AUSLEY & MCMULLEN

ATTORNEYS AND COUNSELORS AT LAW

123 SOUTH CALHOUN STREET
P.O. BOX 391 (ZIP 32302)
TALLAHASSEE, FLORIDA 32301
(850) 224-9115 FAX (850) 222-7560

April 26, 2022

VIA: ELECTRONIC FILING

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

Re: Petition by Tampa Electric Company for Approval of a New Small Commercial Lighting Tariff; Docket No. 20220037-EI

Dear Mr. Teitzman:

Attached are Tampa Electric Company's responses to Staff's Second Data Request (Nos. 1-11), propounded and served by electronic mail on April 12, 2022.

Thank you for your assistance in connection with this matter.

Sincerely,

Malcolm N. Means

Malcolm N. Means

MNM/bmp
Attachment

cc: Corey Hampson, Public Utility Analyst II (w/attachment)
Shaw Stiller, General Counsel, FPSC
MaryRose Sirianni, Regulatory Affairs Manager, TECO

1. Please explain how much and what type of lighting equipment $20,000 is projected to provide for the typical commercial customer. Please include the approximate number of poles, lighting fixtures, and size of the area that could be lit with this installation.

A. Two options for a typical small commercial lighting equipment installation are:

- Overhead Service: Typical equipment utilized would be a 47 W LED Roadway fixture (rate code 914) on a 30 ft Wood OH pole (rate code 626). A typical overhead installation would include between 4 to 12 of these fixture/pole units, which would light an area of approximately 20,250 to 70,000 square ft.
- Underground Service: Typical equipment utilized would be a 145 W LED Roadway fixture (rate code 937) on a 35 ft Concrete UG pole (rate code 588). A typical underground installation would include between 4 to 12 fixture/pole units, which would light an area of approximately 52,000 to 329,400 square ft.

2. Of the total commercial lighting installations installed by TECO in the past 12 months, please provide the number and percentage of installations which cost less than $20,000. Please also provide the average cost of commercial lighting installations installed by TECO in the past 12 months which cost less than $20,000.

A. Assuming one lighting installation correlates to one lighting agreement - in the year 2021, the Company had a total of 1,103 lighting installations completed. Of these, a total of 140 installations were for commercial customers. Of the 140 commercial lighting installations, 133 or 95% had material costs less than $20,000.

The average material cost of these 133 commercial lighting installations installed by the Company in 2021 with material costs of less than $20,000 was $2,190.

3. Has TECO modeled the proposed SCLA after any similar agreements offered by other utilities, which allow commercial customers to take lighting service on month-to-month terms? If so, please provide the utility’s name.

A. No.

4. Under the proposed SCLA, are there any removal costs or other fees for customers who terminate their agreement upon providing 30 days prior written notice? If so, please describe these costs.

A. No, except in the event of Light Trespass, which is addressed under Paragraph 18 of the SCLA.

5. Please explain if lighting service under the proposed SCLA is available to a commercial tenant. (i.e., a customer who is renting their commercial space).

A. Yes. The SCLA must be signed by both the property owner and the customer; this is clarified in Paragraph 14 of the SCLA, where the property owner is described “if other than the customer”. The property owner might not be the customer, i.e., the customer may be a tenant.

For the following questions, please refer to TECO's March 28, 2022 responses to staff's first data request.

6. Please refer to request No. 1. Please elaborate on how TECO defines typical small commercial application.

A. A typical small commercial application would be any commercial customer requesting leased lighting services from the Company on commercial property, where the cost of the equipment specified to meet industry or customer requested standards to light the area is less than $20,000.

7. Please refer to request No. 2.

a. Please explain how TECO will determine if lighting service will be temporary for a particular applicant.

b. Would TECO consider seasonal lighting service as temporary? For example, where a commercial customer terminates their agreement with TECO for a portion of the year.

A. a. The intent of the SCLA is to provide ongoing leased lighting service to the requesting customer, not seasonal service. If the initial request from the customer is determined to be for temporary or seasonal lighting service, the Company would decline to provide service.

b. Yes.

8. Please refer to request No. 2. Assume hypothetically for purposes of this request that a customer has terminated their SCLA after 6 months and there is no new customer to request that the existing lighting service using the installed equipment be turned on.

a. Please describe in detail the impact to the general body of ratepayers.

b. How are costs incurred for the installation and subsequent removal of the lighting facilities recorded on the Utility's books, including any impact to bad debt?

