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January 27, 1997

HAND DELIVERED

Ms. Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: Fuel and Purchased Power Cost Recovery Clause  
with Generating Performance Incentive Factor;  
FPSC Docket No. 970001-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 a 3/5" high density diskette containing the above document 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

- ACK \_\_\_\_\_
- AFA 1
- APP \_\_\_\_\_
- CFE \_\_\_\_\_
- CMU \_\_\_\_\_ JDB/pp
- CTR \_\_\_\_\_ Enclosures
- EAG Beas: All Parties of Record (w/enc.)
- LEG 1
- LIN 3
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC 1
- WAS \_\_\_\_\_
- QTH \_\_\_\_\_

RECEIVED & FILED  
JAN 27 1997  
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE  
01033 JAN 27 97  
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. 970001-EI  
 FILED: January 27, 1997

PREHEARING STATEMENT OF TAMPA ELECTRIC COMPANY

A. APPEARANCES:

LEE L. WILLIS  
 JAMES D. BEASLEY  
 Ausley & 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. K. A. Branick (TECO)	Fuel Adjustment True-up and Projections; Capacity Cost Recovery True-up and Projections	1,2,3,4,5,6,7,8,16, 19,20,21,22,23
2. G. A. Keselowsky (TECO)	GPIF Reward/Penalty and Targets/Ranges	17,18

C. EXHIBITS:

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
_____ (KAB-1)	Branick	Fuel cost recovery and capacity cost recovery final true-up April 1996 - September 1996
_____ (KAB-2)	Branick	Fuel adjustment projection, April 1997 - September 1997
_____ (KAB-3)	Branick	Capacity cost recovery projection, April 1997 - September 1997

DOCUMENT NUMBER-DATE

01033 JAN 27 6 358

FPSC-RECORDS/REPORTING

<u>(KAB-4)</u>	Branick	Deferred Revenue Plan \$25 million refund - October 1996 - September 1997
<u>(GAK-1)</u>	Keselowsky	Generating Performance Incentive Factor Results, April 1996 - September 1996
<u>(GAK-1)</u>	Keselowsky	GPIF Targets and Ranges Estimated for April 1997 - September 1997
<u>(GAK-3)</u>	Keselowsky	Estimated Unit Performance Data, April 1997 - September 1997

**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 and GPIF true-up calculations, including the proposed fuel adjustment factor of 2.415 cents per KWH before application of factors which adjust for variation in line losses; the proposed capacity cost recovery factor of .139 cents per KWH before applying the 12 CP and 1/13 allocation methodology; and a GPIF penalty of \$298,369.

**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, 1996 through September, 1996?

**TECO:** An underrecovery of \$3,401,136. (Branick)

**ISSUE 2:** What are the estimated fuel adjustment true-up amounts for the period October, 1996 through March, 1997?

**TECO:** An overrecovery of \$4,991,759. (Branick)

**ISSUE 3:** What are the total fuel adjustment true-up amounts to be collected during the period April, 1997 through September, 1997?

**TECO:** An overrecovery of \$1,580,623. (Branick)

**ISSUE 4:** What are the appropriate levelized fuel cost recovery factors for the period April, 1997 through September, 1997?

**TECO:** 2.415 cents per KWH before application of the factors which adjust for variations in line losses. (Branick)

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

**TECO:** The factors should be effective beginning with the specified fuel cycle and thereafter for the period April, 1997 through September, 1997. Billing cycles may start before April 1, 1997, and the last cycle may be read after September 30, 1997, so that each customer is billed for six months regardless of when the adjustment factors became effective. (Branick)

**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?

<b><u>TECO:</u></b>	<b><u>Group</u></b>	<b><u>Multiplier</u></b>
	Group A	1.0072
	Group A1	n/a*
	Group B	1.0013
	Group C	0.9687

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

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

<b><u>TECO:</u></b>	<b><u>Standard</u></b>	<b><u>On-Peak</u></b>	<b><u>Off-Peak</u></b>
	Group A	2.432	2.190
	Group A1	2.303	n/a
	Group B	2.418	2.177
	Group C	2.339	2.106

(Branick)

**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, 1997 through September, 1997?

**TECO:** 1.00083. (Branick)

**ISSUE 9:** What accounting procedures should be used by the investor-owned utilities to book adjustments due to differences between the "per books" inventory quantities and the semi-annual coal inventory survey quantities?

