BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Tampa Electric Company.

DOCKET NO.: 20240026

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FLORIDA INDUSTRIAL POWER USERS GROUP'S PREHEARING STATEMENT

The Florida Industrial Power Users Group (FIPUG), by and through undersigned counsel, provides this Prehearing Statement.

APPEARANCES:

Jon C. Moyle, Jr.
Karen A. Putnal
Moyle Law Firm, P.A.
118 North Gadsden Street
Tallahassee, Florida 32301
Telephone: (850)681-3828
Facsimile: (850)681-8788
jmoyle@moylelaw.com
kputnal@moylelaw.com

1. WITNESSES:

FIPUG intends to call Jeff Pollock and Jonathan Ly as witnesses. FIPUG reserves the right to call witnesses listed by other parties.

2. EXHIBITS:

FIPUG plans use and offer into evidence the following exhibits:

Jeff Pollock Exhibits

JP-1 Authorized Return on Equity for Vertically Integrated Electric Utilities In Rate Cases Decided in 2023 and 2024

JP-2 Monthly System Peaks as a Percent of the Annual System Peak

JP-3 TECO's Response to Staff's Sixth Set of Data Requests in Docket No. 20210034-EI

JP-4 FIPUG's Revised Class Cost-of-Service Study

JP-5 Class Revenue Allocation Based on FIPUG's Revised Class Cost-of-Service Study

JP-6 2025 Marginal Energy Costs by Hour by Month

Witness Pollock addresses issues 39,71,72,83,109, 110, 111. Mr. Pollock addresses: class cost-of-service study, class revenue allocation, rate design, and production tax credit allocation

Jonathan Ly Exhibits

JL-1 Summary of TECO's Future Solar Projects Cost-Effectiveness Analysis

JP-2 Comparison of Natural Gas Forecasts

JP-3 Comparison of EIA Reference Case Henry Hub Natural Gas Price Forecasts

Witness Ly addresses issue 18. Mr. Ly addresses the cost effectiveness of TECO's solar projects and, should those projects be approved, makes consumer protection recommendations:

3. STATEMENT OF BASIC POSITION

TECO's total rate case request is overstated, as the company seeks to increase customer rates by nearly 30% during the next three years, featuring a significant 20% rate increase in 2025 alone. A host of adjustments are in order that will meaningfully reduce TECO's total ask of $296.6 million dollars, adjustments that will be detailed by evidence adduced at the upcoming rate case hearing. For example, TECO's requested Return on Equity (ROE) of 11.5% is 130 basis points, or approximately $130 million dollars higher than the 10.2% percent ROE that was unanimously agreed to by all the parties in the 2021 Settlement Agreement. The nationwide average for vertically-integrated electric investor-owned utilities in rate case decisions during 2023 and through May of 2024 is 9.78%, 172 basis points less or approximately $ 106 million dollars less than TECO's ROE request.

FIPUG supports the allocation of production and transmission plant using the Four Coincident Peak (4 CP) approach, an approach that was agreed to unanimously in the 2021 Settlement Agreement and approved by the Commission. Put simply, 4 CP measures TECO's system peaks once a month during the system peak during the hottest months of June, July, and August, and once during the the coldest month, January. Importantly, TECO's cost of service study witness Jordon Williams states that the 4 CP method reflects cost causation in relation to TECO's peak demands. The 4 CP approach is supported in this case by TECO, FIPUG, and the Federal Executive Agencies, and was supported in the 2021 rate case by WalMart and the West Central Florida Hospital Utility Association, neither of whom has intervened in the 2024 rate case.

FIPUG also supports the use of the minimum distribution system (MDS) rate design approach, a methodology that the Commission has previously approved and which more fairly allocates utility costs to provide distribution service. The MDS approach recognizes that the distribution network must be ready to serve customers, irrespective of the amount of power and energy used by customers. Allocating a portion of distribution network costs on the number of customers recognizes the readiness to serve. Accordingly, using MDS to allocate distribution network costs based on the number of customers, which is consistent with cost causation, is the proper approach.

