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January 15, 2025

VIA: ELECTRONIC FILING

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

**Re: Tampa Electric Company's Petition for Approval of 2026-2035 Storm Protection Plan
Dkt. No.: 20250016-EI**

Dear Mr. Teitzman:

Attached for filing in the above docket on behalf of Tampa Electric Company is the Direct Testimony of A. Sloan Lewis and Exhibit No. ASL-1.

Thank you for your assistance in connection with this matter.

Sincerely,

A handwritten signature in blue ink that reads 'Malcolm N. Means'.

Malcolm N. Means

MNM/bml
Attachment

cc: Walt Trierweiler, Office of Public Counsel
TECO Regulatory



BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20250016-EI

TAMPA ELECTRIC COMPANY'S
2026-2035 STORM PROTECTION PLAN

DIRECT TESTIMONY AND EXHIBIT

OF

A. SLOAN LEWIS

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
PREPARED DIRECT TESTIMONY
OF
A. SLOAN LEWIS

Q. Please state your name, address, occupation, and employer.

A. My name is A. Sloan Lewis. My business address is 702 N. Franklin Street, Tampa, Florida 33602. I am employed by Tampa Electric Company ("Tampa Electric" or "the company") as Manager, Rates in the Regulatory Affairs Department.

Q. Please describe your duties and responsibilities in that position.

A. As the Manager, Rates, I am responsible for Tampa Electric's Storm Protection Plan ("SPP") and the Storm Protection Plan Cost Recovery Clause ("SPPCRC"). My duties and responsibilities include the oversight of the revenue requirements, rates, and all Florida Public Service Commission ("Commission") filings related to the SPP and SPPCRC.

1 **Q.** Please describe your educational background and
2 professional experience.

3

4 **A.** I received a Bachelor of Science degree in accounting from
5 Florida State University in 1994 and a Master of Education
6 from the University of North Florida in 1996. I joined Tampa
7 Electric in 2000 as a Fuels Accountant and over the past 24
8 years, expanded my cost recovery clause oversight and
9 leadership to include all of the clauses for Tampa Electric
10 and People's Gas. I led a team of Accountants with the
11 responsibility over the clause-related financial
12 transactions in the company's accounting system, the proper
13 classification of recoverable and non-recoverable expenses,
14 the accurate reporting of clause expenses in Commission
15 filings, and the annual Commission clause audits. In 2024,
16 I moved into the role of Manager, Rates overseeing the
17 regulatory aspects of the SPP and SPPCRC.

18

19 **Q.** What is the purpose of your testimony in this proceeding?

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21 **A.** The purpose of my testimony in this proceeding is to present
22 the estimate of rate impacts for each of the first three
23 years of the Tampa Electric's proposed 2026-2035 SPP for
24 the utility's typical residential, commercial, and
25 industrial customers required by Rule 25-6.030(g)-(h) of

1 the Florida Administrative Code. My testimony also explains
2 the methodology used to calculate these estimates.

3

4 **Q.** Have you prepared an exhibit to accompany your direct
5 testimony?

6

7 **A.** Yes. Exhibit No. ASL-1, entitled "Tampa Electric's 2026-
8 2035 SPP Total Revenue Requirements by Program" was
9 prepared under my direction and supervision. This exhibit
10 shows the annual revenue requirement for the company's
11 proposed 2026-2035 SPP programs.

12

13 **CALCULATION OF THE ESTIMATED ANNUAL JURISDICTIONAL REVENUE**
14 **REQUIREMENTS FOR TAMPA ELECTRIC'S 2026-2035 SPP**

15 **Q.** What are the estimated annual jurisdictional revenue
16 requirements for each year of the company's proposed 2026-
17 2035 SPP?

18

19 **A.** The estimated annual jurisdictional revenue requirements
20 for each year of the company's proposed 2026-2035 SPP are
21 included in the following table. The revenue requirements
22 for each proposed SPP programs are set out in my Exhibit
23 No. ASL-1.

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1 Total SPP Revenue Requirements (2026-2035)

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Year	Revenue Requirements
2026	\$142,270,601
2027	\$169,739,854
2028	\$191,967,403
2029	\$211,267,410
2030	\$233,188,276
2031	\$254,939,680
2032	\$275,718,765
2033	\$294,281,562
2034	\$312,752,491
2035	\$331,105,799

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12 **Q.** How were the estimated annual jurisdictional revenue
13 requirements for the proposed plan developed?

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15 **A.** The estimated annual jurisdictional revenue requirements
16 were developed with cost estimates for each of the proposed
17 2026-2035 SPP programs, with the addition of depreciation
18 and return on the SPP assets, as outlined in Rule 25-
19 6.031(6), F.A.C., the SPP Cost Recovery Clause Rule. Tampa
20 Electric used the weighted average cost of capital and
21 depreciation rates established by the Commission in the
22 company's most recent base rate case. See Vote Sheet, DN
23 10091-2024, filed December 3, 2024, in Docket No. 20240026-
24 EI.

