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April 16, 2021

## ELECTRONIC FILING

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

Re: Docket 20210034-EI, Petition for Rate Increase by Tampa Electric Company

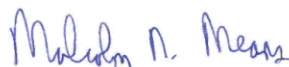
Dear Mr. Teitzman:

Attached for filing on behalf of Tampa Electric in the above-referenced docket is the **Revised** Direct Testimony and Exhibit of William R. Ashburn. The original version of this document was included in the company's initial filing on April 9 as Document 23 of 34 (PSC Document No. 03325-2021). This document was amended only to substitute revised versions of MFR Schedules E-5 and E-8, which were included in this testimony in the following locations:

- Document No. 03325-2021, Direct Testimony of William R. Ashburn
  - Schedule E5 is included as Exhibit WRA-1, Document No. 2, Bates numbered page 33
  - Schedule E8 is included as Exhibit WRA-1, Document No. 3, Bates numbered page 34

Included as Attachment 1 is a document that lists the revisions made to MFR Schedules E-5 and E-8. For the Commission's convenience, Tampa Electric will provide paper copies of the Revised Direct Testimony and Exhibit at a later date. Tampa Electric is also filing the revised versions of MFR Schedules E-5 and E-8 in a Revised version of MFR Schedule E.

Sincerely,

  
Malcolm N. Means

Enclosure

cc: Richard Gentry, Public Counsel  
Jon Moyle, FIPUG

Attachment 1

| <b>Direct Testimony and Exhibit of William R. Ashburn</b> |                               |  |
|---|-------------------------------|--|
| <i>Original<br/>Bates<br/>Page</i>                        | <i>New<br/>Bates<br/>Page</i> | <i>Addition/Change</i>   |
| 33  | 33                            | <p><b>MFR Schedule E-5</b><br/>Present rates presentation revised to show IS which is part of present rates and eliminate values for GSLDPR and GSLDSU which are only under proposed rates. Proposed rates presentation revised to show GSLDPR and GSLDSU which part of proposed rates and eliminate values for IS which are only under present rates. Some rounding differences corrected from original MFR E-5.</p>  |
| 34  | 34                            | <p><b>MFR Schedule E-8</b><br/>Columns A&amp;B heading corrected to make clear it includes present COS under present revenues, and values included in columns A, B and C are revised to match the Present Rate Structure COS that was inadvertently omitted in original filing.</p> <p>Line 6 revised the rate class title from 'GSD, SBF (c)' to 'GSD (c)'.</p> <p>Line 8 inserted the IS rate class as reflected in the Present Rate Structure COS. The Rate Class Roman numerals were revised for V through VII because the IS rate class was inserted in column IV. Footnote (d) revised for the new IS rate class on line 8. Revised footnote letter (e) and inserted footnote letter (f) for column VII. Minor revisions to the wording for footnote (c) to clarify the proposed GSLDPR and GSLDSU rate classes.</p> <p>New column D added to show proposed revenues to support the proposed revenue requirement increase shown in original column D now reflected in column E.</p> <p>Proposed COS values in new columns H, I and J are revised to match the Proposed Rate Structure COS that was omitted in the original filing.</p> |



**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION**

**DOCKET NO. 20210034-EI  
IN RE: PETITION FOR RATE INCREASE  
BY TAMPA ELECTRIC COMPANY**

**DIRECT TESTIMONY AND EXHIBIT  
OF  
WILLIAM R. ASHBURN**

**REVISED: 04/16/2021**

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**OF**  
**WILLIAM R. ASHBURN**

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1                                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                                   **PREPARED DIRECT TESTIMONY**

3                                   **OF**

4                                   **WILLIAM R. ASHBURN**

5  
6   **Q.**   Please state your name, business address, occupation, and  
7           employer.

8  
9   **A.**   My name is William R. Ashburn. My business address is  
10           702 North Franklin Street, Tampa, Florida 33602. I am  
11           the Director, Pricing and Financial Analysis for Tampa  
12           Electric Company ("Tampa Electric" or "company").

13  
14   **Q.**   Please describe your duties and responsibilities in that  
15           position.

16  
17   **A.**   My present responsibilities include retail base rate design  
18           and tariff administration; regulatory oversight of  
19           conservation cost recovery clause, storm protection cost  
20           recovery clause, DSM program development, Federal Open  
21           Access Tariff formula rate updates, regulatory filings at  
22           the Florida Public Service Commission regarding rates and  
23           service programs; representation of the company in  
24           rulemaking and workshop proceedings; and related matters.

25

1 **Q.** Please provide a brief outline of your educational  
2 background and business experience.

3  
4 **A.** I graduated from Creighton University with a Bachelor of  
5 Science degree in Business Administration. Upon graduation,  
6 I joined Ebasco Business Consulting Company where my  
7 consulting assignments included the areas of cost  
8 allocation, computer software development, electric system  
9 inventory and mapping, cost of service filings and property  
10 record development. I joined Tampa Electric in 1983 as a  
11 Senior Cost Consultant in the Rates and Customer Accounting  
12 Department. At Tampa Electric I have held a series of  
13 positions with responsibility for cost of service studies,  
14 rate filings, rate design, implementation of new  
15 conservation and marketing programs, customer surveys, and  
16 various state and federal regulatory filings. In March  
17 2001, I was promoted to my current position of Director,  
18 Pricing and Financial Analysis in Tampa Electric's  
19 Regulatory Affairs Department.

20  
21 **Q.** Have you previously testified before the Florida Public  
22 Service Commission ("Commission")?

