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Public Service Commission

January 4, 2019

Staff's First Data Request

Paula K. Brown
Manager, Regulatory Coordination
Tampa Electric Company
Office Box 111
Tampa, FL 33601

Re: Docket 20180204-EI; Petition of Tampa Electric for Approval of Shared Solar Tariff

Ms. Brown:

By this letter, the Commission respectfully requests the following information from Tampa Electric Company (TECO or the Company).

Please refer to TECO's Petition in Docket No. 20180204-EI (the Petition) and the Company's Microsoft PowerPoint Presentation (the Presentation), distributed to Staff and other parties during the December 10, 2018 informal meeting, for the following questions.

1. Please provide a breakdown of how the initial energy charge of \$0.063 per kilowatt-hour (kWh) was calculated, including all inputs, assumptions, and formulas, in an electronic Microsoft Excel file.
2. At the December 10, 2018 informal meeting, the Company stated that the \$0.063 per kWh is designed to cover the cost of the 17.7 MW portion of Lake Hancock unit. Please explain this assertion.
3. Please describe how the Company plans to offset the cost and revenue requirement of the 17.7 MW portion of Lake Hancock in base rates using the \$0.063 per kWh charge.
4. Please provide an example of a residential bill using 2019 cost recovery clause factors for a customer that elects into the SSR-1 tariff. Please include 25, 50, and 100 percent blocks, as well as a non-participant's bill, based on 1,000 kWh and 2,000 kWh monthly usages.

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5. Please provide the estimated annual residential bill (at 1,000 kWh) for non-participants in the SSR-1 for the period of 2019 through 2048, assuming the Company is able to consistently achieve the subscription rates below.
- a. 95 percent
 - b. 50 percent
 - c. 0 percent

Year	Base Rate Charges	FCRC	Energy Conservation Cost Recovery Clause	ECRC	Capacity Cost Recovery Clause	Gross Receipts Tax	Total

6. Please describe the benefits and risks associated with the SSR-1 for each of the following groups.
- a. The general body of ratepayers
 - b. Non-participants
 - c. The Company
 - d. SSR-1 subscribers
7. Please explain whether non-participant customers will be held harmless if the program is approved as designed.
8. At the December 10, 2018 informal meeting, TECO stated that it assumed a 95 percent annual available energy subscription rate for the entire 30-year life of the plant when developing the proposed SSR-1 rate. This would imply that the SSR-1 tariff would be fully subscribed to that threshold on the effective date of the tariff. What does TECO rely upon to support this assumption?
9. For the period 2019 through 2048, please provide, on an annual basis, TECO's projected total number of customers by type (residential, commercial, etc.) and the projected total number of SSR-1 customers by type.
10. Please indicate whether or not the SSR-1 conforms to TECO's 2017 Amended and Restated Stipulation and Settlement Agreement. Please explain.
11. Please specify if the Company plans to place the entire Lake Hancock unit into base rates. If yes, please indicate whether the Company plans to request Commission approval in its

next Solar Base Rate Adjustment (SoBRA), a general base rate proceeding, or a limited rates proceeding.

12. Please explain if construction of any portion of the Lake Hancock project is contingent upon approval of the proposed SSR-1 tariff. If not, please provide the status of construction of the Lake Hancock unit.
13. Please describe TECO's reasoning for developing the SSR-1 tariff instead of including this 17.7 MW portion of Lake Hancock in the Company's next tranche of SoBRA.
14. Page 3, Paragraph 6 of the Petition states "the SSR-1 design mirrors some of the best facets of the City of Tallahassee's utility tariff..."
 - a. Please describe the Company's efforts to evaluate the City of Tallahassee's tariff and describe what the Company deemed as its "best facets."
 - b. How did TECO incorporate those "best facets" into the SSR-1 program?
15. Please refer to Page 6, Paragraph 14 in the Petition to answer the following questions.
 - a. Please describe how Fuel Cost Recovery Clause (FCRC) and Environmental Cost Recovery Clause (ECRC) charges are calculated for customers subscribing to 25, 50, and 100 percent SSR-1 usage.
 - b. Please explain why the Company believes it is appropriate to exclude the FCRC and ECRC charges for SSR-1 customers, given the customers will be using energy generated from the Company's fleet.
 - c. Has the Company evaluated the impact of including all, or part of, the ECRC and/or the FCRC in the Shared Solar Energy Charge? Please explain.
 - d. Is it correct that the general body of ratepayers' ECRC factors must increase to allow for recovery of ECRC costs if SSR-1 customer sales are charged at a zero rate, given that much of ECRC costs are fixed? Please explain.
 - e. The Petition states that the cost recovery clause exclusions "will be recognized in the annual clause calculations." Please explain how these exclusions will be recognized. Identify in your response the specific Schedule or Schedules where these exclusions will be recognized.
16. If the proposed SSR-1 tariff is not approved by the Commission, what entity or entities will receive the output of the 17.7 MW SSR-1 portion of Lake Hancock? Please explain.
17. Page 5, Paragraph 11 of the Petition states that customers would be removed from being billed under the SSR-1 tariff in the event the SSR-1 tariff is closed. If the tariff is closed

