

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Storm Protection Plan Cost)
Recovery Clause.)
_____)

DOCKET NO. 20230010-EI
FILED: August 7, 2023

**PREHEARING STATEMENT
OF TAMPA ELECTRIC COMPANY**

APPEARANCES:

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Post Office Box 391
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On behalf of Tampa Electric Company

(1) WITNESSES:

Witness	Subject Matter	Issues #
Direct		
Mark R. Roche	Storm Protection Plan Cost Recovery True-Up and Projection	1-10
C. David Sweat	Storm Protection Plan Cost Recovery True-Up and Projection	1-10

(2) EXHIBITS:

Witness	Proffered By	Exhibit No.	Description	Issues#
Direct				
Mark R. Roche	Tampa Electric Company	MRR-1; A-Schedules, filed April 3, 2023	Schedules supporting cost recovery amount, actual January 2022–December 2022	1-10
Mark R.	Tampa	MRR-2; E-Schedules,	Schedules	1-10

Roche	Electric Company	filed May 1, 2023; revised July 21, 2023; second revised July 31, 2023	supporting cost recovery amount, projected January 2023- December 2023	
Mark R. Roche	Tampa Electric Company	MRR-2; P-Schedules, filed May 1, 2023; revised July 21, 2023; second revised July 31, 2023	Schedules supporting costs recovery amount, projected for the period January 2024–December 2024	1-10
C. David Sweat	Tampa Electric Company	CDS-1 filed April 3, 2023	Storm Protection Plan Accomplishments	1-10
C. David Sweat	Tampa Electric Company	CDS-2 filed May 1, 2023	Project List and Summary of Costs	1-10

(3) STATEMENT OF BASIC POSITION

Tampa Electric’s Statement of Basic Position:

In Order No. PSC-2022-0386-FOF-EI, issued November 10, 2022, the Commission found that Tampa Electric’s 2022-2031 Storm Protection Plan (“2022 SPP”) is in the public interest and approved that plan with one modification – elimination of the company’s existing Transmission Access Enhancement Program as of December 31, 2022.

The Commission is currently scheduled to conduct a hearing regarding the Storm Protection Cost Recovery Clause on September 12, 2023, to review and approve the proposed cost recovery factors to be used for the January 2024 through December 2024 period.

The Commission should determine that Tampa Electric has properly calculated its Storm Protection Plan cost recovery true-up and projections and the Storm Protection

Plan cost recovery factors set forth in the testimony and exhibits of witness Mark R. Roche during the period January 2024 through December 2024. These calculations were performed in accordance with the requirements of Section 366.96 of the Florida Statutes and Rule 25-6.031 of the Florida Administrative Code. While Tampa Electric agreed to make an adjustment to the times tax multiplier at the request of Commission Staff, no party has challenged or made any other recommended adjustments to the company's calculations. The company's true-up, projections, and factors should accordingly be approved. The Commission should also find that Tampa Electric's actual 2022 Storm Protection Plan costs were prudently incurred. No party has challenged the prudence of Tampa Electric's actual incurred costs or made any recommended adjustments to any of the projects or costs included in the 2022 final true-up.

(4) STATEMENT OF ISSUES AND POSITIONS

GENERIC STORM PROTECTION PLAN COST RECOVERY ISSUES

ISSUE 1: What amounts should the Commission approve as the Utilities' final 2022 prudently incurred costs and final jurisdictional revenue requirement true-up amount for the Storm Protection Plan Cost Recovery Clause?

TECO: The Commission should approve final Storm Protection Plan Cost Recovery Clause prudently incurred jurisdictional revenue requirements of \$44,118,287 and a jurisdictional cost recovery true-up over-recovery amount of \$6,543,328 for the period January 2022 through December 2022 including interest.
(Witness: Roche, Sweat)

ISSUE 2: What amounts should the Commission approve as the Utilities' reasonably estimated 2023 costs and estimated jurisdictional revenue requirement true-up amount for the Storm Protection Plan Cost Recovery Clause?

TECO: The Commission should approve actual/estimated Storm Protection Plan Cost Recovery Clause jurisdictional revenue requirements of \$67,657,813 and a jurisdictional estimated cost recovery true-up under-recovery amount of \$3,056,003 for the period January through December 2023 including interest.
(Witness: Roche, Sweat)

ISSUE 3: What amounts should the Commission approve as the Utilities' reasonably projected 2024 costs and projected jurisdictional revenue requirement amount for the Storm Protection Plan Cost Recovery Clause?

TECO: The Commission should approve reasonably projected Storm Protection Plan Cost Recovery Clause jurisdictional revenue requirements of \$90,584,791 for the period January 2024 through December.
(Witness: Roche, Sweat)

ISSUE 4: What are the Storm Protection Plan Cost Recovery Clause total jurisdictional revenue requirements, including true-ups, to be included in the Storm Protection Plan Cost Recovery factors for 2024?

