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STATE OF FLORIDA



DIVISION OF ECONOMICS
GREG SHAFER
DIRECTOR
(850) 413-6410

Public Service Commission

October 19, 2017

Ms. Paula Brown, Manager
Regulatory Coordination
Tampa Electric Company
P.O. Box 111
Tampa, FL 33602

STAFF'S SECOND DATA REQUEST (Nos. 28-37)

via email

COMMISSION
CLERK

2017 OCT 19 PM 4: 16

RECEIVED-FPSC

Re: Docket No. 20170210-EI - Petition by Tampa Electric Company for a limited proceeding to approve 2017 Amended and Restated Stipulation and Settlement Agreement and Docket No. 20160160-EI - Petition by Tampa Electric Company for approval of Energy Transaction Optimization Mechanism

Dear Ms. Brown:

By this letter, Commission staff requests that Tampa Electric Company (TECO or Company) provides responses to the following data requests.

28. IM Risk. Does the incentive mechanism expose TECO ratepayers to any risks beyond those that exist prior to the mechanism being put in place. If so, please also identify those risks and what safeguards will be put in place to mitigate such risks.
29. IM Gains/Losses. For each activity the company included in the incentive mechanism, including each asset optimization activity, please describe how gains and losses are to be calculated and allocated between the ratepayers and shareholders.
30. IM Gains/Losses. How will losses, if any, be treated under the incentive mechanism? Include in your response a discussion on whether ratepayers or shareholders would be responsible for recovery of losses.
31. IM Gains/Losses. For incentive mechanism activities that may involve transactions that must be reduced, curtailed, or eliminated in order to meet its retail customer needs, how does TECO intend to shield customers from losses on such transactions?
32. IM Review Period. Please explain if the incentive mechanism is intended to survive the Term of the Settlement Agreement. If so, when will it expire and when will the Commission have an opportunity to review the incentive mechanism.
33. SoBRA. Please refer to Paragraphs 6(b), 6(c), and 6(j). Reconcile the difference between the annual Maximum Incremental SoBRA capacity and revenue requirements outlined in

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- 6(b) and the allowance for delayed in-service dates of projects in 6(c) and unused capacity in 6(j). As part of your response, explain whether projects would be eligible for recovery under these provisions if they exceed the maximum incremental annual capacity or revenue requirement values due to a delay in in-service date or unused capacity in a later year.
34. SoBRA. Please refer to Paragraph 6(c). Please explain the relationship between a 2% variance in revenue requirements and a 5MW variance for 2019 SoBRA Tranche.
- a. Please explain if the 2% variance and 5 MW variance only applies to 2018 and 2019 SoBRA Tranches.
 - b. Please explain if the 2% variance applies to the \$1,500kW_{ac} cost cap as well.
35. IM Historic Data. Please provide, in an electronic (PDF or Excel if available) format, TECO's final year-to-date Fuel Savings Schedules A6 and A9 for the years 2007 through 2017 (as available).
36. Government Impositions. Please refer to the Settlement, Pages 7-8, Paragraph 4. In part, paragraph 4 states that the Company will not seek recovery in a cost recovery clause for "costs of any type or category that have historically or traditionally been recovered in base rates, unless such costs are: (i) the direct and unavoidable result of new government impositions or requirements . . ." Is the Company aware of any new "government impositions or requirements" that are under development at this time and are likely to be considered during the term of this Agreement? If so, please provide a detailed response, citing the applicable cost recovery clause(s) that could be impacted.
37. Depreciation Rates. TECO's Petition for Approval of Depreciation Rates for Various Accounts in Docket No. 20170198-EI is currently scheduled to be voted upon by the Commission on November 7, 2017. Please confirm that the depreciation rates resulting from the Commission's vote in Docket No. 20170198-EI, extending through the Term of the Settlement, is acceptable to the Parties of the Settlement, the language of Paragraph 8(a) of the Settlement notwithstanding.

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Please file all responses electronically no later than Tuesday, October 24, 2017, through the Commission's website at www.floridapsc.com, by selecting the Clerk's Office tab and Electronic Filing Web Form. Please feel free to call me at (850)413-6848 if you have any questions.

Sincerely,



Bill McNulty
Public Utility Supervisor

WBM/wbm

cc: Office of Commission Clerk

Billy Stiles, Tampa Electric Company

James Beasley, Ausley McMullen Law Firm

Parties to Docket Nos. 20130040-EI, 20160160-EI, 2017001-EI, 2017002-EI, and 20170210-EI