

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power ) DOCKET NO. 940001-EI  
Cost Recovery Clause and ) ORDER NO. PSC-94-0816-FOF-EI  
Generating Performance Incentive ) ISSUED: July 1, 1994  
Factor. )  
\_\_\_\_\_ )

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman  
SUSAN F. CLARK

ORDER APPROVING DECREASE IN  
TAMPA ELECTRIC COMPANY'S FUEL ADJUSTMENT FACTOR

BY THE COMMISSION:

On May 31, 1994, Tampa Electric Company (TECO) filed a petition for adjustment to its currently authorized levelized fuel adjustment factor for the period April 1994 through September 1994. The calculation of TECO's April through September fuel adjustment factor approved at the March hearings included a projected underrecovery of \$13,698,115. Actual data now available for October 1993 through April 1994, and revised projections for May through September 1994, indicate a total overrecovery of approximately \$17 Million by the end of the current recovery period, or a \$30 Million difference in the estimate included in the current fuel adjustment factor.

Although the expected period-ending overrecovery will not exceed our 10% threshold for mid-course corrections (Order No. 13694, Docket No. 840001-EI, issued September 20, 1984), TECO is proposing to reduce its fuel adjustment cost recovery factor effective with the first billing cycle in July 1994 to prevent its customers from contributing to an overcollection, and to avoid a significant change in customer bills as a result of the substantial overrecovery.

DOCUMENT NUMBER-DATE

06497 JUL-1 1994

FPSC-RECORDS/REPORTING

This projected overrecovery is due to an increase in sales, a greater projected reliance on generation by coal due to plant operations and lowery than expected fuel prices.

We note that there has been no prudence review of TECO's fuel estimates and expenditures, and we do not necessarily agree or disagree with TECO's figures at this time. However, one of the purposes of mid-course corrections as described in Order No. 13694 is to assure a levelized fuel adjustment and to avoid the rate shock ratepayers experience when factors are adjusted. It is, therefore, in the best interest of the ratepayers to approve the mid-course correction prior to the prudence review scheduled during the August 1994 hearings.

We have reviewed the factors derived for TECO's various rate classes, and we find them to be calculated using the same methods that have been accepted in the past. Attachment A of this order reflects the levelized, on-peak and off-peak factors for each class, and compares bills for 1,000 kWh of residential consumption before and after this fuel factor adjustment.

TECO has requested an effective date beginning with meter readings scheduled to be read on or after July 1, 1994. Although this effective date falls short of the normal 30-day notice requirement, we believe that such treatment is warranted given the magnitude of the projected overrecovery. We believe that TECO's customers should begin receiving the fuel charge reduction at the earliest practicable time. Based on the foregoing, we approve TECO's reduced fuel adjustment factor of 2.473 ¢/kWh effective for meter readings scheduled to be read on or after July 1, 1994.

It is therefore,

ORDERED by the Florida Public Service Commission that the petition by Tampa Electric Company to reduce its fuel adjustment factor from 2.894 to 2.473 cents per kWh is approved and effective for meter readings scheduled to be read on or after July 1, 1994 and continuing through September 1994. It is further,

ORDERED that this Order shall become final unless an appropriate petition for formal proceeding is received by the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date indicated in the Notice of Further Proceedings or Judicial Review.

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By ORDER of the Florida Public Service Commission, this 1st  
day of July, 1994.

BLANCA S. BAYÓ, Director  
Division of Records and Reporting

by: Kay Flynn  
Chief, Bureau of Records

( S E A L )  
CAS:mcb

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on July 22, 1994.

In the absence of such a petition, this order shall become final on the day subsequent to the above date.

Any objection or protest filed in this docket before the issuance date of this Order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this Order becomes final on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director,

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Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the date this Order becomes final, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

TOTAL PRESENT COST FOR THE PERIOD: July 1994 - September 1994  
 NOTE: This schedule reflects a mid-course correction for Tampa Electric Company effective July 1, 1994.

