that were required to underground due to a land covenant in the past 12 months.
 - b. Does TECO track which local governments have adopted land development regulations that require underground utilities? If so, please list all local government within its territory that have such land development regulations.
 - c. Does TECO track when a development is requirement to underground due to local government land development regulations? If so, please list all developments within its territory were required to underground due to land development regulations in the past 12 months.
- A.**
- a. No. Tampa Electric does not track this information.
 - b. No. Tampa Electric does not track this information.
 - c. No. Tampa Electric does not track this information.