23  
24 **A.** Yes. I have testified or filed testimony before this  
25 Commission in many dockets. Most recently, I submitted

1 direct testimony in Docket No. 20200144-EI, petition for  
2 limited proceeding to True-up First and Second Solar Base  
3 Rate Adjustments. I also filed direct testimony in Docket  
4 No. 20190136-EI, petition for limited proceeding to  
5 approve Third Solar Base Rate Adjustment, effective  
6 January 1, 2020, by Tampa Electric Company. I filed  
7 testimony before this Commission in Docket No. 20180045-  
8 EI, Consideration of the Tax Impacts Associated with Tax  
9 Cuts and Jobs Act of 2017 for Tampa Electric and Docket  
10 No. 20180133-EI, petition for limited proceeding to  
11 approve second solar base rate adjustment ("SoBRA"),  
12 effective January 1, 2019, by Tampa Electric Company. I  
13 also testified before this Commission in Docket No.  
14 20170260-EI, petition for limited proceeding to approve  
15 first solar base rate adjustment, effective September 1,  
16 2018, by Tampa Electric Company. I testified for Tampa  
17 Electric in Docket No. 20170210-EI as a member of a panel  
18 of witnesses during the November 6, 2017 hearing on the  
19 2017 Amended and Restated Stipulation and Settlement  
20 Agreement ("2017 Agreement"). I also testified on behalf  
21 of Tampa Electric in Docket No. 20130040-EI regarding the  
22 company's petition for an increase in base rates and  
23 miscellaneous service charges and in Docket No. 20080317-  
24 EI which was Tampa Electric's previous base rate  
25 proceeding. I testified in Docket No. 20020898-EI

1 regarding a self-service wheeling experiment and in  
2 Docket No. 20000061-EI regarding the company's  
3 Commercial/Industrial service rider. In Docket Nos.  
4 20000824-EI, 20001148-EI, 20010577-EI, and 20020898-EI,  
5 I testified at different times for Tampa Electric and as  
6 a joint witness representing Tampa Electric, Florida  
7 Power & Light Company ("FP&L") and Progress Energy  
8 Florida, Inc. ("PEF") regarding rate and cost support  
9 matters related to the GridFlorida proposals. In  
10 addition, I represented Tampa Electric numerous times at  
11 workshops and in other proceedings regarding rate, cost  
12 of service, and related matters. I have also provided  
13 testimony and represented Tampa Electric before the  
14 Federal Energy Regulatory Commission ("FERC") in rate and  
15 cost of service matters.

16  
17 **Q.** Please state the purpose of your direct testimony.

18  
19 **A.** The purpose of my direct testimony is to present the  
20 proposed rates and service charges that will produce the  
21 company's proposed jurisdictional revenue requirement  
22 increase of \$294,995 million. Specifically, I present the  
23 following information:

24 1) Explanation of the proposed rate design for the  
25 company's proposed service charges;



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- 2) Explanation of the cost support and rate design for the company's proposed lighting rates;
- 3) Explanation of the company's proposed base rate structure modifications, rate designs, and rates; and
- 4) Tariff schedules proposed to be approved which have been revised to reflect these rate design changes.

**Q.** Have you prepared an exhibit to support your direct testimony?

**A.** Yes, I am sponsoring Exhibit No. WRA-1 consisting of three documents, prepared under my direction and supervision. The contents of my exhibit were derived from the business records of the company and are true and correct to the best of my information and belief. These consist of:

- Document No. 1      List Of Minimum Filing Requirement  
Schedules Sponsored Or Co-Sponsored  
By William R. Ashburn
- Document No. 2      Development Of Proposed (Target) Base  
Revenue Increase By Rate Class
- Document No. 3      Summary Of Resultant Class Parity  
Ratios

1     **Q.**    Are you sponsoring any sections of Tampa Electric's Minimum  
2            Filing Requirement ("MFR") Schedules?

3  
4     **A.**    Yes. I am sponsoring or co-sponsoring the MFR Schedules  
5            shown in Document No. 1 of my exhibit. The data and  
6            information on these schedules were taken from the business  
7            records of the company and are true and correct to the best  
8            of my information and belief.

9  
10    **Q.**    Are Tampa Electric's forecast of base revenues from the  
11            sale of electricity and service charges, proposed rate  
12            design, and rate schedules provided as part of Tampa  
13            Electric's MFR Schedules?

14  
15    **A.**    Yes, they are provided within the portion of the MFR  
16            Schedules designated Section E, "Rate Schedules." Volume  
17            III contains the company's Lighting Incremental Cost Study  
18            which is a supplement to MFR Schedule E-13d.

19  
20    **Q.**    What are the company's primary goals for the proposed cost  
21            of service and rate design changes in this case?

22  
23    **A.**    There are two primary proposed structural changes that are  
24            reflected in the rate design proposals of Tampa Electric  
25            in this case. First is the proposed change to a daily basic

1 service charge rather than a monthly basic service charge.  
2 Second is the closure of the IS rate schedules and opening  
3 of two new sets of rate schedules – GSLD Primary and GSLD  
4 Sub-transmission – to provide electric service to the  
5 transferred IS customers as well as the largest primary and  
6 sub-transmission served GSD customers. The two new sets of  
7 GSLD rate schedules better recognize the cost of providing  
8 service to customers taking service on the GSD schedules  
9 at higher voltages.

10  
11 **FORECAST OF BASE REVENUES AND SERVICE CHARGES**

12 **Q.** Did the company prepare a forecast of base revenues from  
13 the sale of electricity for 2022? If so, how was the  
14 forecast of base revenues derived?

15  
16 **A.** Yes. The base 2022 sales revenue forecast for present and  
17 proposed rates is summarized in MFR Schedule E-13a and  
18 calculated in detail in MFR Schedules E-13c and E-13d. I  
19 applied the rates currently in effect to the forecasted  
20 billing determinants I received from Witness Cifuentes  
21 to derive total annual base revenues forecasted for the  
22 2022 test year before considering the proposed change in  
23 rates.

