

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased)
Power Cost Recovery Clause)
And Generating Performance)
Incentive Factor.)
_____)

DOCKET NO. 20240001-EI

FILED: October 7, 2024

**TAMPA ELECTRIC COMPANY'S
PREHEARING STATEMENT**

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On behalf of Tampa Electric Company

(1) WITNESSES:

Witness	Subject Matter	Issues #
Direct		
Zel D. Jones	Generic Fuel Adjustment Issues, Adjustment Factors	5,6,7,8,9,10
	Fuel Factor Calculation Issues	16,17,18,19,20
	Generic Capacity Cost Recovery Factor Issues	24,25,26,27,28,29,30
	Effective Date	31, 32, 33
Elena B. Vance	Generic Generating Performance Incentive Factor Issues	14, 15
	Fuel Factor Calculation Issues	16
Benjamin F. Smith	Fuel Factor Calculation Issues	16

	Generic Capacity Cost Recovery Factor Issues	28
John C. Heisey	Fuel Factor Calculation Issues	4A, 4B, 16

(2) **EXHIBITS:**

Witness	Proffered By	Exhibit No.	Description	Issue #
Jones	Tampa Electric	ZDJ-1	Final True-Up Capacity Cost Recovery January 2023-December 2023	24, 26
Jones	Tampa Electric	ZDJ-1	Final True-up Fuel Cost Recovery January 2023-December 2023	7, 9
Jones	Tampa Electric	ZDJ-1	Actual Fuel True-up Compared to Original Estimates January 2023-December 2023	7, 9
Jones	Tampa Electric	ZDJ-1	Schedules A-1, A-2, A-6 through A-9, and A-12 January 2023-December 2023	7, 9, 24, 26
Jones	Tampa Electric	ZDJ-2	Actual/Estimated True-Up Fuel Cost Recovery January 2024-December 2024	8, 9
Jones	Tampa Electric	ZDJ-2	Actual/Estimated True-Up Capacity Cost Recovery January 2024-December 2024	25, 26
Jones	Tampa Electric	ZDJ-3	Projected Capacity Cost Recovery January 2025-December 2025	27-32
Jones	Tampa Electric	ZDJ-3	Projected Fuel Cost Recovery January 2025-December 2025	10, 16-20
Jones	Tampa Electric	ZDJ-3	Levelized and Tiered Fuel Rate January 2025-December 2025	10, 16-20
Vance	Tampa Electric	EBV-1	Final True-Up Generating Performance Incentive Factor January 2023-December 2023	14,16
Vance	Tampa Electric	EBV-1	Actual Unit Performance Data January 2023-December 2023	14, 16
Vance	Tampa Electric	EBV-2	Generating Performance Incentive Factor January 2025-December 2025	15
Vance	Tampa Electric	EBV-2	Summary of Generating Performance Incentive Factor Targets January 2025-December 2025	15
Heisey	Tampa Electric	JCH-1	Optimization Mechanism Results January 2023-December 2023	4A
Heisey	Tampa Electric	JCH-2	Risk Management Plan January 2025-December 2025	4B

(3) STATEMENT OF BASIC POSITION

Tampa Electric Company's Statement of Basic Position:

The Commission should approve Tampa Electric's calculation of its fuel adjustment, capacity cost recovery, and GPIF true-up and projection calculations, including the proposed fuel adjustment factor of 3.083 cents per kWh before any application of time of use multipliers for on-peak or off-peak or super off-peak usage for the period January 2025 through May 2025 and the proposed fuel adjustment factor of 3.391 cents per kWh before any application of time of use multipliers for on-peak or off-peak or super off-peak usage for the period June 2025 through December 2025; the company's proposed capacity factor for the period January through December 2025; a GPIF reward of \$1,830,750 for performance during 2023 and the company's proposed GPIF targets and ranges for 2025.

(4) STATEMENT OF ISSUES AND POSITIONS

I. FUEL ISSUES

COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES

Tampa Electric Company

ISSUE 4A: What was the total gain under TECO's Optimization Mechanism approved by Order No. PSC-2021-0423-S-EI that TECO may recover for the period January 2023 through December 2023, and how should that gain to be shared between TECO and customers?