FIPUG does not support the drastic changes in the time-of-use rating periods proposed by TECO. Specifically, the proposed Super Off-Peak period would set very low energy prices during daytime hours. The proposal, which relies solely on speculative projections of marginal energy prices, lacks foundation. It would also be unprecedented. No other utility in Florida (which also have significant solar capacity) has a similar low-cost rating period during daytime hours. This change would be both disruptive (requiring customers to fundamentally change their usage patterns), and it would encourage more energy usage during daytime hours when TECO generally experiences its highest electricity demand, which is contrary to long-standing practice.

TECO's cost-effectiveness analysis of its proposed solar projects is lacking and not robust. The benefits are overstated because it uses inflated natural gas prices and assumes a value for carbon emissions, a misplaced assumption given that a tax on fossil fuel emissions has not been enacted in Florida or at the federal level. Additionally, TECO has not provided any assurance or guarantee that it will not exceed the projected construction costs and that it will earn production tax credits as projected. Absent such guarantees, customers have no certainty of receiving the promised benefits.

Should the Commission approve TECO's Solar Projects, it should impose consumer protections, including a $1,609/kW cost cap, ensure that TECO credits at least 100% of the production tax credits projected by TECO in its cost-effectiveness analysis (regardless of actual performance), and establish a minimum 26% annual operating capacity factor to ensure that customers receive the projected benefits as suggested by FIPUG witness Ly.

4. <u>STATEMENT OF FACTUAL ISSUES AND POSITIONS</u>

<u>2025 TEST PERIOD AND FORECASTING</u>

<u>ISSUE 1</u>: Is TECO's projected test period for the twelve months ending December 31, 2025, appropriate?

FIPUG: Yes. However, adjustments are recommended by the Office of Public Counsel ("OPC") should be made.

<u>ISSUE 2</u>: Are TECO's forecasts of customers, KWH, and KW by revenue and rate class, appropriate?

FIPUG: Adopt the position of OPC.

<u>ISSUE 3</u>: What are the inflation, customer growth, and other trend factors that should be approved for use in forecasting the test year budget?

FIPUG: Adopt the position of OPC.

QUALITY OF SERVICE

ISSUE 4: Is the quality of electric service provided by TECO adequate?

FIPUG: Yes.

DEPRECIATION AND DISMANTLEMENT STUDY

ISSUE 5: Should currently prescribed depreciation rates and provision for dismantlement of TECO be revised?

FIPUG: Adopt the position of OPC.

ISSUE 6: What should be the implementation date for new depreciation rates and the provision for dismantlement?

FIPUG: The implementation date should be effective on the date that rate adjustments in this case are effective.

ISSUE 7: What depreciation parameters and resulting depreciation rates for each depreciable plant account should be approved?

FIPUG: Adopt the position of OPC.

ISSUE 8: Based on the application of the depreciation parameters and resulting depreciation rates that the Commission approves, and a comparison of the theoretical reserves to the book reserves, what are the resulting imbalances?

FIPUG: Adopt the position of OPC.

ISSUE 9: What, if any, corrective reserve measures should be taken with respect to the imbalances identified in Issue 8?

FIPUG: Imbalances should be via the remaining life approach.

ISSUE 10: Should the current amortization of investment tax credits (ITCs) and flow back of excess deferred income taxes (EDITs) be revised to reflect the approved depreciation rates?

FIPUG: Yes.

<u>ISSUE 11</u>: What annual accrual for dismantlement should be approved?

FIPUG: Adopt the position of OPC.

<u>ISSUE 12</u>: What, if any, corrective dismantlement reserve measures should be approved?

FIPUG: Adopt the position of OPC.

<u>2025 RATE BASE</u>

<u>ISSUE 13</u>: Has TECO made the appropriate adjustments to remove all non-utility activities from Plant in Service, Accumulated Depreciation, and Working Capital in the 2025 projected test year? What, if any, adjustments should be made?

FIPUG: Adopt the position of OPC.

<u>ISSUE 14</u>: Should TECO's proposed Future Environmental Compliance Project be included in the 2025 projected test year? What, if any, adjustments should be made?

FIPUG: Adopt the position of OPC.

<u>ISSUE 15</u>: Should TECO's proposed Research and Development Projects be included in the 2025 projected test year? What, if any, adjustments should be made?

