



August 1, 2024

VIA ELECTRONIC FILING

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

In re: Petition for Rate Increase by Tampa Electric Company	DOCKET NO. 20240026-EI
In re: Petition for approval of 2023 Depreciation and Dismantlement Study, by Tampa Electric Company	DOCKET NO. 20230139-EI
In re: Petition to implement 2024 Generation Base Rate Adjustment provisions in Paragraph 4 of the 2021 Stipulation and Settlement Agreement, by Tampa Electric Company	DOCKET NO. 20230090-EI

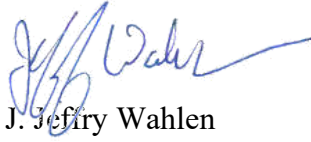
Dear Mr. Teitzman:

Tampa Electric's updated revenue requirement calculations, filed on July 24, 2024, for the company's 2026 and 2027 proposed subsequent year adjustments ("SYA") reflected the company's agreement with OPC presented on page 31 of Jeff Chronister's rebuttal testimony (that the SYA debt return should exclude an income tax multiplier). The July 24 Lake Mabel, South Tampa, and Wimauma energy storage calculation revisions reflected the proper debt multiplier method. Those calculations did not reflect the full revenue requirement impact of excluding income tax from the debt gross-up multiplier for all of the projects in the original 2026 and 2027 SYA request. That full impact was a revenue requirement decrease of \$8,001,590 (\$4,739,104 for 2026 and \$3,262,486 for 2027).

The attached document reconciles the numbers shown in Mr. Chronister's rebuttal testimony with the July 24, 2024 filing and presents the company's revised 2025 test year increase request (\$295,521,965) and its revised requested SYA for 2026 (\$95,257,228) and 2027 (\$69,007,620). All three of these amounts are lower than the amounts included in the company's Petition, filed April 2, 2024. We will work with the staff to ensure that these revised amounts are included in the prehearing order.

Please contact me with any questions about this letter or the attachment. Thank you for your assistance in connection with this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Jeffrey Wahlen", with a long horizontal flourish extending to the right.

J. Jeffrey Wahlen

JJW/ne
Enclosure

cc: All parties of record (w/att.)

Tampa Electric

Revenue Requirement Impacts for Changes to Calculations for SYA Assets

	<u>2025 Test Year</u>	<u>2026 SYA</u>	<u>2027 SYA</u>
Revenue Requirement Impacts for Changes to Energy Storage - July Filing	(1,089,120)	(78,509)	422,181
Revenue Requirement Impacts for Change to Debt Multiplier - Chronister Rebuttal		(4,739,104)	(3,262,486)
Revenue Requirement Impacts to SYA	(1,089,120)	(4,817,613)	(2,840,305)
Original Test Year & SYA Revenue Requirement Request	296,611,085	100,074,841	71,847,925
Revised Test Year & SYA Revenue Requirement Request	<u>295,521,965</u>	<u>95,257,228</u>	<u>69,007,620</u>

Revenue Requirement Impacts for Changes to Energy Storage - July Filing:

Change in in-service dates	(811,141)	377,045	432,805
Change in South Tampa ITC %	(277,979)	(138,989)	-
Change for correction of Lake Mabel ITC amortization		(292,685)	-
Change for debt multiplier		(23,880)	(10,624)
Total	<u>(1,089,120)</u>	<u>(78,509)</u>	<u>422,181</u>

Revenue Requirement Impacts for Change to Debt Multiplier - Chronister Rebuttal:

			<u>Total</u>
Energy Storage Projects		(261,827)	-
All Other SYA Projects		(4,477,277)	(3,262,486)
Total		<u>(4,739,104)</u>	<u>(3,262,486)</u>
			<u>(8,001,590)</u>

Summary of Impacts for Change to Debt Multiplier:

Rebuttal Amount for Change in Debt Multiplier for Energy Storage Projects	(261,827)	-	(261,827)
July Filing Amount for Change in Debt Multiplier for Energy Storage Projects	(23,880)	(10,624)	(34,504)
Total Amount for Change in Debt Multiplier for Energy Storage Projects	(285,707)	(10,624)	(296,331)
Total Amount for Change in Debt Multiplier for All Other SYA Projects	(4,477,277)	(3,262,486)	(7,739,763)
Total Amount for Change in Debt Multiplier for All SYA Projects	<u>(4,762,984)</u>	<u>(3,273,110)</u>	<u>(8,036,094)</u>