TECO: The total gain for the period January 2023 through December 2023 under the Optimization Mechanism approved by Order No. PSC-2017-0456-S-EI is \$10,045,377. Customers should receive \$6,922,689, and Tampa Electric should receive \$3,122,688 (Witness: Heisey).

ISSUE 4B: Should the Commission approve TECO's 2025 Risk Management Plan?

TECO: Yes. Tampa Electric's 2025 Risk Management Plan provides prudent, non-speculative guidelines for mitigating price volatility while ensuring supply reliability (Witness: Heisey).

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 5: What are the appropriate actual benchmark levels for calendar year 2024 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

TECO: The company did not set an actual benchmark level for calendar year 2024. Pursuant to Tampa Electric's Settlement Agreement, approved in Order No. PSC-2021-0423-S-EI, the company's Optimization Mechanism replaces the non-separated wholesale energy sales incentive (Witness: Jones).

ISSUE 6: What are the appropriate estimated benchmark levels for calendar year 2025 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

TECO: The company did not set an estimated benchmark level for calendar year 2025. Pursuant to Tampa Electric's Settlement Agreement approved by Order No. PSC-2021-0423-S-EI, the company's Optimization Mechanism replaces the non-separated wholesale energy sales incentive (Witness: Jones).

ISSUE 7: What are the appropriate final fuel adjustment true-up amounts for the period January 2023 through December 2023?

TECO: \$30,397,837 over-recovery. (Witness: Jones)

ISSUE 8: What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2024 through December 2024?

TECO: \$63,853,334 over-recovery. (Witness: Jones)

ISSUE 9: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2025 through December 2025?

TECO: \$28,431,329 over-recovery. (Witness: Jones)

ISSUE 10: What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2025 through December 2025?

TECO: The total recoverable fuel and purchased power recovery amount to be collected, adjusted by the jurisdictional separation factor, is \$694,330,891. (Witness: Jones)

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

No company-specific GPIF issues for Tampa Electric Company have been identified at this time.

GENERIC GPIF ISSUES

ISSUE 14: What is the appropriate GPIF reward or penalty for performance achieved during the period January 2023 through December 2023 for each investor-owned electric utility subject to the GPIF?

TECO: A reward in the amount of \$1,830,750 for January 2023 through December 2023 performance to be applied to the January 2025 through December 2025 period (Witness: Vance).

Tampa Electric has certain proposals pending in its current base rate case in Docket No. 20240026-EI that may affect the company's GPIF reward. The above GPIF reward may be amended to reflect revisions ordered by the Commission in that docket.

ISSUE 15: What should the GPIF targets/ranges be for the period January 2025 through December 2025 for each investor-owned electric utility subject to the GPIF?

TECO: The appropriate targets and ranges are shown in Exhibit No. __ (EBV-2) to the prefiled testimony of Elena B. Vance. Targets and ranges should be set according to the prescribed GPIF methodology established in 1981 by Commission Order No. 9558 in Docket No. 800400-CI and modified in 2006 by Commission Order No. PSC-2006-1057-FOF-EI in Docket No. 20060001-EI. (Witness: Vance)

FUEL FACTOR CALCULATION ISSUES

ISSUE 16: What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2025 through December 2025?

TECO: The projected net fuel and purchased power cost recovery amount to be included in the recovery factor for the period January 2025 through May 2025, adjusted by the jurisdictional separation factor, is \$258,970,864. The projected net fuel and purchased power cost recovery amount to be included in the recovery factor for the period June 2025 through December 2025, adjusted by the jurisdictional separation factor, is \$435,360,027. The total recoverable fuel and purchased power cost recovery amount to be collected January 2025 through May 2025, including the true-up, optimization mechanism, and GPIF, adjusted for the revenue tax factor, is \$232,800,070. The total recoverable fuel and purchased power cost recovery amount to be collected June 2025 through December 2025, including the true-up, optimization mechanism, and GPIF, adjusted for the revenue tax factor, is \$438,620,259 (Witness: Jones, Heisey, Vance, Smith).