FIPUG: Adopt the position of OPC.

<u>ISSUE 16</u>: Should TECO's proposed Customer Experience Enhancement Projects be included in the 2025 projected test year? What, if any, adjustments should be made?

FIPUG: Adopt the position of OPC.

<u>ISSUE 17</u>: Should TECO's proposed Information Technology Capital Projects be included in the 2025 projected test year? What, if any, adjustments should be made?

FIPUG: Adopt the position of OPC.

<u>ISSUE 18</u>: Should TECO's proposed Solar Projects be included in the 2025 projected test year? What, if any, adjustments should be made?

FIPUG: No. TECO has not demonstrated that the proposed Solar Projects are cost effective. Further, TECO's cost-effectiveness analysis used inflated natural gas prices and assumed a value for carbon emissions, despite the fact that a tax on fossil fuel emissions has never been enacted at the state or federal level and there is no pending legislation to do so. Further, accounting for reduced emissions while also recognizing production tax credits effectively disadvantages fossil fuel generation.

In the event that the Commission approves the Solar Projects, it should impose various consumer protections, including a $1,609/kW cost cap, ensure that TECO credits at least 100% of the production tax credits projected by TECO in its cost-effectiveness analysis (regardless of actual performance), and establish a minimum 26% annual operating capacity factor to ensure that customers receive the projected benefits as suggested by FIPUG witness Ly.

ISSUE 19: Should TECO's proposed Grid Reliability and Resilience Projects be included in the 2025 projected test year? What, if any, adjustments should be made?

FIPUG: Adopt the position of OPC.

ISSUE 20: Should TECO's proposed Energy Storage projects be included in the 2025 projected test year? What, if any, adjustments should be made?

FIPUG: Adopt the position of OPC.

ISSUE 21: Should TECO's proposed Corporate Headquarters project be included in the 2025 projected test year? What, if any, adjustments should be made?

FIPUG: Adopt the position of OPC.

ISSUE 22: Should TECO's proposed South Tampa Resilience project be included in the 2025 projected test year? What, if any, adjustments should be made?

FIPUG: No, not at this time as the project has materially changed.

ISSUE 23: Should TECO's proposed Bearss Operations Center project be included in the 2025 projected test year? What, if any, adjustments should be made?

FIPUG: Adopt the position of OPC.

ISSUE 24: Should TECO's proposed Polk 1 Flexibility project be included in the 2025 projected test year? What, if any, adjustments should be made?

FIPUG: Adopt the position of OPC.

ISSUE 25: What amount of Plant in Service for the 2025 projected test year should be approved?

FIPUG: Adopt the position of OPC.

ISSUE 26: What amount of Accumulated Depreciation for the 2025 projected test year should be approved?

FIPUG: Adopt the position of OPC.

<u>ISSUE 27</u>: What amount of Construction Work in Progress for the 2025 projected test year should be approved?

FIPUG: Adopt the position of OPC.

<u>ISSUE 28</u>: What amount of level of Property Held for Future Use for the 2025 projected test year should be approved?

FIPUG: Adopt the position of OPC.

<u>ISSUE 29</u>: What amount of unfunded Other Post-retirement Employee Benefit (OPEB) liability and any associated expense should be included in rate base?

FIPUG: Adopt the position of OPC.

<u>ISSUE 30</u>: What level of TECO's fuel inventories should be approved?

FIPUG: Adopt the position of OPC.

<u>ISSUE 31</u>: What amount of Working Capital for the 2025 projected test year should be approved?

FIPUG: Adopt the position of OPC.

<u>ISSUE 32</u>: What amount of rate base for the 2025 projected test year should be approved?

FIPUG: Adopt the position of OPC.

<u>2025 COST OF CAPITAL</u>

<u>ISSUE 33</u>: What amount of accumulated deferred taxes should be approved for inclusion in the capital structure for the 2025 projected test year?

FIPUG: Adopt the position of OPC.

<u>ISSUE 34</u>: What amount and cost rate of the unamortized investment tax credits should be approved for inclusion in the capital structure for the 2025 projected test year?

FIPUG: Adopt the position of OPC.

<u>ISSUE 35:</u> What amount and cost rate for customer deposits should be approved for inclusion in the capital structure for the 2025 projected test year?

