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TECO's Response to OPC's Second Set of Interrogatories, Nos. 29-31, 38.

20220001-EI Staff Hearing Exhibits 00167

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29. Is TECO seeking recovery of all or part of the total amount of replacement power costs attributable to unplanned forced outage of Polk 1 that began on June 10, 2021? If partial, please identify the amount TECO is seeking.

A. Tampa Electric has included all Fuel and Purchased Power costs as part of its actual fuel filings. The total amount of replacement Fuel and Purchased Power cost incurred during the June 10, 2021 outage was \$1,059,000.

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- **30.** Please identify the total amount of replacement power costs attributable to the forced outage of Polk 1 that began on November 29, 2021, and lasted until March 10, 2022. Please also state how much of those costs TECO is seeking to recover. Please also identify the workpapers calculating such replacement power costs.
- A. To evaluate the Polk Unit 1 outage impact on fuel and purchased power costs, the Tampa Electric ("TEC") system was modeled using the Planning & Risk ("PaR") production cost model developed by Hitachi. The PaR production cost model is utilized at TEC in the evaluation of long-term planning, project evaluation and to prepare the annual, projected fuel and purchased power factor filing.

The evaluation compared a base case to a change case and the delta represents the TEC replacement power costs attributed to the Polk Unit 1 outage. The model includes unit heat rates, variable O&M, start costs and any operational parameters that impact the economic commitment and dispatch of the units. Actuals for fuel prices, power market pricing, load, solar generation, reserves, purchased power agreements and forced and planned outages were utilized as PaR inputs to best estimate replacement power costs from Polk Unit 1 not being available to run.

The base case includes Polk Unit 1 as available for commitment and dispatch from November 1, 2021 through March 31, 2022. The PaR model run for the period above includes the actual company generating resources previously stated and other resources that commit and dispatch economically, each hour, to meet load and reserves. The PaR model outputs were summed for each month and are displayed below as Base Case Fuel and Purchased Power Costs. The base case PaR run for December 2021 through February 2022 did not commit Polk 1, as such, the base and change cases were the same resulting in no TEC Replacement Power Costs attributed to the Polk Unit 1 outage during those months.

The change case includes Polk Unit 1 offline November 29, 2021 to March 10, 2022. The PaR model outputs were summed for each month and are displayed below as Change Case Fuel and Purchased Power Costs. The cost delta between the two runs resulted in the monthly TEC Replacement Power Costs attributed to the Polk Unit 1 outage.

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| 2021-2022 (11/1/21-3/31/22) | | | | | | |
|--|-----------|-----------|-----------|-----------|----|---------|
| Base Case Fuel and Purchased Power Costs (\$000) | | | | | | |
| November | December | January | February | March | | Total |
| \$ 76,290 | \$ 71,838 | \$ 58,016 | \$ 66,719 | \$ 58,299 | \$ | 331,163 |
| Change Case Fuel and Purchased Power Costs (\$000) | | | | | | |
| November | December | January | February | March | | Total |
| \$ 76,290 | \$ 71,838 | \$ 58,016 | \$ 66,719 | \$ 58,403 | \$ | 331,268 |
| TEC Replacement Power Costs (\$000) | | | | | | |
| November | December | January | February | March | | Total |
| \$ - | \$ - | \$ - | \$ - | \$ 104 | \$ | 104 |

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- 31. In reference to Bates page 264 of TECO's answers to Citizens' First Request for Production of Documents (Nos 1-8), please explain the circumstances surrounding when and why the swing elbows at issue were originally installed at Polk 1.
- **A.** During the extended generator repair in June 2021, the swing elbows were installed to provide a Nitrogen Blanketing System ("NBS") for corrosion protection to the HRSG drums and associated pressure systems.

At the time of the draft report, it was suspected that the NBS, also referred to as swing elbows, provided a path through an open valve and initiated the failure. This would have been considered a "High Potential" safety near miss. After the full root cause analysis ("RCA") was completed, the NBS valves were found not to be the cause mentioned in the high potential draft report. Tampa Electric submitted the final RCA to OPC on May 23, 2022 in Tampa Electric's Supplemental Response to OPC's First Set of Interrogatories, No. 23.

The initial "High Potential" DRAFT report, referenced on Bates page 264, primarily focused on the "High Potential" near miss from a safety perspective. The intent is to provide "High Potential" near misses as soon as reasonably possible to share with the company for any safety lessons learned, to prevent similar incidents, and raise awareness. Often these "High Potential" near miss reports are in the very early stages before a root cause analysis is even initiated, which is what occurred in this case.

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- **38.** On Bates Page 261 of TECO's answers to Citizen's First Request for Production of Documents (Nos. 1-8), an email from Nate Dilport refers to a "significant near miss" and a "determination" that had not yet been made.
 - a. Please describe what a "significant near miss" is, and explain what it means in relation to the outage in question.
 - b. Please identify any documents which detail or describe this "significant near miss" and the "determination" referred to in this email.
- A. a. A "significant near miss" is a safety reporting mechanism used to report events that have the potential to cause serious injury or fatality. The email is referencing the high pressure HP drum being connected to the NBS system with the valve potentially open and for this to be a high potential near miss from a safety perspective.
 - b. The document referenced in Bates pages 262 to 265 is the initial document describing the "significant near miss" from a safety perspective before a full root cause analysis was performed. In the final RCA, submitted in Tampa Electric's Supplemental response to Staff's First Set of Interrogatories, No. 23, the determination was made that this was not a significant near miss because the valve was not open.

STATE OF FLORIDA COUNTY OF HILLSBOROUGH

Before me the undersigned authority personally appeared M. Ashley Sizemore who deposed and said that she is Manager, Regulatory Rates, Tampa Electric Company, and that the individuals listed in Tampa Electric Company's response to OPC's Second Set of Interrogatories, (Nos 29-38) prepared or assisted with the responses to these interrogatories to the best of her information and belief.

Dated at Tampa, Florida this 18th day of May, 2022.

Sworn to and subscribed before me this _/6 day of May, 2022.

My Commission expires