24  
25 **Q.** What is the projected retail billed electric revenue for

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2022?

**A.** The projected retail billed electric revenue shown in MFR Schedule E-13a for 2022 is \$1,167,379,000 under present rates and \$1,462,371,000 under proposed rates, an increase of \$294,992,000. Any difference shown on MFR Schedule E-13a from other presentations of these numbers is due to rounding.

**Q.** Did the company prepare a forecast of service charge revenues? If so, how was the forecast of service charge revenues derived?

**A.** Yes. The 2022 forecast of service charge revenues for present and proposed rates is presented in MFR Schedule E-13b. I applied the current effective rates to the forecasted billing determinants to derive service charge revenues under current charges. This represents the forecasted amount of service charge revenues before any proposed change to rates is considered. The company is proposing changes to the current levels of service charges which will produce lower revenues than under the current service charges as well as beneficial changes to conditions of providing such services for customers with meters that will now be remotely turned on and off as a result of the

1 Automated Metering Infrastructure ("AMI") conversion  
2 project that Tampa Electric will have completed by the 2022  
3 Test Year.

4  
5 **Q.** What is the projected billed service charge revenue for  
6 2022?

7  
8 **A.** The projected billed service charge revenue shown in MFR  
9 Schedule E-13b for 2022 is \$25,785,000 under present rates  
10 and \$19,150,000 under proposed rates, a decrease of  
11 \$6,635,000.

12  
13 **Q.** What is the total amount of additional base revenues from  
14 the sale of electricity and service charges that are  
15 produced by the company's proposed rate design changes?

16  
17 **A.** The total amount is \$294,992,000 in additional revenues  
18 in 2022.

19  
20 **RATE DESIGN CRITERIA AND OBJECTIVES**

21 **Q.** What criteria and objectives were used in designing the  
22 new rate schedules and how were they used in the rate  
23 design?

24  
25 **A.** The basic criteria used in designing Tampa Electric's new

1 rate schedules included 1) cost to serve the various  
2 classes, 2) rate history, 3) public acceptance of rate  
3 structures, 4) customer understanding and ease of  
4 application, 5) consumption and load characteristics of  
5 the classes, and 6) revenue stability and continuity. This  
6 Commission has recognized these criteria as good ratemaking  
7 practices.

8  
9 Cost to serve is a major consideration in rate design. The  
10 use of derived unit cost is a major tool in the design of  
11 the company's proposed rates. Tampa Electric witness  
12 Lawrence J. Vogt, through his direct testimony, is  
13 supporting the Tampa Electric proposed cost of service  
14 study, which provides cost support for the rate design I  
15 am proposing. Rate history is another important tool.  
16 This includes understanding how Tampa Electric rates were  
17 designed in the past, whether they achieved their intended  
18 objectives and what rate structures have been successfully  
19 applied in Florida and around the country by other  
20 utilities. I have worked in the regulatory area at Tampa  
21 Electric for over thirty years and am aware of the  
22 company's rate history. In addition, I track rate  
23 decisions made by the Commission that affect other  
24 jurisdictional electric utilities and participate  
25 frequently in EEI rate committee meetings where

1 alternative rate designs, as well as successes and failures  
2 of such rates, are discussed. Public acceptance of rate  
3 structures, customer understanding, and ease of application  
4 are important considerations. I obtain information from  
5 frequent contact with the company's customer service team  
6 members and interaction with some customers that I factor  
7 into my work. Class consumption and load characteristics  
8 are used both within the Cost of Service Study supported  
9 by Mr. Vogt as well as in the proposed design in developing  
10 appropriate projected billing determinants to assure  
11 successful recovery of revenue requirements. Revenue  
12 stability and continuity are criteria that factor into the  
13 rate design when selection of appropriate billing units to  
14 apply under the rates is considered, as well as the  
15 appropriate forecast of those billing units provided by  
16 witness Cifuentes.

17  
18 **Q.** With these criteria in mind, did the company have specific  
19 objectives that were considered in the proposed rate  
20 design?

21  
22 **A.** Yes. First and foremost, the rates should be designed  
23 for each rate schedule so that their application to the  
24 test year billing determinants produces the target class  
25 and the total required revenues. The company also had two

1 other specific objectives for the rate design in this case:  
2 1) to create two new sets of GSLD rate schedules open to  
3 all eligible customers which will reflect both the service  
4 provided to these customers at higher voltage levels and  
5 2) to change the basic service charge to a daily rather  
6 than monthly basis to reduce the need for proration for  
7 short and long bills and better assign cost responsibility  
8 to rate collection.

9  
10 **Q.** Did the company meet these objectives?

11  
12 **A.** Yes. The proposed rates and tariffs incorporate both  
13 additional specific objectives previously described and  
14 produce the company's proposed revenue requirements.

15  
16 **PROPOSED SERVICE CHARGES**

17 **Q.** What was the first step in designing rates and charges  
18 to produce the company's revenue requirement?

19  
20 **A.** The first step was to determine revenues from service  
21 charges. Cost support for the development of service  
22 charges is provided in MFR Schedule E-7. This cost support  
23 formed the basis of the proposed changes in service charges  
24 that are shown on MFR Schedule E-13b. In total, the  
25 proposed changes produce \$6,635,000 in reduced revenue.



