



March 6, 2025

VIA: ELECTRONIC FILING

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

**Re: Review of Incentive Mechanisms for the Electric Investor-Owned Utilities
Dkt. 20250032-EI**

Dear Mr. Teitzman:

Please find attached for filing in the above-styled matter Tampa Electric Company's Response to Staff's First Data Request (Nos. 1-23), served on February 14, 2025.

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/bml
Attachment

cc: Phillip Ellis (FPSC)
All parties of record

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing response, filed on behalf of Tampa Electric Company, has been furnished by electronic mail on this 6th day of March, 2025 to the following:

Carlos Marquez
Shaw Stiller
Office of the General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
cmarquez@psc.state.fl.us
sstiller@psc.state.fl.us
discovery-gcl@psc.state.fl.us

William C. Garner
Southern Alliance for Clean Energy (25)
3425 Bannerman Road Unit 105, #414
Tallahassee, FL 32312
bgarner@wcglawoffice.com

Walter Trierweiler
Charles Rehwinkel
Office of Public Counsel
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400
Trierweiler.Walt@leg.state.fl.us
Rehwinkel.charles@leg.state.fl.us

Bradley Marshall/Jordan Luebkekmann
111 S. Martin Luther King Jr., Blvd.
Tallahassee, FL 32301
bmarhsall@earthjustice.org
jluebkekmann@earthjustice.org



ATTORNEY

The following questions are regarding the Utility's Generation Performance Incentive Factor (GPIF) performance:

1. Please describe what actions, if any, the Utility takes to ensure unit availability and/or heat rate improvement goals above typical industry practices as a result of the potential rewards or penalties associated with the GPIF.

Answer.

Tampa Electric is consistently looking for opportunities to increase the efficiency and performance of its generating units. For example, Tampa Electric has made large investments to increase the availability and heat rate on our generating units. The Big Bend Modernization project is one example. The company retired an aging coal unit and converted it into a modern combined cycle unit, boosting both heat rate and availability. The advanced gas path upgrades on Bayside Units 1 and 2 combustion turbines are another example. These upgrades have provided heat rate improvements and additional MW capacity to better serve customer load.

2. Please identify what operations and maintenance (O&M) expenses above typical industry practices are associated with achieving the unit availability and/or heat rate improvement goals associated with the GPIF. If the Utility does not engage in additional O&M expenses associated with the GPIF, please state so.
- How are O&M expenses associated with GPIF tracked and/or estimated?
 - How are O&M expenses associated with GPIF recovered?
 - Please complete the table below providing information on the Utility's GPIF associated O&M costs for the period 2013 through 2024.

Year	GPIF Associated O&M Costs
2013	
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	

Answer.

Tampa Electric does not track or estimate O&M expenses associated with the GPIF.

- Not applicable.
- Not applicable.
- Not applicable

3. Please complete the table below providing information on the Utility's potential GPIF rewards or penalties for the period 2013 through 2024. Provide the jurisdictional maximum allowed incentive based on a 25 basis point cap, the incentive cap based on 50 percent of maximum projected fuel savings, and the maximum reward and penalty, respectively.

Year	25 Basis Point Jurisdictional Calculation (\$000)	50% Maximum Fuel Savings (\$000)	Maximum Reward (\$000)	Maximum (Penalty) (\$000)
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				

Answer.

Please see the following table for the requested information.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20250032-EI
STAFF'S 1st DATA REQUEST
REQUEST NO. 3
BATES PAGE(S): 3 - 4
MARCH 6, 2025**

Year	25 Basis Point Jurisdictional Calculation (\$000)	50% Maximum Fuel Savings (\$000)	Maximum Reward (\$000)	Maximum (Penalty) (\$000)
2013	8,157	N/A	8,157	(8,157)
2014	8,446	7,481	7,481	(7,481)
2015	8,994	7,801	7,801	(7,801)
2016	9,572	9,186	9,186	(9,186)
2017	10,157	8,493	8,493	(8,493)
2018	9,277	14,622	9,277	(9,277)
2019	10,012	5,419	5,419	(5,419)
2020	11,246	10,801	10,801	(10,801)
2021	12,849	7,002	7,002	(7,002)
2022	14,214	15,939	14,214	(14,214)
2023	15,578	8,924	8,924	(8,924)
2024*	17,218	14,012	14,012	(14,012)

**The 2024 GPIF True-up has not been filed and the above amounts are estimates*

- 4.** Please complete the table below providing information on the Utility's actual GPIF rewards or penalties for the period 2013 through 2024. Provide the actual fuel savings or losses, amount of shareholder incentive or penalty, and the net ratepayer savings or losses resulting from the GPIF.

Year	Actual Fuel Savings/(Losses) (\$000)	Shareholder Incentive/(Penalty) (\$000)	Net Ratepayer Savings/(Losses) (\$000)
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			

Answer.

