

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost)
Recovery Clause.)
_____)

DOCKET NO. 20240007-EI
FILED: October 8, 2024

**TAMPA ELECTRIC COMPANY'S
PREHEARING STATEMENT**

APPEARANCES:

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On behalf of Tampa Electric Company

(1) WITNESSES:

<u>Witness Direct</u>	<u>Subject Matter</u>	<u>Issue No.</u>
Zel D. Jones	Final true-up for period ending December 31, 2023; estimated true-up for period January 2024 through December 2024; projections for period January 2025 through December 2025	1 - 8
	Tariff approval	9
	Tampa Electric Company Specific Issues	13 and 14
Byron T. Burrows	Qualification of environmental activities for ECRC recovery	3, 13 and 14

(2) EXHIBITS:

<u>Witness</u>	<u>Proffered By</u>	<u>Exhibit No.</u>	<u>Description</u>	<u>Issue No.</u>
Zel D. Jones	Tampa Electric	ZDJ-1	Final Environmental Cost Recovery Commission Forms 42-1A through 42-9A for the period January 2023 through December 2023	1, 4
Zel D. Jones	Tampa Electric	ZDJ-2	Environmental Cost Recovery Commission Forms 42-1E through 42-9E for the Period January 2024 through December 2024	2, 4
Zel D. Jones	Tampa Electric	ZDJ-3	Environmental Cost Recovery Forms 42-1P through 42-8P for the Period January 2025 through December 2025	3, 5-9

(3) STATEMENT OF BASIC POSITION

The Commission should approve the compliance programs described in the testimony and exhibits of Tampa Electric witnesses Jones and Burrows for environmental cost recovery. The Commission should also approve Tampa Electric’s calculation of its environmental cost recovery final true-up for the period January 2023 through December 2023, the actual/estimated environmental cost recovery true-up for the current period January 2024 through December 2024, and the company’s projected ECRC revenue requirement and the company’s proposed ECRC factors for the period January 2025 through December 2025.

(4) STATEMENT OF ISSUES AND POSITIONS

Generic Environmental Cost Recovery Issues

ISSUE 1: What are the final environmental cost recovery true-up amounts for the period January 2023 through December 2023?

TECO: The appropriate final environmental cost recovery true-up amount for this period is an over-recovery of \$4,203,268 (Witness: Jones).

ISSUE 2: What are the actual/estimated environmental cost recovery true-up amounts for the period January 2024 through December 2024?

TECO: The actual/estimated environmental cost recovery true-up amount for the period is an over-recovery of \$3,297,632 (Witness: Jones).

ISSUE 3: What are the projected environmental cost recovery amounts for the period January 2025 through December 2025?

TECO: The appropriate amount of environmental costs projected to be recovered for the period January 2025 through December 2025 is \$19,594,554 (Witnesses: Jones; Burrows).

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

ISSUE 4: What are the environmental cost recovery amounts, including true-up amounts, for the period January 2025 through December 2025?

TECO: The total environmental cost recovery amount, including true-up amounts, for the period January 2024 through December 2024 is \$12,103,910 after the adjustment for taxes (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 environmental cost recovery charges and associated tariffs. The above environmental cost recovery amount, including true-up amounts, and adjusted for taxes may be amended to reflect revisions ordered by the Commission in that docket.

ISSUE 5: What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery amounts for the period January 2025 through December 2025?

TECO: The depreciation rates used to calculate the depreciation expense shall be the depreciation rates agreed to in Tampa Electric's 2021 Settlement Agreement, which were applied to the 2025 projection. (Witness: Jones)

Tampa Electric has certain proposals pending in Docket No. 20240026-EI that may affect the company's environmental cost recovery charges and associated tariffs. The company's cost recovery clause factors may be amended to reflect any changes to depreciation rates and depreciation expense ordered by the Commission in Docket Nos. 20230139-EI and 20240026-EI.

ISSUE 6: What are the appropriate jurisdictional separation factors for the projected period January 2025 through December 2025?

TECO: Energy: 100.00%
Demand: 100.00% (Witness: Jones)

ISSUE 7: What are the appropriate environmental cost recovery factors for the period January 2025 through December 2025 for each rate group?

TECO: The appropriate environmental cost recovery factors are as follows:

<u>Rate Class</u>	<u>Factor (¢/kWh)</u>
RS	0.063
GS, CS	0.060
GSD, SBD	
Secondary	0.056
Primary	0.056
Transmission	0.055
GSLDPR/GSLDTPR, SBLDPR/SBLDTPR	0.048
GSLDSU/ GSLDTSU SBLDSU/SBLDTSU	0.051
LS1, LS2	0.038
Average Factor (Witness: Jones)	0.059

Tampa Electric has certain proposals pending in its current base rate case in Docket No. 20240026-EI that may affect the company’s environmental 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.

ISSUE 8: What should be the effective date of the new environmental cost recovery factors for billing purposes?

TECO: The factors should be effective beginning with the specified environmental cost recovery cycle and thereafter for the period January 2025 through December 2025. Billing cycles 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 adjustment factors became effective. These charges shall continue in effect until modified by subsequent order of this Commission (Witness: Jones).

ISSUE 9: Should the Commission approve revised tariffs reflecting the environmental cost recovery amounts and environmental cost recovery factors determined to be appropriate in this proceeding?

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

The Commission should also grant Staff administrative authority to approve revised tariffs reflecting amended 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 10: Should this docket be closed?

TECO: Yes.

COMPANY-SPECIFIC ENVIRONMENTAL COST RECOVERY ISSUES

Duke Energy Florida, LLC (DEF):

ISSUE 11: Should the Commission approve DEF's Citrus Combined Cycle (CCC) Water Treatment System Project for cost recovery through the ECRC?

TECO: No position.

ISSUE 12: How should the approved costs related to DEF's CCC Water Treatment System Project be allocated to the rate classes?

TECO: No position.

Tampa Electric Company (TECO):

ISSUE 13: Should the Commission approve TECO's Bayside 316 (a) Thermal Variance Study Project for cost recovery through the ECRC?

TECO: Yes, the Commission should approve TECO's Bayside 316(a) Thermal Variance Study Project for cost recovery through the ECRC. The costs for this study are necessary to comply with a governmentally imposed environmental regulation which was enacted in 1972, and requested to be updated in the issuance of Bayside's latest National Pollutant Discharge Elimination System Permit dated December 9, 2022. This occurred after the company's last test year of 2022 and the costs for the study are not recovered through any other cost recovery mechanism or base rates (Witness: Jones).

ISSUE 14: How should the approved costs related to TECO's Bayside (a) Thermal Variance Study Project be allocated to the rate classes?

TECO: The approved costs related to TECO’s Bayside 316(a) Thermal Variance Study Project should be allocated as an Energy-related cost as shown in the Company’s 2025 Projection, Form 42-6P, Column “(3)” (Witness: Jones).

(5) STIPULATED ISSUES

TECO: None at this time.

(6) MOTIONS

TECO: None at this time.

(7) PENDING REQUEST OR CLAIMS FOR CONFIDENTIALITY

TECO: None at this time.

(8) OBJECTIONS TO WITNESS’ QUALIFICATIONS AS EXPERT

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

(9) REQUEST FOR SEQUESTRATION OF WITNESSES

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

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

TECO: Tampa Electric has complied with all requirements of Order No. PSC-2024-0031-PCO-EI, which is the Order Establishing Procedure entered in this docket.

DATED this 8th day of October 2024.

Respectfully submitted,



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ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Prehearing Statement, filed on behalf of Tampa Electric Company has been furnished by electronic mail on this 8th day of October 2024 to the following:

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