

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

FILED 10/28/2019
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FPSC - COMMISSION CLERK

In the Matter of:

DOCKET NO. 20190136-EI

PETITION FOR A LIMITED
PROCEEDING TO APPROVE THIRD
SOBRA, BY TAMPA ELECTRIC
COMPANY.

_____ /

VOLUME 1
PAGES 1 through 75

PROCEEDINGS: HEARING

COMMISSIONERS
PARTICIPATING: CHAIRMAN ART GRAHAM
COMMISSIONER JULIE I. BROWN
COMMISSIONER DONALD J. POLMANN
COMMISSIONER GARY F. CLARK
COMMISSIONER ANDREW GILES FAY

DATE: Thursday, October 17, 2019

TIME: Commenced: 10:52 a.m.
Concluded: 11:15 a.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: DANA W. REEVES
Court Reporter

PREMIER REPORTING
114 W. 5TH AVENUE
TALLAHASSEE, FLORIDA
(850) 894-0828

1 APPEARANCES:

2 JAMES D. BEASLEY, J. JEFFRY WAHLEN, and
3 MALCOLM N. MEANS, ESQUIRES, Ausley & McMullen, Post
4 Office Box 391, Tallahassee, Florida 32302, and Penelope
5 Rusk, appearing on behalf of Tampa Electric Company.

6 J.R. KELLY, PUBLIC COUNSEL; CHARLES REHWINKEL,
7 DEPUTY PUBLIC COUNSEL; Office of Public Counsel, c/o The
8 Florida Legislature, 111 W. Madison Street, Room 812,
9 Tallahassee, Florida 32399-1400, appearing on behalf of
10 the Citizens of the State of Florida.

11 JON C. MOYLE, JR., KAREN A. PUTNAL, and IAN E.
12 WALDICK, ESQUIRES, Moyle Law Firm, P.A., 118 North
13 Gadsden Street, Tallahassee, Florida 32301, appearing on
14 behalf of Florida Industrial Power Users Group.

15 WALTER TRIERWEILER and KURT SCHRADER,
16 ESQUIRES, FPSC General Counsel's Office, 2540 Shumard
17 Oak Boulevard, Tallahassee, Florida 32399-0850,
18 appearing on behalf of the Florida Public Service
19 Commission Staff.

20 KEITH HETRICK, GENERAL COUNSEL; MARY ANNE
21 HELTON, DEPUTY GENERAL COUNSEL, Florida Public Service
22 Commission, 2540 Shumard Oak Boulevard, Tallahassee,
23 Florida 32399-0850, adviser to the Florida Public
24 Service Commission.

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I N D E X

WITNESSES

NAME :	PAGE NO .
MARK D. WARD	
Prefiled Direct testimony inserted	15
JOSE A. APONTE	
Prefiled Direct testimony inserted	32
WILLIAM R. ASHBURN	
Prefiled Direct testimony inserted	54

	EXHIBITS			
2	NUMBER:		ID	ADMITTED
3	1	as identified on the comprehensive exhibit list	65	65
4	2	as identified on the comprehensive exhibit list	65	66
6	3	as identified on the comprehensive exhibit list	65	66
7	4	as identified on the comprehensive exhibit list	65	66
9	5	as identified on the comprehensive exhibit list	65	66
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1 P R O C E E D I N G S

2 CHAIRMAN GRAHAM: Okay. Good morning
3 everyone. Let's try that again. Good morning.

4 (Chorus of good morning.)

5 CHAIRMAN GRAHAM: Let the record show this is
6 Thursday, October 17th still. The time is 10:52 by
7 that clock in the back. This is our SoBRA hearing,
8 Docket No. 20190136-EI. We are convening this
9 hearing and staff, if I can get you to read the
10 notice, please.

11 MR. SCHRADER: By notice, this time and place
12 was set for a hearing in Docket No. 20190136-EI.
13 The purpose of the hearing is set out more fully in
14 the notice.

15 CHAIRMAN GRAHAM: Okay. Let's take
16 appearances.

17 MR. WHALEN: Good morning, Commissioners. I'm
18 Jeff Whalen of the Ausley McMullen Law Firm.
19 Appearing with me today are Jim Beasley and Malcolm
20 Means of the same firm. I also have with me today
21 Penelope Rusk, who is the Director of Regulatory
22 Affairs for Tampa Electric Company.

23 MR. REHWINKEL: Good morning, Mr. Chairman and
24 Commissioners. My name is Charles Rehwinkel with
25 the Office of Public Counsel, and I'm appearing

1 here today with J.R. Kelley, the Public Counsel, on
2 behalf of Tampa Electric Company's customers.

3 MR. SCHRADER: Kurt Schrader and Walt
4 Trierweiler for staff.

5 MS. HELTON: And Mary Anne Helton here as your
6 advisor, along with your General Counsel, Keith
7 Hetrick.

8 CHAIRMAN GRAHAM: Okay. Thank you and
9 welcome, all. Staff, preliminary matters.

10 MR. SCHRADER: Yes, staff notes that FIPUG has
11 asked for and has been granted excusal from this
12 proceeding. On October 2nd, 2019 TECO filed
13 proposed Type-2 stipulations on all issues in this
14 docket, with OPC agreeing to all proposed
15 stipulations and FIPUG taking no position. Minor
16 revisions to the proposed stipulations were filed
17 on October 8th, 2019. Pursuant to the proposed
18 stipulations, the parties have agreed to the
19 excusal of legal witnesses and staff has confirmed
20 with the Commission their excusal prior to today's
21 hearing.

22 CHAIRMAN GRAHAM: Okay. Opening statements.
23 Next we'll have the opening statements. Each party
24 will present a brief opening statement. Each party
25 will take no longer than -- no longer than three

1 minutes. Who was the prehearing officer on this?

2 COMMISSIONER POLMANN: You're welcome.

3 CHAIRMAN GRAHAM: Commissioner Polmann, I
4 absolutely love you, man.

5 Okay. Opening statements.

6 MR. WHALEN: Good morning, Commissioners.
7 Today Tampa Electric Company seeks approval of its
8 third solar-based rate adjustment for two solar
9 projects. One is called the Wimauma Solar Project
10 and the second is Little Manatee River, or LMR.
11 They total approximately 149.3 megawatts. We are
12 seeking approval of these projects pursuant to
13 order No. PSC 20170456, which was issued in 2017,
14 and it approved our settlement agreement with the
15 consumer parties.

16 Paragraph six of that agreement is not general
17 approval to build utility scale of solar. Rather,
18 it creates a specific path for approval of certain
19 qualifying solar projects and allows solar-based
20 rate adjustments for those. Paragraph six allows
21 the company to build and get cost recovery of solar
22 projects that are cost effective as contemplated in
23 the agreement and have a projected installed cost
24 of less than \$1,500 per kilowatt AC.

25 The agreement also specifies the rate design

1 criteria to be used to recover the costs of the
2 solar projects. In this case, the projected
3 installed costs for Wimauma and LMR are \$1,479 and
4 \$1,410 per KWAC and are below the \$1,500 cap. They
5 are also cost-effective. The rates for your
6 consideration today have been designed in
7 accordance with the agreement.

8 The proposed stipulations in the prehearing
9 order are supported by the testimony of the three
10 of Tampa Electric's witnesses and the exhibits in
11 the comprehensive exhibit list, which includes the
12 responses to Tampa Electric's discovery requests.

13 I'd like to briefly address the
14 recently-announced state income tax rate reduction,
15 which Tampa Electric addressed in a letter filed in
16 this docket on Monday, October 14th. Tampa
17 Electric acknowledges that the state corporate
18 income tax rate reduction falls within the scope of
19 Paragraph 9 of the company's 2017 agreement. That
20 paragraph governs how the company will address the
21 impact of state tax rate changes on the company's
22 base revenues for the period from January 1, 2019
23 to December 31st, 2021. Paragraph 9B of the
24 agreement requires, among other things, that Tampa
25 Electric reduce its base rates and charges to

1 reflect the impact of the tax rate change on its
2 annual revenue requirement. It also requires the
3 company to adjust any SoBRA's that have not yet
4 gone into effect, to specifically account for the
5 state income tax rate change. Tampa Electric
6 intends to file a petition to fill its obligations
7 to address the new lower temporary state income tax
8 rate, with a target effective date of January 1,
9 2020.

10 As soon as possible, we'll be working with the
11 consumer parties and the staff to pursue that
12 petition with efficiency and dispatch. Tampa
13 Electric will fulfill its obligation to adjust the
14 third SoBRA for the state tax rate reduction as
15 part of its general petition. The proposed
16 effective date of the third SoBRA, which is January
17 1 of 2020, is the same as the target effective date
18 for the company's soon-to-be-proposed base-rate
19 change so the two can be accomplished together.

20 To the extent there are any timing issues that
21 come up in that, there is a true-up mechanism
22 through the environmental -- or the energy
23 conservation cost recovery clause that could be
24 available to help with that.

25 Tampa Electric believes that the evidence in

1 the record supports the stipulations presented in
2 the prehearing order and our letter filed on Monday
3 outlines the plan to address the recent state tax
4 rate change. We note that the parties have agreed
5 to or do not object to the stipulations that are in
6 the proposed -- in the prehearing offer and they
7 also are comfortable with our proposal for
8 addressing the state tax rate change.

9 So we ask that you approve the proposed
10 stipulations as presented in the prehearing order
11 and we're available to answer any questions you may
12 have.

13 CHAIRMAN GRAHAM: Thank you, sir. Mr.
14 Rehwinkel.

15 MR. REHWINKEL: Thank you, Mr. Chairman and
16 good morning, Commissioners. On behalf of the
17 Public Counsel and the customers of Tampa Electric
18 Company, I am appearing today in an unusual
19 position in support of an affirmative stipulation,
20 or a Type-1, on all issues in the third tranche of
21 the third solar-based rate adjustment, or SoBRA,
22 authorized under the 2017 settlement agreement
23 between the intervenors and Tampa Electric Company.