1           These revenues serve as a credit to offset a portion of  
2           the revenue requirement that would otherwise increase  
3           the company's base rates.  
4

5   **Q.**   What change in delivery of services to customers, which  
6           result in collection of these service charges, has led to  
7           such reduced revenues associated with them?  
8

9   **A.**   The company has replaced most of its meters with AMI meters  
10           since the last time the Commission set the company's  
11           service charges. The AMI system will be fully utilized  
12           during the test year. This technology allows remote reading  
13           and operation of the meters installed at the customer  
14           premises and significantly reduces the need to roll trucks  
15           into the field to affect certain actions, including  
16           activation and deactivation of most meters for new and  
17           existing customers. This reduced cost has been reflected  
18           in the cost support for two of the charges that are assessed  
19           for these services, allowing a significant reduction in the  
20           proposed charges themselves as well as the revenues  
21           collected from them. This is just one of the many customer  
22           benefits that will result from this conversion. Tampa  
23           Electric witness Regan B. Haines provides additional detail  
24           regarding the customer benefits of the AMI system  
25           conversion in his testimony.

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**Q.** What changes are being proposed for the company's service charges?

**A.** The cost support that is presented in MFR Schedule E-7 indicated that certain service charges should be increased in price to better reflect the cost of providing those services and best provide cost recovery for them, while one stays the same and two are greatly reduced as discussed above. The proposed service charges are shown on MFR Schedule E-13b column 2.

**PROPOSED (TARGET) CLASS REVENUES**

**Q.** After setting prices for service charges, what was the next step in designing rates?

**A.** Next, the company designed base rates to meet the proposed (target) class revenues. In designing new rates, the company first attempted to move unit prices toward unit costs for the various classes to determine parity. "Parity" is the comparison of the rate of return of a class to the system average rate of return. The term is used interchangeably with the term "rate of return index." Since parity is calculated by dividing the rate of return for a particular class by the system average rate of return,

1 a class with parity of 100 percent would be earning the  
2 same rate of return as the system average, and a class  
3 with parity below 100 percent would be earning less than  
4 the system average. Parity is useful when determining the  
5 development of class revenue targets associated with the  
6 proposed base rate revenue increase.

7  
8 **Q.** Please describe the procedure used to determine what  
9 portion of the company's proposed (target) base rate  
10 revenue increase was assigned to each rate class.

11  
12 **A.** The focus in determining the portion of the company's  
13 proposed (target) base rate revenue increase to be assigned  
14 to each rate class is the proposed Cost of Service Study.  
15 The Cost of Service Study utilized for this purpose is  
16 discussed in the direct testimony of Mr. Vogt.

17  
18 The first step in determining how much each rate class  
19 should share in the company's total revenue increase (*i.e.*,  
20 the shortfall between total revenue requirements and total  
21 revenues under current rates) is to determine for each rate  
22 class the shortfall between the costs allocated to that  
23 class and the revenues produced by applying current rates  
24 to the class's test year billing determinants. The next  
25 step is to determine how much of each class's revenue

1           shortfall will be offset by revenues from Other Operating  
2           Revenues that will occur as part of the proceeding (e.g.  
3           any change in service charge revenues). Once the net  
4           revenue deficiency of each rate class has been determined,  
5           the final step is to identify whether any ratemaking policy  
6           considerations should limit the amount of any rate class's  
7           revenue increase. Where an increase limit is imposed on a  
8           rate class, the other rate classes must make up the  
9           deficiency. This deficiency is spread to those other rate  
10          classes in proportion to their respective cost of service  
11          requirement to the extent that this resultant increase does  
12          not exceed an imposed limit.

13  
14          The completion of this three-step procedure produces what  
15          is referred to as the "target revenues" for each class. The  
16          target revenue is the level of revenue that the rate  
17          designer attempts to realize from a rate class through the  
18          design of proposed rate charges as applied to test year  
19          billing determinants.

20  
21          **Q.** Did you prepare a document that develops the proposed  
22          class target revenues using the procedure you have just  
23          described?

24  
25          **A.** Yes. Document No. 2 of my exhibit was prepared for that

1           purpose.

2

3       **Q.**   Was it necessary to limit any class's rate increase from  
4           being set at the increase indicated by the cost of service  
5           study?

6

7       **A.**   No. No limits were imposed.

8

9       **Q.**   Have you combined the revenue requirements of the  
10          Residential ("RS") and General Service Non-Demand ("GS")  
11          rate classes for developing the target revenues for these  
12          rate classes?

13

14       **A.**   Yes. This is shown in Document No. 2 of my exhibit. It has  
15          been the company's practice since 1982 to set the base rate  
16          energy charges of the rate schedules associated with these  
17          two rate classes to be at the same rate level, with the  
18          only change to this practice being instituted in a prior  
19          company rate proceeding where an inverted energy rate  
20          design was adopted for the RS standard rate, while the  
21          Energy Planner time-differentiated rate maintained an  
22          energy rate at the same level as the GS standard energy  
23          rate. This practice has led to combining the revenue  
24          requirements of these two classes when apportioning target  
25          revenues in rate proceedings.

1 **Q.** Have you combined the revenue requirements of the General  
2 Service Demand ("GSD") and Interruptible Service ("IS")  
3 rate classes for purposes of developing the target revenues  
4 for these rate classes?

5  
6 **A.** No. While Tampa Electric previously combined the revenue  
7 requirements of the GSD and IS rates classes, the company's  
8 rate proposal in this case is to create a new set of GSLD  
9 rates to serve the customers previously served under the  
10 IS rates and the largest sized, higher voltage served  
11 customers from the GSD set of rate classes. In addition,  
12 these customers are separated into two sets of rates, one  
13 for primary served customers and the other for  
14 subtransmission served customers. These two sets of GSLD  
15 rates would retain their separation and the company would  
16 target allocations of revenue increase and rate design for  
17 them individually.

18  
19 **Q.** Were you able to design proposed rates for each rate class  
20 in order to produce each class's targeted revenues and  
21 reflect the requested increase?