TECO: The Storm Protection Plan Cost Recovery Clause total jurisdictional cost recovery amounts, including true-ups, to be included in establishing Storm Protection Plan Cost Recovery factors for the period January 2024 through December 2024 is \$92,428,593.
(Witness: Roche, Sweat)

ISSUE 5: What depreciation rates should be used to develop the depreciation expense included in the total Storm Protection Plan Cost Recovery Clause amounts for 2024?

TECO: The depreciation rates from Tampa Electric's most current Depreciation Study, approved by Order No. PSC-2021-0423-S-EI issued November 10, 2021, within Docket No. 20210034-EI, should be and were used to develop the depreciation

expense included in the total Storm Protection Plan Cost Recovery Clause amounts for 2024.

(Witness: Roche, Sweat)

ISSUE 6: What are the appropriate jurisdictional separation factors for 2024?

TECO: The appropriate jurisdictional separation factors are as follows:

FPSC Jurisdictional Factor: 93.3746%

FERC Jurisdictional Factor: 6.6254%

(Witness: Roche, Sweat)

ISSUE 7: What are the appropriate Storm Protection Plan Cost Recovery Clause factors for 2024 for each rate class?

TECO: The appropriate January 2024 through December 2024 cost recovery clause factors utilizing the appropriate recognition of Federal Energy Regulatory Commission transmission jurisdictional separation, revenue tax factors and the rate design and cost allocation as put forth in Docket No. 20210034-EI are as follows:

Cost Recovery Factors	
<u>Rate Schedule</u>	<u>(cents per kWh)</u>
RS	0.658
GS and CS	0.775
GSD Optional – Secondary	0.172
GSD Optional – Primary	0.170
GSD Optional – Subtransmission	0.168
LS-1, LS-2	3.877

Cost Recovery Factors	
<u>Rate Schedule</u>	<u>(dollars per kW)</u>
GSD – Secondary	0.72
GSD – Primary	0.71

GSD – Subtransmission	0.70
SBD – Secondary	0.72
SBD – Primary	0.71
SBD – Subtransmission	0.70
GSLD - Primary	0.60
GSLD - Subtransmission	0.12
(Witness: Roche, Sweat)	

ISSUE 8: What should be the effective date of the new Storm Protection Plan Cost Recovery Clause factors for billing purposes?

TECO: The effective date of the new Storm Protection Plan Cost Recovery Clause factors should be January 1, 2024.
(Witness: Roche, Sweat)

ISSUE 9: Should the Commission approve revised tariffs reflecting the new Storm Protection Plan Cost Recovery Clause factors determined to be appropriate in this proceeding?

TECO: Yes, the Commission should approve revised tariffs reflecting the new Storm Protection Plan Cost Recovery Clause factors determined to be appropriate in this proceeding.
(Witness: Roche, Sweat)

ISSUE 10: Should this docket be closed?

TECO: Yes, Docket No. 20230010-EI should be closed once the Commission’s decisions on all the issues in the docket have become final and the Commission has concluded that the docket has otherwise met the requirements for closure.
(Witness: Roche, Sweat)

OPC Proposed Company-Specific Issues

FPL

OPC Proposed Issue 1A: Has FPL demonstrated that the programs and projects contained in its current SPP plan and on which it is basing cost recovery, are prudent to undertake and prudent in amount?

TECO: No Position.

OPC Proposed Issue 1B: Has the Commission properly determined, pursuant to Section 366.06(1), Fla. Stat., that the projected expenditures proposed for cost recovery by FPL are prudent?

TECO: No Position.

DEF

OPC Proposed Issue 2A: Has DEF demonstrated that the programs and projects contained in its current SPP plan and on which it is basing cost recovery, are prudent to undertake and prudent in amount?

TECO: No Position.

OPC Proposed Issue 2B: Has the Commission properly determined, pursuant to Section 366.06(1), Fla. Stat., that the projected expenditures proposed for cost recovery by DEF are prudent?

TECO: No Position.

TECO

OPC Proposed Issue 3A: Has Tampa Electric demonstrated that the programs and projects contained in its current SPP plan and on which it is basing cost recovery, are prudent to undertake and prudent in amount?

