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Tampa Electric's Response to Staff's Seventh
Data Request Nos. 1-2

(No. 1 has an attachment)

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20210034-EI
STAFF'S SEVENTH DATA REQUEST
REQUEST NO. 1
BATES PAGES: 1 - 2
FILED: SEPTEMBER 3, 2021**

1. Please refer to TECO's 2021 Stipulation and Settlement Agreement (SA), page 11. Paragraph 3(c)(iii) of the SA states:

The Parties have agreed that the life of solar assets to be used when calculating depreciation rates and expenses shall be extended from 30 years (as initially proposed by the company) to 35 years; consequently, the Parties agree that the amortization period to reflect solar ITCs on a normalized basis should also be extended from 30 to 35 years, resulting in an annual test year increase to income tax expense and reduction to net operating income of \$1,482,776, which when grossed up has the effect of increasing the 2022 revenue requirement by \$1,991,591. This calculation is shown on Exhibit F.

It appears that the aforementioned dollar amounts are not included in Exhibit F.

- a. Please explain how the \$1,482,776 was derived, with specifications of the increase to "income tax expense" and the reduction to "net operating income," and provide a working paper to support your response.
 - b. Please explain how the \$1,991,591 of 2022 of revenue requirement increase was determined, and provide a working paper to support your response.
- A.**
- a. Please see MS Excel file entitled "(BS 2) Staff 7th No 1_ITC.xlsx", which calculates the solar assets' ITC amortization using a 35-year life vs a 30-year life. The \$1,482,776 figure is the difference between the 35- and 30-year life.
 - b. Please see response to 1(a), above. The \$1,991,591 is the \$1,482,776 grossed up for taxes to derive the revenue requirement.

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2. Please refer to the SA at 13.(c) for the following question. Please elaborate on this section of the SA and also describe how the proposed treatment of non-separated or non-stratified energy sales outlined in this section of the SA differs from the current treatment related to non-separated or non-stratified energy sales.

- A. Paragraph 13.(c) of the 2021 Settlement Agreement reads as follows.

(c) For any non-separated or non-stratified wholesale energy sales during the Term, the company will credit its fuel clause for an amount equal to the company's incremental cost of generating or purchasing the amount of energy sold during the hours that any such sale was made.

This language is identical to paragraph 11.(d) of the 2017 Amended and Restated Stipulation and Settlement Agreement, shown below.

(d) For any non-separated or non-stratified wholesale energy sales during the Term, the company will credit its fuel clause for an amount equal to the company's incremental cost of generating or purchasing the amount of energy sold during the hours that any such sale was made.

Paragraph 13.(c) of the 2021 Settlement Agreement makes it explicit that the company will not treat these sales differently than the current required treatment for non-separated or non-stratified energy sales described in Order No. PSC-2001-2371-FOF-EI, issued in Docket No. 20010283-EI on December 7, 2001.