22  
23 **A.** Yes. The result of this design is shown in Document No. 3  
24 of my exhibit, which shows a comparison of each class's  
25 target revenues and those revenues produced by the

1 application of the proposed charges. It shows that the  
2 company's proposed revenues are equal to or very close to  
3 target revenues for each class, and the company's proposed  
4 revenues in total are within \$1,462,371 of its total target  
5 revenue requirement. The exhibit also shows a comparison  
6 of each class's proposed revenues to its revenue  
7 requirement from the company's cost of service study and  
8 each class' resultant rate of return under the proposed  
9 rates. The company believes this exhibit demonstrates that  
10 the company has designed its proposed rates based on cost  
11 of service to the extent practical.

12  
13 **RATE DESIGN**

14 **Q.** Please summarize the rate design changes or revisions the  
15 company is incorporating in its proposed base rates.

16  
17 **A.** In summary, the following two major changes are proposed:  
18 a. The company proposed to change basic service charges  
19 for all rate schedules, and the new proposed GSLD rate  
20 schedules, from the existing monthly charge basis to a  
21 daily charge basis that will utilize the days of billing  
22 contained in each bill as the billing determinant.

23  
24 b. The company proposes elimination of the "closed to new  
25 business" IS rate schedules and transfer of the affected

1 metered accounts to the newly proposed GSLD Primary and  
2 GSLD Subtransmission sets of rate schedules. The company  
3 would also transfer GSD primary and sub-transmission  
4 service metered accounts which exceed 1000 kW in demand to  
5 these new rate schedules. In addition, because the new GSLD  
6 sets of rate schedules are designed for service to only one  
7 voltage level of service each, the company would eliminate  
8 transformer ownership discounts and some meter level  
9 discounts for those rate schedules.

10  
11 **Q.** You indicated that you revised basic rate charges in the  
12 various rate schedules in order that the proposed charges  
13 would result in the target revenues. To accomplish this,  
14 did you make any rate restructuring changes to any of your  
15 rate schedules?

16  
17 **A.** Other than the closing of IS rate schedules, opening of two  
18 new GSLD rate schedules and change of basic service charge  
19 to a daily basis, the company is not proposing any rate  
20 restructuring changes. The company set the fixed Basic  
21 Service Charge in each rate schedule at its unit cost from  
22 the Cost of Service Study. The company revised the demand  
23 and energy charges in each rate schedule to produce the  
24 target revenues for each rate class. Tampa Electric also  
25 continued prior Commission-approved and prescribed



1 practices to: (a) maintain the RS inverted energy rate with  
2 a one cent inversion after the 1,000 kWh usage level, (b)  
3 establish the GS energy rate at an effective RS average  
4 rate, (c) maintain an optional GSD energy rate set at 120  
5 percent of the GS energy rate, (d) establish time of use  
6 energy and demand charges for the GST and GSDT rate  
7 schedules in the manner previously adopted, and (e)  
8 establish the standby rates in the manner prescribed by the  
9 Commission for the design of standby rates.

10  
11 **Q.** Can you provide a brief history of the rate treatment  
12 afforded the current IS customers and why the company no  
13 longer needs to recognize these customers as a separate  
14 rate class for establishing their base rate charges but  
15 proposes new GSLD rate classes for service to them and to  
16 the larger GSD customers served at primary and  
17 subtransmission voltage?

18  
19 **A.** Yes. For many years Tampa Electric has established and  
20 designed IS rate schedules to have lower base rate charges  
21 than other customers to recognize their "interruptibility"  
22 value. In Docket No. 080317-EI, the Commission approved a  
23 rate restructuring for the closed IS rate schedules whereby  
24 an IS customer's "interruptibility" would be treated as a  
25 demand-side or load management program. As load management

1 participants, IS base rates were no longer required to be  
2 set less than that of firm customers. Instead, the IS  
3 customers receive interruptible demand credits for their  
4 participation as load management customers, and these  
5 credits are recovered from all customers through the ECCR  
6 clause. The interruptible demand credits are the same  
7 credits as had been previously established in Rate  
8 Schedules GSLM-2 and GSLM-3, which were also applicable to  
9 other general service demand customers desiring to be load  
10 management participants.

11  
12 **Q.** Why did the Commission close the company's IS rate  
13 schedules to new customers?

14  
15 **A.** Actually, the company's IS rate schedules were "closed to  
16 new business" even before the 2008 base rate proceeding.  
17 The IS-1 rate schedules were "closed to new business"  
18 in 1985 and the IS-3 rate schedules were "closed to new  
19 business" in 2000 when the GSLM-2 and GSLM-3 conservation  
20 programs were opened. The Commission's decision in Docket  
21 No. 080317-EI was a continuation of such closure for the  
22 IS rate schedules. In that proceeding, the company sought  
23 to permanently eliminate the already "closed" IS rate  
24 schedules on the basis that they were no longer necessary  
25 since interruptible service was openly available to any

1 customer under the company's GSD rate schedules who wished  
2 to subscribe to the GSLM-2 or GSLM-3 rider as load  
3 management program participants. However, the Commission  
4 chose to maintain an IS rate class and accompanying rate  
5 schedules for those remaining metered accounts being served  
6 under the IS schedules and grandfathered them under the  
7 then closed IS schedules.

8  
9 **Q.** How would you describe the company's proposal in this  
10 proceeding for treating customers being served under the  
11 IS rate schedules?

12  
13 **A.** The company proposes an approach to final closure of the  
14 IS rate schedules by combining the remaining IS metered  
15 accounts with comparable higher voltage served customers  
16 from the GSD rate schedules to better reflect their load  
17 characteristics as a class and their utilization of the  
18 utility grid at higher voltage. The affected metered  
19 accounts would be transferred to the new GSLD rate  
20 schedules and continue to participate in the company's  
21 GSLM-2 or GSLM-3 load management program riders and obtain  
22 the same credits for interruptible service that they are  
23 paid now. As with other customers on the GSLM-2 and GSLM-  
24 3 riders, these transferred customers' loads will be  
25 included in the company's biannual filed assessment of need

1 of non-firm electric service.