Please see the following table for the requested information.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20250032-EI
STAFF'S 1st DATA REQUEST
REQUEST NO. 4
BATES PAGE(S): 5 - 6
MARCH 6, 2025**

Year	Actual Fuel Savings/(Losses) (\$000)	Shareholder Incentive/(Penalty) (\$000)	Net Ratepayer Savings/(Losses) (\$000)
2013	\$4,570	\$1,690	\$2,880
2014	\$4,519	\$1,990	\$2,529
2015	\$2,590	\$1,712	\$878
2016	\$1,779	\$1,025	\$754
2017	(\$14,812)	(\$4,712)	(\$10,100)
2018	\$12,527	\$4,141	\$8,386
2019	\$5,713	\$2,858	\$2,855
2020	\$8,436	\$3,674	\$4,763
2021	\$2,680	\$546	\$2,134
2022	(\$3,728)	(\$1,649)	(\$2,079)
2023	\$3,580	\$1,831	\$1,750
2024*	\$11,278	\$6,364	\$4,914

Note: The 2014, 2015 and 2016 reward/penalty values reflected above are the values that were corrected in the 2017 true-up.

**The 2024 GPIF True-up has not been filed and the above amounts are estimates.*

The following questions are regarding wholesale energy transactions. Please answer each question with regards to wholesale energy purchases (as reported on Schedule A-7), economy energy purchases (as reported on Schedule A-9), and wholesale energy sales (as reported on Schedule A-6).

5. Describe how net gains are calculated with each type of wholesale energy transaction.

Answer.

Tampa Electric does not have any net gains associated with wholesale energy purchases reported on Schedule A-7, as these transactions are solely for reliability purposes.

Economy energy purchase net gains, reported on Schedule A-9, and wholesale energy sales net gains, reported on Schedule A-6, are calculated using a “with and without” process. Specifically, the company runs its production costing model twice, once with the purchase or sale and once without it. In general terms, the “without” case is called the base case, and the “with” case is called the change case. The cost difference between the two runs (i.e., change case minus base case) is the economy energy purchase or wholesale energy sale net gain. The production costing model contains the assumptions for the company’s system, including load and solar forecasts, reserves, generating unit availability, start costs and heat rates, variable O&M, power transactions and fuel prices. Transmission costs, if applicable, are applied outside the model and reduce net gains associated with economy energy purchases or wholesale energy sales.

6. Describe how net gains are shared between ratepayers and shareholders with each type of wholesale energy transaction. As part of your response, describe how and where recovery of associated costs and benefits of the transaction occurs.

Answer.

Net gains for economy energy purchases and wholesale energy sales, as reported on Schedules A-9 and A-6, and all forms of asset optimization are shared between customers and shareholders. The sharing thresholds are (a) for the first \$4.5 million per year, 100 percent of gains to customers; (b) for gains greater than \$4.5 million per year and less than \$8.0 million per year, split 60 percent to shareholders and 40 percent to customers; and (c) for gains greater than \$8.0 million per year, 50-50 sharing between shareholders and customers.

The associated costs and benefits of economy energy purchases and wholesale energy sales, as reported on Schedules A-9 and A-6, are recovered by customers through the Fuel and Purchased Power Cost Recovery Clause during the year in which the transactions are executed or in a subsequent true-up for the same year by virtue of the lower actual expenses incurred as a result of these transactions, or as a credit from the wholesale sales. The benefits of economy energy purchases and wholesale energy sales are recovered by shareholders when Fuel Cost Recovery Factors are requested for the following 12-month period.

7. Describe whether there is the risk of net losses with each type of wholesale energy transaction. As part of your response, describe if a net loss could occur with any particular type wholesale energy transaction, and if so, how would it be recovered.
- a. If net losses have occurred associated with any wholesale energy transactions within the 2013 through 2024 period, describe the circumstances resulting in the net losses for each relevant transaction or group of transactions.
 - b. If net losses have occurred associated with any wholesale energy transactions within the 2013 through 2024 period, identify the annual amount of losses for each type of wholesale energy transaction.

Answer.

For wholesale energy purchase reported on Schedule A-7, there is no risk of net losses as these transactions are solely for reliability purposes and have no net gains or net losses.

For economic power purchases reported on Schedule A-9, there is no risk of net losses as the company does not purchase economic power unless the net savings is positive. For wholesale energy sales reported on Schedule A-6, there is no risk of net losses as the company does not sell power unless the net gains are positive. The recovery of costs and benefits from economic power purchases and wholesale energy sales is described in the company's response to Request No. 6.

- a. There is no risk of net losses with Asset Optimization Mechanism ("AOM") related wholesale energy sales. However, we included minimal net losses from non-AOM wholesale energy sales in previous AOM filings because the non-AOM sales are reported on the same schedule (A-6) as the AOM-related wholesale energy sales. These non-AOM sales were reliability related.
- b. The net losses for wholesale energy sales totaled \$2,651 in April of 2020. However, annual gains for 2020 wholesale energy sales totaled \$422,867.