1 The revenue requirement calculation is further reduced by
2 the depreciation savings that result from the retirement of
3 assets as part of SPP projects. The revenue requirement
4 calculation does not include Allowance for Funds Used
5 During Construction ("AFUDC") because none of the projects
6 in Tampa Electric's proposed 2026-2035 SPP qualify for
7 AFUDC under Rule 25-6.0141, F.A.C.

8
9 **Q.** Do these revenue requirements include any costs that are
10 currently recovered in base rates?

11
12 **A.** Yes. The annual revenue requirements shown in the table
13 above reflect all the investments and expenses associated
14 with the activities in the plan without regard to whether
15 the costs are recovered through the company's existing base
16 rates and charges or through the company's SPPCRC. In the
17 "2020 Agreement," approved by the Commission in Order No.
18 PSC-20200224-AS-EI, issued on June 30, 2020, Tampa Electric
19 agreed to recover the costs of some existing storm hardening
20 activities that were previously recovered through base
21 rates through the SPPCRC, while others remain recovered
22 through base rates.

23
24 **Q.** Will Tampa Electric seek recovery of the appropriate
25 estimated SPP costs through the separate annual SPPCRC

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proceeding, in accordance with Rule 25-6.031, F.A.C.?

A. Yes, Tampa Electric will continue to file for cost recovery of the estimated SPP costs through the separate annual SPPCRC proceeding. The revenue requirement presented in the company's proposed 2026-2035 SPP is an estimated revenue requirement for all of the programs in the plan. The Commission will address the estimated annual revenue requirement for the clause recoverable programs, and cost recovery for that revenue requirement, in the separate SPPCRC proceeding.

CALCULATION OF THE ESTIMATED RATE IMPACTS FOR YEARS 2026-2028 OF THE PROPOSED STORM PROTECTION PLAN

Q. Please provide an estimate of rate impacts for each of the first three years of Tampa Electric's proposed 2026-2035 SPP for typical residential, commercial, and industrial customers.

A. The estimated rate impacts for each of the first three years of the proposed 2026-2035 SPP for a typical residential, commercial, and industrial Tampa Electric customer are listed in the table below.

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Tampa Electric's Storm Protection Plan "Total Cost" Customer Bill Impacts						
Customer Class						
	Residential 1,000 kWh		Commercial 1 MW 60 percent Load Factor		Industrial 10 MW 60 percent Load Factor	
	\$	%	\$	%	\$	%
2026	8.48	5.82	2.44	3.72	1.65	3.37
2027	10.12	6.95	2.91	4.44	1.97	4.02
2028	11.45	7.87	3.29	5.02	2.23	4.55

Q. How were the estimated rate impacts for each of the first three years of the proposed 2026-2035 SPP for a typical residential, commercial, and industrial customer determined?

A. For each year, the programs were itemized and identified as either substation, transmission, or distribution costs. Each of those functionalized costs was then allocated to rate class using the allocation factors for that function. The company used the allocation factors from the Tampa Electric 2024 base rate case approved in the company's most recent base rate case. See Vote Sheet, DN 10091-2024, filed December 3, 2024, in Docket No. 20240026-EI.

Once the company derived the total SPP revenue requirement

1 recovery allocation to the rate classes, the rates were
2 determined in the same manner. For residential customers,
3 the charge is a per-kWh charge. For commercial and
4 industrial customers, the charge is a per-kW charge. The
5 estimated charges were derived by dividing the rate class
6 allocated SPP revenue requirements by the 2026 energy
7 billing determinants for residential and small commercial
8 customers and by the 2026 demand billing determinants for
9 large commercial and industrial customers. Those charges
10 were then applied to the billing determinants associated
11 with typical bills for each group to calculate the impact
12 on those bills. The company performed this analysis using
13 the costs for 2026, 2027, and 2028.

14
15 **Q.** Will the rates established through the SPPCRC differ from
16 those presented in the rate impact calculations in the SPP?

17
18 **A.** Yes. The rate impacts presented above reflect the "all-in"
19 costs of the company's SPP without regard to whether the
20 costs are or will be recovered through the SPPCRC or through
21 the company's base rates.

22
23 In addition, when it makes its SPPCRC filing, the company
24 will use more recent billing determinants based on the most
25 current load forecast available at that time.

1 **SUMMARY**

2 **Q.** Please summarize your direct testimony.

3
4 **A.** My testimony and exhibit demonstrate that Tampa Electric's
5 estimated annual jurisdictional revenue requirements for
6 each of the 10 years of the 2026-2035 SPP and rate impacts
7 for each of the first three years of the 2026-2035 SPP for
8 the utility's typical residential, commercial, and
9 industrial customers comply with Rule 25-6.030(3)(g)-(h).
10 These calculations were performed in accordance with the
11 requirements of Section 366.96, Florida Statutes, and the
12 implementing Rule 25-6.030, F.A.C., adopted by the
13 Commission.

