

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Review of Storm Protection Plan )  
Pursuant to Rule 25-6.030, F.A.C., )  
Tampa Electric Company )  
\_\_\_\_\_ )

DOCKET NO. 20220048-EI

FILED: July 13, 2022

**TAMPA ELECTRIC COMPANY'S  
PREHEARING STATEMENT**

**A. APPEARANCES:**

J. JEFFRY WAHLEN  
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On behalf of Tampa Electric Company

**B. WITNESSES:**

| <u>Witness</u>                | <u>Subject Matter</u>   | <u>Issues</u> |
|-------------------------------|---|---------------|
| ( <u>Direct</u> )             |   |               |
| 1. David A. Pickles<br>(TECO) | Overview of Tampa Electric's<br>2022-2031 Storm Protection Plan   | 2a, 10a       |
|                               | Process for development of the Plan<br>and selection of SPP Programs  | 2a, 10a       |
|                               | Adherence to Commission Rules and<br>Statutory Requirements   | 1.a           |
|                               | Implementation of the Plan will strengthen<br>the company's infrastructure to withstand<br>extreme weather conditions | 2a, 10a       |
|                               | Overview of the company's service area  | 3a, 4a        |

|                                       |   |                     |
|---------------------------------------|---|---------------------|
| 2. David L. Plusquellic<br>(TECO)     | Description of Distribution Lateral<br>Undergrounding, Vegetation Management,<br>Substation Extreme Weather Hardening,<br>Distribution Overhead Feeder Hardening,<br>Transmission Access Enhancement,<br>Infrastructure Inspections, and Legacy<br>Storm Hardening Initiatives Programs | 1a, 2a, 3a, 5a, 10a |
|                                       | Description of how each of these programs<br>will reduce restoration costs and<br>outage times associated with<br>extreme weather events and enhance<br>reliability   | 2a, 5a              |
| 3. Richard Latta<br>(TECO)            | Estimated annual jurisdictional<br>revenue requirement for each year<br>of the Plan   | 5a                  |
|                                       | Estimated rate impacts for each<br>of the first three years of the Plan   | 6a                  |
| 4. Jason D. DeStigter<br>(1898 & Co.) | Methodology used to calculate<br>estimated customer benefits and results  | 2a, 3a, 5a          |
|                                       | Prioritization of projects  | 2a, 3a, 5a          |
|                                       | Analysis of overall investment<br>level for the Plan  | 2a, 3a, 5a          |

**C. EXHIBITS:**

| <u>Exhibit</u> | <u>Witness</u> | <u>Description</u>   |
|----------------|----------------|--|
| <u>(DAP-1)</u> | Pickles        | Tampa Electric's 2022-2031 Storm Protection Plan   |
| <u>(DLP-1)</u> | Plusquellic    | 1. Projected Costs Versus Benefits by Program<br>2. Project Detail – Distribution Lateral Undergrounding Program<br>3. Accenture Vegetation Management SPP Analytic Support Report<br>4. Project Detail – Transmission Asset Upgrades Program<br>5. Substation Hardening Study<br>6. Project Detail – Substation Extreme Weather Hardening Program<br>7. Project Detail – Distribution Overhead Feeder Hardening Program |
| <u>(RJL-1)</u> | Latta          | 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 2022-2031 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 the Company's Storm Protection Plan contain all of the elements required by Rule 25-6.030, Florida Administrative Code?

**TECO:** Yes.  
(Witnesses: Pickles, Plusquellic).

**ISSUE 2a:** To what extent is the Company's 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 \$380-\$531 million and reduce CMI by 29 percent over the next 50 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: Plusquellic, De Stigter)

**ISSUE 3a:** To what extent does the Company's Storm Protection Plan prioritize areas of lower reliability performance?

**TECO:** The company's methodology for prioritizing Storm Protection Projects incorporates reliability performance. 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.  
(Witnesses: Plusquellic, De Stigter)

**ISSUE 4a:** To what extent is the company's Storm Protection Plan regarding transmission and distribution infrastructure feasible, reasonable, or practical in certain areas of the Company'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.  
(Witnesses: Pickles, Plusquellic)

**ISSUE 5a:** What are the estimated costs and benefits to the Company and its customers of making the improvements proposed in the Storm Protection Plan?

**TECO:** Tampa Electric estimates that the total costs for its Storm Protection Plan for the 2022-2031 period are \$2,076 million, resulting in a total revenue requirement of \$1,371 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 \$380-\$531 million and reduce CMI by 29 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: Pickles, Plusquellic, Latta, De Stigter)

**ISSUE 6a:** What is the estimated annual rate impact resulting from implementation of the Company's Storm Protection Plan during the first 3 years addressed in the plan?

