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February 13, 1995

HAND DELIVERED

IN REPLY REFER TO:

Tallahassee

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399-0850

Re: Fuel and Purchased Power Cost Recovery Clause
with Generating Performance Incentive Factor;
FPSC Docket No. 950001-EI

Dear Ms. Bayo:

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

Also enclosed is the above Prehearing Statement on a 3.5" diskette generated on a DOS computer in WordPerfect 5.1 format.

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

Thank you for your assistance in connection with this matter.

Sincerely,


James D. Beasley

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LEG 1 Enclosures

cc: All Parties of Record (w/enc.)

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DOCUMENT NUMBER-DATE
01684 FEB 13 95
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power)
Cost Recovery Clause and Generating))
Performance Incentive Factor.)
_____)

DOCKET NO. 950001-EI
FILED: February 13, 1995

PREHEARING STATEMENT OF TAMPA ELECTRIC COMPANY

A. APPEARANCES:

LEE L. WILLIS
JAMES D. BEASLEY
Macfarlane, Ausley, Ferguson & McMullen
Post Office Box 391
Tallahassee, Florida 32302
On behalf of Tampa Electric Company

B. WITNESSES:

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
<u>(Direct)</u>		
1. M. J. Pennino (TECO)	Fuel Adjustment True-up and Projections; Capacity Cost Recovery True-up and Projections	1,2,3,4,5,6,7,8, 9,18,19,20,21,22
2. G. A. Keselowsky (TECO)	GPIF Reward/Penalty and Targets/Ranges	11,12
3. W. N. Cantrell and E. A. Townes (TECO)	Oil Backout Cost Recovery True-up and Projections	14,15,16,17
4. E. A. Townes (TECO)	Schedule D Sales	
5. D. M. Mestas, Jr. (TECO)	Option Payment-Polk Power Partners L.P.	22A
6. M. J. Pennino and E. A. Townes	Appropriate Treatment of Off-System Sales	22B

DOCUMENT NUMBER-DATE

01684 FEB 13 95

FPSC-RECORDS/REPORTING

C. EXHIBITS:

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
<u>(MJP-1)</u>	Pennino	Fuel cost recovery final true-up April 1994 -September 1994
<u>(MJP-2)</u>	Pennino	Fuel adjustment projection, April 1995 - September 1995
<u>(MJP-3)</u>	Pennino	Capacity cost recovery projection, April 1995 - September 1995
<u>(MJP-4)</u>	Pennino	Description of wholesale agreements
<u>(GAK-1)</u>	Keselowsky	Generating Performance Incentive Factor Results, April 1994 - September 1994
<u>(GAK-2)</u>	Keselowsky	GPIF Targets and Ranges for October 1994 - March 1995
<u>(GAK-3)</u>	Keselowsky	Estimated Unit Performance Data, April 1995 - September 1995
<u>(RFT/EAT-1)</u>	Cantrell and Townes	Schedules Supporting Oil Backout Cost Recovery Factor - Actual, April 1994 - September 1994
<u>(WNC/EAT-2)</u>	Cantrell and Townes	Schedules Supporting Oil Backout Cost Recovery Factor, April 1995 - September 1995
<u>(WNC/EAT-3)</u>	Cantrell and Townes	Gannon Conversion Project Comparison of Projected Payoff with Original Estimate as of November 1994

D. STATEMENT OF BASIC POSITION

Tampa Electric Company's Statement of Basic Position:

The Commission should approve Tampa Electric's calculation of its fuel adjustment, capacity cost recovery, GPIF, and oil backout cost recovery true-up calculations and projections, including the proposed fuel adjustment factor of 2.386 cents per KWH before

application of factors which adjust for variation in line losses; the proposed capacity cost recovery factor of .142 cents per KWH before applying the 12 CP and 1/13 allocation methodology; a GPIF reward of \$146,321; and an oil backout cost recovery factor of .081 cents per KWH.

E. STATEMENT OF ISSUES AND POSITIONS

Generic Fuel Adjustment Issues

ISSUE 1: What are the appropriate final fuel adjustment true-up amounts for the period April 1994 through September 1994?

TECO: An overrecovery of \$3,968,565. (Pennino)

ISSUE 2: What are the estimated fuel adjustment true-up amounts for the period October 1994 through March 1995?

TECO: An overrecovery of \$2,455,113. (Pennino)

ISSUE 3: What are the total fuel adjustment true-up amounts to be collected during the period April 1995 through September 1995?

TECO: An overrecovery of \$6,423,678. (Pennino)

ISSUE 4: What are the appropriate levelized fuel cost recovery factors for the period April 1995 through September 1995?

TECO: 2.386 cents per KWH before application of the factors which adjust for variations in line losses. (Pennino)

ISSUE 5: What should be the effective date of the new fuel adjustment charge, capacity cost recovery charge and oil backout charge for billing purposes?

TECO: The factors should be effective beginning with the specified fuel cycle and thereafter for the period April 1995 through September 1995. Billing cycles may start before April 1, 1995, and the last cycle may be read after September 30, 1995, so that each customer is billed for six months regardless of when the adjustment factors became effective. (Pennino)

ISSUE 6: What are the appropriate fuel recovery loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class?