24 I will reiterate that the Public Counsel
25 strongly believes today, as he did in 2017, that

1 the agreement that facilitated Tampa Electric
2 Company's outsized foray into solar generation was
3 in the public interest, was historic and was the
4 correct thing to do.

5 We are stipulating to the Commission's
6 approval of the third tranche because we agree that
7 it meets the letter and spirit of the 2017
8 settlement agreement. We are not signaling,
9 however, that any solar generation, regardless of
10 need, can be built and added to rate base. Only
11 those additions that meet the specific negotiated
12 criteria of the give-and-take settlements entered
13 into in 2016 and 2017 can be added to rate-base
14 without a company meeting the strong burden of
15 proof in meeting the traditional strict showing of
16 need and that they are the most cost-effective
17 generation option.

18 This and the other SoBRA filings do not change
19 decades of Commission practice and policy regarding
20 generation additions criteria. In the past,
21 Commissioners, we have raised objections and
22 concerns about the leasing of land in the ambit of
23 Duke SoBRA cases. In this case, Tampa Electric has
24 built a facility, or is proposed to build a
25 facility, on a leased property with an operating

1 term of 30 years. We have shared our views on this
2 arrangement with the company and are confident they
3 will address our views or our concerns moving
4 forward. We also believe that the company has
5 adequately explained the unique and unavoidable
6 circumstances that lead to a lease instead of
7 fee-simple ownership. I would also like to take
8 the opportunity here today to state that Tampa
9 Electric Company has been extraordinarily
10 forthcoming in discovery responses in a manner that
11 has given the Public Counsel confidence that the
12 proposed solar facilities fully comport with the
13 letter and intent of the 2017 agreement.

14 In sum, we support your vote approving this
15 petition in the public interest. I do need to make
16 one further point, which is that I am obligated to
17 make because of something that happened in the
18 first tranche. In Paragraph 6B of the 2017
19 settlement, Tampa Electric was given an incentive
20 to build lower-cost solar facilities for at least
21 the first 400 megawatts in the form of an
22 opportunity to build a fourth tranche of up to 50
23 megawatts above the initial 550 of additional solar
24 generation if they meet a cost threshold of \$1,475
25 a kilowatt AC.

1 During the May 8th, 2018 hearing, on the first
2 SoBRA, the OPC raised an issue about whether this
3 incentive was based on an independent threshold
4 requirement for each of the first two tranches, or
5 if it was an average threshold requirement
6 calculated over the combined first two years. Our
7 cross examination of the company, Witness Rocha, at
8 pages 135 and 136 of that transcript, illustrates
9 that issue. It was agreed that the termination of
10 this matter was to be put off for another day.

11 And, Commissioners, we are on the cusp of that
12 other day today. And, accordingly, the Public
13 Counsel will sit down with the company and others,
14 in advance of any potential fourth tranche filing
15 and exchange views in an effort to resolve this
16 issue in the interest of clarity and certainty.
17 That issue, however, is not part of the stipulation
18 here and I will not burden you further with it. I
19 am merely putting all stakeholders on notice that
20 the issue remains unresolved and it is not resolved
21 by the stipulation that you have before you, and
22 which is confidently entered into by the Public
23 Counsel today.

24 Thank you, Commissioners. And we, again,
25 support the stipulation as being in the public

1 interest and I concur with Mr. Whalen's statements
2 about the tax treatment and how that's proposed to
3 be handled. Thank you. And we are available to
4 answer any questions as the process goes forward.

5 CHAIRMAN GRAHAM: Thank you. Okay. Let's
6 deal with the record. Staff, is there any prefiled
7 testimony?

8 MR. SCHRADER: Yes, Commissioner. We ask that
9 the prefiled direct testimony of TECO witnesses,
10 Mark D. Ward, Jose A. Aponte and William R. Ashburn
11 be inserted into the record as though read.

12 CHAIRMAN GRAHAM: We'll insert the prefiled
13 direct testimony of Ward, Aponte and Ashburn into
14 the record as though read.

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TAMPA ELECTRIC COMPANY
DOCKET NO. 2019____-EI
FILED: 06/28/2019

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **PREPARED DIRECT TESTIMONY**

3 **OF**

4 **MARK D. WARD**

5
6 **Q.** Please state your name, address, occupation, and
7 employer.

8
9 **A.** My name is Mark D. Ward. My business address is 702 N.
10 Franklin Street, Tampa, Florida, 33602. I am employed by
11 Tampa Electric Company ("Tampa Electric" or "company") as
12 Director of Renewables.

13
14 **Q.** Please provide a brief outline of your educational
15 background and business experience.

16
17 **A.** I earned a Bachelor of Science in Mechanical Engineering
18 from University of Alabama in Huntsville in 1984. I have
19 thirty-five years of combined professional experience as
20 a Department of Defense contractor and working for public
21 utilities and independent power producers. Twenty-three
22 years of my experience has been with electric utilities
23 and independent power producers.

24
25 I worked for Tampa Electric from 1996 to 2001, where I

1 served as Manager of Generation Planning and provided
2 management support for the development of Tampa
3 Electric's Bayside Power project. From 2001 to 2007, I
4 served in mid- to senior level management positions at
5 various companies involved in the power industry. These
6 companies included: Entergy Asset Management, an
7 unregulated subsidiary of Entergy; the Shaw Group, an
8 engineering and construction firm; and TXU, a regulated
9 electric utility. From 2007 to 2014, I served as President
10 of the Mesa Power Group. Mesa Power was a renewable energy
11 developer with a primary focus in large scale wind
12 development. From 2014 to 2016, I managed an energy
13 consulting practice with clients primarily in solar, wind
14 and combined heat and power.

15
16 I was re-hired by Tampa Electric in December 2016 as
17 Director of Renewables. My responsibilities in this
18 position include management oversight with respect to
19 Tampa Electric's renewable energy strategies and
20 projects. This includes the execution of Tampa Electric's
21 600 MW of utility scale solar projects described in the
22 2017 Amended and Restated Stipulation and Settlement
23 Agreement ("2017 Agreement") that was approved by the
24 Commission in Order No. PSC-2017-0456-S-EI, issued in
25 Docket Nos. 20170210-EI and 20160160-EI on November 27,

1 2017.

2

3 **Q.** Have you previously testified or submitted written
4 testimony before the Florida Public Service Commission
5 ("Commission")?

6

7 **A.** Yes. I submitted direct and rebuttal testimony on behalf
8 of Tampa Electric in Docket No. 19981890-EI (In re:
9 Generic Investigation into Aggregate Electric Utility
10 Reserve Margins Planned for Peninsular Florida). I
11 submitted direct and rebuttal testimony on behalf of Tampa
12 Electric on the prudence of replacement fuel and purchased
13 power costs in Docket No. 19990001-EI (In re: Fuel and
14 Purchased Power Cost Recovery Clause and Generating
15 Performance Incentive Factor). I submitted direct
16 testimony on behalf of Tampa Electric regarding the Gannon
17 Repowering Project in Docket No. 19992014-EI (In re:
18 Petition by Tampa Electric Company to Bring Generating
19 Units into Compliance with Clean Air Act).

20

21 In addition, while working for Mesa Power Group, LLC, I
22 submitted direct testimony before the Minnesota Public
23 Utilities Commission on behalf of AWA Goodhue, LLC in MPUC
24 Docket No. IP6701/WS-08-1233 (In the matter of the
25 Application by AWA Goodhue Wind, LLC for a Site Permit

1 for a Large Wind Energy Conversion System for a 78 MW Wind
2 Project in Goodhue County).

3
4 I also served as a member of a panel of witnesses during
5 the November 6, 2017 hearing on the 2017 Agreement, and
6 most recently, I testified before this Commission in
7 Docket No. 20170260-EI, petition for limited proceeding
8 to approve First Solar Base Rate Adjustment ("SoBRA"),
9 effective September 1, 2018, by Tampa Electric Company.
10 I submitted direct testimony in Docket No. 20180133-EI,
11 petition for limited proceeding to approve Second Solar
12 Base Rate Adjustment, effective January 1, 2019, by Tampa
13 Electric Company.

14
15 **Q.** What are the purposes of your prepared direct testimony?
16

17 **A.** The purposes of my prepared direct testimony are to: (1)
18 explain the company's plans to build solar photovoltaic
19 generating facilities to serve its customers; (2)
20 describe the company's Third SoBRA projects ("Third
21 SoBRA") expected to be in service by January 1, 2020; and
22 (3) demonstrate that the projected installed costs for
23 the two Third SoBRA projects are below the \$1,500 per
24 kilowatt alternating current ("kW_{ac}") installed cost cap
25 contained in the 2017 Agreement.

1 **Q.** Have you prepared an exhibit to support your prepared
2 direct testimony?

3

4 **A.** Yes. Exhibit No. _____ (MDW-1) was prepared under my
5 direction and supervision. It consists of the following
6 two documents:

7 Document No. 1 Wimauma Solar Project Specifications
8 and Projected Costs

9 Document No. 2 Little Manatee River Solar Project
10 Specifications and Projected Costs

11

12 **Q.** How does your prepared direct testimony relate to the
13 prepared direct testimony of the company's other two
14 witnesses?

15

16 **A.** My prepared direct testimony describes the two Third SoBRA
17 projects, Wimauma Solar and Little Manatee River ("LMR")
18 Solar, for which cost recovery is requested, as well as
19 their projected in-service dates and installed cost per
20 kW_{ac}. Tampa Electric's witness Jose A. Aponte uses the
21 projected installed project cost in my direct testimony
22 to calculate the annual revenue requirement for the Third
23 SoBRA. The company's cost of service and rate design
24 witness, William R. Ashburn, uses the annual revenue
25 requirement to develop the proposed customer rates for

1 the Third SoBRA.
2

3 **TAMPA ELECTRIC'S SOLAR PLANS**

4 **Q.** Please describe the company's overall plan to install
5 solar photovoltaic ("PV") generating facilities.
6

7 **A.** Through 2021, Tampa Electric plans to add six million
8 solar modules in 10 new solar PV projects across its
9 service territory in West Central Florida. This amounts
10 to a total of 600 megawatts ("MW") of cost-effective solar
11 PV energy, which is enough electricity to power more than
12 100,000 homes. When the projects are complete, about seven
13 percent of Tampa Electric's energy will come from the sun.
14

15 These solar additions are a continuation of Tampa
16 Electric's long-standing commitment to clean energy. The
17 company has long believed in the promise of renewable
18 energy because it plays an important role in our energy
19 future. As a member of the Emera family of companies,
20 Tampa Electric is committed to transitioning its power
21 generation to lower carbon emissions with projects that
22 are cost-effective for customers.
23

24 The 600 MW of cost-effective solar PV will be added to
25 the company's generating fleet in four tranches. In May

1 2018, the company received approval for 144.7 MW of PV
2 solar generation with an in-service date of September 1,
3 2018. Tampa Electric received approval to place another
4 260.3 MW in-service as of January 1, 2019 and plans to
5 place approximately 149.3 MW in service by January 1,
6 2020, with the balance, approximately 50 MW, to be placed
7 in service by January 1, 2021.

