

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

April 6, 2022

VIA: ELECTRONIC FILING

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

Re: Petition by Tampa Electric Company for a limited proceeding to approve Fourth SoBRA effective January 1, 2021; Docket No. 20200064-EI

Dear Mr. Teitzman:

I am submitting this letter on behalf of Tampa Electric Company (“Tampa Electric” or “the company”) as a status report on the need for a true-up for its Fourth SoBRA project approved in Order No. PSC-2020-0448-TRF-EI, issued November 20, 2020. The company has concluded that no true up is required for the reasons explained in this letter.

On September 27, 2017, Tampa Electric filed a petition in Docket Nos. 20170210-EI and 20160160-EI, seeking approval of the 2017 Amended and Restated Stipulation and Settlement Agreement (“2017 Agreement”). The 2017 Agreement amended and restated the Stipulation and Settlement Agreement that resolved the issues in Tampa Electric’s 2013 base rate case (Docket No. 20130040-EI). Among other things, the 2017 Agreement extended the general base rate freeze included in the 2013 Agreement and replaced the Generation Base Rate Adjustment (“GBRA”) mechanism in the 2013 Agreement with a Solar Base Rate Adjustment (“SoBRA”) mechanism that includes a strict cost-effectiveness test and a \$1,500 per kilowatt alternating current (“kW_{ac}”) installed cost cap (“Installed Cost Cap”) to protect customers.

The Commission approved the 2017 Agreement after an evidentiary hearing on November 6, 2017, which decision was memorialized in Order No. PSC-2017-0456-S-EI, issued November 27, 2017. Thereafter, the company petitioned for approval of four sets of SoBRA projects, each of which was approved based on the projected costs and in service dates specified in the petitions.

Paragraph 6 of the 2017 Agreement anticipated the possibility that actual installed costs and in-service dates for SoBRA projects might vary from plans, so it included procedures for two potential types of true-ups - a timing true-up and a cost true-up. The timing true-up was intended to ensure that customers are credited on a prorata basis with a SoBRA’s total approved annual

Mr. Adam J. Teitzman

April 6, 2022

Page 2

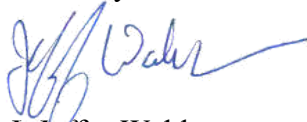
revenue requirement for any period between the projected and actual in-service dates for the SoBRA project(s). For example, if a project was projected to be placed in service on January 1 and was actually placed in service on April 1, the timing true-up contemplated in the 2017 Agreement would credit customers with three months of the annual revenue requirement approved for the project. In this case, the Fourth SoBRA consisted of one project (Durrance), which was projected to go into service on January 1, 2021 and went into service as projected on that date. See Status Report, filed January 11, 2021 [DN 00833-2021]. Accordingly, there is no need for a timing true-up for the Fourth SoBRA.

The second potential true-up was the cost true-up. The cost true-up is intended to account for differences between the proposed and actual costs of SoBRA projects for calendar year 2021, which is the period during which the company's approved Fourth SoBRA factor was in effect.¹ In this instance, the company projected that the installed cost of the Durrance Project would be \$1,500 per kW_{ac} and the actual installed cost was \$1,528 per kW_{ac}. However, because the company's cost recovery for SoBRA projects was limited in the 2017 Agreement to \$1,500 per kW_{ac}, the company is not entitled to a cost-true up for the difference. A schedule showing the actual installed cost for the Durrance Project is attached to this letter as Exhibit One.

The company is filing this letter for information purposes and does not seek Commission action on it. The company has shared this letter with the only party of record in this docket, the Office of Public Counsel ("OPC"), and is authorized to represent that OPC agrees with the company's conclusion that no true-up is needed for Tampa Electric's Fourth SoBRA.

Thank you for your assistance in connection with this matter.

Sincerely,



J. Jeffrey Wahlen

cc: Charles Rehwinkel, OPC

¹ As of January 1, 2022, cost recovery for the Durrance Project was included in the new base rates and charges approved by Order No. PSC-2021-0423-S-EI, issued November 10, 2021, in Docket No. 20210034-EI (Petition for Rate Increase by Tampa Electric). The company's petition in Docket No. 20210034-EI proposed new base rates calculated using a 2022 test year, which test year included the 13-month average net book value of the Durrance Project in rate base and resulted in new base rates and charges effective with the first billing cycle in January 2022. Consequently, the period for which true-ups might be possible was January 1 to December 31, 2021.

Durrance Solar Project Actual and Estimated Costs			
	Actual	Estimated	Difference
Project Output (MW _{ac})	45.7	45.7	-
Major Equipment + Balance of System	\$56,937,499	\$55,300,000	\$1,637,499
Development	46,855	1,600,000	(1,553,145)
Transmission Interconnect	3,530,097	3,000,000	530,097
Land	5,756,053	5,800,000	(43,947)
Owners Costs	409,933	1,000,000	(590,067)
Total Installed Costs (\$)	66,680,437	66,700,000	(19,563)
AFUDC (\$)	3,153,382	1,900,000	1,253,382
Total All-in-Cost (\$)	\$69,833,819	\$68,600,000	\$1,233,819
Total (\$kW _{ac})	1,528	1,500	28