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January 28, 2022

VIA: ELECTRONIC FILING

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

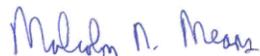
In re: Petition of Tampa Electric Company for approval of Direct Current Microgrid
Pilot Program; Docket No. 20210181-EI

Dear Mr. Teitzman:

Attached for filing in the above docket are Tampa Electric Company's response to Staff's
Second Data Request Nos. 1-4, propounded on January 21, 2022.

Thank you for your assistance in connection with this matter.

Sincerely,



Malcolm N. Means

MNM/bmp
Attachment

cc: All parties of record

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing responses to Staff's Second Data Request (Nos. 1-4), filed on behalf of Tampa Electric Company, have been furnished by electronic mail on this 28th day of January 2022 to the following:

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ATTORNEY

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20210181-EI
STAFF'S SECOND DATA REQUEST
REQUEST NO. 1
BATES PAGE(S): 1
FILED: JANUARY 28, 2022**

1. Please refer to TECO's response to Staff's First Data Request (DR Response), Nos. 1 – 2, where TECO indicated:

- CEP generators will be booked to Account 343.98 Prime Movers – DC Microgrid (DR Response to No. 1.b);
- An initial Average Service Life (ASL) of 30 years will be used, which derives 3.3 percent depreciation rate, for Account 343.98 (DR Response to No. 1.c);
- The CEP generators' design life is 10, 000 – 15,000 hours (3.4 - 5.1 years); and they have an expected life of is 20-25 years after considering their "stand-by" status (DR Response to No. 2.c).

Please explain why TECO considered to book these generators in Account 343.98 with a 30-year ASL and 3.3 percent depreciation rate, rather than book them in a separate sub-account with a 25-year ASL and 4.0 percent depreciation rate.

A. To avoid use of redundant plant accounts / subaccounts, heterogenous equipment (retirement units) can exist in the same plant subaccount. Since future depreciation studies can analyze the stratification of retirement units for long, medium and short categories, roof top solar panels would be classified as long using an ASL 30-35 years and generators would be classified as medium using an ASL 20-25 years. This creates a blending of average service lives and an initial 30-year ASL would be appropriate.

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REQUEST NO. 2
BATES PAGE(S): 2
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2. Please refer to TECO's response to Staff's First Data Request, Nos. 1 and 3, where TECO indicated:

- Solar panels will be booked to Account 343.98 Prime Movers – DC Microgrid (DR Response to No. 1.b);
- The solar panels used in the Pilot will be booked to 348.98 Energy Storage Equip – DC Microgrid (response to No. 3.a).

Please also refer to Paragraph 15 of TECO's petition in the instant docket, where TECO indicated that

In accordance with the 2021 Agreement, Tampa Electric requests a service life of 35 years for the Pilot rooftop solar assets, or an annual depreciation rate of 2.9 percent.

- a. Please reconcile the afore-mentioned statements and identify the ASL and depreciation rate TECO requested for the solar panel plant assets.
- b. Please clarify which account will be used to book the solar panels.

A. a. Utility Scale solar plant subaccounts have moved from ASL 30-years to ASL 35-years per the 2021 Agreement. Roof Top solar panels, per the manufacturer, have a 25-year product warranty and 30-year performance warranty.

ASL 30-year and NS 0% = 3.3% Depreciation Rate

- 341.98 Str and Improvements – DC Microgrid
- 343.98 Prime Movers – DC Microgrid
- 345.98 Accessory Elect Eq – Microgrid

ASL 10-year and NS 0% = 10.0% Depreciation Rate

- 348.98 Energy Storage Equip – DC Microgrid

b. TECO's response to Staff's First Data Request, No. 3.a. was an error, roof top solar panels will be charged to this account 343.98 Prime Movers – DC Microgrid

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- 3.** Please refer to Paragraph 13 of TECO's petition in the instant docket, where TECO indicated that it expects "the Block Energy System will be ready for service by late November or early December 2021." On what date did the Block Energy System go into service?
 - A.** The Block Energy System is currently in the final stages of commissioning and testing, with a target date of Tuesday, February 8, 2022 to go in service (subject to completion of the remaining works with no issues or delays).

**TAMPA ELECTRIC COMPANY
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REQUEST NO. 4
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4. Please refer to Order No. PSC-2021-0237-PAA-EI, page 6, for the questions below:
- a. Please explain whether TECO will pursue DC Microgrid Pilot-related cost recovery in its next base rate proceeding.
 - b. Please explain how the Commission's decision in the instant case will impact TECO's 2021 and/or 2022 general accounting, e.g., yearly earnings.
 - c. Please explain how the Commission's decision in the instant case will impact TECO's 2021 and/or 2022 depreciation accounting.
 - d. Does TECO intend to reflect the petitioned new depreciation sub-accounts, if approved, in its 2021 Annual Depreciation Status Report to be filed in April 2022? Please explain.
- A.
- a. Yes, assuming the DC Microgrid Pilot is still expected to be in service in the test year utilized in Tampa Electric's next base rate proceeding.
 - b. There will be no impact on general accounting or yearly earnings in 2021 as the DC Microgrid Pilot did not go into service in 2021. When the DC Microgrid does go into service in 2022, it will slightly increase rate base and increase expense (depreciation and otherwise) for general accounting and yearly earnings while revenue will go up for the sale of power to the 37 homes associated with the DC Microgrid Pilot. None of these impacts are expected to be substantial given the small size of the pilot.
 - c. See response to Staff's Second Data Request No. 3. Since the pilot is now expected to go in-service in February 2022, no impacts have occurred in 2021. 2022 depreciation accounting is dependent on the time of this docket's approval, specifically whether or not these requested sub-accounts can be used during the closure of the financial system books for February 2022. If approval occurs after February 2022, initial in-service activities will need to temporarily use other approved accounts / subaccounts and take corrective actions in subsequent months when these requested subaccounts are approved.

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- d. See response to Staff's Second Data Request No. 3. Since the pilot is now expected to go in-service in February 2022, no assets have been placed in-service in year 2021. Thus, the 2021 Annual Depreciation Status Report has no activity to be reported via schedules B-7 and B-9.