14
15 **Q.** Does this conclude your testimony?

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17 **A.** Yes.
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Tampa Electric's 2026-2035 Storm Protection Plan Total Revenue Requirements by Program (in Millions)												
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total	
Capital												
Distribution Lateral Undergrounding	\$74.14	\$91.11	\$104.38	\$114.08	\$127.06	\$140.48	\$153.37	\$166.29	\$178.76	\$190.74	\$1,340.40	
Transmission Asset Upgrades	\$10.98	\$13.65	\$15.13	\$16.08	\$16.68	\$16.56	\$16.18	\$15.79	\$15.41	\$15.03	\$151.49	
Distribution - Substation Extreme Weather Protection	\$0.95	\$1.81	\$2.38	\$2.33	\$2.45	\$3.16	\$4.05	\$4.58	\$4.86	\$5.04	\$31.60	
Transmission - Substation Extreme Weather Protection	\$0.03	\$0.07	\$0.17	\$0.56	\$1.00	\$1.21	\$1.26	\$1.25	\$1.23	\$1.21	\$7.99	
Distribution Overhead Feeder Hardening	\$15.22	\$18.40	\$22.09	\$24.69	\$28.14	\$31.38	\$34.50	\$37.48	\$40.33	\$43.05	\$295.30	
Transmission Switch Hardening	\$0.00	\$0.00	\$0.01	\$0.17	\$0.53	\$0.98	\$1.27	\$1.34	\$1.32	\$1.29	\$6.91	
Distribution Storm Surge Hardening	\$0.01	\$0.68	\$2.28	\$4.37	\$5.69	\$6.02	\$5.89	\$5.77	\$5.64	\$5.52	\$41.87	
Distribution Pole Replacements	\$4.98	\$6.31	\$7.61	\$8.90	\$10.17	\$11.42	\$12.65	\$13.87	\$15.06	\$16.23	\$107.20	
Total Capital	\$106.31	\$132.03	\$154.05	\$171.19	\$191.71	\$211.20	\$229.17	\$246.37	\$262.61	\$278.11	\$1,982.76	
O&M												
Distribution Lateral Undergrounding	\$0.34	\$0.34	\$0.32	\$0.31	\$0.31	\$0.46	\$0.77	\$0.78	\$0.79	\$0.79	\$5.22	
Distribution Vegetation Management - planned	\$25.10	\$26.31	\$26.23	\$28.92	\$30.33	\$31.82	\$33.39	\$35.02	\$36.74	\$38.89	\$312.75	
Distribution Vegetation Management - unplanned	\$0.91	\$0.96	\$1.01	\$1.06	\$1.11	\$1.17	\$1.22	\$1.29	\$1.35	\$1.42	\$11.50	
Transmission Vegetation Management - planned	\$3.72	\$3.93	\$4.16	\$4.41	\$4.66	\$4.94	\$5.23	\$5.54	\$5.86	\$6.21	\$48.66	
Transmission Vegetation Management - unplanned	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Transmission Asset Upgrades	\$0.65	\$0.63	\$0.63	\$0.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2.26	
Distribution - Substation Extreme Weather Protection	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Transmission - Substation Extreme Weather Protection	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Distribution Overhead Feeder Hardening	\$0.99	\$1.02	\$0.30	\$0.28	\$0.29	\$0.28	\$0.28	\$0.28	\$0.29	\$0.28	\$4.29	
Transmission Switch Hardening	\$0.00	\$0.00	\$0.01	\$0.15	\$0.14	\$0.14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.44	
Distribution Storm Surge Hardening	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Distribution Infrastructure Inspections	\$1.50	\$1.55	\$1.60	\$1.69	\$1.74	\$1.79	\$1.84	\$1.90	\$2.01	\$2.07	\$17.69	
Transmission Infrastructure Inspections	\$0.55	\$0.56	\$0.57	\$0.54	\$0.55	\$0.56	\$0.58	\$0.59	\$0.60	\$0.61	\$5.71	
SPP Planning & Common	\$1.10	\$1.31	\$1.98	\$1.24	\$1.21	\$1.43	\$2.10	\$1.37	\$1.35	\$1.56	\$14.66	
Other Legacy Storm Hardening Plan Items	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$8.00	
Distribution Pole Replacements	\$0.30	\$0.31	\$0.31	\$0.32	\$0.32	\$0.33	\$0.34	\$0.34	\$0.35	\$0.36	\$3.28	
Total O&M	\$35.96	\$37.71	\$37.92	\$40.08	\$41.48	\$43.74	\$46.55	\$47.91	\$50.14	\$52.99	\$434.48	
Total Capital and O&M	\$142.27	\$169.74	\$191.97	\$211.27	\$233.19	\$254.94	\$275.72	\$294.28	\$312.75	\$331.11	\$2,417.23	