FIPUG: Adopt the position of OPC.

<u>ISSUE 36</u>: What amount and cost rate for short-term debt should be approved for inclusion in the capital structure for the 2025 projected test year?

FIPUG: Adopt the position of OPC.

ISSUE 37: What amount and cost rate for long-term debt should be approved for inclusion in the capital structure for the 2025 projected test year?

FIPUG: Adopt the position of OPC.

ISSUE 38: What equity ratio should be approved for use in the capital structure for ratemaking purposes for the 2025 projected test year?

FIPUG: Adopt the position of OPC.

ISSUE 39: What authorized return on equity (ROE) should be approved for use in establishing TECO's revenue requirement for the 2025 projected test year?

FIPUG: The authorized ROE should be no higher than the average ROE authorized by state regulators in rate cases decided in 2023 and 2024 involving vertically integrated electric utilities as testified to by FIPUG witness Pollock.

ISSUE 40: What capital structure and weighted average cost of capital should be approved for use in establishing TECO's revenue requirement for the 2025 projected test year?

FIPUG: Adopt the position of OPC.

2025 NET OPERATING INCOME

ISSUE 41: Has TECO correctly calculated the revenues at current rates for the 2025 projected test year?

FIPUG: Adopt the position of OPC.

ISSUE 42: What amount of Total Operating Revenues should be approved for the 2025 projected test year?

FIPUG: Adopt the position of OPC.

ISSUE 43: What amount of O&M expense associated with Polk Unit 1 has TECO included in the 2025 projected test year? Should this amount be approved and what, if any, adjustments should be made?

FIPUG: Adopt the position of OPC.

ISSUE 44: What amount of O&M expense associated with Big Bend Unit 4 has TECO included in the 2025 projected test year? Should this amount be approved and what, if any, adjustments should be made?

FIPUG: Adopt the position of OPC.

ISSUE 45: What amount of generation O&M expense should be approved for the 2025 projected test year?

FIPUG: Adopt the position of OPC.

ISSUE 46: What amount of transmission O&M expense should be approved for the 2025 projected test year?

FIPUG: Adopt the position of OPC.

ISSUE 47: What amount of distribution O&M expense should be approved for the 2025 projected test year?

FIPUG: Adopt the position of OPC.

ISSUE 48: Has TECO made the appropriate test year adjustments to remove fuel revenues and fuel expenses recoverable through the Fuel Adjustment Clause?

FIPUG: Adopt the position of OPC.

ISSUE 49: Has TECO made the appropriate test year adjustments to remove conservation revenues and conservation expenses recoverable through the Conservation Cost Recovery Clause?

FIPUG: Adopt the position of OPC.

ISSUE 50: Has TECO made the appropriate test year adjustments to remove capacity revenues and capacity expenses recoverable through the Capacity Cost Recovery Clause?

FIPUG: Adopt the position of OPC.

ISSUE 51: Has TECO made the appropriate test year adjustments to remove environmental revenues and environmental expenses recoverable through the Environmental Cost Recovery Clause?

FIPUG: Adopt the position of OPC.

ISSUE 52: Has TECO made the appropriate test year adjustments to remove all storm hardening revenues and expenses recoverable through the Storm Protection Plan Cost Recovery Clause?

FIPUG: Adopt the position of OPC.

ISSUE 53: What amount of salaries and benefits, including incentive compensation, should be approved for the 2025 projected test year?

FIPUG: Adopt the position of OPC.

ISSUE 54: Does TECO's pension and OPEB expense properly reflect capitalization credits in the 2025 projected test year? If not, what adjustments, if any should be made?

FIPUG: Adopt the position of OPC.

ISSUE 55: What cost allocation methodologies and what amount of allocated costs and charges with TECO's affiliated companies should be approved for the 2025 projected test year?

FIPUG: Adopt the position of OPC.

ISSUE 56: What amount of Directors and Officers Liability Insurance expense for the 2025 projected test year should be approved?

FIPUG: Adopt the position of OPC.

ISSUE 57: What amount of Economic Development expense for the 2025 projected test year should be approved?

FIPUG: Adopt the position of OPC.

