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Tampa Electric's Response to Staff's Eighth
Data Request Nos. 1-7

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20210034-EI
STAFF'S EIGHTH DATA REQUEST
REQUEST NO. 1
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1. Does the 2021 Agreement prohibit the Commission from addressing TECO's rates if the Company earns in excess of its authorized rate of return?

A. No.

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- 2.** Paragraph 5.(c) of the 2021 Agreement indicates that the CETM “shall not be expanded to allow recovery of costs other than those specified herein without the express written consent of all of the Parties to this 2021 Agreement.” Does TECO agree that any expansion of allowable costs for purposes of CETM cost recovery is also contingent upon prior Commission approval? If not, please explain.
- A.** Yes, Tampa Electric agrees that the written consent of all of the parties would require Commission approval.

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3. Does the 2021 Agreement authorize the parties to the Agreement to modify rates without Commission approval?

A. No.

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4. Does the 2021 Agreement limit Commission action after the Term of the Agreement? If yes, please identify and describe all such constraints.

A. No.

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5. Please refer to Paragraph 5(e)(i) and Exhibit J, page 2 of 5, of the 2021 Agreement. Paragraph 5(e)(i) states that, "The calculation of the CETM reflects recovery of this \$111,088,808 reserve deficiency over a period of 13 years beginning January 2024, as shown in Exhibit J." However, Exhibit J reflects an amount of \$21.3M on the "Cumulative Dismantlement Deficiency Additions" line for the year 2023. Please explain.
 - A. The projected recovery of the \$111,088,808 reserve deficiency will occur over the 13-year period beginning in 2024. However, the annual recovery amount will be limited to amortization of only the reserve deficiency spending that has occurred to date. Thus, the amortization in 2024 is based on the cumulative dismantlement deficiency of \$21.3 million incurred through the end of 2023. The amortization in 2025 is based on the cumulative dismantlement deficiency of \$66.7 million incurred through the end of 2024. When all dismantlement deficiency spending has concluded in 2026, for a projected total of \$111,088,808, the amortization will be based on that final dismantlement deficiency in the years 2027 through 2036.

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6. Please refer to TECO's 2021 Agreement, Exhibit G "Depreciation Calculation", page 6 of 6, filed August 6, 2021. Please also refer to TECO's response to Staff's 7th Interrogatories, No. 145, filed August 16, 2021, which states "[t]he company has corrected the formula and is refileing these MS Excel files accordingly, entitled [...] and (BS 7) 2022 Depr Rates Side by Side Comparison - v2.xls." This Excel file, at Tab "Comparison," cell L218, shows that the stated formula correction results in a "2020 Rate Case Depreciation Accrual" that is \$6,788,774 higher than the original filing.

Staff's Table 1 below shows the variances between the depreciation accrual recognized in the 2021 Agreement and in TECO's response to Interrogatory 145.

- a. Does Exhibit G of the 2021 Agreement (page 6), row "Total" of the "Revised Depreciation Rate Reduction" reflect the correction to the original depreciation accrual identified in the Company's response to Interrogatory 145? Please explain with specificity.
- b. Does the corrected "2022 Rate Case Updated Depreciation Accrual" identified in TECO's response to Interrogatory 145 minus the accrual identified in Exhibit G of the 2021 Agreement as "Original Proposed 2022 Depreciation Accrual" result in a \$17,063,865 higher accrual? Please explain with specificity.
- c. If Exhibit G of the 2021 Agreement does not reflect the corrections identified in TECO's response to Interrogatory 145, please explain why not

Table 1: Comparison of the 2022 Depreciation Accrual (before applying the SA proposed depreciation rates)						
PowerPlant Depr Group	TECO's response to Interrogatory No. 145 attached Excel file (BS 7) 2022 Depr Rates Side by Side Comparison - v2.xls," Tab "Comparison"				SA Exhibit G, p. 6	Difference in Original (before the SA) 2022
	2022 Rate Case Original Depr Accrual	2022 Rate Case Updated Depr Accrual	Update vs. Original		Original Proposed 2022 Depr Accrual	Original (before the SA) 2022 Depr Accrual
			Accrual Comparison			
			Variance	% Variance		
	(1)	(2)	(3)	(4)	(5)	(6) = (2) - (5)
Dismantlement	19,123,623	19,123,623	-	0.0%	19,123,623	0
Acquisition Adjustments	236,709	236,709	-	0.0%	185,749	50,960
SOFTWARE - Intangibles	29,516,555	29,516,555	-	0.0%	29,516,555	0
ARO - Intangibles	5,493,447	5,493,447	-	0.0%		5,493,447
GENERATION - Steam	92,877,884	95,581,268	2,703,384	2.9%	92,877,884	2,703,384
GENERATION - Other	155,342,425	158,684,165	3,341,740	2.2%	155,342,425	3,341,740
TRANSMISSION	33,571,203	33,499,833	(71,370)	-0.2%	33,571,203	(71,370)
DISTRIBUTION	126,811,110	127,380,197	569,087	0.4%	126,811,110	569,087
VEHICLES - General	4,986,730	5,159,319	172,589	3.5%		
GENERAL - General	25,364,420	25,437,765	73,345	0.3%		
General - Subtotal	30,351,151	30,597,084	245,933		25,620,467	4,976,617
TOTAL	493,324,106	500,112,880	6,788,774	1.4%	483,049,016	17,063,865