8. Describe what incremental costs are associated with wholesale energy transactions, (staffing, software, hardware, subscriptions/memberships, data purchasing, etc.) excluding variable O&M. As part of your response, provide an estimate of how many incremental personnel work on wholesale energy transactions.

Answer.

With the exception of generation related costs such as fuel and variable O&M, the company calculates when evaluating a potential economic energy purchase, reported on Schedule A-9 or wholesale energy sale, reported on Schedule A-6, Tampa Electric does not track incremental costs (staffing, software, hardware, subscriptions/memberships, data purchasing, etc.) associated with executing wholesale energy transactions or any other forms of asset optimization. However, the company estimates that the equivalent of one full time employee is required to optimize customer benefits under the Asset Optimization Mechanism. Along with annual subscriptions for market intelligence and pricing services, the company incurred significant incremental costs for software development and implementation when entering the Southeast Energy Exchange Market in 2023.

- 9.** Describe how incremental costs are tracked by the Utility, or if not, why not. As part of your response, describe if these costs can be allocated to a single type of wholesale energy transaction or spread across multiple categories.

Answer.

Although Tampa Electric does incur incremental costs (staffing, software, hardware, subscriptions/memberships, data purchasing, etc) to facilitate wholesale energy transactions and all other forms of asset optimization, the company agreed that it would not seek clause recovery of these costs and therefore has not tracked the costs.

10. Describe where incremental costs for each type of wholesale energy transactions are recovered in base rates or cost recovery clauses.

Answer.

While Tampa Electric does not track any incremental costs (staffing, software, hardware, subscriptions/memberships, data purchasing, etc.), the costs associated with wholesale energy transactions are recovered through base rates.

- 11.** Please complete the table below providing information on the Utility's actual incremental costs for wholesale energy transactions for the period 2013 through 2024. Provide the annual cost for variable O&M associated with whole energy sales, the incremental staffing, software/hardware, and all other costs associated with wholesale energy transactions.

Year	Wholesale Sale Variable O&M Costs	Incremental Staffing Costs		Incremental Software/Hardware Costs	All Other Incremental Costs
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					

Answer.

Please see the following table for the requested information. Tampa Electric does not track incremental costs (staffing, software, hardware, subscriptions/memberships, data purchasing, etc) for wholesale energy transactions.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20250032-EI
STAFF'S 1st DATA REQUEST
REQUEST NO. 11
BATES PAGE(S): 13 - 14
MARCH 6, 2025**

Year	Wholesale Sale Variable O&M Costs (\$000)	Incremental Staffing Costs	Incremental Software/Hardware Costs	All Other Incremental Costs
2013	\$365	N/A	N/A	N/A
2014	\$619	N/A	N/A	N/A
2015	\$284	N/A	N/A	N/A
2016	\$438	N/A	N/A	N/A
2017	\$471	N/A	N/A	N/A
2018	\$393	N/A	N/A	N/A
2019	\$204	N/A	N/A	N/A
2020	\$68	N/A	N/A	N/A
2021	\$117	N/A	N/A	N/A
2022	\$762	N/A	N/A	N/A
2023	\$285	N/A	N/A	N/A
2024	\$311	N/A	N/A	N/A

- 12.** Please complete the table below providing information on the Utility's actual wholesale energy purchases, exclusive of economy energy purchases reported on Schedule A7, for the period 2013 through 2024. Provide the annual amount of wholesale purchases (in megawatt-hours and dollars), the total cost if generated, net fuel savings, avoided variable O&M costs, and total net gains.

Year	Wholesale Purchases (MWh)	Wholesale Purchases (\$000)	Total Cost If Generated (\$000)	Fuel Savings (\$000)	Variable O&M Costs (\$000)	Net Gains (\$000)
2013						
2014						
2015						
2016						
2017						
2018						
2019						
2020						
2021						
2022						
2023						
2024						

Answer.

Please see the following table for the requested information. Wholesale energy purchases reported on Schedule A-7 do not have fuel savings or gains as they are solely for reliability purposes. Tampa Electric does not track variable O&M associated with wholesale energy purchases.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20250032-EI
STAFF'S 1st DATA REQUEST
REQUEST NO. 12
BATES PAGE(S): 15 - 16
MARCH 6, 2025**