2

3 **Q.** Have you prepared any billing comparisons of the effect of  
4 transfer of the IS metered accounts and the GSD metered  
5 accounts being transferred to the proposed new GSLD rate  
6 schedules?

7

8 **A.** Yes. MFR Schedule E-13C shows the billing impact for the  
9 IS customers which are proposed to take service under the  
10 new GSLD schedules as well as the GSD customers which are  
11 similarly proposed to take service under the new GSLD  
12 schedules.

13

14 **Q.** Other than the transfer of IS metered accounts and certain  
15 GSD metered accounts to their applicable GSLD rate  
16 schedule, will the company's proposed rate changes result  
17 in any other customer transfers from one rate schedule to  
18 another?

19

20 **A.** None are projected.

21

22 **Q.** Does Tampa Electric propose any changes to the charges  
23 associated with Lighting Service Rate Schedule LS-1?

24

25 **A.** Yes. Those proposed changes are shown on MFR Schedule E-

1 13d. As the Commission is aware, Tampa Electric is  
2 converting all its outdoor lighting equipment utilizing  
3 High Pressure Sodium and Metal Halide fixtures to new  
4 highly efficient Light Emitting Diode ("LED") outdoor  
5 lighting facilities. As a result, the existing lighting  
6 offerings for High Pressure Sodium and Metal Halide lights  
7 are closed to new business. The company is conducting this  
8 conversion as a conservation program with recovery of the  
9 undepreciated plant balance of the existing facilities  
10 through the conservation cost recovery clause.

11  
12 The company will not complete the conversion project until  
13 2023. As a result, the company proposes to retain the  
14 existing lighting offerings for the High Pressure Sodium  
15 and Metal Halide lights in the lighting tariffs and MFR  
16 Schedules with an average rate increase applied to the  
17 fixture rates. The company proposes to leave the operation  
18 and maintenance charges for those lights at their current  
19 levels. Once the conversion is completed in 2023, and the  
20 company is no longer issuing bills for the affected closed  
21 light offerings, Tampa Electric expects to make a filing  
22 to remove those lighting offerings from the tariff at one  
23 time.

24  
25 As in the company's previous rate cases, the company

1 performed an incremental lighting study that is provided  
2 as a supplement to the MFR Schedules. The company utilized  
3 this study to determine the final rate proposals for the  
4 lighting and pole offerings that remain open. The company  
5 is not proposing any changes to the operations and  
6 maintenance costs for the open LED rate schedules in this  
7 rate case. The LED fixtures have not been in service long  
8 enough for the company to determine whether the current  
9 proposed operation and maintenance rates are no longer  
10 appropriate.

11

12 **Q.** Does Tampa Electric propose any other miscellaneous tariff  
13 changes?

14

15 **A.** Yes, along with tariff changes needed to accommodate the  
16 two new GSLD rate schedules in many sections of the tariff,  
17 some changes have been proposed within the definitions  
18 section of the tariff and in Section 5 to make clearer  
19 certain terms and conditions of service shown therein.

20

21 **Q.** Where can the results of the company's total rate design  
22 be found?

23

24 **A.** The revenue distribution by rate schedule is shown on MFR  
25 Schedule E-13a, supported by the detailed billing

1 calculations in MFR Schedules E-13c and E-13d. The effect  
2 on customers' typical bills is shown on MFR Schedule A-2  
3 and a comparison of present and proposed charges is shown  
4 on MFR Schedule A-3.

5  
6 **PARITY RESULTS OF PROPOSED RATE DESIGN**

7 **Q.** Does your proposed rate design move rates closer to parity  
8 from a cost of service standpoint?

9  
10 **A.** Yes. Document No. 3 of my exhibit presents the achieved  
11 class revenue requirement indices. Overall, most rate  
12 classes are reasonably close to parity. An index ratio of  
13 1.00 indicates rates are set exactly on the cost of  
14 service. A ratio of less than 1.00 indicates that class  
15 is served below cost, and a class ratio of more than 1.00  
16 indicates that class is served above cost.

17  
18 **SUMMARY**

19 **Q.** Please provide a summary of the company's proposed rates  
20 and Cost of Service Studies in this proceeding.

21  
22 **A.** The support for, and design of, the proposed rates in the  
23 case as presented in the MFRs and proposed tariffs meet the  
24 company's primary goals as articulated previously in my  
25 direct testimony. These rates are cost-based and reflect

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appropriately measured changes from the present rates that also reflect rate history, public acceptance of rate structures, customer understanding and ease of application, consumption and load characteristics of the classes, and will result in revenue stability and continuity.

