



**ORIGINAL
FILE COPY**

January 3, 1990

HAND DELIVERED

Mr. Steve C. Tribble, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32301

Re: Implementation of Section 366.80-.85, Florida
Statutes, Conservation Activities of Electric
and Natural Gas Utilities; FPSC Docket No. 890737-PU

Dear Mr. Tribble:

Enclosed for filing in the above docket are the original and fifteen (15) copies of the Brief of Tampa Electric Company.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning same to this writer.

- ACK _____
- AFA 3 _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG 1 _____
- LIN 6 GJK/pp _____
 encs.
- OPC _____
- RCH 1 cc: All Parties of Record (w/enc.)
- SEC 1 _____
- WAS _____
- OTH _____

Thank you for your assistance in connection with this matter.

Sincerely,

Gerard J. Kordecki
Assistant Director, Demand
Side Planning

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of Section)
366.80-.85, Florida Statutes,)
Conservation Activities of Electric)
and Natural Gas Utilities)

Docket No. 890737-PU
Submitted for Filing:
January 3, 1990

BRIEF OF TAMPA ELECTRIC COMPANY

Tampa Electric Company ("Tampa Electric" or "the Company") submits the following as its Brief, addressing the proposed requirement that electric utilities develop cost-effective conservation programs which promote the use of natural gas:

1. Tampa Electric has analyzed and concurs in the objections raised by Florida Power Corporation ("FPC") to the draft proposal that Commission-regulated utilities be required to develop cost-effective conservation programs which promote the use of natural gas.

2. Tampa Electric believes that no electric utility should be required to develop or implement conservation programs which are not cost effective from the standpoint of the electric utility's Customers. For that matter, nor should gas utilities be required to develop and pursue programs which are not cost effective from the standpoint of the gas utilities' Customers.

3. Tampa Electric further asserts that a program which may be cost effective for an electric utility is not necessarily cost effective to the Customers of the gas utility. The converse may also be true. Insofar as the specific proposal that electric utilities develop programs for promoting natural gas usage, Tampa Electric is convinced that the legislature did not intend that electric utilities would subsidize or be required to promote the increased use of natural gas. In fact, the legislature envisioned less

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usage, not more -- ". . . conservation of electric energy and natural gas usage" contained in the legislative intent of 366.81 Florida Statutes.

Later in the same paragraph the legislature elaborated its intent that each utility would implement programs affecting its specific energy source -- "develop plans and implement programs for increasing energy efficiency and conservation within its service area" (emphasis added). If the legislature wanted promotion and subsidy of substitution fuels, the boundary of service area would not have been appropriate due to the significant differences in service areas between electric and natural gas utilities.

4. At the present time, Chapter 25-17 of the Florida Administrative code only contains one cost-effectiveness analysis. This methodology is required to be filed by electric utilities (Investor-owned). There is no methodology or requirement of cost effectiveness for natural gas utilities. Even though Tampa Electric Company has some misgivings about the present "required" methodology, it appears that the Florida Public Service Commission should have a cost effective finding or methodology for natural gas utilities so that their rate payers are not adversely affected while the natural gas utilities perform conservation programs to meet Florida Public Service Commission goals.

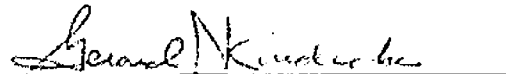
5. Absent arguments about anti-trust and anti-competitive aspects of requiring promotion of natural gas by electric utilities, Tampa Electric Company feels very uncomfortable with a circumstance where the company would promote the use of a fuel over which the company has no supply control. It hasn't been that long since supply problems plagued natural gas utilities. There are number of sources who feel that the price and/or supply of natural gas may be very unfavorable in the future. The electric utilities do not need to be put into situation of promoting a fuel with

limited supply application or with potential long-run supply interruptions which the electric utilities cannot control.

For the foregoing reasons, Tampa Electric urges the Commission to reject the draft proposal that electric utilities be required to develop cost-effective conservation programs which promote the use of natural gas.

Dated this 3rd day of January, 1990.

Respectfully submitted,



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Class B Practitioner

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Brief of Tampa Electric Company has been furnished by U. S. Mail this 3rd day of January, 1990 to the following:

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