	Wholesale Purchases (MWh)	Wholesale Purchases (\$000)	Total Cost If Generated (\$000)	Fuel Savings (\$000)	Variable O&M Costs (\$000)	Net Gains (\$000)
2013	211,876	\$7,885	N/A	N/A	N/A	N/A
2014	203,706	\$11,238	N/A	N/A	N/A	N/A
2015	450,462	\$19,046	N/A	N/A	N/A	N/A
2016	2,302,378	\$52,807	N/A	N/A	N/A	N/A
2017	129,439	\$5,523	N/A	N/A	N/A	N/A
2018	96,543	\$4,835	N/A	N/A	N/A	N/A
2019	10,270	\$348	N/A	N/A	N/A	N/A
2020	664,154	\$23,077	N/A	N/A	N/A	N/A
2021	516,325	\$26,244	N/A	N/A	N/A	N/A
2022	540,714	\$44,497	N/A	N/A	N/A	N/A
2023	841,306	\$37,792	N/A	N/A	N/A	N/A
2024	1,436,192	\$65,296	N/A	N/A	N/A	N/A

- 13.** Please complete the table below providing information on the Utility's actual wholesale energy economy purchases reported on Schedule A9, for the period 2013 through 2024. Provide the annual amount of wholesale purchases (in megawatt-hours and dollars), the total cost if generated, net fuel savings, avoided variable O&M costs, and total net gains.

	Wholesale Purchases (MWh)	Wholesale Purchases (\$000)	Total Cost If Generated (\$000)	Fuel Savings (\$000)	Variable O&M Costs (\$000)	Year
2013						
2014						
2015						
2016						
2017						
2018						
2019						
2020						
2021						
2022						
2023						
2024						

Answer.

Please see the following table for the requested information. Tampa Electric does include variable O&M costs when calculating and reporting the total cost if generated on Schedule A-9. However, Tampa Electric does not track the variable O&M costs separately and did not include them on the following table. The Fuel Savings reported in Schedule A-9 from 2018-2021 was higher than what the company is reporting as Asset Optimization Savings in Request No. 20. This is due to the transmission expense was not deducted from the Fuel Savings. A new process was implemented in 2022 to resolve this issue.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20250032-EI
STAFF'S 1st DATA REQUEST
REQUEST NO. 13
BATES PAGE(S): 17 - 18
MARCH 6, 2025**

	Wholesale Purchases (MWh)	Wholesale Purchases (\$000)	Total Cost If Generated (\$000)	Fuel Savings (\$000)	Variable O&M Costs (\$000)	Net Gains (\$000)
2013	489,385	\$17,168	\$19,234	\$2,066	N/A	\$2,066
2014	413,688	\$18,983	\$22,853	\$3,870	N/A	\$3,870
2015	425,043	\$17,356	\$19,013	\$1,657	N/A	\$1,657
2016	234,813	\$9,181	\$9,938	\$757	N/A	\$757
2017	481,735	\$23,161	\$23,131	\$181	N/A	\$181
2018	931,966	\$ 35,800	\$41,195	\$ 5,394	N/A	\$5,394
2019	1,234,988	\$ 43,757	\$53,986	\$10,228	N/A	\$10,228
2020	1,811,117	\$48,910	\$56,240	\$ 7,330	N/A	\$7,330
2021	1,944,549	\$75,673	\$92,317	\$16,644	N/A	\$16,644
2022	1,508,908	\$94,124	\$107,651	\$13,527	N/A	\$13,527
2023	754,541	\$29,064	\$35,823	\$6,759	N/A	\$6,759
2024	399,929	\$14,463	\$20,404	\$5,941	N/A	\$5,941

- 14.** Please complete the table below providing information on the Utility's actual wholesale energy sales, for the period 2013 through 2024. Provide the annual total of wholesale sales (in megawatt-hours and dollars), associated fuel costs, variable O&M costs, and net gains.

Year	Wholesale Sales (MWh)	Wholesale Sales (\$000)	Total Fuel Cost (\$000)	Variable O&M Costs (\$000)	Wholesale Sale Net Gains (\$000)
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					

Answer.

Please see the following table for the requested information.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20250032-EI
STAFF'S 1st DATA REQUEST
REQUEST NO. 14
BATES PAGE(S): 19 - 20
MARCH 6, 2025**

Year	Wholesale Sales (MWh)	Wholesale Sales (\$000)	Total Fuel Cost (\$000)	Variable O&M Costs (\$000)	Wholesale Sale Net Gains (\$000)
2013	222,264	\$7,766	\$6,508	\$365	\$894
2014	259,173	\$12,346	\$8,428	\$619	\$3,299
2015	115,286	\$3,508	\$2,727	\$284	\$497
2016	197,113	\$5,390	\$4,269	\$438	\$684
2017	237,016	\$7,704	\$5,550	\$471	\$1,683
2018	286,172	\$10,358	\$7,358	\$393	\$2,607
2019	155,202	\$5,171	\$3,428	\$204	\$1,540
2020	75,740	\$1,796	\$1,246	\$68	\$482
2021	113,588	\$5,337	\$4,126	\$117	\$1,094
2022	404,515	\$36,256	\$24,859	\$762	\$10,635
2023	200,857	\$6,364	\$3,944	\$285	\$2,135
2024	342,969	\$11,483	\$6,502	\$311	\$4,670

- 15.** Please complete the table below providing information on the Utility's actual wholesale energy sales incentives, for the period 2013 through 2024. Provide the annual net gains, the three year rolling average of wholesale sales, the amount of shareholder incentives received for wholesale sales, and the net ratepayer savings. For those years under which the Utility utilized an Asset Optimization Mechanism, exclude the shareholder incentives and net ratepayer savings values.