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COMPANY	PROPOSED July 1994 - September 1994			PRESENT April 1994 - September 1994			DIFFERENCE			RESIDENTIAL LINE LOSS MULTIPLIER	PROPOSED RESIDENTIAL FUEL FACTOR
	Levelized	On/Peak	Off/Peak	Levelized	On/Peak	Off/Peak	Levelized	On/Peak	Off/Peak		
Fla. Power & Light (5)	1.488	1.633	1.415	1.488	1.633	1.415	-0.000	0.000	0.000	1.00161	1.490
Fla. Power Corp.	1.968	2.692	1.587	1.968	2.692	1.587	0.000	0.000	0.000	1.00180	1.975
Tampa Electric	2.473	3.791	2.411	2.494	2.946	2.316	-0.421	0.815	0.198	1.00610	2.489
Gulf Power	2.158	2.253	2.113	2.158	2.253	2.113	0.000	0.000	0.000	1.01228	2.185
Fla. Public Mariana (1)	4.658	NA	NA	4.658	NA	NA	-0.000	NA	NA	1.01260	4.717
Fernandus (1)(2)	5.308	NA	NA	5.308	NA	NA	0.000	NA	NA	1.00000	5.308

**COST FOR 1,000 KWH RESIDENTIAL SERVICE**

PRESENT: April 1994 - September 1994

	Fla. Power & Light	Fla. Power Corp.	Tampa Electric (5)	Gulf Power (6)	Florida Public Utilities	
					Mariana (7)	Fernandus
Base	47.38	49.05	51.92	43.25	20.43	19.20
Fuel (3)	14.90	19.75	29.13	21.85	47.17	53.08
Oil Backout	0.12	NA	0.73	NA	NA	NA
Energy Conservation	2.43	4.40	1.85	0.26	0.12	0.06
Environmental Cost Recovery	0.12	N/A	N/A	1.48	N/A	N/A
Capacity Recovery	5.64	5.11	2.05	0.31	NA	NA
Gross Receipts Tax (4)	0.72	2.01	2.20	0.69	1.74	0.74
<b>Total</b>	<b>\$71.31</b>	<b>\$80.32</b>	<b>\$87.88</b>	<b>\$67.84</b>	<b>\$69.46</b>	<b>\$73.08</b>

PROPOSED: July 1994 - September 1994

	Fla. Power & Light	Fla. Power Corp.	Tampa Electric	Gulf Power	Florida Public Utilities	
					Mariana	Fernandus
Base	47.38	49.05	51.92	43.25	20.43	19.20
Fuel (3)	14.90	19.75	24.89	21.85	47.17	53.08
Oil Backout	0.12	NA	0.73	NA	NA	NA
Energy Conservation	2.43	4.40	1.85	0.26	0.12	0.06
Environmental Cost Recovery	0.12	N/A	N/A	1.48	N/A	N/A
Capacity Recovery	5.64	5.11	2.05	0.31	NA	NA
Gross Receipts Tax (4)	0.72	2.01	2.09	0.69	1.74	0.74
<b>Total</b>	<b>\$71.31</b>	<b>\$80.32</b>	<b>\$83.53</b>	<b>\$67.84</b>	<b>\$69.46</b>	<b>\$73.08</b>

DIFFERENCE	Fla. Power & Light	Fla. Power Corp.	Tampa Electric	Gulf Power	Florida Public Utilities	
					Mariana	Fernandus
Base	0.00	0.00	0.00	0.00	0.00	0.00
Fuel (3)	0.00	0.00	-4.24	0.00	0.00	0.00
Oil Backout	0.00	NA	0.00	NA	NA	NA
Energy Conservation	0.00	0.00	0.00	0.00	0.00	0.00
Environmental Cost Recovery	0.00	N/A	N/A	N/A	N/A	N/A
Capacity Recovery	0.00	0.00	0.00	0.00	NA	NA
Gross Receipts Tax (4)	0.00	0.00	-0.11	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>-4.35</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

(1) Fuel costs include purchased power demand costs of 1.889 for Mariana and 1.452 cents/KWH for Fernandus allocated to the residential class. (2) All classes except (3) (3) Adjusted for line loss.  
 (4) Additional gross receipts tax is 1% for Gulf, FPL, and FPC - Fernandus. FPC, TPCO and FPC - Mariana have removed ORT from rates. The entire 2.5% is thus shown separately.  
 (5) The (5) present rates reflect a rate increase effective January 1, 1994 resulting from Docket No. 920324-EI. (6) Gulf Power present rates reflect \$1.48 increase because of the Environmental Cost Recovery Clause, Docket No. 930613, effective February 1, 1994. (7) FPC - Mariana rate reflect an increase effective February 1994, resulting from Docket No. 930400 - EI.