- for any reason (or TECO does not achieve full participation), how would the remaining costs of the 17.7 MW SSR-1 portion of Lake Hancock be recovered by the Company?
18. Refer to Page 5 and 6, Paragraph 13 of the Petition. Please explain whether or not the Company believes that expanding the SSR-1 tariff, beyond the 17.7 MW currently designated for SSR-1 service, would require Commission approval. If not, please explain.
 19. Please describe the proposed accounting treatment for the entire Lake Hancock project, addressing in your response all journal entries that will be necessary if the SSR-1 tariff is approved.
 20. Please refer to Page 4, Paragraph 9 of the Petition, to answer the following questions.
 - a. Please discuss how the cap value of 95 percent was chosen and calculated.
 - b. Please describe TECO's strategy to maintain the 95 percent usage rate of the SSR-1 output on a month-to-month and/or annual basis.
 - c. Please provide TECO's contingency plan for instances when the output of the solar project does not match customer usage.
 - d. Is it correct that the revenue requirement associated with the difference between the 95 percent annual available energy subscription cap and the actual percentage of energy output level subscribed would be collected from the general body of ratepayers both after SSR-1 tariff approval and after base rates are set? Please explain.
 21. Please refer to Pages 3 and 4, Paragraph 8 of the Petition. Please provide the testimony in Docket No. 20180133-EI that shows that all of Lake Hancock Solar Facility is a cost-effective unit for TECO customers.
 22. Please refer to Page 2 of the Presentation to answer the following questions.
 - a. Please provide high level reports or summaries of the customer survey performed in August 2016, which indicated that about 11 percent of customers would potentially participate in the SSR-1 tariff.
 - b. Please provide the third party market assessment discussed on this page.
 23. Please provide TECO's projected annual net energy for load and projected annual retail energy sales for its system and for the 17.7 megawatt (MW) portion of the Lake Hancock unit, in gigawatt-hours (GWh), for the period 2019 through 2048.

Year	Net Energy for Load (GWh)	Total Sales to Ultimate Consumers (GWh)	17.7 MW Lake Hancock Portion (GWh)

24. Please complete the following table providing the SSR-1 tariff's annual and cumulative breakdown of the cumulative present value revenue requirement analysis (CPVRR) for the period 2019 through 2048. Please include any financial assumptions for capital, property, operation and maintenance (O&M), taxes, owner expenses, program expenses, program salaries, discount rates, etc., in net present value. Provide all requested data in an electronic Microsoft Excel file with all formulae intact.