8
9 The focus of my prepared direct testimony is the company's
10 planned Third SoBRA projects, totaling 149.3 MW with a
11 planned in-service date of January 1, 2020. The maximum
12 allowable MW that may be included for cost recovery as
13 part of the Third SoBRA is 150 MW.

14
15 **THIRD SOBRA PROJECTS**

16 **Q.** Please describe the two Third SoBRA projects.

17
18 **A.** The two Third SoBRA projects are known as Wimauma Solar
19 and LMR Solar projects. The projects use single axis
20 tracking systems, each designed to produce the optimal
21 energy output for the particular site conditions. The
22 74.8 MW Wimauma Solar project is located in Hillsborough
23 County, Florida on approximately 500 acres of land that
24 was previously used for agricultural purposes. The
25 74.5 MW LMR Solar project is located in Hillsborough

1 County, Florida on 603 acres of land that was also
2 previously used for agriculture. My exhibit contains
3 project specifications, a general arrangement drawing,
4 and projected installed costs in total and by category
5 for each project.

6
7 **Q.** When does the company expect the Third SoBRA projects to
8 begin commercial service?

9
10 **A.** Based on the current engineering, permitting,
11 procurement, and construction schedules, the company
12 expects the two projects to be complete and in service on
13 or before January 1, 2020.

14
15 **Q.** What arrangements has the company made to design and build
16 the Third SoBRA projects?

17
18 **A.** The Wimauma project was designed and will be built using
19 the same general contractual arrangements and processes
20 that were used for the First and Second SoBRA projects as
21 described in my prepared direct testimony in Docket Nos.
22 20170260-EI and 20180133-EI.

23
24 The company used a competitive process to review
25 qualifications, experience, safety and cost and to

1 identify and select a full-service solar developer for
2 the Wimauma Solar project. Tampa Electric selected Moss
3 Construction from three qualified developers and executed
4 a contract for project development and Engineering,
5 Procurement, and Construction ("EPC") services for the
6 Wimauma Solar project.

7
8 The company also used a similar competitive process to
9 select LMR Solar as the second project in the Third SoBRA.
10 In this case, two developers approached Tampa Electric
11 with individual solar project sites that they originated
12 in Tampa Electric's service area. After reviewing the
13 developers' sites, qualifications, experience, safety,
14 and project costs, Florida Renewable Partners (a NextEra
15 subsidiary) and its LMR Solar site was selected as the
16 second project in the Third SoBRA Tranche.

17
18 The company executed two contracts with Florida
19 Renewables Partners for LMR Solar. The first contract is
20 to develop and permit the site, and the second contract
21 is to construct the solar project.

22
23 **Q.** Has the company procured the land necessary for the solar
24 projects?
25

REVISED 09/06/2019

1 **A.** Tampa Electric purchased land for the Wimauma Solar
2 project, which is located in Hillsborough County. Tampa
3 Electric continues to employ a screening and due diligence
4 process to select its solar sites that includes
5 geotechnical studies, environmental surveys and wetland
6 delineation. The Wimauma site was evaluated and selected
7 after considering environmental assessments, size of the
8 project, proximity to Tampa Electric transmission
9 facilities, cost of land, and suitability of the site for
10 solar PV construction. The site is approximately 500 acres
11 in size.

12
13 LMR Solar will be located on approximately 603 acres of
14 land in Hillsborough County: Florida Renewables Partners
15 holds a 30-year lease. The location of this project was
16 selected by Florida Renewables Partners, and the lease
17 will be assigned to Tampa Electric prior to the
18 commencement of construction. Florida Renewables Partners
19 uses a similar screening and due diligence process as
20 Tampa Electric to determine site feasibility for a PV
21 solar project.

22
23 Each project is located in Tampa Electric's retail service
24 territory.

25

1 **Q.** Why is LMR Solar being constructed on leased land?

2

3 **A.** Florida Renewable Partners had signed a long-term lease
4 with the landowner prior to entering into a contract with
5 Tampa Electric. Because the long-term lease payments are
6 in line with the current market terms that exceed the
7 useful life of LMR Solar, there is no significant impact
8 on total project costs as the result of leasing rather
9 than purchasing the land.

10

11 **Q.** What is the status of project design and engineering for
12 the Third SoBRA?

13

14 **A.** The engineering and design of the Wimauma Solar project
15 is nearly 100 percent complete, permit applications were
16 filed in April 2019, and long lead equipment and materials
17 have been ordered. The project is expected to receive
18 permits in late June or early July, at which time the
19 project will commence construction.

20

21 The engineering and design of LMR Solar is also nearly
22 100 percent complete, permit applications were filed in
23 April 2019 and long lead equipment and materials have been
24 ordered. The project is expected to receive permits in
25 late June or early July, at which time the project will

1 commence construction.

2

3 **Q.** Has the company purchased PV modules necessary to
4 construct the projects?

5

6 **A.** Tampa Electric has purchased First Solar series four
7 modules for both Third SoBRA projects. The modules that
8 will be used for Wimauma Solar and LMR Solar are part of
9 the bulk purchase from First Solar in 2017. The First
10 Solar module purchase enabled the company to lock in
11 competitive prices while avoiding the module tariff that
12 became effective in 2018.

13

14 **Q.** What other procedures did the company use to ensure that
15 the costs of the projects are reasonable?

16

17 **A.** Tampa Electric also monitors published costs of other
18 projects, particularly those in Florida. A recent NREL
19 report that benchmark's EPC solar costs, "U.S. Solar
20 Photovoltaic System Cost Benchmark: Q1 2018" shows 100 MW
21 utility scale PV systems with single axis tracking as
22 costing on average \$1,381 per kW_{ac} excluding land costs.
23 Tampa Electric's Third SoBRA EPC cost averages \$1,341 per
24 kW_{ac}, excluding land and Allowance for Funds Used During
25 Construction ("AFUDC").

1 Lastly, in Docket No. 20190001-EI, another Florida
 2 investor owned utility requested cost recovery for their
 3 PV all-in-solar project costs for fixed tilt systems that
 4 range in cost from \$1,399 per kW_{ac} to \$1,407 per kW_{ac} for
 5 fixed tilt systems. In comparison, Tampa Electric's Third
 6 SoBRA average cost is \$1,444 per kW_{ac} (including land and
 7 AFUDC) for single axis tracking systems. The slightly
 8 higher costs for the Tampa Electric projects are due to
 9 the higher cost of single axis tracking technology and
 10 steel tariffs that are now in place.

11
 12 **PROJECTED INSTALLED COSTS**

13 **Q.** What are the projected installed costs for the Third SoBRA
 14 Projects?

15
 16 **A.** The projected installed costs of the Third SoBRA are shown
 17 in the following table:

<u>Third SoBRA Projects</u>	<u>Cost/kW_{ac}</u>
Wimauma Solar Project	\$1,479
LMR Solar Project	\$1,410

21
 22 **Q.** What costs were included in these projections?

23
 24 **A.** The projected total installed cost broken down by major
 25 category for the Third SoBRA is shown on Document Nos. 1

1 and 2 of my exhibit.

2

3 The projected costs shown in my exhibit reflect the
4 company's best estimate of the cost of the projects; they
5 include the types of costs that traditionally have been
6 allowed in rate base and are eligible for cost recovery
7 via a SoBRA. These costs include: EPC costs; development
8 costs including third party development fees, if any;
9 permitting and land acquisition costs; taxes; utility
10 costs to support or complete development; transmission
11 interconnection cost and modules and equipment costs;
12 costs associated with electrical balance of system,
13 structural balance of system; AFUDC at the weighted
14 average cost of capital from Exhibit B of the 2017
15 Agreement; and other traditionally allowed rate base
16 costs.

17

18 **Q.** How were the projected cost amounts in your exhibit
19 developed?

20

21 **A.** Tampa Electric worked with the developers to determine
22 the all-in-costs for the Third SoBRA and uses an iterative
23 approach to update project costs as site due diligence
24 and engineering and design are conducted. This includes
25 negotiating and executing the module supply agreement,

1 reviewing equipment specifications and pricing, reviewing
2 the scope of work and balance of system costs, and
3 acquiring land and cost estimates to engineer, permit,
4 and construct the projects.

5
6 **Q.** How did the company calculate the cost of land to be used
7 in the calculation of the project's projected installed
8 cost and comparison to the \$1,500 cost per kW_{ac} cap in the
9 2017 Agreement?

10
11 **A.** The cost of the Wimauma Solar site is \$174.52 per kW_{ac}
12 (\$13.1 million), or \$26,108 per acre. This was calculated
13 using the actual purchase price of the land.

14
15 The imputed value of the LMR Solar site is \$85 per kW_{ac}
16 (\$6.3 million), or effectively \$10,485 per acre. This was
17 calculated as the net present value of future lease
18 payments discounted at the 7.183 percentage rate updated
19 as required by the 2017 Agreement. When this value is
20 added to the \$1,410 cost per kW_{ac} shown above, the
21 projected installed cost of the LMR project is below the
22 \$1,500 per kW_{ac} installed cost cap in the 2017 Agreement.

