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February 11, 2025

VIA ELECTRONIC FILING

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

Re: Docket 20240171-EU – Joint Petition for Approval of Temporary Services between Tampa Electric Company and the City of Lakeland, d/b/a Lakeland Electric

Dear Mr. Teitzman:

Attached for filing on behalf of Tampa Electric Company and Lakeland Electric are the joint petitioners' answers to Staff's Second Data Request (Nos. 1-4) served via email on January 30, 2025.

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: Devan Prewett, Public Utility Analyst, FPSC (dprewett@psc.state.fl.us)
Michael Barrett, Economist Supervisor (mbarrett@psc.state.fl.us)
TECO Regulatory

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Answers, filed on behalf of Tampa Electric Company and the City of Lakeland, has been furnished by electronic mail on this 11th day of February 2025 to the following:

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ATTORNEY

1. The Joint Petitioners' response to Question 3 of Staffs First Data Request states, in part, "The Joint Parties are in fact preparing a comprehensive territorial amendment filing."
 - A. The Petitioners' Letter of Intent appears to limit the upcoming territorial agreement to the boundary modifications to those identified in the Petition, but we are seeking further clarification on this point. Is the comprehensive territorial agreement amendment currently being prepared expected to include:
 - (1) Boundary changes other than those pertaining to these two developments (Schaller Preserve and Cadence Crossing)? Please explain.
 - (2) If "yes" to (1), would such boundary line changes necessitate customer transfers from TECO to Lakeland and/or Lakeland to TECO? Please explain.
 - (3) If "yes" to (1), do such additional boundary line changes contribute to the time consuming and labor intensive process referenced in the Petitioner's response? Please explain.
 - (4) If "yes" to (1), identify the specific facts and circumstances that impeded the joint parties from timely preparing a territorial agreement amendment filing limited to the two developments (Schaller Preserve and Cadence Crossing Phase 2), thereby potentially eliminating the need for the proposed temporary service agreement.
 - B. Please identify the specific tasks required for making a comprehensive territorial agreement filing, specific to this case, that are time consuming and labor intensive.
 - A. (1) Tampa Electric and Lakeland Electric are still evaluating potential boundary changes beyond the areas of Schaller Preserve and Cadence Crossing addressed in this petition.
 - (2) There are no existing customers in the areas of Schaller Preserve and Cadence Crossing addressed in this petition. Tampa Electric and Lakeland Electric are still evaluating other potential boundary changes; potential customer transfers are unknown at this time.
 - (3) Evaluating boundary changes and the territorial agreement as a whole is time consuming and labor intensive.
 - (4) Please refer to the answer to Staff's Second Data Request No 4. Additionally, given the vintage of the current territorial agreement between Tampa Electric and Lakeland Electric (entered into in 1991, and amended in 1998 and 2014), the parties believe it is appropriate, given the present

need to address the territory boundaries, to review the whole document, considering a boundary survey/review to ensure there are no areas where additional boundary changes may be appropriate to provide for existing or planned growth, and ensure terms are updated to address the parties current and anticipated future needs.

B. Several aspects of creating a comprehensive territorial agreement filing, specific to this case, necessitate significant time and labor investment. These tasks include, but are not limited to:

- **Detailed Mapping and Spatial Data Management:** Developing the required maps is a complex undertaking. This involves not only creating multiple maps depicting existing and proposed service territories but also ensuring precise geographic data accuracy. It requires extensive research, data collection, field observations, and often the use of specialized Geographic Information System (GIS) software. Furthermore, meticulous coordination between the two utilities is essential to ensure that the maps accurately reflect the agreed-upon boundaries and service areas. This coordination involves multiple reviews, revisions, and approvals, adding to the overall timeline.
- **Legal Review and Documentation:** The existing legal documentation associated with the territorial agreement is more than 30 years old. As such, review of the document, as a whole, is appropriate. This process will necessitate close collaboration between the parties and with legal counsel, negotiation, drafting, and governing body approvals, and often involves multiple rounds of revisions to ensure accuracy and completeness.
- **Regulatory Compliance and Filings:** Navigating the regulatory approval process requires attention to detail and adherence to specific filing requirements. This involves preparing and submitting a comprehensive filing package to the PSC, responding to any requests for information, and participating in regulatory proceedings. This process, on top of the pre-filing effort described above, would be expected to exceed 9 months.

The combined effort required for these tasks, particularly the mapping, legal reviews, and coordination between the two utilities, is a significant time and labor undertaking for a comprehensive territorial agreement filing in this specific situation. Where both Tampa Electric and Lakeland Electric are attempting to expeditiously process the territorial changes to accommodate develop schedules, to assist customers, the current petition for temporary service approval appeared to the parties to be the best way to accomplish the initial legal entitlement for each utility to serve the amended territory, while demonstrating responsiveness to developers, and respect for the PSC's continuing and active jurisdiction over territorial matters.