ISSUE 17: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2025 through December 2025?

TECO: The appropriate revenue tax factor is 1.000848 (Witness: Jones).

ISSUE 18: What are the appropriate levelized fuel cost recovery factors for the period January 2025 through December 2025?

TECO: The appropriate factor is 3.083 cents per kWh for January 2025 through May 2025 and 3.391 for June 2025 through December 2025 before any application of time of use multipliers for on-peak or off-peak usage (Witness: Jones).

Tampa Electric has certain proposals pending in its current base rate case in Docket No. 20240026-EI that may affect the company's fuel cost recovery charges and associated tariffs. The above levelized fuel cost recovery clause factor may be amended to reflect revisions ordered by the Commission in that docket.

ISSUE 19: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

TECO: The appropriate fuel recovery line loss multipliers are as follows:

<u>Metering Voltage Schedule</u>	<u>Line Loss Multiplier</u>
Distribution Secondary	1.0000
Distribution Primary	0.9900
Transmission	0.9800
Lighting Service	1.0000

(Witness: Jones)

ISSUE 20: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

TECO: The appropriate factors are as follows:

January 2025 - May 2025

<u>Metering Voltage Level</u>	<u>Fuel Charge Factor (cents per kWh)</u>
Secondary	3.083
RS Tier I (Up to 1,000 kWh)	2.852
RS Tier II (Over 1,000 kWh)	3.852
Distribution Primary	3.052
Transmission	3.021
Lighting Service	3.059

Distribution Secondary	3.227	(on-peak)
	3.024	(off-peak)
Distribution Primary	3.195	(on-peak)
	2.994	(off-peak)
Transmission	3.162	(on-peak)
	2.964	(off-peak)

Proposed Factors for January 2025 – May 2025 as requested in Docket No. 20240026

<u>Metering Voltage Level</u>	<u>Fuel Charge Factor</u> <u>(cents per kWh)</u>	
Lighting Service	3.068	
Distribution Secondary	3.238	(on-peak)
	3.034	(off-peak)
	3.001	(super off-peak)
Distribution Primary	3.206	(on-peak)
	3.004	(off-peak)
	2.971	(super off-peak)
Transmission	3.173	(on-peak)
	2.973	(off-peak)
	2.941	(super off-peak)

June 2025 – December 2025

<u>Metering Voltage Level</u>	<u>Fuel Charge Factor</u> <u>(cents per kWh)</u>	
Secondary	3.391	
RS Tier I (Up to 1,000 kWh)	3.044	
RS Tier II (Over 1,000 kWh)	4.044	
Distribution Primary	3.357	
Transmission	3.323	
Lighting Service	3.363	
Distribution Secondary	3.549	(on-peak)
	3.325	(off-peak)
Distribution Primary	3.514	(on-peak)
	3.292	(off-peak)
Transmission	3.478	(on-peak)
	3.259	(off-peak)

Proposed Factors for June 2025 –December 2025 as requested in Docket No. 20240026

<u>Metering Voltage Level</u>	<u>Fuel Charge Factor (cents per kWh)</u>	
Lighting Service	3.374	
Distribution Secondary	3.561	(on-peak)
	3.336	(off-peak)
	3.301	(super off-peak)
Distribution Primary	3.525	(on-peak)
	3.303	(off-peak)
	3.268	(super off-peak)
Transmission	3.490	(on-peak)
	3.269	(off-peak)
	3.235	(super off-peak)
(Witness: Jones)		

Tampa Electric has certain proposals pending in its current base rate case in Docket No. 20240026-EI that may affect the company's fuel cost recovery charges and associated tariffs. The above cost recovery clause factors may be amended to reflect revisions ordered by the Commission in that docket.

II. CAPACITY ISSUES

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

No company-specific capacity cost recovery factor issues for Tampa Electric Company have been identified at this time.

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 24: What are the appropriate final capacity cost recovery true-up amounts for the period January 2023 through December 2023?

