AUSLEY MCMULLEN

ATTORNEYS AND COUNSELORS AT LAW

123 SOUTH CALHOUN STREET
P.O. BOX 391 (ZIP 32302)
TALLAHASSEE, FLORIDA 32301
(850) 224-9115 FAX (850) 222-7560

May 2, 2018

VIA: ELECTRONIC FILING

Ms. Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Petition of Tampa Electric Company for approval of revised Underground Residential Distribution Tariff; Docket No. 20180086-EI.

Dear Ms. Stauffer:

Attached for filing in the above docket are Tampa Electric Company's responses to Staff's First Data Request (Nos. 1-9) dated April 18, 2018.

Thank you for your assistance in connection with this matter.

Sincerely,

James D. Beasley

JDB/pp
Attachment

1. Please confirm whether the model low density and high density URD subdivision designs used in this docket are the same designs that were used in Docket Nos. 150103-EI and 170073-EI. If applicable, please provide a detailed description of any differences (including design drawings) and included supporting documentation illustrating the impact to the "per lot" differentials caused by the design changes

A. The low density and high density underground subdivision designs used to calculate the "per lot" charges in this docket are the same. The low density and high density overhead subdivision designs, however include the following differences:

- The company no longer uses 30-foot Class 6 wooden poles because they do not meet wind-loading/clearance guidelines; therefore, they have been replaced with 35-foot Class 4 wooden poles. The 35' poles were used in Docket 20170073-EI
- The new overhead designs correct a design defect of insufficient lightning arrester stations that was discovered in the overhead designs used in Docket No. 20150103-EI. The new design was used in Docket 20170073-EI

The impact of the revisions was a reduction in the "per lot" charges at that time.

2. Paragraph 6 of the petition state that the "per lot" differentials for the low density and high density model subdivisions are decreasing primarily because: (a) overhead costs are increasing at higher rate than underground costs, and (b) the NPV operational costs of the overhead system are increasing at a higher rate than the NPV operational costs of the underground system. Please describe generally why these circumstances are occurring.

A. a. The underground costs are increasing at a higher rate than overhead costs. Please see response to question No. 4.

b. The increase in NPV for overhead costs at a higher rate than underground costs is a direct result of using the 2017 storm costs of ($92,818,327) in our three-year average for Estimated Annual Storm Cost. This storm cost is higher than what was used in Docket No. 20170073-EI due to Hurricane Irma storm related costs.

3. Please refer to pages 2, 3, 7, 8, 10 and 11 of Exhibit "C." Please discuss the Company's rationale for reducing the material handling factor from 15.31 percent to 13.98 percent.

A. The majority of the reduction is due to the change in the dataset used for the calculation of the material handling rate. These rates are calculated each year based on the 3-year rolling average. With the addition of the 2017 dataset there were some large material expenses related to various projects.

4. Please refer to page 15 of Exhibit "C" and to the table below that summarizes the changes in TECO's "Actual Operational Distribution Expenses" for overhead and underground between 2016 (Docket No. 170073-EI) and 2017. Please describe the reasons for the changes in costs between 2016 and 2017; in particular, please discuss the changes in expenses for Overhead and Underground shown below.

	Cost Year	Overhead Expense	Underground Expense
Docket 170073-EI	2016	$78,543,015	$21,986,640
Docket 180086-EI	2017	$69,933,038	$28,760,743
Percent Change		-10.96%	30.81%

A. The reduction in 2017 for overhead costs is related to fewer pole replacements and less tree trimming than in 2016. The increase in underground costs is related to the preventive maintenance related to changing out additional underground padmounted transformers in 2017 with less being done in 2016.

5. Please compare lead schedule page LD 27 with Estimate Summary page LD 38. Please explain why the materials cost shown on page LD 38 ($8,956.26) differs from the materials cost shown on line 14 of page LD 27 ($16,104.72).

A. The material cost shown on LD 27 ($16,104.71) and materials cost shown on LD 38 ($8,956.26) are different because the costs shown on LD 27 includes the cost of a meter which is $36.38 per meter. However, it was discovered that an incorrect input value was used on LD 27 ($16,104.72) which, when corrected results in a revised LD 27 of ($16,596.06). An amended filing will be submitted revising pages LD 1, 27 and 38.

6. Please compare lead schedule page HD 3 with Estimate Summary page HD 25. Please explain why the labor cost shown on page HD 25 ($61.61) differs from the base labor cost shown on line 17 of page HD 3 ($23,818.08).

A. HD 25 ($61.61) cost is from our work management system which does not reflect contractor costs. The costs shown on HD 3 ($23,818.08) include contractor rates, which are also referenced on HD 4 in the same amount of ($23,818.08) which is based on negotiated contractor rates.

7. Please compare lead schedule page HD 31 with Estimate Summary page HD 44. Please explain why page HD 44 ($0.00) does not display any material and handling costs to support the material and handling costs shown on line 15 of page HD 31 ($7,296.00).

A. HD 44 does not display any material and handling costs because meters are not included. However, on HD 31 ($7,296.00) the amount does include meters at a cost of $36.38 per meter and a material handling adder of 13.98%.

8. Please refer to Column C on pages OC-3 and OC-4 of Exhibit "C". Please explain in detail the increase in the "Estimated Annual Storm Cost" from last year, Docket 170073-EI.

A. The increase is a direct result of Hurricane Irma which resulted in a 2017 storm amount of ($92,818,327) which then affected the three-year average for Estimated Annual Storm Cost. The storm related costs used in Docket 20170073-EI did not have costs associated with a hurricane of the size and magnitude of Hurricane Irma.

9. Please confirm whether TECO used the same methodology for calculating the NPV of operational costs as the methodology approved in Order No. PSC-09-0784-TRF-EI, issued November 19, 2009, in Docket No. 090164-EI. For any changes in the methodology used, please provide a detailed description of the difference and the impact of the differences on the differential calculations.

A. TECO has not changed the methodology for calculating NPV of operational costs as approved in Order No. PSC-2009-0784-TRF-EI, issued November 19, 2009, in Docket No. 20090164-EI.