23
24 **Q.** Are the projected installed costs shown in your exhibit
25 eligible for cost recovery via a SoBRA pursuant to the

1 2017 Agreement?

2
3 **A.** Yes. The SoBRA mechanism in the 2017 Agreement includes
4 a strict cost-effectiveness test and a \$1,500 per kW_{ac}
5 installed cost cap to protect customers. The projected
6 installed costs shown in my exhibit are lower than the
7 \$1,500 per kW_{ac} installed cost cap, so the Third SoBRA
8 projects meet the first test for cost recovery under the
9 2017 Agreement. Witness Aponte demonstrates that the two
10 projects are cost-effective in his prepared direct
11 testimony filed in this docket.

12
13 The actual installed costs will be trued up through the
14 SoBRA mechanism once the developers complete the projects
15 and Tampa Electric closes the work orders.

16
17 **SUMMARY**

18 **Q.** Please summarize your prepared direct testimony.

19
20 **A.** Tampa Electric is developing two single axis tracking
21 solar PV projects for an in-service date on or before
22 January 1, 2020. The 74.8 MW Wimauma Solar site and the
23 74.5 MW LMR Solar site are located in Hillsborough County,
24 Florida. The sites are between 500 and 603 acres in size
25 and will support the respective projects. The anticipated

1 cost for each project ranges from \$1,410 per kW_{ac} to \$1,479
2 per kW_{ac}. Each project qualifies for SoBRA cost recovery
3 under the 2017 Agreement.

4

5 **Q.** Does this conclude your prepared direct testimony?

6

7 **A.** Yes, it does.

8

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1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **PREPARED DIRECT TESTIMONY**

3 **OF**

4 **JOSE A. APONTE**

5
6 **Q.** Please state your name, address, occupation, and employer.

7
8 **A.** My name is Jose A. Aponte. My business address is 702 N.
9 Franklin Street, Tampa, Florida 33602. I am employed by
10 Tampa Electric Company ("Tampa Electric" or "company") as
11 Manager of Generation Planning. My responsibilities
12 include identifying the need for future resource additions
13 and analyzing the economic and operational impacts to Tampa
14 Electric's system.

15
16 **Q.** Please provide a brief outline of your educational
17 background and business experience.

18
19 **A.** I graduated from the University of South Florida with a
20 Bachelor's degree and a Master of Science degree in
21 Mechanical Engineering. I am a registered Project
22 Management Professional ("PMP").

23
24 In 1999, I was employed by Tampa Electric as an engineer
25 in the Inventory Management and Supply Chain Logistics

1 team. In 2004, I became supervisor for the Materials and
2 Quality Assurance Department at the Big Bend Power Station.
3 Since 2008, I have held several positions in the Resource
4 Planning department at Tampa Electric.

5
6 I have twenty years of accumulated electric utility
7 experience working in the areas of planning, systems
8 integration, data analytics, revenue requirements, project
9 economic analysis, and engineering. I was appointed to my
10 current position, Manager of Resource Planning, in
11 December 2017.

12
13 **Q.** What are the purposes of your prepared direct testimony?
14

15 **A.** The purposes of my prepared direct testimony are to: (1)
16 describe the provisions in the company's Commission-
17 approved Amended and Restated 2017 Settlement and
18 Stipulation Agreement ("2017 Agreement"), as memorialized
19 in Order No. PSC-2017-0456-S-EI, issued on November 27,
20 2017, that allow cost recovery of solar generation projects
21 through a Solar Base Rate Adjustment ("SoBRA"); (2) sponsor
22 and explain the calculation of the revenue requirement for
23 the company's SoBRA for the two projects comprising the
24 company's third tranche of solar generation ("Third
25 SoBRA") effective January 1, 2020; and (3) demonstrate

1 that the two projects in the company's Third SoBRA satisfy
2 the cost-effectiveness test specified in the 2017
3 Agreement.

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

7
8 **A.** Yes. Exhibit No. ____ (JAA-1) was prepared by me or under
9 my direction and supervision. It consists of the following
10 four documents:

11 Document No. 1 Demand and Energy Forecast

12 Document No. 2 Fuel Price Forecast

13 Document No. 3 Revenue Requirements for Third SoBRA

14 Document No. 4 Cost-Effectiveness Test for Third SoBRA
15

16 **Q.** How does your prepared direct testimony relate to the
17 prepared direct testimony of Tampa Electric witnesses Mark
18 D. Ward and William R. Ashburn?

19
20 **A.** Tampa Electric witness Ward's prepared direct testimony
21 describes the two solar projects, Wimauma Solar and Little
22 Manatee River ("LMR") Solar, for which cost recovery is
23 requested via the company's Third SoBRA, as well as their
24 projected in-service dates and installed cost per kilowatt
25 alternating current ("kW_{ac}"). I use the projected installed

1 project cost in witness Ward's prepared direct testimony
2 to calculate the annual revenue requirement for the Third
3 SoBRA. The company's cost of service and rate design
4 witness, William R. Ashburn, uses the annual revenue
5 requirement described in my prepared direct testimony to
6 develop the proposed customer rates for the Third SoBRA.

7
8 **2017 AGREEMENT**

9 **Q.** Please generally describe the 2017 Agreement.

10
11 **A.** The 2017 Agreement amends and restates the 2013 Agreement,
12 extends the general base rate freeze included in the 2013
13 Stipulation, limits fuel hedging and investments in
14 natural gas reserves, protects customers after federal tax
15 reform and replaces the Generation Base Rate Adjustment
16 ("GBRA") mechanism in the 2013 Agreement with a SoBRA
17 mechanism.

18
19 The SoBRA mechanism in the 2017 Agreement includes a strict
20 cost-effectiveness test and a \$1,500 per kW_{ac} installed
21 cost cap ("Installed Cost Cap") to protect customers.

22
23 The SoBRA mechanism enables the company to significantly
24 reduce its carbon emissions profile and its dependence on
25 carbon-based fuels by installing and receiving cost

1 recovery for up to 600 MW of photovoltaic single axis
2 tracking solar generation. This major addition of solar
3 generation continues the company's transformation into a
4 cleaner, more sustainable energy company, thereby
5 improving fuel diversity and reducing its exposure to
6 financial and other risks associated with burning carbon-
7 based fuels. Because the fuel cost of solar generation is
8 zero, it will provide an important measure of price
9 stability to customers. The 2017 Agreement also allows the
10 company to take maximum advantage of the existing 30
11 percent solar investment tax credit ("ITC") for the benefit
12 of customers, before the credit is reduced in future years.

13
14 **Q.** What are the key SoBRA cost recovery provisions in the
15 2017 Agreement?

16
17 **A.** There are several key provisions in the 2017 Agreement.
18 First, subparagraph 6(b) of the 2017 Agreement authorizes
19 Tampa Electric to seek recovery of up to 150 MW of new
20 solar generation to be in service on or before January 1,
21 2020 through a SoBRA. Per the 2017 Agreement, the effective
22 date of the Third SoBRA can be no earlier than January 1,
23 2020, and its maximum incremental annual revenue
24 requirement may not exceed \$30.6 million.

25

1 Second, subparagraph 6(d) of the 2017 Agreement specifies
2 that the installed cost of each individual project to be
3 recovered through a SoBRA may not exceed \$1,500 per kW_{ac}.
4 Witness Ward's prepared direct testimony presents the
5 projected installed costs per kW_{ac} for the two projects in
6 the Third SoBRA and shows that the projected costs are
7 below this cap.

8
9 Third, subparagraph 6(g) of the 2017 Agreement states that
10 the cost-effectiveness for the projects in a SoBRA tranche
11 shall be evaluated in total by considering whether the
12 projects in the tranche will lower the company's projected
13 system Cumulative Present Value Revenue Requirement
14 ("CPVRR") as compared to such CPVRR without the solar
15 projects.

16
17 Fourth, subparagraphs 6(a) through 6(c) of the 2017
18 Agreement specify that, subject to the revenue requirement
19 limits in subparagraph 6(b) of the 2017 Agreement, the
20 Third SoBRA revenue requirements will be calculated using
21 the company's projected installed cost per kW_{ac} for each
22 project in the tranche (subject to the Installed Cost Cap);
23 reasonable estimates for depreciation expense, property
24 taxes and fixed O&M expenses; an incremental capital
25 structure reflecting the then current midpoint return on

1 equity and a 54 percent equity ratio, adjusted to reflect
2 the inclusion of the ITC on a normalized basis.

3
4 Fifth, subparagraph 6(d) of the 2017 Agreement specifies
5 that the types of costs of solar projects that
6 traditionally have been allowed in rate base are eligible
7 for cost recovery via a SoBRA, and lists the following
8 types of costs as examples: Engineering, Procurement and
9 Construction ("EPC") costs; development costs including
10 third-party development fees, if any; permitting fees and
11 costs; actual land costs and land acquisition costs; taxes;
12 utility costs to support or complete development;
13 transmission interconnection costs; installation labor and
14 equipment costs; costs associated with electrical balance
15 of system, structural balance of system, inverters, and
16 modules; Allowance for Funds Used During Construction
17 ("AFUDC") at the weighted average cost of capital from
18 Exhibit B of the 2017 Agreement; and other traditionally
19 allowed rate base costs.

20
21 Finally, subparagraph 6(m) of the 2017 Agreement specifies
22 that if the actual installed cost is less than the
23 Installed Cost Cap, the company and customers will share
24 in any beneficial difference with 75 percent going to
25 customers and 25 percent serving as an incentive to the

1 company. If applicable, this incentive will be added to
2 the revenue requirement calculation.

3
4 **ANNUAL REVENUE REQUIREMENT**

5 **Q.** What is the annual revenue requirement for recovering costs
6 associated with the two projects included in the Third
7 SoBRA?

8
9 **A.** The annual revenue requirement is \$26,539,000 without the
10 incentive and \$26,596,000 including the incentive. These
11 amounts were calculated using the projected installed
12 costs of the two solar projects in witness Ward's prepared
13 direct testimony and in accordance with the revenue
14 requirement cost recovery provisions of the 2017
15 Agreement.

