

TECO - Letter dated 7/14/22, with attached amended answer to request No. 2 of staff's first data request (Nos. 1-13)



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July 14, 2022

VIA ELECTRONIC FILING

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

RE: Petition for Limited Proceeding Rate Increase to Implement Return on Equity Provisions in 2021 Agreement, by Tampa Electric Company
Docket No. 20220122-EI

Dear Mr. Teitzman:

Please find attached for filing Tampa Electric Company's amended answer to Request No. 2 of Staff's First Data Request (Nos. 1-13), propounded on July 6, 2022.

Thank you for your assistance in connection with this matter.

Sincerely,

A handwritten signature in blue ink that reads 'Malcolm N. Means'.

Malcolm N. Means

MNM/bmp

Attachment

cc: All parties of record
Charles Rehwinkel (OPC)
Stephanie Eaton (Walmart)
Mark Sundback (WCFHUA)
Jon Moyle (FIPUG)
Thomas Jernigan (FEA)
Holly Buchanan (FEA)
Scheffel Wright (FRF)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing amended answers to Staff's First Data Request filed on behalf of Tampa Electric Company, has been furnished by electronic mail on this 14th day of July, 2022 to the following:

Jennifer Crawford
Ryan Sandy
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ATTORNEY

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20220122-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 2
BATES PAGES: 3-4
FILED: JULY 8, 2022
AMENDED: JULY 14, 2022**

2. In its petition, TECO states that the inclusion of a weather normalization adjustment of \$37.6 million to base revenues, along with the \$10 million increase due to the ROE trigger, in an update to its April 2022 ESR results in an earned return on equity of 9.43 percent, based on a 13-month average rate base. Please identify the weather normalization adjustment that would result in the Company earning at the adjusted ROE mid-point of 10.20 percent and provide support calculations.

- A. The adjustment necessary to reflect the company's base revenues in its April 2022 ESR on a weather normalized basis is a reduction to base revenues of approximately \$37.6 million, which when netted against a \$10 million base revenue increase yields a pro forma ROE of 9.43 percent. This adjustment is reflected on Exhibit Three to the Petition.

Ignoring the \$10 million increase, it would take an adjustment that increases base revenues on the April ESR by \$5.02 million for the company's pro forma adjusted ROE on its April 2022 ESR to reach 10.20 percent. Including the \$10 million increase, it would take a downward adjustment of \$4.98 million to earn at 10.20 percent.

Ignoring the \$10 million, the difference between the company's revenue reduction weather normalization adjustment of \$37.6 million and the revenue increase adjustment needed for the company to earn 10.20 percent on its April 2022 ESR is approximately \$42.6 million.

Please see Excel file "(BS_4) 04.22 Surveillance Report _TRIGGER ADJUSTMENT -10.20 midpoint.xlsx" for the requested data, previously filed.