**Q.** Does this conclude your direct testimony?

**A.** Yes, it does.



TAMPA ELECTRIC COMPANY  
DOCKET NO. 20210034-EI  
WITNESS: ASHBURN

EXHIBIT

OF

WILLIAM R. ASHBURN

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| 2                   | Development Of Proposed (Target) Base Revenue Increase By Rate Class - MFR Schedule E-5      | 33          |
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LIST OF MINIMUM FILING REQUIREMENT SCHEDULES  
SPONSORED OR CO-SPONSORED BY WILLIAM R. ASHBURN

| MFR Schedule | Title   |
|--------------|---|
| A-02         | Full Revenue Requirements Bill Comparison<br>Typical Monthly Bills      |
| A-03         | Summary Of Tariffs  |
| A-05         | Interim Revenue Requirements Bill Comparison -<br>Typical Monthly Bills |
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| E-8          | Company Proposed Allocation of the Rate<br>Increase by Rate Class       |
| E-13a        | Revenue from Sale of Electricity by Rate<br>Schedule                    |
| E-13b        | Revenues By Rate Schedule - Service Charges<br>(Account 451)            |
| E-13c        | Base Revenue By Rate Schedule - Calculations                            |
| E-13d        | Revenue By Rate Schedule - Lighting Schedule<br>Calculation             |

| <b>MFR Schedule</b> | <b>Title</b>                                   |
|---------------------|--|
| E-14                | Proposed Tariff Sheets And Support For Charges |
| E-14 Supp A         | Support For Charges                            |
| E-14 Supp B         | Support For Charges                            |
| E-15                | Projected Billing Determinants - Derivation    |
| F-08                | Assumptions                                    |

SCHEDULE E-5

SOURCE AND AMOUNT OF REVENUES - AT PRESENT AND PROPOSED RATES

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Provide a schedule by rate class which identifies the source and amount of all revenue included in the Cost of Service Study. The base rate revenue from retail sales of electricity must equal that shown on MFR Schedule E-13a. The revenue from service charges must equal that shown on MFR Schedule E-13b. The total revenue for the retail system must equal that shown on MFR Schedule C-4.

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET NO. 20210034-EI

Type of data shown:  
 XX Projected Test Year Ended 12/31/2022  
 \_\_\_ Projected Prior Year Ended 12/31/2021  
 \_\_\_ Historical Prior Year Ended 12/31/2020  
 Witness: L. J. Vogt/R. A. Ashburn

| Line No. | Source by Account Number | Description of Source         | REVENUES in \$000's |           |              |            |           |            |           |           |           |                 |                     |        |  |  |
|----------|--------------------------|-------------------------------|---------------------|-----------|--------------|------------|-----------|------------|-----------|-----------|-----------|-----------------|---------------------|--------|--|--|
|          |                          |                               | Total Company       | Wholesale | Total Retail | RS         | GS        | GSD        | IS        | GSLDPR    | GSLDSU    | Lighting Energy | Lighting Facilities |        |  |  |
| 2        |                          | <b>PRESENT RATES</b>          |                     |           |              |            |           |            |           |           |           |                 |                     |        |  |  |
| 4        | 440-447                  | Sales of Electricity          | 1,167,433           | 0         | 1,167,433    | 666,901    | 67,302    | 346,606    | 30,023    | -         | -         | 2,884           | -                   | 53,717 |  |  |
| 6        | 451                      | Miscellaneous Service Charges | 19,290              | -         | 19,290       | 17,193     | 1,691     | 401        | -         | -         | -         | 5               | -                   | -      |  |  |
| 8        | 454                      | Rent from Electric Property   | 13,935              | 62        | 13,874       | 8,743      | 680       | 4,286      | 83        | -         | -         | 82              | -                   | -      |  |  |
| 10       | 456                      | Other Electric Revenue        |                     |           |              |            |           |            |           |           |           |                 |                     |        |  |  |
| 11       |                          | Wheeling                      | 7,642               | 7,642     | -            | -          | -         | -          | -         | -         | -         | -               | -                   | -      |  |  |
| 12       |                          | Plant Related                 | 1,125               | 36        | 1,089        | 639        | 55        | 340        | 24        | -         | -         | 2               | -                   | 28     |  |  |
| 13       |                          | Energy Related                | 413                 | 0         | 413          | 203        | 20        | 170        | 18        | -         | -         | 2               | -                   | -      |  |  |
| 14       |                          | Unbilled Revenues             | (35)                | -         | (35)         | (171)      | 12        | 123        | -         | -         | -         | -               | -                   | -      |  |  |
| 16       |                          | Total Present Revenue         | \$ 1,209,803        | \$ 7,739  | \$ 1,202,064 | \$ 693,508 | \$ 69,760 | \$ 351,927 | \$ 30,149 | \$ -      | \$ -      | \$ 2,976        | \$ -                | 53,745 |  |  |
| 20       |                          | <b>PROPOSED RATES</b>         |                     |           |              |            |           |            |           |           |           |                 |                     |        |  |  |
| 22       | 440-447                  | Sales of Electricity          | 1,462,231           | 0         | 1,462,231    | 854,161    | 84,514    | 384,267    | -         | 49,387    | 26,866    | 3,984           | -                   | 59,051 |  |  |
| 24       | 451                      | Miscellaneous Service Charges | 19,290              | -         | 19,290       | 17,193     | 1,691     | 401        | -         | -         | -         | 5               | -                   | -      |  |  |
| 26       | 454                      | Rent from Electric Property   | 13,935              | 62        | 13,874       | 8,723      | 678       | 3,876      | -         | 495       | 20        | 82              | -                   | -      |  |  |
| 28       | 456                      | Other Electric Revenue        |                     |           |              |            |           |            |           |           |           |                 |                     |        |  |  |
| 29       |                          | Wheeling                      | 7,642               | 7,642     | -            | -          | -         | -          | -         | -         | -         | -               | -                   | -      |  |  |
| 30       |                          | Plant Related                 | 1,125               | 36        | 1,089        | 648        | 57        | 298        | -         | 37        | 20        | 2               | -                   | 28     |  |  |
| 31       |                          | Energy Related                | 413                 | 0         | 413          | 203        | 20        | 149        | -         | 23        | 16        | 2               | -                   | -      |  |  |
| 32       |                          | Unbilled Revenues             | (44)                | -         | (44)         | (175)      | 15        | 148        | -         | (23)      | (10)      | -               | -                   | -      |  |  |
| 34       |                          | Total Proposed Revenue        | \$ 1,504,592        | \$ 7,739  | \$ 1,496,853 | \$ 880,753 | \$ 86,974 | \$ 389,140 | \$ -      | \$ 49,920 | \$ 26,912 | \$ 4,075        | \$ -                | 59,078 |  |  |