ISSUE 58: What amount and amortization period for TECO's rate case expense for the 2025 projected test year should be approved?

FIPUG: Adopt the position of OPC.

ISSUE 59: What amount of O&M Expense for the 2025 projected test year should be approved?

FIPUG: Adopt the position of OPC.

ISSUE 60: What amount of depreciation and dismantlement expense for the 2025 projected test year should be approved?

FIPUG: Adopt the position of OPC.

ISSUE 61: What amount of Taxes Other Than Income Taxes for the 2025 projected test year should be approved?

FIPUG: Adopt the position of OPC.

ISSUE 62: What amount of Parent Debt Adjustment is required by Rule 25-14.004, Florida Administrative Code, for the 2025 projected test year?

FIPUG: Adopt the position of OPC.

ISSUE 63: What amount of Production Tax Credits should be approved and what is the proper accounting treatment for the 2025 projected test year?

FIPUG: The Commission should adopt a consumer protection by requiring TECO to flow-through the higher of the actual production tax credits earned or 100% of the projected production tax credits associated with the proposed solar projects. Also see Issue 18.

ISSUE 64: What treatment, amounts, and amortization period for the Production Tax Credits that were deferred in 2022-2024 should be approved for the 2025 projected test year?

FIPUG: Adopt the position of OPC.

ISSUE 65: What treatment and amount of the Investment Tax Credits pursuant to the Inflation Reduction Act should be approved for the 2025 projected test year?

FIPUG: Adopt the position of OPC.

ISSUE 66: What amount of Income Tax expense should be approved for the 2025 projected test year?

FIPUG: Adopt the position of OPC.

ISSUE 67: What amount of Net Operating Income should be approved for the 2025 projected test year?

FIPUG: Adopt the position of OPC.

2025 REVENUE REQUIREMENTS

ISSUE 68: What revenue expansion factor and net operating income multiplier, including the appropriate elements and rates, should be approved for the 2025 projected test year?

FIPUG: Adopt the position of OPC.

ISSUE 69: What amount of annual operating revenue increase for the 2025 projected test year should be approved?

FIPUG: Adopt the position of OPC.

2025 COST OF SERVICE AND RATES

ISSUE 70: Is TECO's proposed separation of costs and revenues between the wholesale and retail jurisdictions appropriate?

FIPUG: No position at this time.

ISSUE 71: What is the appropriate methodology to allocate production costs to the rate classes?

FIPUG: FIPUG agrees with TECO that the Four Coincident Peak (4CP) method should be used to allocate production plant and related costs to the rate classes. The 4CP method best reflects cost causation for TECO because it recognizes that (1) TECO must have sufficient capacity to meet its peak demand and (2) TECO's peak demands regularly occur during daytime hours in the summer months and it is projecting to become a winter peaking utility. Thus, the peak demands for the months June, July, August, and January should be used to derive the 4CP allocation factors.

Production tax credits (PTCs) should be allocated on energy usage because PTCs are directly related to the megawatt-hours generated from solar projects.

ISSUE 72: What is the appropriate methodology to allocate transmission costs to the rate classes?

FIPUG: FIPUG agrees with TECO that the Four Coincident Peak (4CP) method should be used to allocate production plant and related costs to the rate classes. The 4CP method best reflects cost causation for TECO because it recognizes that (1) TECO must have sufficient capacity to meet its peak demand and (2) TECO's peak demands regularly occur during daytime hours in the summer months and it is projecting to become a winter peaking utility. Thus, the peak demands for the months June, July, August, and January should be used to derive the 4CP allocation factors.

ISSUE 73: What is the appropriate methodology to allocate distribution costs to the rate classes?

FIPUG: The minimum distribution system (MDS) rate design approach should be used. This methodology, previously approved by the Commission more fairly allocates utility costs to provide distribution service. The MDS approach recognizes that the distribution network must be ready to serve customers, irrespective of the amount of power and energy used by customers. Allocating a portion of distribution network costs on the number of customers recognizes the readiness to serve. Accordingly, using MDS to allocate distribution network costs based on the number of customers, which is consistent with cost causation, is the proper approach.

ISSUE 74: How should any change in the revenue requirement approved by the Commission be allocated among the customer classes?