**TECO:** The following table shows the full rate impact, regardless of where they are recovered, of the SPP on typical bills:

| <b>Tampa Electric's Storm Protection Plan "Total Cost" Customer Bill Impacts (in percent)</b> |                         |                         |   |  |
|---|-------------------------|-------------------------|---|--|
| <b>Customer Class</b>   |                         |                         |   |  |
|   | Residential<br>1000 kWh | Residential<br>1250 kWh | Commercial<br>1 MW<br>60 percent<br>Load Factor | Industrial<br>10 MW<br>60 percent<br>Load Factor |
| 2022  | 2.70%                   | 2.70%                   | 1.17%   | 1.08%  |
| 2023  | 4.13%                   | 4.13%                   | 1.28%   | 1.19%  |
| 2024  | 5.31%                   | 5.31%                   | 1.37%   | 1.29%  |

(Witness: Latta)

**ISSUE 7:** Withdrawn.

**TECO:** No position.

**ISSUE 8:** Withdrawn.

**TECO:** No position.

**ISSUE 9:** Should the Commission approve, approve with modification, or deny FPL’s new Transmission Access Enhancement Program?

**TECO:** No position.

**ISSUE 10a:** Is it in the public interest to approve, approve with modification, or deny the Company’s Storm Protection Plan?

**TECO:** Yes, it is in the public interest to approve Tampa Electric’s 2022-2031 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.  
(Witnesses: Pickles, Plusquellic)

## **F. DISPUTED ISSUES**

**OPC’s ISSUE 1:** Does the Company’s Storm Protection Plan contain all of the elements, **including but not limited to, a comparison of the costs and dollar benefits**, required by Rule 25-6.030, Florida Administrative Code?

- a. Docket No. 20220048-EI for TECO’s Storm Protection Plan.
- b. Docket No. 20220049-EI for FPUC’s Storm Protection Plan.
- c. Docket No. 20220050-EI for DEF’s Storm Protection Plan.
- d. Docket No. 20220051-EI for FPL’s Storm Protection Plan.

**TECO:** Tampa Electric believes OPC’s proposed edit (bolded and underlined above) is not necessary. Rule 25-6.030 speaks for itself. The issue should not be modified to include any party’s interpretation or summation of the contents of that Rule.

**OPC’s ISSUE 2:** To what extent, **and by how much, is are each of** the Company’s Storm Protection Plan **programs and projects** expected to reduce restoration costs and outage times associated with extreme weather events **and enhance reliability**?

- a. Docket No. 20220048-EI for TECO’s Storm Protection Plan.
- b. Docket No. 20220049-EI for FPUC’s Storm Protection Plan.
- c. Docket No. 20220050-EI for DEF’s Storm Protection Plan.
- d. Docket No. 20220051-EI for FPL’s Storm Protection Plan.

**TECO:** Tampa Electric believes OPC’s proposed edits (bolded and underlined above) are not necessary. Section 366.96 of the Florida Statutes (the “SPP Statute”) does not include the qualifying phrase “by how much.” The phrase “programs and projects” is unnecessary because all storm protection plans are comprised of programs and projects. The phrase

“enhance reliability” is included in the SPP Statute and should remain in the issue.

**OPC’s ISSUE 5:** What are the estimated costs and **dollar** benefits to the Company and its customers of ~~making the improvements proposed in~~ the Storm Protection Plan **programs and projects**?

- a. Docket No. 20220048-EI for TECO’s Storm Protection Plan.
- b. Docket No. 20220049-EI for FPUC’s Storm Protection Plan.
- c. Docket No. 20220050-EI for DEF’s Storm Protection Plan.
- d. Docket No. 20220051-EI for FPL’s Storm Protection Plan.

**TECO:** Tampa Electric believes OPC’s proposed edits (bolded and underlined above) are not necessary. The SPP Statute does not define benefits in terms of dollars. The phrase “programs and projects” is unnecessary because all storm protection plans are comprised of programs and projects. The phrase “making the improvements proposed in” storm protection plans is included in the SPP Statute and should remain in the issue.

**OPC’s ISSUE 6:** What **is are** the estimated annual rate impacts resulting from implementation of the Company’s Storm Protection Plan during the first 3 years addressed in the plan, **and are those impacts properly calculated**?

- a. Docket No. 20220048-EI for TECO’s Storm Protection Plan.
- b. Docket No. 20220049-EI for FPUC’s Storm Protection Plan.
- c. Docket No. 20220050-EI for DEF’s Storm Protection Plan.
- d. Docket No. 20220051-EI for FPL’s Storm Protection Plan.

**TECO:** Tampa Electric believes OPC’s proposed edits (bolded and underlined above) are not necessary. The estimated rate impacts provided in the SPP, which meet the requirements of Rule 25-6.030, include costs that are recovered either through base rates or through the Storm Protection Plan Cost Recovery Clause (“SPPCRC”). The issue of whether Tampa Electric’s annual rate impacts are properly calculated will ultimately be addressed in the SPPCRC docket.

**OPC Proposed Issue A:** Are the Company’s Storm Protection Plan programs and projects new or expansions of existing activities that are incremental, and are the programs designed specifically for the purpose of reducing restoration costs and outage times?

