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August 2, 2021

**VIA: ELECTRONIC FILING**

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

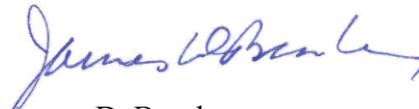
Re: Petition of Tampa Electric Company for Approval of Revised Underground  
Residential Distribution Tariff  
Dkt.: 20210064-EI

Dear Mr. Teitzman:

Attached for filing in the above docket is Tampa Electric Company's Response to Staff's Third Data Request (Nos. 1-3), propounded on July 26, 2021.

Thank you for your assistance in connection with this matter.

Sincerely,



James D. Beasley

JDB/bmp  
Attachment

cc: All Parties of Record (w/attachment)  
Holly Forrest, FPSC (w/attachment)

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing responses of Tampa Electric Company to Staff's Third Data Request (Nos. 1-3), have been furnished by electronic mail on this 2nd day of August 2021 to the following:

Shaw Stiller  
Office of General Counsel  
Florida Public Service Commission  
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ATTORNEY

**TAMPA ELECTRIC COMPANY  
DOCKET NO. 20210064-EI  
STAFF'S THIRD DATA REQUEST  
REQUEST NO. 1  
BATES PAGE: 1  
FILED: AUGUST 2, 2021**

1. In the response to question 3 from data request 2, TECO states “the company has moved from a 3-year calculation based on actual costs to a long-term potential cost based on hurricane simulations.” Please explain how this change in methodology is consistent with Rule 25-6.078 (4), Florida Administrative Code (F.A.C.), which states Differences in Net Present Value of operational costs, including average historical storm restoration costs over the life of the facilities, between underground and overhead systems, if any, shall be taken into consideration in determining the overall Estimated Average Cost Differential. (emphasis added)

- A. Rule 25-6.078(4), Florida Administrative Code, states that:

“Differences in Net Present Value of operational costs, including average historical storm restoration costs over the life of the facilities, between underground and overhead systems, if any, shall be taken into consideration in determining the overall Estimated Average Cost Differential. Each utility shall establish sufficient record keeping and accounting measures to separately identify operational costs for underground and overhead facilities, including storm related costs.”

While in the past Tampa Electric has met this requirement by supplying a three (3) year average of the most recent period reflecting actually experienced storm costs during that three-year period, the rule language cited is not specific as to the number of years on which to base the average historical storm restoration costs or that the most recent storm costs must be used in the calculation. The rule simply references average “historical” storm costs over “the life of the facilities”.

The study utilized for this filing utilized historical costs of facilities and applied Monte Carlo type simulations of storms over those facilities based on historical storm data to generate an average impact of storms to the Tampa Electric overhead T&D system. This approach meets the requirement of Rule 25-6.078(4), FAC because it derives an Estimated Average Cost Differential to be expected over the life of those facilities from storms hitting the Tampa Electric service area. Because storms hitting Tampa Electric’s service area are not regular in nature (either size, severity or direction of attack) during any particular three-year period, this approach to meeting the rule’s requirement avoids the volatility of the results encountered by applying the prior method caused by using the historical actual period closest in time to the year the URD charges are to be reviewed. Thus, Tampa Electric believes the methodology applied in this filing is an improvement in accuracy and still meets the rule requirement.

**TAMPA ELECTRIC COMPANY  
DOCKET NO. 20210064-EI  
STAFF'S THIRD DATA REQUEST  
REQUEST NO. 2  
BATES PAGE: 2  
FILED: AUGUST 2, 2021**

- 2.** Referring to the OC-2 table of the filing for this petition, please explain how the company determined the OH ratio of 96.0% and UG ratio of 4.0% for storm cost allocation. Please provide a full explanation of how this was determined, including a specific description of your calculations.
  - A.** OH and UG storm cost allocation percentages of 96% and 4% are based on historical cost data - including labor and materials clearly identified as overhead distribution or underground distribution - from three hurricanes (i.e., Charley Frances, and Jeanne) that impacted Tampa Electric's service territory in 2004. Furthermore, this allocation is in line with OC-2 Table IV when comparing terminal poles (UG) to the overall population of poles (16,322/418,770).

**TAMPA ELECTRIC COMPANY  
DOCKET NO. 20210064-EI  
STAFF'S THIRD DATA REQUEST  
REQUEST NO. 3  
BATES PAGE: 3  
FILED: AUGUST 2, 2021**

- 3.** Please provide the Net Present Value of operational costs, including storm restoration costs, calculation, and resulting URD differential for the low- and high-density subdivisions.
  - a. Using calculations based on the historical methodology used by TECO for an average of three years for 2018, 2019, and 2020. Provide all supporting workpapers to show the calculations.
  - b. Using calculations based on an average of five years for the years 2016, 2017, 2018, 2019, and 2020. Please provide all workpapers to show the calculations.
  
- A.**
  - a. Please refer to Exhibit "C", filed in the Petition on April 1, 2021.
  - b. To be provided no later than August 13, 2021.