TECO: \$1,888,665 under-recovery. (Witness: Jones)

ISSUE 25: What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2024 through December 2024?

TECO: \$9,348,304 under-recovery. (Witness: Jones)

ISSUE 26: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2025 through December 2025?

TECO: \$11,236,969 under-recovery. (Witness: Jones)

ISSUE 27: What are the appropriate projected total capacity cost recovery amounts for the period January 2025 through December 2025?

TECO: The projected total capacity cost recovery amount for the period January 2025 through December 2025 is \$6,019,725. (Witness: Jones)

ISSUE 28: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2025 through December 2025?

TECO: The total recoverable capacity cost recovery amount to be collected, including the true-up amount, adjusted for the revenue tax factor, is \$17,271,328 (Witness: Jones, Smith).

ISSUE 29: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2025 through December 2025?

TECO: The appropriate jurisdictional separation factor is 1.0000000. (Witness: Jones)

ISSUE 30: What are the appropriate capacity cost recovery factors for the period January 2025 through December 2025?

TECO: The appropriate factors for January 2025 through December 2025 are as follows:

<u>Rate Class and Metering Voltage</u>	<u>Capacity Cost Recovery Factor</u>	
	<u>Cents per kWh</u>	<u>\$ per kW</u>
RS	0.096	
GS and CS	0.088	
GSD, RSD		
Secondary		0.31
Primary		0.31
Transmission		0.30
GSD Optional		
Secondary	0.075	
Primary	0.074	
Transmission	0.074	
GSLDPR/GSLDTPR/SBLDPR/SBLDTPR		0.26
GSLDSU/GSLDTSU/SBLDSU/SBLDTSU		0.30
LS-1, LS-2	0.018	

(Witness: Jones)

Tampa Electric has certain proposals pending in its current base rate case in Docket No. 20240026-EI that may affect the company's capacity cost recovery charges and

associated tariffs. The above capacity cost recovery clause factors may be amended to reflect revisions ordered by the Commission in that docket.

III. EFFECTIVE DATE

ISSUE 31: What should be the effective date of the fuel adjustment factors and capacity cost recovery factors for billing purposes?

TECO: The new factors should be effective beginning with the first billing cycle for January 2025 through the last billing cycle for December 2025. The first billing cycle may start before January 1, 2025, and the last cycle may be read after December 31, 2025, so that each customer is billed for twelve months regardless of when the recovery factors became effective. The new factors shall continue in effect until modified by this Commission. (Witness: Jones)

ISSUE 32: Should the Commission approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be appropriate in this proceeding?

TECO: Yes, the Commission should approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be appropriate in this proceeding (Witness: Jones).

The Commission should also grant Staff administrative authority to approve revised tariffs reflecting amended fuel and capacity cost recovery clause factors that incorporate any revisions that are necessary as a result of the Commission's decision in Tampa Electric's current base rate case in Docket No. 20240026-EI.

ISSUE 33: Should this docket be closed?

TECO: Yes.

(5) **STIPULATED ISSUES**

TECO: None at this time.

(6) **PENDING MOTIONS**

TECO: None at this time.

(7) **PENDING REQUEST OR CLAIMS FOR CONFIDENTIALITY**

TECO: Tampa Electric's Request for Confidential Classification [of DN 08890-2024], filed September 5, 2024, in Docket No. 20240001.

(8) **OBJECTIONS TO A WITNESS'S QUALIFICATION AS AN EXPERT**

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

(9) **REQUEST FOR SEQUESTRATION OF WITNESSES**

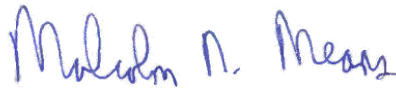
TECO: Tampa Electric does not request the sequestration of witnesses at this time.

(10) **COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE**

TECO: Tampa Electric has complied with all requirements of Order No. PSC-2024-0027-PCO-EI, which is the Order Establishing Procedure in this docket.

DATED this 7th day of October, 2024.

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 served by electronic mail on this 7th day of October, 2024 to the following:

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