16
17 The annual revenue requirement for the Third SoBRA was
18 calculated using the approach used for the First SoBRA and
19 Second SoBRA and as described in R. James Rocha's prepared
20 direct testimony in Docket Nos. 20170260-EI and 20180133-
21 EI. A summary of the annual revenue requirement calculation
22 is shown in Document No. 3 of my exhibit. This annual
23 revenue requirement amount including incentive is
24 approximately \$4 million less than the revenue cap for
25 Third SoBRA in subparagraph 6(b) of the 2017 Agreement.

1 **Q.** Please explain the assumptions used in your calculation of
2 the annual revenue requirement.

3
4 **A.** I calculated the annual revenue requirement for the Third
5 SoBRA in accordance with the specifications of the 2017
6 Agreement. I began with the projected installed costs for
7 the two projects in the Third SoBRA as presented by witness
8 Ward, *i.e.*, \$1,479 and \$1,410 per kW_{ac}, for Wimauma Solar
9 and LMR Solar, respectively.

10
11 I used the following capital structure specified in the
12 2017 Agreement: a 10.25 percent return on common equity
13 using a 54 percent equity ratio and a 4.8 percent long-
14 term debt rate on the remaining 46 percent debt in the
15 capital structure. The debt rate is the forecasted long-
16 term debt rate which, in accordance with the 2017
17 Agreement, reflects the prospective long-term debt
18 issuances during the first 12 months of operation of the
19 projects. The ITC associated with the Third SoBRA was
20 normalized over the 30-year life of the assets in
21 accordance with applicable Internal Revenue Service
22 regulations.

23
24 My calculation includes the projected impact of the
25 property tax exemption for solar projects.

1 These assumptions were included in a model that considered
2 the solar project costs along with the company's
3 incremental capital costs and agreed upon capital
4 structure to arrive at a revenue requirement amount.

5
6 **Q.** How many MW of solar generation is the company requesting
7 cost recovery for in its Third SoBRA?

8
9 **A.** Tampa Electric may recover costs for up to 150 MW of
10 additional solar capacity for the Third SoBRA. Tampa
11 Electric proposes to recover the costs for solar projects
12 totaling 149.3 MW in the Third SoBRA.

13
14 **Q.** Please explain the calculation of the annual revenue
15 requirement for the Third SoBRA as presented in Document
16 No. 3 of your exhibit.

17
18 **A.** Document No. 3 uses the capital expenditures presented by
19 witness Ward without the imputed land cost of \$85 per kW_{ac}
20 for the LMR Solar project. Document No. 4 uses the capital
21 expenditures presented by witness Ward including the
22 imputed land cost for the LMR Solar project of \$85 per kW_{ac}
23 as an example of what the revenue requirements would be if
24 the land was purchased at the same price as the land lease
25 agreement. I calculated the book depreciation and the cost

1 of capital using the capital structure described above,
2 adjusted for accumulated deferred taxes. I also added
3 property taxes and fixed operating expenses.
4

5 The as-built capacity of the Third SoBRA is expected to be
6 149.3 MW, and the revenue requirements for the Third SoBRA
7 will be based upon those MW as they are under the 150 MW
8 amount allowed for Third SoBRA, per the requirements of
9 the 2017 Agreement.
10

11 **Q.** Is this a final revenue requirement amount, and how are
12 customers protected if it is not a final amount?
13

14 **A.** It is not a final revenue requirement amount, but customers
15 are protected through the true-up process. Subparagraph
16 6(g) of the 2017 Agreement specifies that this annual
17 revenue requirement amount will be trued up for the actual
18 installed cost and in-service dates of the projects
19 included in the Third SoBRA. Once the difference between
20 the estimated and actual costs is known, the true-up amount
21 will be included in the Capacity Cost Recovery Clause
22 factors, with interest applied.
23

24 **Q.** Does the annual revenue requirement presented in your
25 exhibit reflect an incentive savings adjustment?

1 **A.** Yes. Subparagraph 6(m) of the 2017 Agreement contains an
2 incentive designed to encourage Tampa Electric to build
3 solar projects for recovery under a SoBRA at the lowest
4 possible cost. According to subparagraph 6(m), if Tampa
5 Electric's actual installed cost for a project is less
6 than the Installed Cost Cap, the company's customers and
7 the company will share in the beneficial difference with
8 75 percent of the difference inuring to the benefit of
9 customers and 25 percent serving as an incentive to the
10 company to seek such cost savings over the life of this
11 2017 Agreement. The company has included the effect of the
12 incentive in its revenue requirement for the Third SoBRA
13 based on projected costs including the imputed value of
14 land for the LMR Solar project.

15
16 **Q.** Does the 2017 Agreement include an example of how the
17 incentive mechanism would work?

18
19 **A.** Yes. According to subparagraph 6(m), if the actual
20 installed cost of a solar project is \$1,400 per kW_{ac}, the
21 final cost to be used for purposes of computing cost
22 recovery under this 2017 Agreement and the true-up of each
23 SoBRA would be \$1,425 per kW_{ac} [0.25 times (\$1,500 - \$1,400)
24 + \$1,400].

25

1 **Q.** Please describe the incentive calculations for the Third
2 SoBRA based on the company's projected installed costs.

3
4 **A.** Witness Ward projects the installed costs for the Wimauma
5 Solar and LMR Solar projects to be \$1,479 per kW_{ac} and
6 \$1,410 per kW_{ac} respectively, including interconnection,
7 AFUDC, and land costs. The calculation of the installed
8 costs including the incentive for each project is shown in
9 the following table.

<u>Project</u>	<u>Installed Cost Including Incentive per kW_{ac}</u>
Wimauma	$0.25 * (\$1,500 - \$1,478.6) + \$1,478.6 = \$1,483.9$
LMR	$0.25 * (\$1,500 - \$1,495.1) + \$1,495.1 = \$1,496.3$

10
11
12
13
14 For LMR Solar, the project land was obtained through a
15 long-term lease, and the lease costs are included in the
16 revenue requirement. However, for purposes of calculating
17 the allowed company incentive, the company believes that
18 the 2017 Agreement requires that the land value must be
19 included in the total installed capital cost. As stated in
20 Tampa Electric witness Ward's direct testimony, the
21 company calculated a land value for LMR Solar as the net
22 present value of the lease payments over the life of the
23 solar project, discounted at the 7.183 percent rate. The
24 company believes that this is consistent with the 2017
25 Settlement Agreement. As a result, \$85 per kW_{ac},

1 representing LMR Solar's land lease value, is included in
2 the total installed cost value for purposes of calculating
3 the incentive allowable for this project. Therefore, the
4 total installed cost for LMR Solar for purposes of
5 calculating the incentive is \$1,410 per kW_{ac} + \$85 per kW_{ac},
6 or \$1,495 per kW_{ac}. The incentive for all projects averages
7 approximately \$3 per kW_{ac}.

8
9 **COST-EFFECTIVENESS TEST**

10 **Q.** Please describe the cost-effectiveness standard in the
11 2017 Agreement.

12
13 **A.** Subparagraph 6(g) of the 2017 Agreement states that the
14 cost-effectiveness for the projects in a SoBRA tranche
15 shall be evaluated in total by considering only whether
16 the projects in the tranche will lower the company's
17 projected system CPVRR as compared to such CPVRR without
18 the solar projects.

19
20 **Q.** Have you evaluated the two projects covered by the Third
21 SoBRA as required by this cost-effectiveness test?

22
23 **A.** Yes. The two Third SoBRA projects lower the company's
24 projected system CPVRR as compared to such CPVRR without
25 the solar projects by \$16.5 million; therefore, the

1 projects covered by the Third SoBRA satisfy the cost-
2 effectiveness test in the 2017 Agreement. The calculations
3 used to support this conclusion are based on the projected
4 installed costs presented in witness Ward's prepared
5 direct testimony and the SoBRA incentive and are contained
6 in Document No. 3 and 4 of my exhibit. With the exception
7 of the residual value of land described below, the cost-
8 effectiveness calculation for the Third SoBRA was
9 performed using the approach used for the First and Second
10 SoBRAs and as described in R. James Rocha's prepared direct
11 testimony in Docket Nos. 20170260-EI and 20180133-EI.
12

13 **Q.** Why and how did the company include the residual value of
14 the land component of the Wimauma Solar project in its
15 cost-effectiveness calculation?
16

17 **A.** The Third SoBRA is different from the company's first two,
18 because one of the projects (LMR Solar) is being
19 constructed on leased land, which has no up-front capital
20 cost and will have no residual land value at the end of
21 the life of the project. In order to make the Wimauma Solar
22 and LMR Solar projects comparable in the Third SoBRA cost-
23 effectiveness calculation, the company elected to include
24 the residual value of the Wimauma Solar project land as a
25 benefit in the cost-effectiveness calculation, because it

1 will have value beyond the useful lives of the solar panels
2 and related equipment. The company reflected this benefit
3 as a credit of the purchase cost at year 31, discounted to
4 arrive at the net present value.

5
6 **Q.** Does the Third SoBRA satisfy the cost-effectiveness test
7 in the 2017 Agreement even if the company does not include
8 the residual value of Wimauma Solar land in the
9 calculation?

10
11 **A.** Yes. The CPVRR of the residual value of the Wimauma Solar
12 land is \$1.5 million. When the residual land value is
13 excluded, the two Third SoBRA projects lower the company's
14 projected system CPVRR as compared to such CPVRR without
15 the solar projects by \$15.0 million, as opposed to \$16.5
16 million when the residual value of land is included. Thus,
17 the Third SoBRA projects are cost-effective whether or not
18 the residual value of land is considered.

19
20 **Q.** Please explain the underlying assumptions used to
21 determine the projected system CPVRR, as reflected in
22 Document No. 4 of your exhibit.

23
24 **A.** The primary assumptions for the cost-effectiveness
25 calculations are the company's demand and energy forecast

1 and the fuel price forecast.

2

3 Demand and energy from Tampa Electric's most recent long-
4 term load forecast are the same as the forecast that will
5 be used in the company's annual filings for 2020 cost
6 recovery factors and its 2020 Ten Year Site Plan. The
7 forecast is shown in Document No. 1 of my exhibit.