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ATTACHMENT 6

FUEL ADJUSTMENT CENTS PER KWH BASED ON LINE LOSSES BY RATE GROUP

DIVISION OF ELECTRIC AND GAS  
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FOR THE PERIOD: July 1994 - September 1994

COMPANY	GROUP	RATE SCHEDULES	WITHOUT LINE LOSS MULTIPLIER			WITH LINE LOSS MULTIPLIER			
			Levelized	* On/Peak	Off/Peak	LINE LOSS MULTIPLIER	Levelized	On/Peak	Off/Peak
FPAL	A	RS-1,RSF-1,OST-1,OS-1,SI-2	1.488	1.633	1.415	1.00161	1.490	1.636	1.417
	A-1	SI-1,OL-1	1.450	NA	NA	1.00161	1.452	NA	NA
	B	OSD-1,OSDI-1	1.488	1.633	1.415	1.00155	1.490	1.636	1.417
	C	OSLD-1,OSLDT-1,CS-1,CST-1	1.488	1.633	1.415	1.00046	1.488	1.634	1.416
	D	OSLD-1,OSLDT-1,CS-1,CST-1,OS-2,MPT	1.488	1.633	1.415	0.99449	1.480	1.624	1.407
	E	OSLD-1,CS-1,OSLDT-1,CST-1,CILC-RTI,HT-1	1.488	1.633	1.415	0.96430	1.435	1.575	1.365
	F	CILC-1(D),ISST-1(D)	NA	1.633	1.415	0.99643	NA	1.627	1.410
FPC *	A	Distribution Secondary Delivery	1.968	2.692	1.587	1.00380	1.975	2.702	1.593
	A-1	OL-1,SI-1	1.793	NA	NA	1.00380	1.800	NA	NA
	B	Distribution Primary Delivery	1.968	2.692	1.587	0.98260	1.934	2.645	1.559
	C	Transmission Delivery	1.968	2.692	1.587	0.97250	1.914	2.618	1.543
TECO	A	RS,OS,TS	2.473	3.240	2.089	1.00640	2.489	3.261	2.102
	A-1	SI-1,2,3,OL-1,2	2.262	NA	NA	1.00640	2.276	NA	NA
	B	OSD,OSLD	2.473	3.240	2.089	1.00120	2.476	3.244	2.092
	C	IS-1,IS-3	2.473	3.240	2.089	0.97210	2.404	3.150	2.031
GULF	A	RS,OS,OSD,OS-III,OS-IV	2.158	2.253	2.113	1.01228	2.185	2.281	2.139
	B	IP	2.158	2.253	2.113	0.98106	2.117	2.210	2.073
	C	PX	2.158	2.253	2.113	0.96230	2.077	2.168	2.033
	D	OS-1,OS-2	2.125	NA	NA	1.01228	2.151	NA	NA
FPUC Fernandina	A	RS	5.308	NA	NA	1.00000	5.308	NA	NA
	B	OS	5.042	NA	NA	1.00000	5.042	NA	NA
	C	OSD	4.853	NA	NA	1.00000	4.853	NA	NA
	D	OL-1,OL-2,SI-2,SI-3,CST	4.268	NA	NA	1.00000	4.268	NA	NA
	E	OSLD					4.799 (1)		
Marianna	A	RS	4.658	NA	NA	1.01260	4.717	NA	NA
	B	OS	4.505	NA	NA	0.99630	4.489	NA	NA
	C	OSD	4.130	NA	NA	0.99630	4.115	NA	NA
	D	OSLD	3.969	NA	NA	0.99630	3.955	NA	NA
	E	OL-1,OL-2	2.793	NA	NA	1.01260	2.828	NA	NA
	F	SI-1,SI-2	2.793	NA	NA	0.98810	2.760	NA	NA

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ATTACHMENT

FUEL & PURCHASED POWER COST RECOVERY  
 CLAUSE CALCULATION

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ESTIMATED FOR THE PERIOD: July 1994 - September 1994

