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October 30, 2014

HAND DELIVERED

RECEIVED-FPSC
14 OCT 30 PM 2:39
COMMISSION
CLERK

Ms. Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Petition of Tampa Electric Company for Approval
of Revised Facilities Rental Agreement
FPSC Docket No. 140184-EI

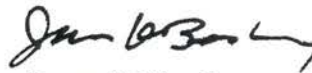
Dear Ms. Stauffer:

Enclosed for filing in the above docket are the original and five (5) copies of Tampa Electric Company's Responses to Staff's First Data Request (Nos. 1-2) dated October 23, 2014.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning same to this writer.

Thank you for your assistance in connection with this matter.

Sincerely,


James D. Beasley

COM _____
AFD _____
APA _____
ECO 3
ENG _____
GCL 2
IDM _____
TEL _____
CLK _____

JDB/pp
Enclosure

cc: Danijela Janjic (w/enc.)

TAMPA ELECTRIC COMPANY
DOCKET NO. 140184-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 1
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1. Paragraph 7 of the petition discusses recovering the cost of maintenance and repair through the monthly rental charge. Please provide a description of the nature of the maintenance and repair costs, i.e. a flat rate or a variable by occurrence rate to be added to the monthly rental charge. In other words, will the monthly rental rate remain the same from month to month or will it vary depending on what maintenance and repair costs are incurred, but no longer billed separately from the monthly rental charge?
 - A. At this time, the company is proposing that the monthly rental rate remain the same from month to month. When outages of this type of equipment do occur, it most frequently is the result of failed equipment that must be replaced rather than be repaired, and regular maintenance costs of this type of equipment is often not significant. The company proposes to handle the replacement event for these agreements by changing the in-place value of the facilities and re-setting of the term of the agreement to reflect the cost of replacement and new life. The company will monitor maintenance occurrences on rental equipment going forward and, if found to be significant over that time, may propose to increase the monthly rental rate to include the cost of average monthly maintenance in a future rate proceeding.

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2. Section 1 of the revised agreement (THIRD REVISED SHEET NO. 7.760) changes the verb "maintain" to "repair". Staff interprets "repair" as correcting a malfunction or deficiency. Who will maintain the facilities by performing periodic inspection, adjustment, cleaning, etc. that may be required or recommended by the manufacturer of the equipment, which are not due to a malfunction or deficiency but intended to prolong the functional life of the equipment? How will the cost to maintain the equipment be recovered?
 - A. The company will maintain/repair the leased facilities in the same manner as it maintains/repairs its non-leased distribution facilities with company or company contracted resources. As mentioned in Request No. 1 above, the cost of such maintenance will be the responsibility of the company and will be monitored over time to determine if and when the overall lease rate should be adjusted to reflect such costs.