Year	Wholesale Sale Net Gains (\$000)	Three Year Rolling Average Threshold (\$000)	Shareholder Incentive (\$000)	Net Ratepayer Savings (\$000)
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				

Answer.

Please see the following table for the requested information. Tampa Electric began using the Asset Optimization Mechanism in 2018.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20250032-EI
STAFF'S 1st DATA REQUEST
REQUEST NO. 15
BATES PAGE(S): 21 - 22
MARCH 6, 2025**

Year	Wholesale Sale Net Gains (\$000)	Three Year Rolling Average Threshold (\$000)	Shareholder Incentive (\$000)	Net Ratepayer Savings (\$000)
2013	\$894	\$1,366	\$0	\$894
2014	\$3,299	\$681	\$524	\$2,775
2015	\$497	\$1,480	\$0	\$497
2016	\$684	\$1,563	\$0	\$684
2017	\$1,683	\$1,493	\$38	\$1,645
2018	\$2,547	\$954	N/A	N/A
2019	\$1,499	\$1,638	N/A	N/A
2020	\$423	\$1,909	N/A	N/A
2021	\$1,024	\$1,489	N/A	N/A
2022	\$10,414	\$982	N/A	N/A
2023	\$2,555	\$3,953	N/A	N/A
2024	\$4,641	\$4,664	N/A	N/A

The following questions are regarding activities using ratepayer-supported assets to produce net gains, such as those activities included within the various Asset Optimization Mechanisms.

- 16.** Provide a list of activities in which the Utility has attempted to produce net gains using ratepayer supported assets. These activities may include: release of electric transmission capacity, release of natural gas pipeline or storage capacity, sales of fuel by type and location, financial instruments associated with fuel, sales of renewable energy credits, sale of emissions credits, or other similar activities.

For each activity identified above, please provide the following information:

- a. Describe the activity and how the net gains are calculated.
- b. Describe whether there is the risk of net losses with the activity. As part of your response, describe if a net loss could occur with the activity, and if so, how would it be recovered.
 - i. If net losses have occurred associated with the activity within the 2013 through 2024 period, describe the circumstances resulting in the net losses.
 - ii. If net losses have occurred associated with the activity within the 2013 through 2024 period, identify the annual amount of losses.
- c. Describe whether the activity was engaged in prior to the adoption of the Utility's Asset Optimization Mechanism. If so, provide the following information:
 - i. When did the Utility begin engaging in this activity?
 - ii. How were net gains allocated between ratepayers and shareholders?
 - iii. Where would cost recovery for these benefits occur (such as base rates or a cost recovery clause)?

Answer.

The list of activities Tampa Electric employs for asset optimization are described below.

Gas Storage Utilization

- a. When gas storage is not needed to fuel the generation used to meet Tampa Electric load and reserves, gas in storage can be sold to third parties or the storage capacity can be released to third parties. The net gain from a gas storage sale is the sales price minus the cost of the gas in storage minus any variable storage or transportation costs.
- b. There is no risk of a net loss with gas storage sales for the Asset Optimization Mechanism as the company does not make gas storage sales unless the net gain is positive.
 - i. For the period 2018 to 2024, Tampa Electric did not incur any net losses with the optimization activity. Although it's not likely losses occurred on similar activity prior to 2018, Tampa Electric would require more time for confirmation as our trade entry process was changed for Asset Optimization Mechanism reporting purposes in 2018.
 - ii. Not applicable.
- c. Tampa Electric had limited involvement in this activity prior to the Asset Optimization Mechanism. Since 2018, most of our optimization gains related to natural gas storage appear in the Asset Management Agreement area.
 - i. Tampa Electric engaged in this activity as early as 2005 when our first natural gas storage agreement was executed.
 - ii. Prior to the Asset Optimization Mechanism, 100 percent of the net gains would be allocated to ratepayers.
 - iii. Prior to the Asset Optimization Mechanism, benefits would be recovered through the Fuel and Purchased Power Cost Recovery Clause.

Delivered Gas Sales using Existing Transport

- a. When Tampa Electric does not need gas transportation to fuel the generation used to meet the company's load and reserves, the company can sell gas to counterparties in Florida using the unneeded transportation capacity to make deliveries. The net gain from a delivered gas sale is the sales price minus the purchase price of the gas minus any variable pipeline transportation costs.