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- A.** a. Yes. The formula correction indicated in Staff's Seventh Set of Interrogatory No. 145 was related to the calculation of the theoretical reserve, surplus or deficiency. This correction does not impact the depreciation reserve accrual results. The 2022 side-by-side comparison was performed to show the \$6,788,774 increase in 2022 MFR B-9 depreciation reserve accruals displayed in column (3) that occurs when comparing the 2019 actual data set used in column (1) for depreciation study purposes to the 2021 budgeted data set used in column (2). The results of using the 2021 budgeted data was only intended for informational purposes, not to be used for revenue requirement setting purposes.
- b. No. The results of using the 2021 budgeted data was only intended for informational purposes, not to be used for revenue requirement setting purposes.

Please see the attached table which recreates Staff's table above.

The 2021 Agreement Exhibit G was produced to provide the underlying support for MFR Schedule C-6 for FERC Accounts 403, 404 and 406 depreciation and amortization expense and the reconciliation to the TECO/Parties settlement agreed upon FPSC Adjusted depreciation and amortization amount of \$376,000,000. Not all of the MFR Schedule B-9 depreciation reserve accruals are posted into FERC Accounts 403, 404 and 406. ARO account reserve accruals are deferred to the balance sheet, ED Vehicle L/H Transportation accounts are considered a function of the Transportation Vehicle Clearing Allocation, some Acquisition Adjustment reserve accruals are posted to FERC Account 425 not included in the revenue requirement.

- c. Please see Tampa Electric's response to Staff's Eighth Data Request, No. 6(a), above.

Table 1	(BS 7) 2022 Rate Case Original Depr Accrual	(BS 7) 2022 Rate Case Update Depr Accrual	Variance	SA Exhibit G Original Proposed 2022 Depr Accrual	Difference	TECO Notes
	(1)	(2)	(3) = (2) - (1)	(5)	(6) = (2) - (5)	
Dismantlement	19,123,623	19,123,623	-	19,123,623	-	
Acquisition Adjustments	236,709	236,709	-	185,749	50,959	A
SOFTWARE - Intangibles	29,516,555	29,516,555	-	29,516,555	-	
ARO - Intangibles	5,493,447	5,493,447	-	-	5,493,447	B
GENERATION - Steam	92,877,884	95,581,268	2,703,384	92,877,884	2,703,384	C
GENERATION - Other	155,342,425	158,684,165	3,341,740	155,342,425	3,341,740	C
TRANSMISSION	33,571,203	33,499,832	(71,370)	33,571,203	(71,370)	D
DISTRIBUTION	126,811,110	127,380,197	569,087	126,811,110	569,087	C
VEHICLES - General	4,986,730	5,159,319	172,589			E
GENERAL - General	25,364,420	25,437,765	73,345			F
General - Subtotal	30,351,151	30,597,084	245,933	25,620,467	4,976,617	E/F
	493,324,106	500,112,880	6,788,774	483,049,016	17,063,865	

Data Set Used	2019 Actual	2021 Budgeted	2019 Actual
Depreciation Study	MFR B-9	MFR B-9	MFR C-6 formatted
		***	Support for FERC
			403, 404 and 406

TECO Notes	Comparing the MFR C-6 FERC 403, 404 and 406 amounts to the MFR B-9 amounts creates reconciling differences
***	The results of using the 2021 budgeted data was only intended to be for informational purposes, not to be used for revenue requirement purposes
A	Some acquisition adjustment reserve accruals post to FERC 425, not included in the revenue requirement
B	ARO reserve accruals are deferred to the balance sheet, not included on MFR C-6
C	Using the 2021 Budgeted data set yields incremental reserve accruals for the 2022 Test Year MFR B-9
D	Using the 2021 Budgeted data set yields reduced reserve accruals for the 2022 Test Year MFR B-9
E	2021 Budgeted data set yields incremental reserve accruals + ED Vehicles reserve accruals are not expensed to FERC 403, per the Transportation Vehicle Clearing Allocation
F	2021 Budgeted data set yields incremental reserve accruals + ES Vehicles were reported as GENERAL Plant in the SA Exhibit G

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7. Please refer to TECO's 2021 Agreement, Exhibit G, and explain the cause of the depreciation accrual reductions identified in column (7) of the staff's Table 2 below.