**TECO:** No position at this time.

**ISSUE 10:** How should transmission costs be accounted for when determining the transaction price of an economy, Schedule C, broker transaction between two directly interconnected utilities?

**TECO:** No position at this time.

**ISSUE 11:** If the cost of transmission is used to determine the transaction price of an economy, Schedule C, broker transaction between two directly interconnected utilities, how should the costs of this transmission be recovered?

**TECO:** No position at this time.

**ISSUE 12:** How should transmission costs be accounted for when determining the transaction price of an economy, Schedule C, broker transaction that requires wheeling between two non-directly interconnected utilities?

**TECO:** No position at this time.

**ISSUE 13:** If the cost of transmission is used to determine the transaction price of an economy, Schedule C, broker transaction that requires wheeling between two non-directly interconnected utilities, how should the costs of this transmission be recovered?

**TECO:** No position at this time.

**Company Specific Fuel Adjustment Issues**

**ISSUE 16:** Has Tampa Electric Company appropriately calculated its proposed refund factors for refunding the \$25 million in excess earnings as required by Order No. PSC-96-0670-S-EI?

**TECO:** Yes. (Branick)

**Generic Generating Performance Incentive Factor Issues**

**ISSUE 17:** What is the appropriate GPIF reward or penalty for performance achieved during the period April, 1996 through September, 1996?

**TECO:** Penalty of \$298,369. (Keselowsky)

**ISSUE 18:** What should the GPIF targets/ranges be for the period April, 1997 through September, 1997?

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

**Generic Capacity Cost Recovery Issues**

**ISSUE 19:** What is the appropriate final capacity cost recovery true-up amount for the April, 1996 through September, 1996 period?

**TECO:** An overrecovery of \$12,560. (Branick)

**ISSUE 20:** What is the estimated capacity cost recovery true-up amount for the period October, 1996 through March, 1997?

**TECO:** An overrecovery of \$228,378. (Branick)

**ISSUE 21:** What is the total capacity cost recovery true-up amount to be collected during the period April, 1997 through September, 1997?

**TECO:** An overrecovery of \$240,938. (Branick)

**ISSUE 22:** What is the appropriate projected net purchased power capacity cost recovery amount to be included in the recovery factor for the period April, 1997 through September, 1997?

**TECO:** \$11,422,680. (Branick)

**ISSUE 23:** What are the projected capacity cost recovery factors for the period April, 1997 through September, 1997?

**TECO:** The appropriate factors are as follows:

<u>Rate Schedules</u>	<u>Factor</u>
RS	.179 cents per KWH
GS, TS	.173 cents per KWH
GSD, EV-X	.132 cents per KWH
GSLD, SBF	.118 cents per KWH
IS-1 & 3, SBI-1 & 3	.010 cents per KWH
SL/OL	.021 cents per KWH

(Branick)

**Company-Specific Capacity Cost Recovery Issues**

**ISSUE 26:** How should the non-fuel revenues associated with Tampa Electric Company's wholesale sales to the Florida Municipal Power Agency and the City of Lakeland be treated for cost recovery purposes?

**TECO:** No position at this time.

**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 27<sup>th</sup> day of January, 1997.

Respectfully submitted,



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JAMES D. BEASLEY  
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(904) 224-9115

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 22 day of January, 1997 to the following:

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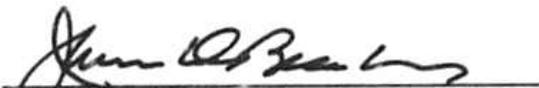
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