- b. There is no risk of a net loss with delivered gas sales for the Asset Optimization Mechanism as the company does not make delivered gas sales unless the net gain is positive.
 - i. For the period 2018 to 2024, Tampa Electric did not incur any net losses with the optimization activity. Although it's not likely losses occurred on similar activity prior to 2018, Tampa Electric would require more time for confirmation as our trade entry process was changed for Asset Optimization Mechanism reporting purposes in 2018.
 - ii. Not applicable.
- c. Tampa Electric had limited involvement in this activity prior to the Asset Optimization Mechanism.
 - i. Tampa Electric engaged in this activity as early as 2002 when our first gas transportation agreement was executed.
 - ii. Prior to the Asset Optimization Mechanism, 100 percent of the net gains would be allocated to ratepayers.
 - iii. Prior to the Asset Optimization Mechanism, benefits would be recovered through the Fuel and Purchased Power Cost Recovery Clause.

Production Area (Upstream) Sales

- a. When Tampa Electric does not need a component of the company's gas supply to fuel the generation used to meet Tampa Electric load and reserves, or when the company can source gas on more favorable terms in alternate locations, the company can sell gas to counterparties in the production area. The net gain from a production area gas sale is 1) the sales price minus the purchase price of the gas or 2) the sales price minus the purchase price of the gas plus the purchase price of the alternate gas supply.
- b. There is no risk of a net loss with production area gas sales for the Asset Optimization Mechanism as the company does not make production area gas sales unless the net gain is positive.
 - i. For the period 2018 to 2024, Tampa Electric did not incur any net losses with the optimization activity. Although it's not likely losses occurred on similar activity prior to 2018, Tampa Electric would require more time for confirmation as our trade entry process was

changed for Asset Optimization Mechanism reporting purposes in 2018.

- ii. Not applicable.
- c. Tampa Electric had limited involvement in this activity prior to the Asset Optimization Mechanism.
 - i. Tampa Electric engaged in this activity as early as 2005 when we executed our first gas transportation agreement.
 - ii. Prior to the Asset Optimization Mechanism, 100 percent of the net gains would be allocated to ratepayers.
 - iii. Prior to the Asset Optimization Mechanism, benefits would be recovered through the Fuel and Purchased Power Cost Recovery Clause.

Asset Management Agreement

- a. Tampa Electric can outsource Asset Optimization functions to third parties through assignment of power, transportation, and/or storage rights in exchange for a premium that is paid to Tampa Electric.
- b. There is no risk of a net loss with an Asset Management Agreement in the Asset Optimization Mechanism as the company does not enter into Asset Management Agreements unless the net gains are positive.
 - i. For the period 2018 to 2024, Tampa Electric did not incur any net losses. Tampa Electric did not have any Asset Management Agreements prior to 2018.
 - ii. Not applicable.
- c. Tampa Electric did not engage in this activity prior to the Asset Optimization Mechanism.
 - i. Tampa Electric engaged in this activity in 2018.
 - ii. Prior to the Asset Optimization Mechanism, 100 percent of the net gains would be allocated to ratepayers.
 - iii. Prior to the Asset Optimization Mechanism, benefits would be recovered through the Fuel and Purchased Power Cost Recovery Clause.

Delivered Solid Fuel and or Transportation Capacity Sales

- a. When Tampa Electric does not need solid fuel and/or solid fuel transportation to fuel the generation used to meet Tampa Electric load and reserves, the company can sell solid fuel and/or solid fuel transportation to third parties utilizing the unneeded solid fuel transportation to make deliveries. The net gain from a solid fuel sale is the sales price minus the cost of the solid fuel in inventory minus any variable transportation costs.
- b. There is no risk of a net loss with delivered solid fuel and/or solid fuel transportation capacity sales for the Asset Optimization Mechanism as the company does not enter into solid fuel sales unless the net gain is positive.
 - i. For the period 2018 to 2024, Tampa Electric did not incur any net losses with the optimization activity. Although it's not likely losses occurred on similar activity prior to 2018, Tampa Electric would require more time for confirmation as our trade entry process was changed for Asset Optimization Mechanism reporting purposes in 2018.
 - ii. Not applicable.
- c. Tampa Electric had limited involvement in this activity prior to the Asset Optimization Mechanism.
 - i. Tampa Electric engaged in this activity prior to 2000.
 - ii. Prior to the Asset Optimization Mechanism, 100 percent of the net gains would be allocated to ratepayers.
 - iii. Prior to the Asset Optimization Mechanism, benefits would be recovered through the Fuel and Purchased Power Cost Recovery Clause.

Gas Transportation Capacity Release

- a. When gas transportation is not needed to fuel the generation used to meet Electric load and reserves, gas transportation can be released to counterparties. The net gain from a gas transportation release is the sales price of the capacity release.
- b. There is no risk of a net loss with gas transportation capacity release in the Asset Optimization Mechanism as the company does not release capacity unless the net gain is positive.

