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# Public Service Commission

March 27, 2020

## STAFF'S FIRST DATA REQUEST

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Ausley McMullen  
123 South Calhoun Street  
Tallahassee, FL 32301

**Re: Docket No. 20200001-EI - In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.**

Dear Mr. Beasley::

For the purposes of the following requests, please refer to Tampa Electric Company's (TECO or Company) *Mid-Course Correction Petition* (Petition), filed March 25, 2020, in Docket No. 20200001-EI, and the Company's petition for *2020 Fuel and Purchased Power Factors, Capacity Cost Factors, Generating Performance Incentive Factors, and Optimization Mechanism* (Projection Filing), dated September 3, 2019, filed in Docket No. 20190001-EI.<sup>1</sup>

1. Please specify both the numerator and denominator used to calculate the projected 22 percent over-recovery figure as shown on page 4, paragraph 9, of the Petition. Please also discuss the derivation of both figures used in the calculation.
2. Please specify the system average delivered natural gas cost, per MMBtu, that is embedded in the Company's currently-approved fuel factor.<sup>2</sup>
3. Please refer to page 4, paragraph 9, of the Petition. Of the part actual, part estimated amount of \$94,867,488 specified in the section, please separately identify the actual January and actual February over-recovery amounts.

<sup>1</sup>Commission Document Nos. 01597-2020 and 08581-2019 respectively.

<sup>2</sup>Order No. PSC-2019-0484-FOF-EI, Issued November 18, 2019, in Docket No. 20190001-EI, *In re: Fuel and purchased power cost recovery clause with generating performance incentive factor*.

4. Please refer to page 4, paragraph 10, of the Petition. Please discuss in greater detail the revisions to “planned power purchases with updated availability and pricing of market power purchases,” focusing on the projected impact these revisions have on the Company’s newly-proposed fuel costs/factors.
5. Please refer to page 5, Paragraph 11, of the Petition. Here TECO writes: “the company proposes to (1) return a portion of the projected over-recovery over a shorter time period, from June 2020 through August 2020 through a line item credit on customers’ bills and (2) reduce the fuel factors for the remaining seven months of 2020 to reflect the estimated reforecast over-recovery in 2020.” Please confirm that the period described as “the remaining seven months of 2020” consists of the months June, July, August, September, October, November, and December.
6. Please refer to page 6, Paragraph 14, of the Petition. Please specify the fuel credit for a residential customer using 1,000 kWh for the scenario (i.e. levelized June through December flow-back) contemplated in this paragraph.
7. Please describe any to date or planned Company efforts in notifying its customers concerning the proposed actions it has requested through its Petition.
8. Although the Petition does not address coal, has the Company’s projected costs for this type of fuel meaningfully/significantly changed for the end of 2019 and 2020 periods? If so, please explain.
9. Please discuss whether the Company instituted any different processes, procedures, and/or measures related to fuel cost and fuel revenue forecasting since it last petitioned for a mid-course correction on January 15, 2019.<sup>3</sup> If the response is negative (i.e. no changes were made), does the Company contemplate doing so as result of its current mid-course filing? If so, please explain.
10. Please identify the sources and dates of TECO’s underlying fuel price forecast used in support of its currently-approved system fuel factor.<sup>4</sup>
11. Please discuss TECO’s fuel forecasting methodology. Please also remark on approximate the length of time the Company has employed this same or very similar fuel forecasting methodology for business planning purposes.
12. Please identify the date, if known, of TECO’s next/updated fuel price forecast that will be used for business planning purposes.
13. Does TECO compare its fuel price forecast to any other publicly available source of forecasted fuel prices, such as the Energy Information Administration? If so, please discuss the results of any analysis performed.

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<sup>3</sup>Commission Document No. 00234-2019.

<sup>4</sup>Order No. PSC-2019-0484-FOF-EI.

14. Did TECO perform a sensitivity analysis of its fuel price forecast for the purposes of determining the validity of its expected annual fuel cost? If the response is negative, please explain why the Company did not perform such an analysis.
  
15. Please provide the percent error in TECO’s delivered natural gas price forecasts out 3 to 5 years for 2017 through 2019, using the data found in the Company’s Ten-Year Site Plans, by populating the following tables:

**Natural Gas Price Forecasts**

| Year    | Natural Gas Price Annual Forecast (\$/MMbtu) |   |   |
|---------|--|---|---|
|         | Years Prior                                  |   |   |
|         | 5  | 4 | 3 |
| 2017    |  |   |   |
| 2018    |  |   |   |
| 2019    |  |   |   |
| Average |  |   |   |

**Accuracy of Natural Gas Price Forecasts**

| Year    | Natural Gas Price Annual Forecast Error Rate (%) |   |   |
|---------|--|---|---|
|         | Years Prior                                      |   |   |
|         | 5  | 4 | 3 |
| 2017    |  |   |   |
| 2018    |  |   |   |
| 2019    |  |   |   |
| Average |  |   |   |

**Natural Gas Price  
Actuals**

| Year | Actual Natural Gas Price (\$/MMbtu) |
|------|-------------------------------------|
| 2017 |                                     |
| 2018 |                                     |
| 2019 |                                     |

James Beasley, Esq.

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Please file your answers to the above questions in the above-referenced docket with the Commission Clerk by Friday, April 10, 2020. Should you have any questions or need more information regarding this data request, please contact me at (850) 413-6218 or [sbrownle@psc.state.fl.us](mailto:sbrownle@psc.state.fl.us) .

Very truly yours,

*/s/ Suzanne Brownless*

Suzanne Brownless  
Special Counsel

SBr