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TECO's response to Staff's Sixth Set of
Interrogatories Nos. 18-24

**TAMPA ELECTRIC COMPANY
DOCKET NO: 20210007-EI
STAFF'S SIXTH SET OF
INTERROGATORIES
INTERROGATORY NO. 18
BATES PAGE: 1
FILED: OCTOBER 5, 2021**

- 18.** Please refer to witness Sizemore's direct testimony filed on August 27, 2021, page 3, lines 4 through 16, and page 5, lines 10 through 15. Please explain if and when TECO will provide revised testimony and/or exhibits to reflect the Bayside Section 316(b) program and/or the proposed 2021 Agreement.

- A.** On October 1, 2021, Tampa Electric filed its revised 2022 Projection Exhibit, MAS-4, reflecting the inclusion of the proposed 2021 Agreement and the Bayside Section 316(b) Compliance project, that was approved by the Commission on September 8, 2021, and memorialized in Order No. PSC-2021-0356-PAA-EI, issued on September 15, 2021.

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- 19.** Please refer to witness Sizemore's direct testimony filed on August 27, 2021, page 3, lines 8 through 13. Please explain in detail the impact of the proposed 2021 Agreement on ECRC recovery. As part of your response, please indicate if the 2021 Agreement will impact true-up recovery for the current period of January 2021 through December 2021 and explain how.
- A.** As referred to in the testimony of M. Ashley Sizemore, certain terms of the company's proposed 2021 Agreement will have an impact on the 2022 ECRC factors. Specific changes include: 1) the return on equity adjustment; 2) updated Tax Expansion Factor; 3) the transfer of the net book value, as of December 31, 2021, from ECRC to the Clean Energy Transition Mechanism ("CETM") for the following Assets being retired: portions of Big Bend Units 1 & 2 FGD and the entirety of Big Bend Units 1, 2 and 3 SCRs; 4) implementation of the new depreciation rates from the company's recent depreciation study and, 5) updated cost allocation and rate design.

As noted in Tampa Electric's response to Interrogatory No 18, above, the Bayside 316(b) Compliance project is included in the October 1, 2021 filing.

The 2021 Agreement will be effective January 1, 2022. The January 2021 through December 2021 period true-up amount will not be affected by the 2021 Agreement. However, the 2021 true-up amount will be recovered during 2023, and will be included in the total amount recovered, which is governed by the 2021 Agreement factor calculation methodology described in the company's October 1, 2021 filing referenced in the response to Interrogatory No. 18.

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20. Please refer to witness Sizemore's direct testimony filed on August 27, 2021, page 7, lines 13 through 19. Please identify the revised total capital costs including the Bayside Section 316(b) program, both including and excluding impacts of the 2021 Agreement.

A. Please see the table below for the revised total capital project costs to be recovered through the environmental cost recovery clause.

Capital Costs without 2021 Agreement	Capital Costs with the 2021 Agreement
\$46,842,960	\$21,927,947

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- 21.** Please refer to witness Sizemore's direct testimony filed on August 27, 2021, page 9, lines 7 through 12. Please identify the revised total operation and maintenance (O&M) costs including the Bayside Section 316(b) program, both including and excluding impacts of the 2021 Agreement.
- A.** There are no changes to the projected 2022 O&M costs from the August 27, 2021 filing when the Bayside Section 316(b) program and the 2021 Agreement are considered. The O&M costs remain at \$4,414,497. This is due to Bayside 316(b) not incurring any O&M costs until after the project is placed in service, after 2022.

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- 22.** Please refer to witness Sizemore's direct testimony filed on August 27, 2021, page 9, line 21 through page 10, line 2.
- a. Please identify the revised total jurisdictional costs for 2022 including the Bayside Section 316(b) program, both including and excluding impacts of the 2021 Agreement.
- b. Please explain the discrepancy between the \$51,072,871 total provided on page 10, line 2, and the \$51,125,303 total provided in Form 42-1P.
- A.** a. Please see the table below for the revised total jurisdictional costs to be recovered through the environmental cost recovery clause.

Total Jurisdictional costs without 2021 Agreement	Total Jurisdictional costs with the 2021 Agreement
\$51,257,457	\$26,342,444

- b. The \$51,072,871 provided on Line 1(c), represents the total jurisdictional revenue requirement for the 2022 period prior to any adjustments and revenue tax factor applications. The \$51,125,303, as shown on Form 42-1P, Line 4 represents the total jurisdictional revenue requirement once the 2020 final true-up over-recovery of \$4,237,191 and the 2021 estimated under-recovery of \$4,289,623 are included in the 2022 revenue requirement calculations, prior to the application of the revenue tax factor.

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- 23.** Please refer to witness Sizemore's direct testimony filed on August 27, 2021, page 11, lines 1 through 14. Please identify the revised recovery factors including the Bayside Section 316(b) program, both including and excluding impacts of the 2021 Agreement.

- A.** The recovery factors requested are as follows:

2022 ECRC Projection - Recovery Factors Including Bayside 316(b):		
Rate Class	(¢/kWh)	
RS	0.264	
GS, CS	0.261	
GSD, SBF		
Secondary	0.255	
Primary	0.253	
Transmission	0.250	
IS		
Secondary	0.247	
Primary	0.245	
Transmission	0.242	
LS1	0.240	
Total	0.260	
2022 ECRC Projection - Recovery Factors Including Bayside 316(b) and 2021 Agreement:		
Rate Class	(¢/kWh)	
RS	0.138	
GS, CS	0.135	
GSD, SBF		
Secondary	0.130	
Primary	0.129	
Transmission	0.128	
GSLDPR	0.123	
GSLDSU	0.120	
LS1, LS2	0.113	
Total	0.133	

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- 24.** Please refer to witness Burrows' direct testimony filed on August 27, 2021, page 13, lines 20 through 24. Does TECO project any capital or O&M expenditures prior to December 2021? If yes, how will TECO recover those costs?
- A.** Tampa Electric expects to incur approximately \$950,000 in capital costs for the Bayside 316(b) Compliance project in 2021. No O&M costs are anticipated until the project's in-service date, after 2022. The company will include these costs in its 2021 true-up, to be filed in early 2022.