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April 30, 2024

VIA: ELECTRONIC FILING

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

Re: Petition for Approval of 2023 Depreciation and 2023 Dismantlement Study by Tampa Electric Company
Dkt. 20230136-EI **(Consolidated – Dkt. 20240026-EI)**

Dear Mr. Teitzman:

Please find attached for filing in the above-styled matter Tampa Electric Company's response to Staff's Third Data Request (Nos. 1-6), propounded on April 2, 2024.

Thank you for your assistance in connection with this matter.

Sincerely,

Malcolm N. Means

MNM/bml
Attachment

cc: All parties of record

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Response, filed on behalf of Tampa Electric Company, has been served by electronic mail on this 30th day of April, 2024 to the following:

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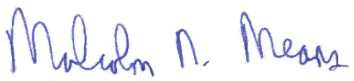

ATTORNEY

TAMPA ELECTRIC COMPANY
DOCKET NO. 20230139-EI
STAFF'S THIRD DATA REQUEST
REQUEST NO. 1
BATES PAGE(S): 1 - 3
FILED: APRIL 30, 2024

Please refer to Tampa Electric Company's (TECO) 2023 Depreciation and Dismantlement Study (2023 Study) and TECO's Response to Staff's First Data Request (1st DR Response) for the depreciation-related questions below.

1. Referring to page 10 of the 1st DR Response, No. 4, regarding Account 311.00:

a. Please explain how the "Avg. Life," on column (3), was determined for the vintage years, e.g., 1970 and 1973.

b. Please explain how the "Rate," on column (4), was calculated for a vintage, e.g., 1973.

c. Please clarify the meaning of the "EXP," on column (6), and explain how its value was derived for the vintage year 1973.

d. Please specify the meaning of the "Factor," on column (7), and explain how its value was determined for the vintage year 1973.

e. Please specify what the "Amount," on column (8), represents for, and explain how this "Amount" is related to the values on the respective columns (2) through (7) for the vintage year 1973 and the net salvage percentage (negative 5 percent for Account 311.00).

f. Please provide the calculation formula corresponding to each column, (3)-(8).

A. a. The "Avg. Life" in column (3) is calculated as the area underneath the survivor curve divided by the percent surviving at age 0 (i.e., 100 percent). Gannett Fleming's depreciation software was used for these calculations.

b. The rate in column (4) is calculated by taking the annual accrual amount divided by the original cost times 100.

For the vintage 1973 for account 311.00 the rate is calculated by

Annual Accrual Rate = Annual Accrual Amount / Original Cost *100
Annual Accrual Rate = 5,843.37 / 389,557.87 *100
Annual Accrual Rate for vintage 1973 = 1.50

c. Expectancy or ("EXP") in column (6) represents the remaining life of an asset. The average remaining life for a given age is calculated as the area under the survivor curve from the age through the maximum life of the curve, divided by the percent surviving at that age. These calculations were performed using Gannett Fleming's depreciation software.

d. The Future Accruals Factor shown in column 7 provides the theoretical percentage of the service value for a group of property that remains to be recovered through depreciation and is equal to the remaining life in Column 7 divided by the average life in Column 3.

For the vintage 1973 for account 311.00 the accrued depreciation factor is calculated by

Future Accruals Factor = RL/ASL
Depreciation Factor = 26.11/66.64
Depreciation Factor for vintage 1973 = 0.3918

e. The "Amount" in column (8) represents the theoretical future accruals (excluding net salvage). It is equal to the remaining life in Column 6 divided by the average life in Column 3, multiplied by the original cost in Column 2. The composite remaining life for the account is calculated by dividing the total future accruals in Column 8 by the total annual accrual amount in Column 5. The composite remaining life is used to calculate the remaining life depreciation accruals and rates, including the net salvage percent, on Table 1 of the depreciation study.

f. The responses above describe the formulas for each column (note that Column 5 is equal to Column 2 multiplied by Column 4 and Colum 8 is equal to Column 2 multiplied by Column 7. The referenced page (and all of the calculations in Part IX of the report) provide the calculations of the composite remaining life for each depreciable group, which are in turn used to calculate the remaining life depreciation rates in Table 1 of the Depreciation Study. The composite remaining life for each depreciation group is equal to the theoretical future accruals in Column 8 divided by the whole life annual accruals in Column 5.

These calculations are consistent with the ASL-weighting method of calculating average remaining lives described on page 18 of NARUC's *Public Utility Depreciation Practices*. Dividing the theoretical future accruals by the whole life annual accruals produces the formula shown by NARUC:

$$Composite\ RL = \frac{\sum \frac{Original\ Cost \times RL}{ASL}}{\sum \frac{Original\ Cost}{ASL}}$$

Note that if the ASL is the same for each group (in this case, each vintage), then this formula produces the same result as direct weighting the vintage remaining lives.

2. Referring to page 131 of the 1st DR Response, No. 12(c), regarding solar facilities' anticipated operational lifespan, please identify the "other utilities."

A. Other utilities outside the state of Florida include Nevada Power Company, Alabama Power Company, Evergy, Dominion Energy, Duke Energy and Green Mountain Power.

3. TECO's 2023 Study, Bates Stamped Page 400, indicates "Tampa Electric plans to expand its energy storage capacity . . . . with the anticipation of creating new energy storage accounts in both transmission and distribution sectors."

TECO's 1st DR Response, No. 14(b), reads "the majority of the energy storage capacity expansion will be included in the production account 348. As the utilization of energy storage continues to grow, the company does anticipate using energy storage equipment in accounts 351 and 363 to regulate transmission and distribution lines in the future."