FIPUG: The approved revenue requirement should be determined using an accepted class cost of service study, except when it would result in a class receiving an increase higher than 1.5 times the system average base revenue increase, and no class should receive a rate decrease

ISSUE 75: Should the proposed modifications to the delivery voltage credit be approved?

FIPUG: No position at this time.

ISSUE 76: What are the appropriate service charges (initial connection, reconnect for nonpayment, connection of existing account, field visit, temporary overhead and underground, meter tampering)?

FIPUG: No position at this time.

ISSUE 77: Should the modifications to the emergency relay power supply charge be approved?

FIPUG: No position at this time.

ISSUE 78: What are the appropriate basic service charges?

FIPUG: The adjustments recommended by OPC should be adopted.

ISSUE 79: What are the appropriate demand charges?

FIPUG: The adjustments recommended by OPC should be adopted.

ISSUE 80: What are the appropriate energy charges?

FIPUG: The adjustments recommended by OPC should be adopted.

ISSUE 81: What are the appropriate Lighting Service rate schedule charges?

FIPUG: No position at this time.

ISSUE 82: What are the appropriate Standby Services (SS-1, SS-2, SS-3) rate schedule charges?

FIPUG: No position at this time.

ISSUE 83: Should the proposed modifications to the time-of-day periods be approved?

FIPUG: No. TECO's proposed time-of-day periods, which include very low "Super Off-Peak" energy charges, would be unique in Florida. No other investor-owned utility in Florida similarly offer a Super Off-Peak period that encourages electricity usage during hot summer afternoons when TECO (and Florida utilities generally) regularly experiences its system peaks. This would create a perverse inventive to use more electricity during high load hours. Marginal energy costs are not the only consideration in determining time-of-day periods. Other factors, such as system loads, loss of load expectation, and the need to maintain dispatchable generation to support the integration of renewable resources must also be considered. Further, TECO's projected marginal energy costs are not consistently low during TECO's proposed Super Off-Peak period. Finally, TECO's proposal would represent a drastic change from current practice, which could be very disruptive to customers.

ISSUE 84: Should the proposed modifications to the Non-Standard Meter Rider tariff (Tariff Sheet No. 3.280) be approved?

FIPUG: No position at this time.

ISSUE 85: Should the proposed tariff modifications to the Budget Billing Program (Fifth Revised Tariff Sheet No. 3.020) be approved?

FIPUG: No position at this time.

ISSUE 86: Should the proposed tariff modifications to Contribution in Aid of Construction (Fifth Revised Tariff Sheet No. 5.105) be approved?

FIPUG: No position at this time.

ISSUE 87: Should the proposed tariff modifications to the Economic Development Rider (Third Revised Tariff Sheet Nos. 6.720, 6.725, 6.730) be approved?

FIPUG: No position at this time.

ISSUE 88: Should the proposed modifications to LS-1 (Eleventh Revised Tariff Sheet No. 6.809) regarding lighting wattage variance be approved?

FIPUG: No position at this time.

ISSUE 89: Should the proposed LS-2 Monthly Rental Factors (Original Tariff Sheet No. 6.845) be approved?

FIPUG: No position at this time.

ISSUE 90: Should the proposed termination factors for long-term facilities (Fifth Revised Tariff Sheet No. 7.765) be approved?

FIPUG: No position at this time.

ISSUE 91: Should the non-rate related tariff modifications be approved?

FIPUG: No position at this time.

ISSUE 92: Should the Commission give staff administrative authority to approve tariffs reflecting Commission approved rates and charges?

FIPUG: Yes.

2026 AND 2027 SUBSEQUENT YEAR ADJUSTMENTS (SYA)

ISSUE 93: What are the considerations or factors that the Commission should evaluate in determining whether an SYA should be approved?

FIPUG: Adopt position of OPC.

ISSUE 94: Should the Commission approve the inclusion of TECO's proposed Solar Projects in the 2026 and 2027 SYA? What, if any, adjustments should be made?

FIPUG: Adopt position of OPC.

ISSUE 95: Should the Commission approve the inclusion of TECO's proposed Grid Reliability and Resilience Projects in the 2026 and 2027 SYA? What, if any, adjustments should be made?