- i. No net losses occurred with the activity from the period 2018 to 2024. Although it's not likely losses occurred on similar activity prior to 2018, Tampa Electric would require more time for confirmation as our trade entry process was changed for Asset Optimization Mechanism reporting purposes in 2018.
 - ii. Not applicable.
- c. Tampa Electric had limited involvement in this activity prior to the Asset Optimization Mechanism. Gains from gas transportation capacity release were only included in the Asset Optimization Mechanism from 2018 to 2021.
 - i. Tampa Electric engaged in this activity as early as 2002 when we executed our first gas transportation agreement.
 - ii. Prior to the Asset Optimization Mechanism, 100 percent of the net gains would be allocated to ratepayers.
 - iii. Prior to the Asset Optimization Mechanism, benefits would be recovered through the Fuel and Purchased Power Cost Recovery Clause.

- 17.** Describe how incremental costs are tracked by the Utility, or if not, why not. As part of your response, describe if these costs can be allocated to a single type of activity or spread across multiple categories.

Answer.

Please see Tampa Electric's response to Request No. 9, above.

18. Describe where incremental costs for each type of activity are recovered in base rates or cost recovery clauses.

Answer.

While Tampa Electric does not track any incremental costs (staffing, software, hardware, subscriptions/memberships, data purchasing, etc.), the costs associated with other forms of asset optimization are recovered through base rates.

- 19.** Please complete the table below providing information on the Utility's actual incremental costs for asset optimization activities. Provide the annual cost for incremental staffing, software/hardware, and all other costs associated with wholesale energy transactions.

Year	Incremental Staffing Costs	Incremental Software/Hardware Costs	All Other Incremental Costs	Total Incremental Costs
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				

Answer.

Tampa Electric does not track the incremental costs (staffing, software, hardware, subscriptions/memberships, data purchasing, etc.) associated with asset optimization activities.

20. Please complete the table below providing information on the Utility's actual asset optimization activities, for the period 2013 through 2024. Provide the annual savings by activity and total activity savings.

Year	Activity n Savings (\$000)	Activity n+1 Savings (\$000)	...	Total Activity Savings (\$000)
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				

Answer.

Please see the following table for the requested information. Wholesale power sales savings reported on Schedule A-6 and whole power purchase savings reported Schedule A-9 for 2013-2017 are displayed in response to Request Nos. 13 and 14.

Year	Wholesale Power Sales Savings (\$000)	Wholesale Power Purchases Savings (\$000)	Natural Gas AMA Savings (\$000)	Natural Gas Storage Optimization Savings (\$000)	Delivered Gas Sales Savings (\$000)	Production Area Gas Sales Savings (\$000)	Resale of Solid Fuel Savings (\$000)	Total Activity Savings (\$000)
2013	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2014	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2016	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2017	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2018	\$2,547	\$2,973	\$90	\$754	\$2	\$0	\$1	\$6,367
2019	\$1,499	\$4,428	\$277	\$10	\$0	\$0	\$255	\$6,468
2020	\$423	\$5,694	\$305	\$0	\$0	\$0	\$220	\$6,642
2021	\$1,024	\$8,692	\$604	\$152	\$0	\$2,540	\$427	\$13,440
2022	\$10,414	\$13,340	\$665	\$0	\$0	\$0	\$150	\$24,569
2023	\$2,555	\$6,773						\$10,045
2024*	\$4,641	\$5,906						\$11,442

**The 2024 AOM True-up has not been filed and the above amounts are estimates.*

21. Please complete the table below providing information on the Utility's actual asset optimization activities outside of an Asset Optimization Mechanism, for the period 2013 through 2024. Provide the annual total activity savings, incremental costs, amount of shareholder incentives, and net ratepayer savings. For those years under which the Utility utilized an Asset Optimization Mechanism, exclude the shareholder incentives and net ratepayer savings values.

Year	Total Activity Savings (\$000)	Incremental Costs (\$000)	Shareholder Incentive (\$000)	Net Ratepayer Savings (\$000)
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				

Answer.

Please see the following table for the requested information. As Tampa Electric does not track optimization activities outside the Asset Optimization Mechanism in any detail, the Total Activity Savings are estimates for a few significant events and not a complete representation of these activities. The events include extreme winter storms in 2018 and 2021 where low-cost gas was withdrawn from natural gas storage to avoid high spot natural gas prices, running Big Bend 4 on coal in 2022 to avoid high natural gas prices and selling renewable energy credits (RECs) in 2023 and 2024.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20250032-EI
STAFF'S 1st DATA REQUEST
REQUEST NO. 21
BATES PAGE(S): 34 - 35
MARCH 6, 2025**

Year	Total Activity Savings (\$000)	Incremental Costs (\$000)	Shareholder Incentive (\$000)	Net Ratepayer Savings (\$000)
2013	\$2,066	N/A	N/A	\$2,066
2014	\$3,870	N/A	N/A	\$3,870
2015	\$1,657	N/A	N/A	\$1,657
2016	\$757	N/A	N/A	\$757
2017	\$181	N/A	N/A	\$181
2018	\$1,200	N/A	N/A	N/A
2019	\$0	N/A	N/A	N/A
2020	\$0	N/A	N/A	N/A
2021	\$6,672	N/A	N/A	N/A
2022	\$32,000	N/A	N/A	N/A
2023	\$3,425	N/A	N/A	N/A
2024	\$4,020	N/A	N/A	N/A

The following questions are regarding the Utility's Asset Optimization Mechanisms.