<u>TECO:</u>	<u>Group</u>	<u>Multiplier</u>
	Group A	1.0064
	Group A1	1.0064*
	Group B	1.0012
	Group C	0.9721

*Group A1 is based on Group A, 15% of On-Peak and 85% of Off-Peak. (Pennino)

ISSUE 7: What are the appropriate fuel cost recovery factors for each rate group adjusted for variations in line losses?

<u>TECO:</u>	<u>Standard</u>	<u>On-Peak</u>	<u>Off-Peak</u>	
	Group A	2.401	2.844	2.154
	Group A1	2.258	-	-
	Group B	2.389	2.829	2.143
	Group C	2.319	2.747	2.080

(Pennino)

ISSUE 8: What is the appropriate revenue tax factor to be applied in calculating each company's levelized fuel factor for the projection period of April through September 1995?

TECO: 1.00083. (Pennino)

ISSUE 9: Is it appropriate to recover the cost of SO₂ emission allowances through the fuel and purchased cost recovery clause?

TECO: Yes. (Pennino)

Company Specific Fuel Adjustment Issues

TECO: None at this time.

Generic Generating Performance Incentive Factor Issues

ISSUE 11: What is the appropriate GPIF reward or penalty for performance achieved during the period April 1994 through September 1994?

TECO: A ward of \$146,321. (Keselowsky)

ISSUE 12: What should the GPIF targets/ranges be for the period April 1995 through September 1995?

TECO: As set forth in Attachment "A" attached to the Prepared Direct Testimony of George A. Keselowsky. (Keselowsky)

Company-Specific GPIF Issues

TECO: None at this time.

Generic Oil Backout Issues

ISSUE 14: What is the final oil backout true-up amount for the April 1994 through September 1994 period?

TECO: An underrecovery of \$62,379. (Cantrell/Townes)

ISSUE 15: What is the estimated oil backout true-up amount for the period October 1994 through March 1995?

TECO: An overrecovery of \$182,138. (Cantrell/Townes)

ISSUE 16: What is the total oil backout true-up amount to be collected during the period April 1995 through September 1995?

TECO: An overrecovery of \$153,138. (Cantrell/Townes)

ISSUE 17: What is the projected oil backout cost recovery factor for the period April 1995 through September 1995?

TECO: .081 cents per KWH. (Cantrell/Townes)

Company-Specific Oil Backout Issues

TECO: None at this time.

Generic Capacity Cost Recovery Issues

ISSUE 18: What is the appropriate final capacity cost recovery true-up amount for the April 1994 through September 1994 period?

TECO: An underrecovery of \$35,650. (Pennino)

ISSUE 19: What is the estimated capacity cost recovery true-up amount for the period October 1994 through March 1995?

TECO: An overrecovery of \$1,065,382. (Pennino)

ISSUE 20: What is the total capacity cost recovery true-up amount to be collected during the period April 1995 through September 1995?

TECO: An overrecovery of \$1,029,732. (Pennino)

ISSUE 21: What is the appropriate projected net purchased power capacity cost recovery amount to be included in the recovery factor for the period April 1995 through September 1995?

TECO: \$10,827,805. (Pennino)

ISSUE 22: What are the projected capacity cost recovery factors for the period April 1995 through September 1995?

TECO: The appropriate factors are as follows:

<u>Rate Schedules</u>	<u>Factor</u>
RS	.187 cents per KWH
GS, TS	.173 cents per KWH
GSD	.130 cents per KWH
GSLD, SBF	.119 cents per KWH
IS-1 & 3, SBI-1 & 3	.011 cents per KWH
SL, OL	.029 cents per KWH
(Pennino)	

Company-Specific Capacity Cost Recovery Issues

ISSUE 22A: Should the \$1,106,760 "Option Payment" that Tampa Electric received from Polk in 1993 be treated as a credit in the capacity cost recovery clause?

TECO: No. (Mestas)

ISSUE 22B: Other than economy sales and revenues from the seven utilities that were separated out in TECO's last rate case, should Tampa Electric credit all nonfuel revenues from off-system sales back to the retail ratepayers through the fuel adjustment clause and the capacity cost recovery clause?

TECO: No. the level of sales and resulting revenues from long-term firm off-system sales vary subsequent to a rate case. In Docket No. 920324-EI it was determined

that long-term firm off-system sales were to be treated with consistency. Tampa Electric has done so. (Pennino, Townes)

F. STIPULATED ISSUES

TECO: Issue 5 should be stipulated.

G. MOTIONS

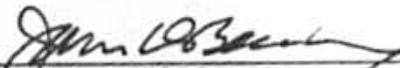
TECO: None at this time.

H. OTHER MATTERS

TECO: None at this time.

DATED this 13th day of February, 1995.

Respectfully submitted,



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ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Prehearing Statement, filed on behalf of Tampa Electric Company, has been furnished by U. S. Mail or hand delivery (*) on this 13th day of February, 1995 to the following:

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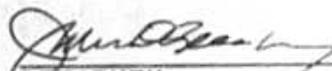
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