A. a. There is no impact to the general body of ratepayers. There is an impact to lighting customers in the next rate proceeding as the cost of the facilities not producing revenues is included in the cost of service for all lighting customers if not removed. Those facilities will remain in place in the hope that a new customer taking over the property calls for lighting service in the future.

b. Costs incurred for the installation are recorded in Account 373 in the normal manner until removed at the end of their life. Bad debt would only be affected if the customer taking service fails to pay their bills.

9. Please refer to request No. 2.

a. How did TECO determine that customers would receive lighting service at a lower cost than possible through a non-utility lighting system?

b. Please provide an approximate cost comparison between a Utility and non-utility lighting system for a typical small commercial application.

A. a. Organizations with a large lighting infrastructure presence, such as utilities, will generally have a greater volume of material demand across a measurement of time as compared to a small commercial property owner. As a utility, the greater volume of material demand driven from periodic maintenance, new installs, or LED conversion provides a significant economy of scale with respect to material and labor pricing to the Company. Assuming parity in the quality of luminaire and workmanship, the Company or any other utility is able to deliver service to a prospective customer more economically than a small commercial property owner who does not have the same economies of scale.

Furthermore, the utility model towards lighting defers any upfront cost burden for customers, supplying additional benefit to small commercial property owners who may not have capital availability to self-fund the upfront cost to install a private lighting system.

Lastly, small commercial property owners of private lighting are not positioned with spare part inventories, or a firm workforce dedicated to restoring light outages. Therefore, when a maintenance event occurs, extended outages are probable along with the burden of the unplanned expense and back-office labor impact to coordinate repairs.

b. Assuming a typical overhead installation that utilizes a 47W LED (rate code 914) and a 30ft. wood pole OH (rate code 626), a customer would have no initial payment and would obtain leased lighting service from the Company in exchange for a base monthly payment of $11.81 per month per unit (not including clauses, taxes & fees). From the customer’s perspective, they can pay the Company a fixed monthly amount without the upfront burden of installation and ownership challenges of performing self-maintenance.

If the customer were faced with a dollar-for-dollar comparison of installed costs, according to the cost buildup in support of rate codes 914 and 626, the Company's total installed cost is $1,172 per unit. As an example, using a 25% economy of scale benefit for the Company on material and labor, a commercial property owner’s installed cost for an equivalent installation would be $1,562 per unit.

Providing the same comparison for a typical underground unit of 145W LED (rate code 937) and a 35ft concrete pole UG (rate code 588), the Company's total installed cost is $2,968 per unit, while a commercial property owner’s installed cost for an equivalent installation would be $3,957 per unit, using the same 25% economy of scale benefit.

10. Please refer to request No. 3.

a. How does TECO define a completed primary term under the proposed SCLA? Please explain.

b. If a customer terminates service at the end of a completed primary term under the proposed SCLA, and TECO leaves the equipment in place, how long will the Utility typically leave the equipment in place?

A. a. The answer provided to request No. 3 used the phrase “completed primary term”. This was a misuse of the word ‘primary’ because in paragraph 8 the SCLA defines the Agreement “…. shall continue on a month-to-month term (the “Term”)….” until terminated by either party with 30 days written notice.

The “TERM” is considered completed 30 days after either the Company or customer requests termination.

b. The length of time the Company will typically leave the equipment in place is largely dependent on the customer or property owner of the individual site location. If service has been terminated, the Company would typically leave the equipment in place unless required to remove it.

In most cases, the majority of terminated lighting services are either relit by the same or next customer at a later time. In a minority of cases, the Company is required to remove the equipment.

11. Please provide the clean and legislative versions of the proposed tariff sheets (Exhibits A and B of the Petition) without the Petition headers

a. In this response, please include revised tariff sheet Nos. 6.835 and 7.275 which incorporate the modifications proposed by TECO in response to staff's first data request, Nos. 9 and 10.

A. See attached. The modifications needed for tariff sheet Nos. 6.835 as explained in the 1st data request question #9, two definitions were needed, in addition to adding in the underlined verbiage from the response, the words "of any new LS-2 service" was also added to clarify the difference between the two definitions.