Table 2: Explanation of the Depreciation Calculation in the SA, Exhibit G, page 6

PowerPlant Depr Group	SA Provided Data				Staff Calculation		
	Original Proposed 2022 Depr Accrual	SA Revised Depr Rates 2022 Depr Accrual	SA Revised Depr Rates Impact to 2022 Depr Accrual	Removed 10-yr Amortization Impact	Total Impact Resulting from the SA (5) = (1) - (2)	Explained Amounts of the Impact (6) = (3) + (4)	Unexplained Amounts of the Impact (7) = (5) - (6)
	(1)	(2)	(3)	(4)	(5) = (1) - (2)	(6) = (3) + (4)	(7) = (5) - (6)
Dismantlement	19,123,623	8,014,743		(11,108,880)			
Acquisition Adjustments	185,749						
SOFTWARE - Intangibles	29,516,555	29,516,555					
ARO - Intangibles							
GENERATION - Steam	92,877,884	45,329,637		(47,619,458)	(47,548,247)	(47,619,458)	71,211
GENERATION - Other	155,342,425	150,861,848	(4,480,577)		(4,480,577)	(4,480,577)	0
TRANSMISSION	33,571,203	28,666,458	(4,372,346)	(532,506)	(4,904,745)	(4,904,852)	107
DISTRIBUTION	126,811,110	104,861,392	(18,555,459)	(3,614,687)	(21,949,718)	(22,170,146)	220,428
GENERAL PLANT	25,620,467	23,782,773	(1,837,694)	(1,298)	(1,837,694)	(1,838,992)	1,298
TOTAL	483,049,016	391,033,406	(29,246,076)	(62,876,829)	(80,720,981)	(81,014,025)	293,044

- A. Please see the attached table that recreates Staff's table above with column (7) explanations. The unexplained amounts are the original budget 2022 test year filing and production of document discrepancies encountered during Tampa Electric/Parties discussion and finalization.

Tampa Electric/Parties settlement agreed upon FPSC Adjusted Depreciation and Amortization amount of \$376,000,000 would not be changed.

In addition, please see response to Staff's Fifth Data Request No. 6 for the revised Tampa Electric/Parties depreciation study results based on the 2019 Actual data set, which supports the 2021 Agreement usage of revised depreciation rates for the year 2022.

Table 2

PowerPlant Depr Group	SA Provided Data				Staff Calculations			TECO Notes
	Original Proposed 2022 Depr Accrual	SA Revised Depr Rates 2022 Depr Accrual	SA Revised Depr Rates Impact to 2022 Depr Accrual	Removed 10-yr Amortization Impact	Total Impact Resulting from the SA	Explained Amounts Impacts	Unexplained Amounts Impacts	
	(1)	(2)	(3)	(4)	(5) = (2) - (1)	(6) = (3) + (4)	(7) = (5) - (6)	
Dismantlement	19,123,623	8,014,743		(11,108,880)	(11,108,880)	(11,108,880)	-	
Acquisition Adjustments	185,749	185,749			-	-	-	
SOFTWARE - Intangibles	29,516,555	29,516,555			-	-	-	
ARO - Intangibles					-	-	-	
GENERATION - Steam	92,877,884	45,329,637		(47,619,458)	(47,548,247)	(47,619,458)	71,211	A
GENERATION - Other	155,342,425	150,861,848	(4,480,577)	-	(4,480,577)	(4,480,577)	-	
TRANSMISSION	33,571,203	28,666,458	(4,372,346)	(532,506)	(4,904,745)	(4,904,852)	107	B
DISTRIBUTION	126,811,110	104,861,392	(18,555,459)	(3,614,687)	(21,949,718)	(22,170,147)	220,428	A
GENERAL Plant	25,620,467	23,782,773	(1,837,694)	(1,298)	(1,837,694)	(1,838,993)	1,298	A
	483,049,016	391,219,155	(29,246,076)	(62,876,829)	(91,829,861)	(92,122,905)	293,045	

Data Set Used
Depreciation Study

2019 Actual Original Filing	2019 Actual TECO/Parties	2019 Actual TECO/Parties	TECO/Parties
MFR C-6 formatted Support for FERC 403, 404 and 406	MFR C-6 formatted Support for FERC 403, 404 and 406	ASL Reductions Impact to MFR C-6	CETM Reduction Impact to MFR C-6

TECO Notes

- A Was not properly included in the original proposed filing of 2022 test year, related to Big Bend Unit 1,2,3 NBV 10-year amortization amount
- B Issue with 2 budget accounts 370.00 Meters and 370.00 Meters - Analog & AMR
- A/B Account 370.00 Meters amount of \$220,428 was dropped from the initial discussion with the Parties
- TECO maintained the initial reductions identified with Parties (\$29,246,076) and (\$62,876,829) in finalization for the SA Exhibit G
- TECO/Parties agreed to a final 2022 revenue requirement amount of \$376,000,000 for Depreciation and Amortization Expense