- a. Docket No. 20220048-EI for TECO’s Storm Protection Plan.
- b. Docket No. 20220049-EI for FPUC’s Storm Protection Plan.
- c. Docket No. 20220050-EI for DEF’s Storm Protection Plan.
- d. Docket No. 20220051-EI for FPL’s Storm Protection Plan.

**TECO:** Section 366.96 of the Florida Statutes (the “SPP Statute”) sets out a single standard of review for a utility storm protection plan – whether it is in the public interest to approve, approve with modification, or deny the plan. The SPP Statute also sets out four criteria the Commission must consider in making this public interest determination in Section 366.96(4)(a)-(d). These are the only relevant criteria in assessing a utility’s storm protection plan.

Inclusion of this Proposed Issue is improper for two reasons. First, the criteria presented in this Proposed Issue are not set out in Section 366.96. The Commission should decline to adopt any additional decision criteria as inconsistent with the statute. Second, inclusion of this issue presupposes that the Commission has adopted these additional criteria and will apply them in determining whether approval of a utility’s storm protection plan is in the public interest. As a result, this issue should be excluded.

**OPC Proposed Issue B:** What decision criteria, including economic, did the Company use to qualify, rank (select), and determine the magnitude (optimal and/or maximum levels and timing of capital expenditures and expenses) of the Company’s Storm Protection Plan programs and projects, and are these criteria reasonable and properly applied for the purposes of mitigating outage times and restoration costs of extreme storms?

- a. Docket No. 20220048-EI for TECO’s Storm Protection Plan.
- b. Docket No. 20220049-EI for FPUC’s Storm Protection Plan.
- c. Docket No. 20220050-EI for DEF’s Storm Protection Plan.
- d. Docket No. 20220051-EI for FPL’s Storm Protection Plan.

**TECO:** See Tampa Electric’s position on OPC Proposed Issue A, above. More specifically, the SPP Statute does not set out criteria to “qualify, rank (select), and determine the magnitude (optimal and/or maximum levels and timing of capital expenditures and expenses).” Nor does the SPP Statute require the Commission to adopt these criteria. The Commission should exclude this issue and evaluate utility storm protection plans based on the four criteria set out in Section 366.96(4). These criteria are already captured in Issues 2,3,4,5, and 6.



**OPC Proposed Issue C:** Are the Company’s Storm Protection Plan programs and projects prudent and reasonable and are the costs reasonable?

- a. Docket No. 20220048-EI for TECO’s Storm Protection Plan.
- b. Docket No. 20220049-EI for FPUC’s Storm Protection Plan.
- c. Docket No. 20220050-EI for DEF’s Storm Protection Plan.
- d. Docket No. 20220051-EI for FPL’s Storm Protection Plan.

**TECO:** See Tampa Electric’s position on OPC Proposed Issue A, above. Furthermore, the prudence of Tampa Electric’s SPP expenditures and the appropriate amount of cost recovery will be addressed in the SPP clause docket. As such, this issue is inappropriate for this docket and should be addressed in the clause docket.

**OPC Proposed Issue D:** Should a return on CWIP be included in the Company’s annual rate impacts or deferred and included in the rate impacts only after a project is completed and determined to be prudent.

- a. Docket No. 20220048-EI for TECO’s Storm Protection Plan.
- b. Docket No. 20220049-EI for FPUC’s Storm Protection Plan.
- c. Docket No. 20220050-EI for DEF’s Storm Protection Plan.
- d. Docket No. 20220051-EI for FPL’s Storm Protection Plan.

**TECO:** See Tampa Electric’s positions on OPC Proposed Issues A and C, above.

**OPC Proposed Issue E:** Should credits be reflected in the Company’s annual rate impacts for savings in depreciation on base rate assets that are retired when replaced with SPP project assets and savings in base rate operation and maintenance and other operating expenses that are avoided due to SPP programs and projects?

- a. Docket No. 20220048-EI for TECO’s Storm Protection Plan.
- b. Docket No. 20220049-EI for FPUC’s Storm Protection Plan.
- c. Docket No. 20220050-EI for DEF’s Storm Protection Plan.
- d. Docket No. 20220051-EI for FPL’s Storm Protection Plan.

**TECO:** See Tampa Electric’s positions on OPC Proposed Issues A and C, above.

**G. STIPULATED ISSUES**

**TECO:** None at this time.

**H. MOTIONS**

**TECO:** None at this time.

**I. PENDING REQUEST OR CLAIMS FOR CONFIDENTIALITY**

**TECO:** None at this time.

**J. OTHER MATTERS**

**TECO:** None at this time.

DATED this 13<sup>th</sup> day of July 2022.

Respectfully submitted,



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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing Prehearing Statement, filed on behalf of Tampa Electric Company, has been furnished by electronic mail on this 13th day of July 2022 to the following:

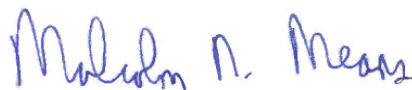
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