2. Please specify any further amendments to the existing territorial agreement or other matters not specifically discussed in the parties' response to Question 1 above that the parties plan to include in the "comprehensive territorial agreement amendment filing."
- A. Tampa Electric and Lakeland Electric are still evaluating potential boundary changes and the existing territorial agreement as a whole.

3. In the Joint Petitioners' response to Staff's First Data Request, the joint parties provided information to staff on estimated construction costs (in the responses to Questions 1.C., 1.E., 2.C. and 2.E.).
 - A. Please identify any other costs (types and estimated amounts), not otherwise included in the construction cost estimates provided in the Petitioners' responses, that TECO would incur in order to provision service to these two developments (Schaller Preserve and Cadence Crossing)? Examples may include engineering, design, administrative, legal, O&M, etc..
 - B. Please identify any other costs (types and estimated amounts), not included in the construction cost estimates provided in the Petitioners' responses, that Lakeland would incur in order to provision service to these two developments (Schaller Preserve and Cadence Crossing)? Examples may include engineering, design, administrative, legal, O&M, etc..
- A.**
- A. Tampa Electric provided an estimate inclusive of all projected costs.
 - B. For Lakeland Electric, costs beyond construction expenses would be absorbed by existing internal labor resources. Therefore, these costs represent a sunk cost and do not constitute an incremental expense for the utility.

4. Please refer to the Petition, Paragraph 5, which discusses the time constraints of developer's design and equipment purchase decisions.

A. Please provide a comprehensive schedule of events and actions leading to the Parties' necessity to seek approval of the proposed temporary service arrangement in this case rather than directly filing a petition for the temporary service agreement.

B. Based on such schedule/actions, please identify if there were any opportunities wherein the need for Commission approval of temporary service arrangements could have been avoided in this case. Please explain.

A.

A. Please see the timeline below.

Fall 2024: During Tampa Electric's Rate Case proceedings, Lakeland Electric assumed responsibility for advancing the territory swap process.

September 25, 2024: Lakeland Electric received the signed Letter of Intent (LOI) from Tampa Electric and subsequently forwarded it to legal counsel in Tallahassee.

September 26, 2024: Hurricane Helene made landfall near Tallahassee. This necessitated a shift in focus to storm preparation and recovery efforts, resulting in a delay of the territory swap work.

October 9, 2024: Approximately two weeks after Hurricane Helene, Hurricane Milton impacted Tampa Electric and Lakeland. This further delayed the territory swap process as resources were again directed towards storm preparation and recovery. Post-storm activities continued for several weeks.

November 7, 2024: Lakeland Electric staff contacted legal counsel in Tallahassee to resume work on the territory swap.

November 15, 2024: Lakeland Electric staff held an internal meeting to discuss coordination with Tampa Electric. Recognizing the desired March start date for construction projects and the potential for a 9-month timeline for a standard territory agreement, Lakeland Electric determined that pursuing a temporary territory agreement would be the most effective approach.

November 22, 2024: Lakeland Electric and Tampa Electric initiated discussions regarding next steps.

December 2, 2024: The Lakeland City Attorney coordinated the notification process for the City Commission regarding the temporary agreement petition, scheduled for the December 13th City Utility Committee meeting.

December 3, 2024: Lakeland Electric and Tampa Electric coordinated a meeting with Public Service Commission (PSC) staff for either December or January.

December 13, 2024: Lakeland Electric informed the City Commission of the request for a temporary territory agreement.

December 16, 2024: Lakeland Electric and Tampa Electric met with PSC staff to discuss the proposed temporary territory agreement.

December 23, 2024: Lakeland Electric and Tampa Electric jointly submitted the petition for the temporary agreement to the PSC via their website.

- B. Due to the unfortunate and unanticipated impact of two hurricanes impacting Tallahassee, Tampa Electric, and Lakeland Electric, delays were incurred. These delays, resulting from necessary storm preparation and subsequent recovery efforts, regrettably impacted our timeline. While a permanent territory swap was initially considered, the time lost due to the hurricanes made this option untenable for the desired project schedule. To be able to work toward providing the developers the opportunity to commence their projects by March 2025, and avoid the typical 6 to 9 month timeline associated with standard processes, we determined it was appropriate to request a temporary service agreement. Tampa Electric and Lakeland Electric's territorial agreement is somewhat unusual in that it requires PSC approval for temporary service. Many territorial agreements, we understand, rather just require a notification to the PSC. Had this notification requirement been present here, Tampa Electric and Lakeland Electric would have certainly taken the same approach to (1) begin with temporary service, then (2) file a territory agreement amendment or revised and restated agreement for PSC approval. The joint petition for temporary service was filed with the anticipation that it would enable the parties to obtain initial approvals to allow the developers to proceed with construction within 3-4 months.