8

9 The fuel forecast used in the CPVRR analysis is the same
10 as the one that will be used in preparing the 2020
11 projected costs and recovery factors to be submitted in
12 Tampa Electric's annual filings for 2020 cost recovery
13 factors. The fuel forecast was prepared using the same
14 methodology the company has relied upon to develop its
15 fuel price forecast for each year for approximately the
16 past ten years and is shown in Document No. 2 of my exhibit.

17

18 **Q.** Please explain how the \$193.0 million projected value of
19 fuel savings was determined.

20

21 **A.** Using the company's Integrated Resource Planning process,
22 a long-term base case model was prepared without the third
23 tranche of solar generation. Next, starting from this base
24 case, a change case model was prepared with the third
25 tranche, 149.3 MW of solar generation, in service as of

1 January 1, 2020. The base case and change case were run
2 with the production cost modeling software to determine
3 system cumulative net present value revenue requirements,
4 including fuel costs. The cost associated with the change
5 case is subtracted from the base case to determine the
6 savings.

7
8 The fuel savings over the life of the project is \$193.0
9 million, as shown in Document No. 5 of my exhibit.

10
11 **Q.** Please describe how the capacity value of deferral
12 associated with the Third SoBRA projects was determined.

13
14 **A.** The company apportioned the value of deferral for the
15 600 MW of solar contemplated in the 2017 Agreement to the
16 individual tranches specified in paragraph 6, so the Third
17 SoBRA was given a pro-rata share of the total value of
18 deferral for the 600 MW taken as a whole. Doing so is
19 consistent with the intent of the parties when the agreement
20 was negotiated. It is also consistent with the approach
21 used in the company's First and Second SoBRA.

22
23 Paragraph 6 of the 2017 Settlement Agreement was intended
24 by the parties to give Tampa Electric an opportunity to
25 build 550 MW of cost-effective solar generation (plus an

1 additional 50 MW as an incentive) over a period of time.
2 The total capacity was divided into three tranches (with an
3 optional fourth) and staged or allocated to future time
4 periods to accommodate orderly construction and to phase in
5 and moderate the rate impact to retail customers. During
6 the negotiations, the company disclosed its plans to
7 purchase the solar modules for the entire 600 MW and then
8 finalized the purchase in 2017. Although the specifics of
9 the cost-effectiveness test contemplated in the 2017
10 Settlement Agreement were not spelled out in paragraph 6,
11 the way in which the company has apportioned solar capacity
12 value and value of other deferred capacity in its CPVRR
13 calculation is consistent with the way the parties
14 discussed the solar additions in paragraph 6 of the 2017
15 Settlement Agreement. The company recognizes that this
16 approach is not consistent with the method the Commission
17 typically uses when attributing value of deferral in a CPVRR
18 project, and acknowledges that the approach used in its
19 SoBRA is not intended to have any precedential value to the
20 company or otherwise beyond the scope of the 600 MW of solar
21 contemplated in the 2017 Agreement.

22
23 The company calculated these capacity values of deferral
24 as a way to prorate the expansion plan savings from the
25 entire 600 MW in the Agreement across the Solar Generation

1 Tranches. It is also the same ratable approach of value of
2 deferral used when evaluating demand-side management
3 programs in Tampa Electric's conservation dockets. This
4 was essential because expansion plan additions are
5 "lumpy," and even 1 MW of Tranche 1 or 2 could be the
6 tipping point to defer an expansion plan addition while
7 Tranche 3 does not. To do otherwise would incorrectly
8 benefit one tranche at the expense of the other tranches
9 and would be inconsistent with the solar capacity additions
10 contemplated in the Agreement, which led the company to
11 plan and procure solar equipment for 600 MW of solar
12 generation.

13
14 The Third SoBRA solar projects do not change the expansion
15 plan compared to the base case expansion plan. The First
16 SoBRA and the full 600 MW did defer future units.
17 Therefore, Tampa Electric made the decision to pro-rate
18 the first unit deferred across all four tranches. The
19 credit shown derives solely from a value of deferral
20 calculated capacity value of the Third SoBRA solar
21 projects. Only the firm (applies to reserve margin) portion
22 of capacity value is included as a credit. This calculation
23 is shown as a \$42.9 million credit for the Third SoBRA, in
24 Document No. 5 of my exhibit.

25

1 **Q.** Please explain the projected system CPVRR calculations
2 reflected in Document No. 5 of your exhibit.

3

4 **A.** For the 149.3 MW being constructed, the differential CPVRR
5 is favorable for customers by \$16.5 million before any
6 value for reduced emissions is included and \$33.3 million
7 when the value of reduced emissions is included. Tampa
8 Electric tested these savings to customers using
9 sensitivities on fuel prices and the market price forecast
10 for carbon. The high and low fuel forecasts were prepared
11 contemporaneously with the base fuel forecast. The results
12 show that customer savings occur under the base case and
13 high fuel forecast sensitivity.

14

15 **Q.** Please discuss other benefits of the Third SoBRA, including
16 lower emissions.

17

18 **A.** The two solar projects included in the Third SoBRA will
19 decrease carbon dioxide ("CO₂") emissions by over 181,000
20 tons per year, while in the early years, they will decrease
21 nitrogen oxide ("NO_x") emissions by thousands of tons per
22 year and sulfur dioxide ("SO₂") emissions by thousands of
23 tons per year. Additionally, the solar projects will result
24 in increased construction jobs and additional property tax
25 revenues for the county. All the while, Tampa Electric

1 will maintain competitive rates for customers which are
2 expected to remain among the lowest of Florida's investor-
3 owned utilities.

4
5 **SUMMARY**

6 **Q.** Please summarize your prepared direct testimony.

7
8 **A.** The annual revenue requirement for the Third SoBRA is
9 \$26,539,000 without the incentive and \$26,596,000
10 including the incentive. The two solar projects consisting
11 of 149.3 MW of new solar capacity being constructed in
12 conjunction with the Third SoBRA will yield CPVRR savings
13 of \$16.5 million. These projects will reduce air emissions
14 and increase fuel diversity and improve price stability
15 for customers. The assumptions used in my cost-
16 effectiveness calculations are reasonable, the methodology
17 used is sound, and the results comport with the provisions
18 of the 2017 Agreement and the cost-effectiveness standards
19 of the Commission. Tampa Electric, accordingly, requests
20 approval of the Third SoBRA by the Commission.

21
22 **Q.** Does this conclude your prepared direct testimony?

23
24 **A.** Yes, it does.
25

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **PREPARED DIRECT TESTIMONY**

3 **OF**

4 **WILLIAM R. ASHBURN**

5
6 **Q.** Please state your name, address, occupation, and
7 employer.

8
9 **A.** My name is William R. Ashburn. My business address is 702
10 N. Franklin Street, Tampa, Florida 33602. I am employed
11 by Tampa Electric Company ("Tampa Electric" or "company")
12 as Director, Pricing and Financial Analysis.

13
14 **Q.** Please provide a brief outline of your educational
15 background and business experience.

16
17 **A.** I graduated from Creighton University with a Bachelor
18 of Science degree in Business Administration. Upon
19 graduation, I joined Ebasco Business Consulting Company
20 where my consulting assignments included the areas of cost
21 allocation, computer software development, electric
22 system inventory and mapping, cost of service filings
23 and property record development. I joined Tampa Electric
24 in 1983 as a Senior Cost Consultant in the Rates and
25 Customer Accounting Department. At Tampa Electric I have

1 held a series of positions with responsibility for cost
2 of service studies, rate filings, rate design,
3 implementation of new conservation and marketing
4 programs, customer surveys and various state and federal
5 regulatory filings. In March 2001, I was promoted to my
6 current position of Director, Pricing and Financial
7 Analysis in Tampa Electric's Regulatory Affairs
8 Department. I am a member of the Rate and Regulatory
9 Affairs Committee of the Edison Electric Institute
10 ("EEI").

11
12 **Q.** Have you previously testified before the Florida Public
13 Service Commission ("Commission")?

14
15 **A.** Yes. I have testified or filed testimony before this
16 Commission in several dockets. Most recently, I filed
17 testimony before this Commission in Docket No. 20180045-
18 EI, Consideration of the Tax Impacts Associated with Tax
19 Cuts and Jobs Act of 2017 for Tampa Electric and Docket No.
20 20180133-EI, petition for limited proceeding to approve
21 second solar base rate adjustment ("SoBRA"), effective
22 January 1, 2019, by Tampa Electric Company. I also
23 testified before this Commission in Docket No. 20170260-
24 EI, petition for limited proceeding to approve first solar
25 base rate adjustment, effective September 1, 2018, by Tampa

1 Electric Company. I testified for Tampa Electric in Docket
2 No. 20170210-EI as a member of a panel of witnesses during
3 the November 6, 2017 hearing on the 2017 Amended and
4 Restated Stipulation and Settlement Agreement ("2017
5 Agreement"). I also testified on behalf of Tampa Electric
6 in Docket No. 20130040-EI regarding the company's petition
7 for an increase in base rates and miscellaneous service
8 charges and in Docket No. 20080317-EI which was Tampa
9 Electric's previous base rate proceeding. I testified in
10 Docket No. 20020898-EI regarding a self-service wheeling
11 experiment and in Docket No. 20000061-EI regarding the
12 company's Commercial/Industrial service rider. In Docket
13 Nos. 20000824-EI, 20001148-EI, 20010577-EI and 20020898-
14 EI, I testified at different times for Tampa Electric and
15 as a joint witness representing Tampa Electric, Florida
16 Power & Light Company ("FP&L") and Progress Energy Florida,
17 Inc. ("PEF") regarding rate and cost support matters
18 related to the GridFlorida proposals. In addition, I
19 represented Tampa Electric numerous times at workshops and
20 in other proceedings regarding rate, cost of service and
21 related matters. I have also provided testimony and
22 represented Tampa Electric before the Federal Energy
23 Regulatory Commission ("FERC") in rate and cost of service
24 matters.