FIPUG: Adopt position of OPC.

ISSUE 96: Should the Commission approve the inclusion of TECO's proposed Polk 1 Flexibility Project in the 2026 SYA? What, if any, adjustments should be made?

FIPUG: Adopt position of OPC.

ISSUE 97: Should the Commission approve the inclusion of TECO's proposed Energy Storage Projects in the 2026 SYA? What, if any, adjustments should be made?

FIPUG: Adopt position of OPC.

ISSUE 98: Should the Commission approve the inclusion of TECO's proposed Bearss Operations Center Project in the 2026 SYA? What, if any, adjustments should be made?

FIPUG: Adopt position of OPC.

ISSUE 99: Should the Commission approve the inclusion of TECO's proposed Corporate Headquarters Project in the 2026 SYA? What, if any, adjustments should be made?

FIPUG: Adopt position of OPC.

ISSUE 100: Should the Commission approve the inclusion of TECO's proposed South Tampa Resilience Project in the 2026 and 2027 SYA? What, if any, adjustments should be made?

FIPUG: Adopt position of OPC.

<u>ISSUE 101:</u> Should the Commission approve the inclusion of TECO's proposed Polk Fuel Diversity Project in the 2026 and 2027 SYA? What, if any, adjustments should be made?

FIPUG: Adopt position of OPC.

<u>ISSUE 102</u>: What overall rate of return should be used to calculate the 2026 and 2027 SYA?

FIPUG: Adopt position of OPC.

<u>ISSUE 103:</u> Should the SYA for 2026 and 2027 reflect additional revenues due to customer growth? What, if any, adjustments should be made?

FIPUG: Adopt position of OPC.

<u>ISSUE 104:</u> Should the Commission approve the inclusion of TECO's proposed incremental O&M expense associated with the SYA projects in the 2026 and 2027 SYA?

FIPUG: Adopt position of OPC.

<u>ISSUE 105:</u> Should the depreciation expense and Investment Tax Credits amortization used to calculate the proposed 2026 and 2027 SYA be adjusted to reflect the Commission's decisions on depreciation rates and ITC amortization for the 2025 projected test year?

FIPUG: Adopt position of OPC.

<u>ISSUE 106</u>: What annual amount of incremental revenues should be approved for recovery through the 2026 and 2027 SYA?

FIPUG: Adopt position of OPC.

<u>ISSUE 107</u>: What rate design approach should be used to develop customer rates for the 2026 and 2027 SYA?

FIPUG: The rate design approach as proposed by FIPUG above.

ISSUE 108: When should the 2026 and 2027 SYA become effective?

FIPUG: The SYAs should be applied as equal percentage increases in the demand and energy charges, as applicable.

ISSUE 109: Should TECO be required to file its proposed 2026 and 2027 SYA rates for Commission approval in September 2026 and 2027, respectively, reflecting then current billing determinants?

FIPUG: The SYAs should be effective 30 days after the assets are placed in commercial operation.

OTHER

ISSUE 110: Should TECO's proposed Corporate Income Tax Change Provision be approved?

FIPUG: Yes.

ISSUE 111: Should TECO's proposed Storm Cost Recovery Provision be approved?

FIPUG: Adopt position of OPC.

ISSUE 112: Should TECO's proposed Asset Optimization Mechanism be approved, and what, if any, modifications should be made?

FIPUG: Adopt position of OPC.

ISSUE 113: What are the appropriate updated Clean Energy Transition Mechanism factors and when should they become effective?

FIPUG: Adopt position of OPC.

ISSUE 114: Should the proposed Senior Care Program (Original Tariff Sheet No. 3.310) and associated cost recovery be approved?

FIPUG: Adopt position of OPC.

ISSUE 115: Should TECO be required to perform any studies or analysis relating to the retirement of Polk Unit 1 and/or Big Bend Unit 4, including early retirement dates, environmental compliance costs, and/or procurement of alternative resources?

FIPUG: Not unless ordered to do by the Commission.

ISSUE 116: What is the appropriate effective date for TECO's revised 2025 rates and charges?

FIPUG: Adopt position of OPC.