Calculation of Impacts for Change to South Tampa ITC %:

ITC Calculations at 30% (based on original in-service date: April 2025)

Basis	31,032,733	31,032,733	31,032,733
ITC Rate	30.00%	30.00%	30.00%
Total ITC	9,309,820	9,309,820	9,309,820
Years Amortized	10	10	10
Annual ITC	930,982	930,982	930,982
Prorated Rate	66.67%	100.00%	100.00%
ITC for Year	620,655	930,982	930,982
Gross-Up Rate	1.34364	1.34364	1.34364
ITC in Revenue Requirement	833,936	1,250,905	1,250,905
Incremental	833,936	416,968	-

ITC Calculations at 40% (based on original in-service date: April 2025)

Basis	31,032,733	31,032,733	31,032,733
ITC Rate	40.00%	40.00%	40.00%
Total ITC	12,413,093	12,413,093	12,413,093
Years Amortized	10	10	10
Annual ITC	1,241,309	1,241,309	1,241,309
Prorated Rate	66.67%	100.00%	100.00%
ITC for Year	827,540	1,241,309	1,241,309
Gross-Up Rate	1.34364	1.34364	1.34364
ITC in Revenue Requirement	1,111,915	1,667,873	1,667,873
Incremental	1,111,915	555,958	-

Change from ITC %	<u>277,979</u>	<u>138,989</u>	<u>-</u> (1)
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(1) The impact of the ITC % change is not applicable to 2027 because, in the original Document 5 (and in the July Filing), the full year ITC benefit is reflected in the 2026 incremental amount.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of the foregoing reconciliation (print and electronic versions) have been served by posting on a shared document site, hand delivery of a USB drive or by electronic mail on this 1st day of August, 2024 to the following:

Adria Harper
Carlos Marquez
Timothy Sparks
Daniel Dose
Florida Public Service Commission/OGC
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
aharper@psc.state.fl.us
cmarquez@psc.state.fl.us
tsparks@psc.state.fl.us
ddose@psc.state.fl.us
discovery-gcl@psc.state.fl.us

Walt Trierweiler
Patricia Christensen
Octavio Simoes-Ponce
Charles Rehwinkel
Mary Wessling
Austin Watrous
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400
trierweiler.walt@leg.state.fl.us
christensen.patty@leg.state.fl.us
ponce.octavio@leg.state.fl.us
rehwinkel.charles@leg.state.fl.us
wessling.mary@leg.state.fl.us
watrous.austin@leg.state.fl.us

Bradley Marshall
Jordan Luebke
Earthjustice
111 S. Martin Luther King Jr. Blvd.
Tallahassee, FL 32301
bmarshall@earthjustice.org
jluebke@earthjustice.org

Jon Moyle
Karen Putnal
c/o Moyle Law Firm
118 N. Gadsden Street
Tallahassee, FL 32301
jmoyle@moylelaw.com
kputnal@moylelaw.com
mqualls@moylelaw.com

Leslie R. Newton, Maj. USAF
Ashley N. George, Capt. USAF
AFLOA/JAOE-ULFSC
139 Barnes Drive, Suite 1
Tyndall Air Force Base, Florida 32403
Leslie.Newton.1@us.af.mil
Ashley.George.4@us.af.mil

Thomas A. Jernigan
AFCEC/JA-ULFSC
139 Barnes Drive, Suite 1
Tyndall Air Force Base, Florida 32403
thomas.jernigan.3@us.af.mil

Ebony M. Payton
AFCEC-CN-ULFSC
139 Barnes Drive, Suite 1
Tyndall Air Force Base, Florida 32403
Ebony.Payton.ctr@us.af.mil


Robert Scheffel Wright
John LaVia, III
Gardner, Bist, Wiener, Wadsworth, Bowden,
Bush, Dee, LaVia & Wright, P.A.
1300 Thomaswood Drive
Tallahassee, FL 32308
shef@gbwlegal.com
jlavia@gbwlegal.com

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

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

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

Hema Lochan
Earthjustice
48 Wall St., 15th Fl
New York, NY 10005
hlochan@earthjustice.org
flcaseupdates@earthjustice.org



ATTORNEY