TAMPA ELECTRIC COMPANY

CLASSIFICATION	Classification Associated \$	Classification Associated KWH	Classification Associated cents/KWH
1. Fuel Cost of System Net Generation (E3)	101,904,618	4,461,128,000	2.28428
2. Spent NUC Fuel Disposal Cost (E3A)	0	0 (a)	0.00000
3. Coal Car Investment	0	0	0.00000
4. Adjustments to Fuel Cost	0	0	0.00000
5. TOTAL COST OF GENERATED POWER	<u>101,904,618</u>	<u>4,461,128,000</u>	<u>2.28428</u>
6. Fuel Cost of Purchased Power - Firm (E8)	2,551,700	47,582,000	5.36274
7. Energy Cost of Sch. CX Economy Purchases (Broker) (E9)	448,500	13,567,000	3.30582
8. Energy Cost of Economy Purchases (Non-Broker) (E9)	0	0	0.00000
9. Energy Cost of Sch. E Purchases (E9)	0	0	0.00000
10. Capacity Cost of Sch. E Economy Purchases	0	0 (a)	0.00000
11. Payments to Qualifying Facilities (E8A)	3,630,000	180,003,000	2.01665
12. TOTAL COST OF PURCHASED POWER	<u>6,630,200</u>	<u>241,152,000</u>	<u>2.74939</u>
13. TOTAL AVAILABLE KWH		<u>4,702,280,000</u>	
14. Fuel Cost of Economy Sales (E7)	3,978,900	236,441,000	1.68283
15. Gain on Economy Sales - 80% (E7A)	551,600	236,441,000 (a)	0.23329
16. Fuel Cost of Schedule D Sales (E7)	2,166,600	152,004,000	1.42536
16a. Fuel Cost of Schedule G Sales (E7)	0	0	0.00000
17. Fuel Cost Schedule J Sales (E7)	212,500	11,996,000	1.77142
17a. Fuel Cost Schedule J Sales (E7)	1,583,000	76,749,000	2.06257
17a. Fuel Cost Schedule D TPS Sales (E7)	0	0	0.00000
18. TOTAL FUEL COST AND GAINS OF POWER SALES	<u>8,492,600</u>	<u>477,190,000</u>	<u>1.77971</u>
19. Net Inadvertent Interchange (E4)	0	0	0.00000
19b. Interchange and Wheeling Losses	0	7,493,000	0.00159
20. TOTAL FUEL AND NET POWER TRANSACTIONS	<u>100,042,218</u>	<u>4,217,597,000</u>	<u>2.37202</u>
21. Net Unbilled (E4)	825,226 (a)	34,790,000	0.02082
22. Company Use (E4)	199,250 (a)	8,400,000	0.00503
23. T & D Losses (E4)	5,016,443 (a)	211,484,000	0.12658
24. Adjusted System KWH Sales	100,042,218	3,962,973,000	2.52446
25. Wholesale KWH Sales	(332,642)	(13,097,000)	2.53983
26. JURISDICTIONAL KWH SALES	<u>99,709,576</u>	<u>3,949,876,000</u>	<u>2.52440</u>
27. Jurisdictional KWH Sales Adjusted for Line Loss - 1.00005	99,759,431	3,949,826,000	2.52567
28. True-up * (derived in Attachment C)	(2,046,383)	3,949,826,000	-0.05181
29. Pyramid Coal Contract Buyout Adjustment	0	3,949,826,000	0.00000
30. TOTAL JURISDICTIONAL FUEL COST	<u>97,713,048</u>	<u>3,949,826,000</u>	<u>2.47526</u>
31. Revenue Tax Factor	97,794,150		2.47591
32. Fuel Cost Adjusted for Taxes	(107,119)	3,949,826,000	-0.00271
33. GPIF * (Already adjusted for taxes)	97,687,031	3,949,826,000	2.47220
34. Total Fuel Cost including GPIF			
35. TOTAL FUEL COST FACTOR ROUNDED TO THE NEAREST .001 CENTS PER KWH:			<u>2.473</u>

\*Based on Jurisdictional Sales  
 Effective date for billing purposes:

(a) Included for informational purposes only.