- 22.** For each Order approving an Asset Optimization Mechanism, provide the following information:
- a. Please describe how the Utility's threshold levels were determined. If they were partially based on historic savings, please identify what categories of savings and for what time period.
 - b. Describe how the Utility's current sharing percentages by threshold were determined.

Answer.

On June 30, 2016, Tampa Electric filed a petition in Docket No. 20160160-EI that asked the Commission to expand the existing wholesale energy sales incentive to encompass asset optimization activities such as gas storage utilization and delivered gas sales. Prior to the Commission addressing that petition, the company entered into a settlement agreement known as the 2017 Stipulation and Settlement Agreement with several consumer parties. In Paragraph 10 of the 2017 Settlement Agreement, the parties consented to Commission approval of the program for a four-year period beginning January 1, 2018. The Commission approved the 2017 Stipulation and Settlement Agreement in Order No. PSC-2017-0456-S-EI.

- a. Tampa Electric's June 30, 2016 petition proposed an initial revenue sharing threshold of \$3.5 million based on the company's average savings from wholesale energy sales and economic energy purchases from 2012-2015. The parties to the 2017 Stipulation and Settlement Agreement agreed on a threshold of \$4.5 million, which the Commission ultimately approved in Order No. PSC-2017-0456-S-EI.

In the 2021 Stipulation and Settlement Agreement, which the Commission approved in Order No. PSC-2021-0423-S-EI, the parties agreed to an extension of the Asset Optimization Mechanism through December 31, 2024, with modifications to exclude the release of natural gas pipeline capacity and the retirement or release of railcars as activities eligible for the Asset Optimization Mechanism.

- b. In Order No. PSC-2025-0038-FOF-EI, the Commission authorized the continuation of the Asset Optimization Mechanism with the same sharing percentages by threshold, past the December 31, 2024 expiration date. The Commission, however, rejected Tampa Electric's proposed addition of natural gas pipeline capacity release or REC sales to the Mechanism.

- 23.** Please complete the table below providing information on the Utility's actual Asset Optimization Mechanism activities savings and costs, for the period 2013 through 2024. Provide the annual total wholesale sale savings, wholesale purchase savings, asset optimization activity savings, incremental costs, net total asset optimization activity savings, the amount of shareholder incentives, and net ratepayer savings.

Year	Wholesale Purchase Savings (\$000)	Wholesale Sale Savings (\$000)	Asset Optimization Savings (\$000)	Incremental Costs (\$000)	Total AOM Savings (\$000)	Shareholder Incentive (\$000)	Net Ratepayer Savings (\$000)
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							

Answer.

Please see the following table for the requested information. Tampa Electric did not have asset optimization mechanism activities prior to 2018.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20250032-EI
STAFF'S 1st DATA REQUEST
REQUEST NO. 23
BATES PAGE(S): 37 - 38
MARCH 6, 2025**

Year	Wholesale Purchase Savings (\$000)	Wholesale Sale Savings (\$000)	Asset Optimization Savings (\$000)	Incremental Costs (\$000)	Total AOM Savings (\$000)	Shareholder Incentive (\$000)	Net Ratepayer Savings (\$000)
2013	\$0	\$894	\$0	N/A	\$0	\$0	\$0
2014	\$0	\$3,299	\$0	N/A	\$0	\$524	\$2,775
2015	\$0	\$497	\$0	N/A	\$0	\$0	\$0
2016	\$0	\$684	\$0	N/A	\$0	\$0	\$0
2017	\$0	\$1,683	\$0	N/A	\$0	\$38	\$1,645
2018	\$2,973	\$2,547	\$848	N/A	\$6,367	\$1,120	\$5,247
2019	\$4,428	\$1,499	\$541	N/A	\$6,468	\$1,181	\$5,287
2020	\$5,694	\$423	\$525	N/A	\$6,642	\$1,285	\$5,357
2021	\$8,692	\$1,024	\$3,724	N/A	\$13,440	\$4,820	\$8,620
2022	\$13,340	\$10,414	\$815	N/A	\$24,569	\$10,385	\$14,185
2023	\$6,773	\$2,555	\$718	N/A	\$10,045	\$3,123	\$6,923
2024*	\$5,906	\$4,641	\$894	N/A	\$11,442	\$3,821	\$7,621

**The 2024 AOM True-up has not been filed and the above amounts are estimates.*