Please specify the anticipated "new energy storage accounts" TECO discussed in the 2023 Study and explain when TECO will file a petition for approval of the establishment of these new accounts.

A. The company will not be requesting new energy storage equipment accounts. The company plans to expand its energy storage equipment usage into the functional transmission and distribution sectors, using the existing energy storage equipment accounts 351 and 363, approved in Order No. PSC-2020-0116-PAA-EI.

4. Referring to pages 139-141 of the 1st DR Response, No. 20, for the questions below:

a. Please define the acronym "DGA" used in 1st DR Response, No. 20(c).

b. The 1st DR Response, No. 20(d) reads "Starting in 2025, Tampa Electric will start proactively replacing 1-2 transformers per year." Please identify the total number of transformers contained in Accounts 353.00 and 362.00.

c. The 2023 Study defines "GSU," on Bates Stamped Page 474, as "Generator Set Up." Does the use of the acronym "GSU" in 1st DR Response, No. 20(e), also mean "Generator Set Up?" If not, please define GSU.

A. a. DGA is the acronym for Dissolved Gas Analysis. It is one test method that detects combustible gases in the oil (faults or potential faults) of the transformer.

b. All transformer sub replacements will be contained in account 362.00 (Distribution).

	353	**362**
Transformer Sub	70	223
Transformer Line	77	267
Total	**147**	**490**

c. Yes, GSU is referred to Generator Step Up.

TAMPA ELECTRIC COMPANY
DOCKET NO. 20230139-EI
STAFF'S THIRD DATA REQUEST
REQUEST NO. 5
BATES PAGE(S): 7 - 8
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5. Referring to pages 142-146 of the 1st DR Response, No. 21, for the questions below:

a. Please define the acronym "NESC" used in 1st DR Response, No. 21(a).

b. In its 1st DR Response, No. 21(f), TECO provides:

	2022	2023	Total
Total Price per Pole	$10,054	$9,497	$9,839

Please identify the average dollar amount of the overhead cost contained in the "Total Price per Pole" for 2022 and 2023, respectively. Please also explain what the $9,839 of "Total" represents.

c. In its 1st DR Response, No. 21(h), TECO provides:

Acccount 364	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
Additions	-	1,256,201	2,165,232	44,554,781	28,333,105	29,988,470	30,489,700	29,996,668	29,993,020	**196,777,175**
Retirements	-	(300,774)	(498,807)	(10,247,589)	(6,516,614)	(6,897,348)	(7,012,631)	(6,899,234)	(6,898,395)	**(45,271,391)**

Please identify the reason(s) of the significant 2023 increases in the plant additions and plant retirements in Account 364.00 – Poles, Towers and Fixtures.

A. a. NESC stands for National Electric Safety Code.

b. Please see the table below. The $9,839 represents the total combined cost for the 2022 and 2023 period. The total cost does include the overhead cost.

	2022	**2023**	**Total**
Total Cost	$7,772,054	$4,634,594	$12,406,648
Number of Poles installed:	**773**	**488**	**1,261**
Total Price per Pole	**$10,054**	**$9,497**	**$9,839**
Total Overhead Cost per Pole	**$1.00**	**$0.73**	**$0.90**

c. The significant 2023 increase in additions is primarily associated with the budgeted Storm Protection Plan (SPP) additions related to Distribution Overhead Feeder Harding.

6. Referring to pages 147-150 of the 1st DR Response and its attachment "(BS 3) #1_ASDR 2024 Projected - Corrected.xlsx" for the questions below concerning Account 358.00 − Underground Conductors and Devices:

a. TECO's currently approved net salvage (NS) for Account 358.00 is zero percent and its proposed NS in the 2023 Study is negative 20 percent. Given that "[s]ince 2001, there have only been three transaction years with recorded retirements [in Account 358.00]" (1st DR Response, No. 21(e)) and "the estimate for underground distribution conductor is (15) percent" (1st DR Response, No. 22(f)), please explain why TECO did not propose a NS of negative 15 percent for Account 358.00 which would be better to reflect the overall historical data and the concept of gradualism.

b. Regarding the 2022 Cost of Removal (COR) recorded in Account 358.00, TECO explained in the 1st DR Response, No. 22(j), that "[t]his is a discrepancy in the reporting that will be corrected in March 2024." Staff notes that this anticipated correction is not included in "(BS 3) #1_ASDR 2024 Projected - Corrected.xlsx," Tab B-09 2024. Please explain when, and in which docket or undocketed file, TECO will provide the anticipated correction for the Commission review.

c. Regarding the 2023 COR recorded in Account 358.00, TECO explained in the 1st DR Response, No. 22(k), that "[t]his is a discrepancy in the reporting that will be corrected in March 2024." Staff notes that this anticipated correction is not included in "(BS 3) #1_ASDR 2024 Projected - Corrected.xlsx," Tab B-09 2024. Please explain when, and in which docket or undocketed file, TECO will provide the anticipated correction for the Commission review.

A. a. The negative 20 percent for net salvage proposed in the 2023 study is gradual. The data supports much higher levels of net salvage. A negative 20 percent net salvage was proposed by Florida Power and Light in its most recent depreciation study (Docket No. 20210015-EI).

b. The company corrected the $7,363 COR and $6,007 Gross Salvage in the company's March 2024 actuals books and will be reflected in the 2024 Actual Annual Status Report filing in April 2025.

c. The company corrected the $18,764 COR and $4,597 Gross Salvage in the company's March 2024 actuals books and will be reflected in the 2024 Actual Annual Status Report filing in April 2025.