Supporting Schedules: E-13a, E-13b, E-13c, E-13d

Recap Schedules:

33

TAMPA ELECTRIC COMPANY  
 DOCKET NO. 20210034-EI  
 EXHIBIT NO. WRA-1  
 WITNESS: ASHBURN  
 DOCUMENT NO. 2  
 PAGE 1 OF 1  
 FILED: 04/09/2021  
 REVISED: 04/16/2021

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule which shows the company-proposed increase in revenue by rate schedule and

Type of data shown:

COMPANY: TAMPA ELECTRIC COMPANY

Type of data shown: the present and company-proposed class rates of return under the proposed cost of service study Provide justification for every class not left at the system rate of return. If the increase from service Projected Prior Year Ended 12/31/2008 charges by rate class does not equal that shown on Schedule E-13b or if the increase from sales of electricity does not equal that shown on Schedule E-13a, provide an explanation.

XX Projected Test Year Ended 12/31/2022  
 Projected Prior Year Ended 12/31/2021  
 Historical Prior Year Ended 12/31/2020  
 Witness: W. R. Ashburn / L. J. Vogt

DOCKET No. 20210034-EI

| Line No. | Rate Class   | (A) Present COS Present Revenues |       | (C) Dollars in Thousands        |                                  |  |                                |                        | (H) Proposed COS Proposed Revenues |       | (J) Percent Total Revenue Increase |
|----------|--|----------------------------------|-------|---------------------------------|----------------------------------|--|--------------------------------|------------------------|------------------------------------|-------|------------------------------------|
|          |  | ROR (%)                          | Index | Present Class Operating Revenue | Proposed Class Operating Revenue | Increase From Serv Charges and From Sales of Electricity | Increase From Unbilled Revenue | Total Revenue Increase | ROR (%)                            | Index |                                    |
|          |  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 1        |  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 2        | I. RS (a)  | 3.42%                            | 0.88  | \$ 666,901                      | \$ 854,161                       | \$ 187,260   | \$ (4)                         | \$ 187,256             | 6.29%                              | 0.94  | 28.1%                              |
| 3        |  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 4        | II. GS (b)   | 4.88%                            | 1.25  | \$ 67,302                       | \$ 84,514                        | \$ 17,212  | \$ 3                           | \$ 17,215              | 7.53%                              | 1.13  | 25.6%                              |
| 5        |  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 6        | III. GSD (c)   | 4.06%                            | 1.04  | \$ 346,606                      | \$ 384,267                       | \$ 37,662  | 25                             | \$ 37,687              | 6.94%                              | 1.04  | 10.9%                              |
| 7        |  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 8        | IV. IS (d)   | 6.63%                            | 1.70  | \$ 30,023                       | \$ -                             | \$ (30,023)  | -                              | \$ (30,023)            | 0.00%                              | -     | -100.0%                            |
| 9        |  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 10       | V. GSLDPR (c)  | 0.00%                            | -     | \$ -                            | \$ 49,387                        | 49,387   | (23)                           | \$ 49,364              | 6.70%                              | 1.00  | 0.0%                               |
| 11       |  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 12       | VI. GSLDSU (c)   | 0.00%                            | -     | \$ -                            | \$ 26,866                        | \$ 26,866  | (10)                           | \$ 26,856              | 6.82%                              | 1.02  | 0.0%                               |
| 13       |  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 14       | VII. LS-1  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 15       | a. Energy Service (e)  | 4.34%                            | 1.11  | \$ 2,884                        | \$ 3,984                         | \$ 1,100   | -                              | \$ 1,100               | 6.80%                              | 1.02  | 38.1%                              |
| 16       | b. Facilities (f)  | 8.04%                            | 2.06  | \$ 53,717                       | \$ 59,051                        | \$ 5,334   | -                              | \$ 5,334               | 10.18%                             | 1.53  | 9.9%                               |
| 17       | Total VII.a. + VII. b.   | 7.78%                            | 2.00  | \$ 56,601                       | \$ 63,035                        | \$ 6,434   | -                              | \$ 6,434               | 9.88%                              | 1.48  | 11.4%                              |
| 18       |  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 19       |  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 20       | Total Retail   | 3.90%                            | 1.00  | \$ 1,167,433                    | \$ 1,462,231                     | \$ 294,798   | \$ (9)                         | \$ 294,789             | 6.68%                              | 1.00  | 25.3%                              |
| 21       |  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 22       |  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 23       |  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 24       |  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 25       |  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 26       |  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 27       | Justification for any class not left at system Rate of Return:   |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 28       | (a) RS class is minimally below the system Rate of Return; setting this class any higher would result in exceeding system revenue requirement.   |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 29       | (b) The GS class exceeds the system rate of return due to the rate design practice of setting the GS energy charges equivalent to RS flat rate energy charge.                          |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 30       | (c) The GSD and new GSLDPR and GSLDSU rate classes are set minimally above the system class rate of return.  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 31       | (d) The IS rate class is included in the present rate structure and removed from the proposed rate structure.  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 32       | (e) The revenue increase for the LS-1 Energy Service Class was set to an increase that was less than 10% above the system Rate of Return.  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 33       | (f) The revenue increase for the LS-1 Facilities Class was limited to an increase that, combined with the Energy Services Class, did not exceed 1.5 times the system average increase. |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 34       |  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 35       |  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 36       |  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 37       |  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 38       |  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 39       |  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 40       |  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |
| 41       |  |                                  |       |                                 |                                  |  |                                |                        |                                    |       |                                    |