Continued from Sheet No. 6.830

MONTHLY RATE: The monthly charge shall be calculated by applying the monthly rate of 0.93% to the In-Place Value of the customer specific lighting facilities identified in the Outdoor Lighting Agreement entered into between the customer and the Company for service under this schedule.

The In-Place Value may change over time as new lights are added to the service provided under this Rate Schedule to a customer taking service, the monthly rate shall be applied to the In-Place Value in effect that billing month. The In-Place Value of any transferred LS-1 service shall be defined by the value of the lighting Equipment or its LED equivalent based on the average cost of a current installation. The in-Place Value of any new LS-2 service shall be defined by the value of the lighting equipment when it was first put in service.

NON-STANDARD FACILITIES AND SERVICES:

The customer shall pay all costs associated with additional company facilities and services that are not considered standard for providing lighting service, including but not limited to, the following:

1. relays;
2. distribution transformers installed solely for lighting service;
3. protective shields, bird deterrent devices, light trespass shields;
~~4. bird deterrent devices;~~
~~5. light trespass shields;~~
~~6.~~4. light rotations;
~~7.~~5. light pole relocations;
~~8.~~6. devices required by local regulations to control the levels or duration of illumination including associated planning and engineering costs;
~~9.~~7. removal and replacement of pavement required to install underground lighting ~~cable~~equipment;
8. directional boring;
~~10.~~9. ground penetrating radar (GPR);
~~11.~~10. specialized permitting that is incremental to a standard construction permit; ~~and~~
11. specialized design and engineering scope required by either the customer or by local code or ordinance that is unique to the requested work;
12. custom maintenance of traffic permits;
13. removal of non-standard pole bases; and
~~12.~~14. blocked parking spaces resulting from construction or removal.~~.~~

Payment may be made in a lump sum at the time the agreement is entered into, or at the customer's option these non-standard costs may be included in the In-Place Value to which the monthly rate will be applied.

MINIMUM CHARGE: The monthly charge.

ENERGY CHARGE: For monthly energy served under this rate schedule, 2.851¢ per kWh.

FUEL CHARGE: See Sheet Nos. 6.020 and 6.022.

ENERGY CONSERVATION RECOVERY CHARGE: See Sheet Nos. 6.021 and 6.022.

CAPACITY RECOVERY CHARGE: See Sheet Nos. 6.020 and 6.022.

CLEAN ENERGY TRANSITION MECHANISM: See Sheet Nos. 6.023 and 6.025.

TECO
TAMPA ELECTRIC
AN EMERA COMPANY

~~FOURTH~~ FIFTH REVISED SHEET NO. 6.835
CANCELS ~~THIRD~~ FOURTH SHEET NO. 6.835

ENVIRONMENTAL RECOVERY CHARGE: See Sheet Nos. 6.020 and 6.022.

FLORIDA GROSS RECEIPTS TAX: See Sheet No. 6.023.

FRANCHISE FEE: See Sheet No. 6.023.

PAYMENT OF BILLS: See Sheet No. 6.023.

STORM PROTECTION PLAN RECOVERY CHARGE: See Sheet Nos. 6.021 and 6.023.

TECO TAMPA ELECTRIC AN EMERA COMPANY

ORIGINAL SHEET NO. 7.275

Continued from Sheet No. 7.270

18. Light Trespass

Customer acknowledges and agrees that the Customer is solely responsible for specifying the general location of the Equipment and the direction and orientation of the illumination provided thereby. The Company will not be required to install or continue to operate the Equipment at any location where the service may be or has become objectionable to others. If removal of any Equipment is the only practicable resolution of the objection, the Customer shall promptly pay the Company for removal costs for the portion of the Equipment that must be removed.

19. Assignments

This Agreement shall inure to the benefit of, and be binding upon, the respective heirs, legal representatives, successors and assigns of the parties hereto. This Agreement may not be assigned by Customer in whole, and Customer shall not be released from the obligations hereunder, except with the written consent of Company in its sole discretion. In the event of an Assignment, the assignee may be substituted herein for the Customer and/or other Grantor with respect to all Customer rights and obligations, but the initial Customer shall not be released from the obligations of this Agreement except by a separate writing from the Company in the Company's sole discretion.

20. General

No delay or failure by the Customer or the Company to exercise any right under this Agreement shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.

Page 6 of 7 Customer Initials:_____ Date: _________

Continued to Sheet No. 7.280