25

1 Q. What are the purposes of your prepared direct testimony?

2

3 A. The purposes of my prepared direct testimony are to: (1)
4 describe the provisions in the 2017 Agreement approved by
5 the Commission that govern the cost of service and rate
6 design for a SoBRA and (2) sponsor and explain the
7 proposed rates and tariffs for the company's Third SoBRA,
8 effective on the first billing cycle of January 2020.

9

10 Q. Have you prepared an exhibit to support your direct
11 testimony?

12

13 A. Yes. Exhibit No. ____ (WRA-1) was prepared under my
14 direction and supervision. It consists of the following
15 seven documents:

16 Document No. 1 Development of Third SoBRA Base
17 Revenue Increase by Rate Class

18 Document No. 2 Base Revenue by Rate Schedule for
19 Third SoBRA

20 Document No. 3 Rollup Base Revenue by Rate Class for
21 Third SoBRA

22 Document No. 4 Typical Bills Reflecting Third SoBRA
23 Base Revenue Increase

24 Document No. 5 Determination of Fuel Recovery Factor
25 for Third SoBRA

1 Document No. 6 Redlined Tariffs Reflecting Third
2 SoBRA Base Revenue Increase

3 Document No. 7 Clean Tariffs Reflecting Third SoBRA
4 Base Revenue Increase

5
6 **Q.** How does your prepared direct testimony relate to the
7 prepared direct testimony of Tampa Electric witnesses
8 Mark D. Ward and Jose A. Aponte, filed concurrently in
9 this docket?

10
11 **A.** Tampa Electric witness Mark D. Ward's prepared direct
12 testimony describes the two solar projects, Wimauma Solar
13 and Little Manatee River ("LMR") Solar, for which cost
14 recovery is requested via the company's Third SoBRA, as
15 well as their projected in-service dates and installed
16 cost per kilowatt alternating current ("kW_{ac}"). Tampa
17 Electric witness Jose A. Aponte's prepared direct
18 testimony presents the annual revenue requirement for the
19 company's Third SoBRA using the projected installed
20 project costs presented in witness Ward's prepared direct
21 testimony. I use the annual revenue requirement from
22 witness Aponte's prepared direct testimony to develop the
23 proposed base rate adjustment for the Third SoBRA.
24
25

1 **2017 AGREEMENT GUIDANCE FOR SOBRA**

2 **Q.** Please describe how the 2017 Agreement calls for the SoBRA
3 revenue requirements to be allocated to rate classes.

4
5 **A.** The 2017 Agreement directs that the SoBRA revenue
6 requirements be allocated to rate classes using the 12
7 Coincident Peak ("CP") and 1/13th Average Demand ("AD")
8 method of allocating production plant and be applied to
9 existing base rates, charges and credits as described by
10 the following two principles:

11 1. Only 40 percent of the revenue requirement that would
12 otherwise be allocated to the lighting rate class
13 under the 12 CP and 1/13th AD methodology shall be
14 allocated to the lighting class through an increase
15 to the lighting base energy rate, and the remaining
16 60 percent shall be allocated ratably to the other
17 classes.

18 2. The 12 CP and 1/13th AD allocation factor used to
19 derive the revenue requirement allocation shall be
20 based on factors used in Tampa Electric's then most
21 current energy conservation cost recovery ("ECCR")
22 clause filings with the Commission.

23
24 **Q.** Once the revenue requirement has been allocated to rate
25 classes, how will the SoBRA rates to recover each class's

1 revenue requirement be designed?

2

3 **A.** The 2017 Agreement requires the following three
4 principles be employed when designing the base rate
5 adjustments for SoBRA:

6 1. The revenue requirement associated with SoBRA will
7 be used to increase demand charges for rate schedules
8 with demand charges and energy charges for rate
9 schedules without demand charges.

10 2. Within the GSD and IS rate classes, the allocated
11 SoBRA revenue requirement will be applied to non-
12 standby demand charges only.

13 3. The billing determinants used to derive the base rate
14 adjustments shall be based on factors and
15 determinants used in Tampa Electric's then most
16 current ECCR clause filings with the Commission.

17

18 **Q.** Do you provide an exhibit that shows the results of
19 applying the allocation methodology called for in the 2017
20 Agreement?

21

22 **A.** Yes. Document No. 1 of my exhibit was prepared for that
23 purpose. That document, titled "Development of SoBRA Base
24 Revenue Increases by Rate Class," shows how the revenue
25 requirement increase described in witness Aponte's

1 prepared direct testimony was allocated across the rate
2 classes. Second, the 12 CP and 1/13th AD allocation factor
3 utilized to set 2020 ECCR clause rates was used to
4 allocate the total revenue requirement increase to all
5 rate classes. Then, the part that was allocated to the
6 Lighting class was split 60/40, with 40 percent recovered
7 from the Lighting class and the remaining 60 percent
8 reallocated to the other rate classes using the same 12
9 CP and 1/13th AD allocation factor (less the lighting
10 portion).

11
12 **Q.** Does the 2017 Agreement provide for a true-up mechanism
13 to be applied to SoBRA rates?

14
15 **A.** Yes. The 2017 Agreement provides that each SoBRA tranche
16 will be subject to a true-up for the actual cost of the
17 approved project. Once the difference between the
18 estimated and actual costs is known, the true-up amount
19 will be included in the Capacity Cost Recovery Clause
20 rates, with interest applied, and the permanent base rate
21 SoBRA charges will be implemented.

22
23 **PROPOSED RATES AND TARIFFS FOR SOBRA**

24 **Q.** Having completed the allocation of the SoBRA revenue
25 requirement to rate classes, what is the next step to

1 derive the base rate adjustment?

2

3 **A.** Using the methodology called for in the 2017 Agreement
4 described above, certain rates in each rate class were
5 increased to recover the identified revenue requirement.

6

7 **Q.** Do you have exhibits that show the results of that base
8 rate adjustment design?

9

10 **A.** Yes. Document No. 2 of my exhibit was prepared for that
11 purpose. It presents the company's proposed rate changes
12 to recover the Third SoBRA class revenue requirements by
13 rate and rate schedule in the format required by Minimum
14 Filing Requirement ("MFR") Schedule E-13c. Document No. 3
15 of my exhibit rolls up the rate schedule amounts to rate
16 class using the MFR Schedule E-13a format, which then can
17 be compared to Document No. 1 of my exhibit to show how
18 close the rate design comes to collecting the allocated
19 revenue requirements. Document No. 4 of my exhibit
20 utilizes the format of MFR Schedule A-2 to show the impact
21 of the Third SoBRA increase on typical RS, GS, GSD and IS
22 bills. Finally, Document No. 5 of my exhibit shows the
23 determination of the rate impact associated with the Third
24 SoBRA fuel cost savings.

25

1 **Q.** Please explain the fuel impact of the Third SoBRA and how
2 that affects rates in 2020.

3

4 **A.** The third tranche of solar generation that will begin
5 service January 1, 2020 and is expected to provide fuel
6 savings of approximately \$11.3 million during 2020. Those
7 expected fuel savings will be included in the company's
8 proposed 2020 annual fuel cost recovery factors to be
9 submitted to the Commission on September 3, 2019. The
10 savings represent an estimated \$0.58 reduction on the 2020
11 residential customer 1,000 kWh monthly bill.

12

13 **Q.** Do you provide an exhibit that shows the redlined changes
14 to tariff sheets affected by implementation of the Third
15 SoBRA?

16

17 **A.** Yes. Document No. 6 of my exhibit was prepared for that
18 purpose. It shows the proposed rates in comparison to the
19 company's current rates.

20

21 **Q.** Do you provide an exhibit that shows the clean tariff
22 sheets affected by implementation of the Third SoBRA?

23

24 **A.** Yes. Document No. 7 of my exhibit was prepared for that
25 purpose.

1 **SUMMARY**

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

3

4 **A.** I have performed the cost of service and rate design
5 components of the Third SoBRA in accordance with the
6 provisions of the 2017 Agreement. I have also performed
7 rate class allocations and determined the appropriate
8 base rate increases by rate class needed to recover the
9 Third SoBRA revenue requirement. The proposed fuel
10 savings and residential customer bill impacts are as
11 described in my direct testimony and exhibit. The modified
12 tariff sheets that accompany my prepared direct testimony
13 properly implement the Third SoBRA rate adjustments and
14 should be approved by the Commission.

15

16 **Q.** Does this conclude your prepared direct testimony?

17

18 **A.** Yes, it does.

19

20

21

22

23

24

25

1 CHAIRMAN GRAHAM: Exhibits.

2 MR. SCHRADER: Staff has prepared a
3 comprehensive exhibit list, which includes the
4 prefiled exhibits attached to each witness's
5 testimony, as well as exhibits identified by staff.
6 The list has been provided to the parties, the
7 Commissioners and the court reporter. At this
8 time, staff requests that the comprehensive exhibit
9 list be marked for identification purposes as
10 Exhibit No. 1 and that the other exhibits be marked
11 as set forth on that list.

12 CHAIRMAN GRAHAM: We will mark the
13 comprehensive exhibit list as Exhibit 1 and with
14 the other ones marked as indicated.

15 (Whereupon, Exhibit Nos. 1 - 5 were marked for
16 identification.)

17 CHAIRMAN GRAHAM: We need to move the
18 exhibits. Staff.

19 MR. SCHRADER: At this time, staff requests
20 that Exhibit No. 1 be entered into the record.

21 CHAIRMAN GRAHAM: We will move Exhibit No. 1
22 into the record.

23 (Whereupon, Exhibit No. 1 was entered into the
24 record.)

25 MR. SCHRADER: We also asked that Exhibit Nos.

1 2 through 5 be moved into the record as set forth
2 in the comprehensive exhibit list.

3 CHAIRMAN GRAHAM: Have the parties been able
4 to review the exhibit list?

5 MR. WHALEN: Yes, sir. We support staff's
6 motion.

7 MR. REHWINKEL: Yes.

8 CHAIRMAN GRAHAM: Okay. Staff, are we moving
9 the exhibit list and Nos. 2 through 5 into the
10 record?

11 MR. SCHRADER: Yes, Commissioner.

12 CHAIRMAN GRAHAM: We'll do that.

13 (Whereupon, Exhibit No. 2 - 5 were entered
14 into the record.)