Year	SSR-1 CPVRR Analysis Assumptions (\$million) [NPV]									
	17.7 MW Lake Hancock Portion						SSR-1 Program			
	Generation Capital	Transmission & Distribution Capital	Property	O&M	Taxes	Owner Expenses	Program Expenses	Program Salaries	Other	Total

25. Please complete the following table providing the projected total jurisdictional fuel costs, including Generating Power Incentive Factor and taxes, sought for recovery through the FCRC, the amount of jurisdictional energy sales the costs would be spread over, and the resulting fuel factor in the SSR-1 for the period 2019 through 2048, assuming the Company is able to consistently achieve the subscription rates below.
- 95 percent
 - 50 percent
 - 0 percent

Year	Total Costs for Fuel Recovery (\$)	Total Energy (MWh)	Fuel Factor (Cents/kWh)

26. Please complete the following table providing the projected total environmental costs sought for recovery through the ECRC, the amount of jurisdictional energy sales the costs would be spread over, and the resulting environmental factor in the SSR-1 for the period 2019 through 2048, assuming the Company is able to consistently achieve the subscription rates below.
- 95 percent
 - 50 percent
 - 0 percent

Year	Total Environmental Costs (\$)	Effective Sales at Secondary Level (MWh)	Environmental Factor (Cents/kWh)

27. The following set of questions pertains to emissions costs related to the Petition.
- Page 3, Paragraph 8 of the Petition, states that the entire Lake Hancock solar unit is cost-effective for TECO's customers, and the 17.7 MW portion of Lake Hancock dedicated to SSR-1 is also cost-effective for TECO's customers. Does TECO's cost-effectiveness analysis include the evaluation of emissions savings?
 - If your response is negative, please explain why not.
 - If your response is affirmative, please explain whether TECO's emissions savings include CO₂ or CO₂ equivalent emissions. If so, please provide a sensitivity of the analysis without these costs and provide the revised annual and cumulative values (in nominal and net present value) for each category in an electronic Microsoft Excel file.
 - Please provide the annual and cumulative values over a 30-year period (in nominal and net present value) for the following, in total and separated by type (CO₂, NO_x, SO₂, etc.). Please provide in an electronic Microsoft Excel file:
 - Avoided air emissions resulting from the 17.7 MW portion of Lake Hancock that is designated for SSR-1 service, and showing how each was calculated using the year 2020 as an example;

- Air Emission Savings resulting from the 17.7 MW portion of Lake Hancock that is designated for SSR-1 service, and explaining fully how the saving amounts were derived.
28. The following set of questions refers to the Company's fuel price forecast with regard to the Petition.
- a. Provide a copy of the Company's annual fuel price forecast covering the 30-year period mentioned on Page 5, Paragraph 13 of the Petition.
 - b. Please provide a copy of the Company's fuel price forecast used in developing the fuel charge values shown on pages 6 and 7 of the Presentation , if different from the forecast in Part A.
 - c. Please identify the source and date of TECO's fuel price forecast used in support of the Petition.
 - d. Please identify the date, if known, of TECO's next/updated fuel price forecast that will be used for company/business planning purposes.
 - e. Has TECO compared the fuel price forecast (used in support of its Petition) to any other publicly available source of forecasted fuel prices, such as the Energy Information Administration? If so, please discuss the results of any analysis performed.
 - f. Did the Company perform any price sensitivity analysis (high and low) of its fuel price forecast used in support of its Petition? If so, please provide the results for the full 30-year forecast period.
29. The following set of questions pertains to TECO's load forecast with regard to the Petition.
- a. Please provide TECO's most recent base case annual energy forecasts in an electronic Microsoft Excel file for the period 2019 through 2048, including the Company's Total Sales energy forecast as well as the customer class energy forecasts.
 - b. Please identify the date on which the forecasts discussed in Part A were designated as TECO's official energy forecasts and the date when TECO expects to identify its next official energy forecasts.
 - c. Please identify any prior commission proceedings where TECO has relied upon the energy forecasts requested in Part A.

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- d. Please identify the entity(ies) responsible for the development of the energy forecasts requested in Part A.
- e. Please detail the main economic and statistical assumptions the energy consumption models used to produce the energy forecasts requested in Part A.

Please refer to the Company's Renewable Energy Program for the following question.

- 30. Please provide a breakdown of current participants in the Renewable Energy Program by customer class.

Please file all responses electronically no later than January 23, 2019, via 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 850-413-6701 if you have any questions.

Sincerely,

/s/Charles Morgan II

Charles Morgan II
Public Utility Analyst I
cmorgan@psc.state.fl.us

CC: James Beasley, Ausley McMullen
J. Jeffry Wahlen, Ausley McMullen