ISSUE 117: Has the Commission considered TECO's performance pursuant to Sections 366.80–366.83 and 403.519, Florida Statutes, when establishing rates?

FIPUG: No position at this time.

ISSUE 118: Should TECO be required to file, within 90 days after the date of the final order in this docket, a description of all entries or adjustments to its annual report, rate of return reports, and books and records which will be required as a result of the Commission's findings in this rate case?

FIPUG: Yes.

ISSUE 119: Should this docket be closed?

FIPUG: Yes, after the Commission takes final agency action.

5. STIPULATED ISSUES

FIPUG has not stipulated to any issues at this time.

6. PENDING MOTIONS

FIPUG has no pending motions at this time.

7. STATEMENT OF PARTY'S PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY

FIPUG has no pending requests or claims for confidentiality at this time. FIPUG has filed written testimony which contains confidential information, and worked with TECO in making such filing. FIPUG will continue to with TECO during hearing to provide the information to the Commission while protecting it as confidential.

8. <u>OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT</u>

FIPUG does not object to the qualification of any witnesses as an expert in the field which they pre-filed testimony as of the present date.

9. <u>SEQUESTRATION OF WITNESSES</u>

FIPUG does not intend to seek the sequestration of any witness at this time.

10. <u>STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE</u>

There are no requirements of the Order Establishing Procedure with which FIPUG cannot comply.

Respectfully submitted,

/s/ Jon C. Moyle

Jon C. Moyle, Jr.
Karen A. Putnal
Moyle Law Firm, P.A.
118 North Gadsden Street
Tallahassee, Florida 32301
Telephone: (850)681-3828
Facsimile: (850)681-8788

jmoyle@moylelaw.com
kputnal@moylelaw.com

CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by electronic mail this 22nd day of July 2024 to the following:

Adria Harper
Carlos Marquez
Timothy Sparks
Office of the General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
aharper@psc.state.fl.us
cmarquez@psc.state.fl.us
tsparks@psc.state.fl.us
discovery-gcl@psc.state.fl.us

Tampa Electric Company
Ms. Paula K. Brown
Regulatory Affairs
Tampa FL 33601-0111
regdept@tecoenergy.com

Office of Public Counsel
Walt Trierweiler
P. Christensen
c/o The Florida Legislature
Tallahassee FL 32399
Trierweiler.walt@leg.state.fl.us.
christensen.patty@leg.state.fl.us

Ausley Law Firm
J. Wahlen
V. Ponder
M. Means
P.O. Box 391
Tallahassee FL 32302
jwahlen@ausley.com
mmeans@ausley.com
vponder@ausley.com

Floyd R. Self, B.C.S.
Ruth Vafek, Esq.
Berger Singerman, LLP
313 North Monroe Street, Suite 301
Tallahassee, FL 32301
fself@bergersingerman.com
rvafek@bergersingerman.com

Sierra Club
Nihal Shrinath
2101 Webster Street Suite 1300
Oakland CA 94612
nihal.shrinath@sierraclub.org

Sierra Club
Sari Amiel
50 F St. NW, Eighth Floor
Washington DC 20001
sari.amiel@sierraclub.org

Gardner Law Firm
Robert Scheffel Wright
John T. LaVia, III
1300 Thomaswood Drive
Tallahassee FL 32308
jlavia@gbwlegal.com
schef@gbwlegal.com

Federal Executive Agencies
L. Newton/A. George/T. Jernigan/E. Payton
139 Barnes Drive, Suite 1
Tyndall AFB FL 32403
ebony.payton.ctr@us.af.mil
thomas.jernigan.3@us.af.mil
Leslie.Newton.1@us.af.mil
Ashley.George.4@us.af.mil

Bradley Marshall/Jordan Luebkemann
Earthjustice
111 S. Martin Luther King Jr. Blvd.
Tallahassee FL 32301
bmarshall@earthjustice.org
jluebkemann@earthjustice.org

Southern Alliance for Clean Energy
William C. Garner
3425 Bannerman Rd. Unit 105, No. 414
Tallahassee FL 32312
bgarner@wcglawoffice.com

/s/ Jon C. Moyle
Jon C. Moyle
Florida Bar No. 727016