15 CHAIRMAN GRAHAM: Okay. Deliberations. With
16 opening statements completed, it's time for the
17 Commissioners to question the parties.

18 Commissioners. Commissioner Brown.

19 COMMISSIONER BROWN: Thank you. I just have
20 one question, recognizing that both projects in
21 this third tranche come in below the installed cost
22 cap, which I support this petition going forward,
23 but I'm curious about the timing of the field
24 construction start date and the commercial and
25 service date and how long that process takes. I

1 was always under the impression that -- and I know
2 each county is different and each city is different
3 in terms of their planning and city council
4 approval and things of that nature, but both of
5 these projects, I guess, started around two years
6 ago. Could you talk about what that -- not the
7 delay, but why it has taken two years?

8 MR. WHALEN: Well, I think the actual
9 construction on the two projects have started this
10 year and we expect them to be in service on
11 January 1 of 2020. The process of buying land,
12 getting the permits takes time. Sometimes it's
13 shorter. Sometimes it's longer. One of the
14 projects in this third SoBRA was not intended to be
15 in the third SoBRA in the beginning, but because of
16 changes in other projects it moved into the third
17 SoBRA. So there's always a little, you know, give
18 and take with that.

19 COMMISSIONER BROWN: On average, does the
20 company -- how do you budget your time when you
21 now -- so, for example, the optional fourth tranche
22 with 50 megawatts could potentially come in,
23 obviously, before the expiration of the settlement
24 agreement. How do you budget time and plan for
25 planning purposes?

1 MR. WHALEN: Well, that's a complicated
2 question that requires an answer that goes beyond
3 lawyers, but they have a big team of people that
4 are always pushing these things forward. Mark Ward
5 says he's got a bunch of projects. They're like
6 your children, sometimes you like some of them more
7 than others. Sometimes they take more time than
8 others, but he's always pushing them forward in
9 accordance with the schedule and the agreement and
10 we hope to get them all done on time and under
11 budget.

12 COMMISSIONER BROWN: I see Pasco County has a
13 lot of opposition to some of these projects.

14 MR. WHALEN: Yeah, there's one that was going
15 to be in the third SoBRA. That one has run into
16 some challenges and it's in litigation so it's
17 still on hold.

18 COMMISSIONER BROWN: Is -- and most all of the
19 projects are on agricultural land?

20 MR. WHALEN: Agricultural or reclaimed mining
21 property. Yes.

22 COMMISSIONER BROWN: So 500 acres is a massive
23 scale. Is that the typical average land?

24 MR. WHALEN: They're all pretty big like that.

25 COMMISSIONER BROWN: 74 unit megawatts?

1 MR. WHALEN: Right. And some of them have
2 more land that is usable than others. Some
3 requires buffers. Some is wet and the permitting
4 process allows the company to get through that and
5 make the most efficient use of the parcels that
6 they've purchased, or in this case, we have a
7 lease.

8 COMMISSIONER BROWN: Thank you so much. I'm
9 supportive of the project. And if there are no
10 questions, Mr. Chairman, I'm prepared to make a
11 motion when you're ready.

12 CHAIRMAN GRAHAM: Okay. I'm ready to hear
13 your motion.

14 COMMISSIONER BROWN: I would move to approve
15 the petition as filed, along with the exhibits
16 attached to the petition, which include the
17 tariffs.

18 CHAIRMAN GRAHAM: That motion is given and
19 seconded. Commissioner Polmann.

20 COMMISSIONER POLMANN: Thank you, Mr.
21 Chairman. I'd like to -- I don't have any
22 questions. I think all the material that's in the
23 record is sufficient for my understanding. I
24 wanted to acknowledge and appreciate the parties'
25 efforts working effectively and efficiently to

1 address all the issues. I think this has moved
2 forward very quickly compared to some other efforts
3 that we've worked on. So I appreciate the parties
4 addressing all of the issues in the docket. I do
5 believe it's in the public interest that this
6 matter be resolved according to the stipulations,
7 and that would include that the outstanding Florida
8 state tax matter be addressed, as the parties spoke
9 to in their opening statements. I would be looking
10 forward to how that gets resolved.

11 I know there's some uncertainty exactly how
12 that will be done, as Mr. Whalen identified, but I
13 know that there are procedures and we'll wrap that
14 up as quickly and as appropriately as we can. So,
15 again, thank you for everybody coming together and
16 resolving these matters. And, Mr. Chairman, that's
17 all the comments I wanted to make. I do support
18 this in the public interest and I'm happy to
19 support Commissioner Brown's motion.

20 CHAIRMAN GRAHAM: Mary Anne.

21 MS. HELTON: Mr. Chairman, Commissioner Brown,
22 I just wanted to clarify that by Commissioner
23 Brown's proposal, or motion to approve the
24 petition, that you're also motioning that the
25 Commission approve the stipulations as set out in

1 issue -- for issues one through seven, which in
2 effect approve the petition?

3 COMMISSIONER BROWN: Thank you. That's
4 exactly what my motion was.

5 CHAIRMAN GRAHAM: Any further discussion?
6 (No comments made.)

7 CHAIRMAN GRAHAM: Seeing none, all in favor
8 say, aye.

9 (Chorus of ayes.)

10 CHAIRMAN GRAHAM: Any opposed?

11 (No comments made.)

12 CHAIRMAN GRAHAM: By your action you've
13 approved the Brown motion.

14 Staff, any other matters to be addressed in
15 this docket?

16 MR. SCHRADER: Staff is aware of none, Mr.
17 Chairman.

18 CHAIRMAN GRAHAM: Petitioners.

19 MR. WHALEN: I would just like to
20 acknowledge -- Mr. Rehwinkel raised an issue for a
21 later day. We do have a dispute on that and we
22 will be working with them to resolve it, but more
23 importantly, I want to thank the Office of Public
24 Counsel and the staff. We worked hard on this and
25 they worked hard with us and we appreciate

1 everybody's effort to help us get here today. So I
2 just wanted to say thank you.

3 MR. REHWINKEL: And on behalf of the Public
4 Counsel's office, we also would like to thank Tampa
5 Electric Company and Mr. Whalen, Mr. Means, for the
6 way they worked with us and their openness in
7 answering our questions. But even beyond that, I
8 want to thank publicly your staff for always being
9 there to facilitate the Commission's prompt and
10 efficient consideration of the stipulation. It's
11 not always easy to reach a stipulation and
12 sometimes it's very difficult to have one navigate
13 the process and it's for the public and for the
14 utilities you regulate. I believe it's important
15 that your staff performs a vital function of
16 shepherding stipulations that ought to be
17 considered by you through that process, and this is
18 a great example of that. So I just -- I really
19 rarely take these opportunities to call this out,
20 but this has been very well done and I want to
21 thank them publicly.

22 CHAIRMAN GRAHAM: I want to thank the parties,
23 as well. You've heard me say this many times, I'm
24 a huge proponent of the settlement stipulations
25 that come before us and especially seeing both

1 parties here, and all the parties that aren't even
2 here, but nobody's got that grim look on their face
3 like they were beaten and drug to this table, that
4 everybody came here willingly and happy for it. I
5 also want to thank staff because I know these
6 things just aren't easy and there's all the work
7 that goes on behind the scenes that a lot of people
8 don't see and don't appreciate.

9 I also want to thank the prehearing officer.
10 I think you've done a fantastic job and I know
11 you've heard me say many times before, because a
12 lot of people in their opening statements will want
13 to go for 20 minutes, 10 minute, 7 minutes, 5
14 minutes, and I just -- I think sometimes it's just
15 kind of ridiculous. You know, sometimes it's just,
16 you know, spending time patting each other on the
17 back and I think sufficiently we can do that in
18 three minutes, and I want to thank both of you guys
19 for adhering to the prehearing officer and making
20 that happen. And, Commissioner Polmann, I want to
21 thank you for allowing it, making it happen, as
22 well.

23 MR. WHALEN: Commissioner Polmann did such a
24 good job we didn't even have to have a prehearing
25 conference and that's pretty good.

1 CHAIRMAN GRAHAM: Commissioner Polmann.

2 COMMISSIONER POLMANN: That was a first. I
3 appreciate that coming up. Everybody worked
4 together so well that we resolved all the issues
5 and didn't even have to have a phone call to have a
6 prehearing conference.

7 MR. WHALEN: We remembered the second SoBRA
8 and went to work and appreciate that.

9 COMMISSIONER POLMANN: Yeah, with a little bit
10 of encouragement, the parties did an excellent job
11 and I appreciate, Mr. Rehwinkel, you acknowledging
12 staff. I wanted to do that, as well. Everybody
13 worked together so well. Really made Commission's
14 job, I want to say, easier. In fact, it was, but
15 the streamlined effort was really excellent. So,
16 thank you to all the parties and thank you, staff.

17 CHAIRMAN GRAHAM: Okay. If there's nothing
18 else, we are adjourned. I hope everybody travels
19 safe.

20 (The hearing concluded at 11:15 a.m.)

21

22

23

24

25

1 CERTIFICATE OF REPORTER

2 STATE OF FLORIDA)
3 COUNTY OF LEON)4 I, DANA W. REEVES, Professional Court
5 Reporter, do hereby certify that the foregoing
6 proceeding was heard at the time and place herein
7 stated.8 IT IS FURTHER CERTIFIED that I
9 stenographically reported the said proceedings; that the
10 same has been transcribed under my direct supervision;
11 and that this transcript constitutes a true
12 transcription of my notes of said proceedings.13 I FURTHER CERTIFY that I am not a relative,
14 employee, attorney or counsel of any of the parties, nor
15 am I a relative or employee of any of the parties'
16 attorney or counsel connected with the action, nor am I
17 financially interested in the action.

18 DATED THIS 28th day of October, 2019.

19

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25



DANA W. REEVES
NOTARY PUBLIC
COMMISSION #FF968527
EXPIRES MARCH 22, 2020