TECO: Tampa Electric objects to inclusion of this issue as an inappropriate attempt to re-litigate issues that were decided in a prior proceeding. In Order No. PSC-2022-0386-FOF-EI, issued November 10, 2022, the Commission found that Tampa Electric's

2022-2031 Storm Protection Plan (“2022 SPP”) is in the public interest and approved that plan with modifications. Section 366.96(2)(c) of the Florida Statutes defines “Storm Protection Plan costs” as the “reasonable and prudent costs to implement an approved transmission and distribution storm protection plan.” Section 366.96(7) requires the Commission to conduct a proceeding to determine the utilities’ prudently incurred “storm protection plan costs” and allow for recovery of those costs. Order No. PSC-2022-0386-FOF-EI thus constitutes both authorization for Tampa Electric to undertake the programs and projects comprising the approved plan and authorization to seek cost recovery for the costs to implement that plan in this docket. Tampa Electric objects to any attempt to revisit these settled issues in this docket.

Tampa Electric also objects to inclusion of this proposed issue as irrelevant to, and beyond the scope of, this proceeding. Rule 25-6.031(3) of the Florida Administrative Code provides that the issues in this proceeding are “limited to determining the reasonableness of projected Storm Protection Plan costs, the prudence of actual Storm Protection Plan costs incurred by the utility, and to establish Storm Protection Plan cost recovery factors consistent with the requirements of this rule.” Thus, the only questions to be resolved by the Commission in this docket are whether the company’s projected costs to implement the approved 2022-2031 Storm Protection Plan are reasonable, whether the actual costs to implement that approved plan are prudent, and whether the company’s proposed clause factors are appropriate.

If the Commission ultimately includes this issue in the Prehearing Order, Tampa Electric's position is as follows:

The Commission previously authorized Tampa Electric to undertake the programs and projects contained in the company's 2022-2031 Storm Protection Plan in Order No. PSC-2022-0386-FOF-EI, issued November 10, 2022, in Docket No. 20220048-EI. Tampa Electric's projected SPP implementation costs are reasonable and the company's actual incurred costs for 2022 were prudently incurred, and the Commission should accordingly approve those amounts and the resulting cost recovery factors for 2024. (Witness: Roche, Sweat)

OPC Proposed Issue 3B: Has the Commission properly determined, pursuant to Section 366.06(1), Fla. Stat., that the projected expenditures proposed for cost recovery by Tampa Electric are prudent?

TECO: Tampa Electric objects to this issue as irrelevant to, and beyond the scope of, the proceedings in this docket. Pursuant to Rule 25-6.031(3) of the Florida Administrative Code, projected costs are reviewed for reasonableness and actual, incurred costs are reviewed for prudence. Through this issue, OPC is improperly attempting to apply the legal standard for review of incurred costs to projected costs.

If the Commission ultimately includes this issue in the Prehearing Order, Tampa Electric's position is as follows:

Tampa Electric's projected SPP implementation costs are reasonable and should be approved pursuant to the standard set out

in Rule 25-6.031(3) of the Florida Administrative Code. (Witness: Roche, Sweat).

FPUC

OPC Proposed Issue 4A: Has FPUC demonstrated that the programs and projects contained in its current SPP plan and on which it is basing cost recovery, are prudent to undertake and prudent in amount?

TECO: No Position.

OPC Proposed Issue 4B: Has the Commission properly determined, pursuant to Section 366.06(1), Fla. Stat., that the projected expenditures proposed for cost recovery by FPUC are prudent?

TECO: No Position.

OPC Proposed Issue 4C: Due to the proposed change in the cost allocation, did the Commission have adequate notice of the rate impacts caused by the capital expenditures under FPUC's current SPP so that the Commission could determine whether FPUC's projects and programs were prudent?

TECO: No Position.

(5) STIPULATED ISSUES

Tampa Electric is not aware of any stipulated issues as of this date.

(6) PENDING MOTIONS

Tampa Electric is not aware of any pending motions as of this date.

(7) PENDING CONFIDENTIALITY CLAIMS OR REQUESTS

Tampa Electric has no pending confidentiality claims or requests at this time.

(8) OBJECTIONS TO WITNESS QUALIFICATIONS AS AN EXPERT

Tampa Electric has no objections to any witness' qualifications as an expert in this proceeding.

(9) STATEMENT OF SEQUESTRATION OF WITNESSES

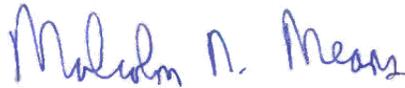
Tampa Electric does not request the sequestration of any witnesses at this time.

(10) COMPLIANCE WITH ORDER NO. PSC-2023-0090-PCO-EI

Tampa Electric has complied with all requirements of the Order Establishing Procedure and the modified Order Establishing Procedures PSC-2023-0105-PCO-EI and PSC-2023-0178-PCO-EI entered in this docket.

DATED this 7th day of August 2023.

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 7th day of August 2023 to the following:

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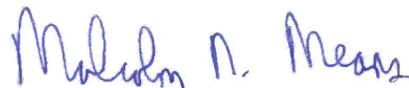
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