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August 14, 2001

HAND DELIVERED

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

Re: Environmental Cost Recovery Clause
FPSC Docket No. 010002-EG

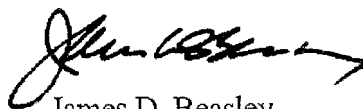
Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and seven copies of Tampa Electric Company's response to the Florida Public Service Commission's Conservation Audit for the Twelve Months Ended December 31, 2000, Control No. 01-058-2-2, along with one copy of a three-ring binder containing the 1999-2000 Energy Conservation Campaign.

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

JDB/pp
Enclosures

DOCUMENT NUMBER-DATE
09926 AUG 14 01
FPSC-COMMISSION CLERK

Audit Disclosure No. 1

Subject: Advertising Expenses

Statement of Fact: Rule 25-17.015 (5), F.A.C. states "Advertising expense recovered through energy conservation cost recovery shall be directly related to an approved conservation program, shall not mention a competing energy source, and shall not be company image enhancing."

Recommendation: Tampa Electric Company included in its Energy Conservation Cost Recovery (ECCR) filing for the twelve months ending December 31, 2000 advertising expenses that appear to conflict with the requirements of Rule 25-17.015 (5), F.A.C. Total advertising expenses that are substantially image enhancing and are not directly related to a specifically approved conservation program amounted to \$147,480.

ECCR filing should be adjusted by \$147,480 to remove expenses that do not conform to Rule 25-17.015, F.A.C.

Tampa Electric Response: All of the advertising expenses in question have been identified as charges for the company's use of billboard advertising to promote certain conservation programs available in 2000.

Tampa Electric has used billboard advertising for the last three decades as an effective component of the company's conservation advertising campaigns. The company is convinced that the use of billboards as an integral part of our past and present advertising campaigns have proven to deliver a specific, connected message on our conservation programs to the most people for the least cost.

Over the years, program specific media such as radio, television and print have been used to stress the benefits and specifics of the company's approved conservation programs. In addition, billboards have been used to create a "connected reminder" of a total message by stating a repeatable central theme. This repeatable, identifiable theme is used to reinforce the customer's memory of specific messages that have been presented by other types of specific program media mentioned above.

Tampa Electric first used billboard advertising as part of a specific advertising campaign in 1987 with its "Hugga Heat Pump" theme. At that time, the Commission evaluated the company's use of billboards as an appropriate stand-alone means of conservation advertising during a hearing in Docket No. 870002-EG. Through an expert witness in the advertising field and the testimony of others, the Commission

ruled that Tampa Electric was able to derive specific benefits from a campaign strategy inclusive of billboard advertising that was reinforced by supporting media specific to the company's conservation programs. The Commission found that the use of a limited number of words, due to the brief time of exposure to the billboard's message and imaging, could be effectively utilized in a comprehensive campaign as long as supporting media (television, radio, newspaper and other material) targeted specific energy conservation problems, identified specific solutions and provided a clear path to find those solutions. This Commission decision was rendered at a hearing and formally published in Docket No. 870002-EG, Order No. 17281, issued March 12, 1987. With the approval of this type of campaign strategy, Tampa Electric has continued the use of billboard advertising as a critical component in all of its ECCR advertising campaigns.

In 1997 the company ran its "Energy Saver Rebates" campaign, again, using billboard advertising as an integral component to promote the company's various conservation rebates that were available to our customers. As with the "Hugga Heat Pump" billboards, the messages on "Energy Saver Rebates" billboards were held to a minimum number of words and utilized the image of a Tampa Electric rebate check. The billboards were then augmented with specific media and messages targeting available conservation programs. Again, the limited wording was necessary to communicate a repeatable theme and simultaneously achieve the greatest impact with a quick, simple, single message.

The billboards identified in this audit disclosure are part of a conservation advertising campaign that ran between 1999 and 2000. None of the specific program media and material has been deemed non-compliant. Furthermore, Rule 25-17.015 (5), F.A.C., states, "In determining whether an advertisement is "directly related to an approved conservation program", the Commission shall consider, but is not limited to, whether the advertisement or advertising campaign:

- (a) Identifies a specific problem;
- (b) States how to correct the problem; and
- (c) Provides direction concerning how to obtain help to alleviate the problem."

In as much as Tampa Electric's 1999/2000 advertising campaign meets these criteria, that the company can demonstrate the strong relationship of our billboards to our advertising campaign, and that the Commission has ruled favorably on this issue in the past, Tampa Electric Company requests the Commission to accept the ECCR advertising expenses in question as filed.

In support of our request for approval of billboard expenses utilized in our conservation advertising campaign, Tampa Electric has included a summary of the campaign compiled by our advertising agency, Hallmark Tassone. The summary and

TAMPA ELECTRIC COMPANY
DOCKET NO. 010002-EI
AUDIT- CONSERVATION AUDIT
AUDIT CONTROL NO. 01-058-2-2
DISCLOSURE NO. 1
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PAGE 3 OF 3

supporting data clearly demonstrates the relationship of the billboard advertisements to the balance of the components contained in the overall conservation advertising campaign.

**1999-2000
ENERGY
CONSERVATION
CAMPAIGN**

RUN WITH US™

TECO™
TAMPA ELECTRIC

Creative Rationale

Tampa Electric's Conservation Campaign

Conserving energy is a concept everyone believes in, yet in a world of immediate gratification, what will make the consumer take action? With Tampa Electric's conservation campaign, the goal is to present the idea of saving energy as not only simple and affordable, but desirable. Saving energy means saving money.

Furthermore, the campaign strives to present the immediacy of Tampa Electric's solutions. Whether you're a commercial or residential customer, Tampa Electric has energy-saving ideas and programs available. All you have to do is call. From duct repair, free home and business energy audits, heat pump rebates, load management, commercial lighting rebates, custom incentives and more, we're ready.

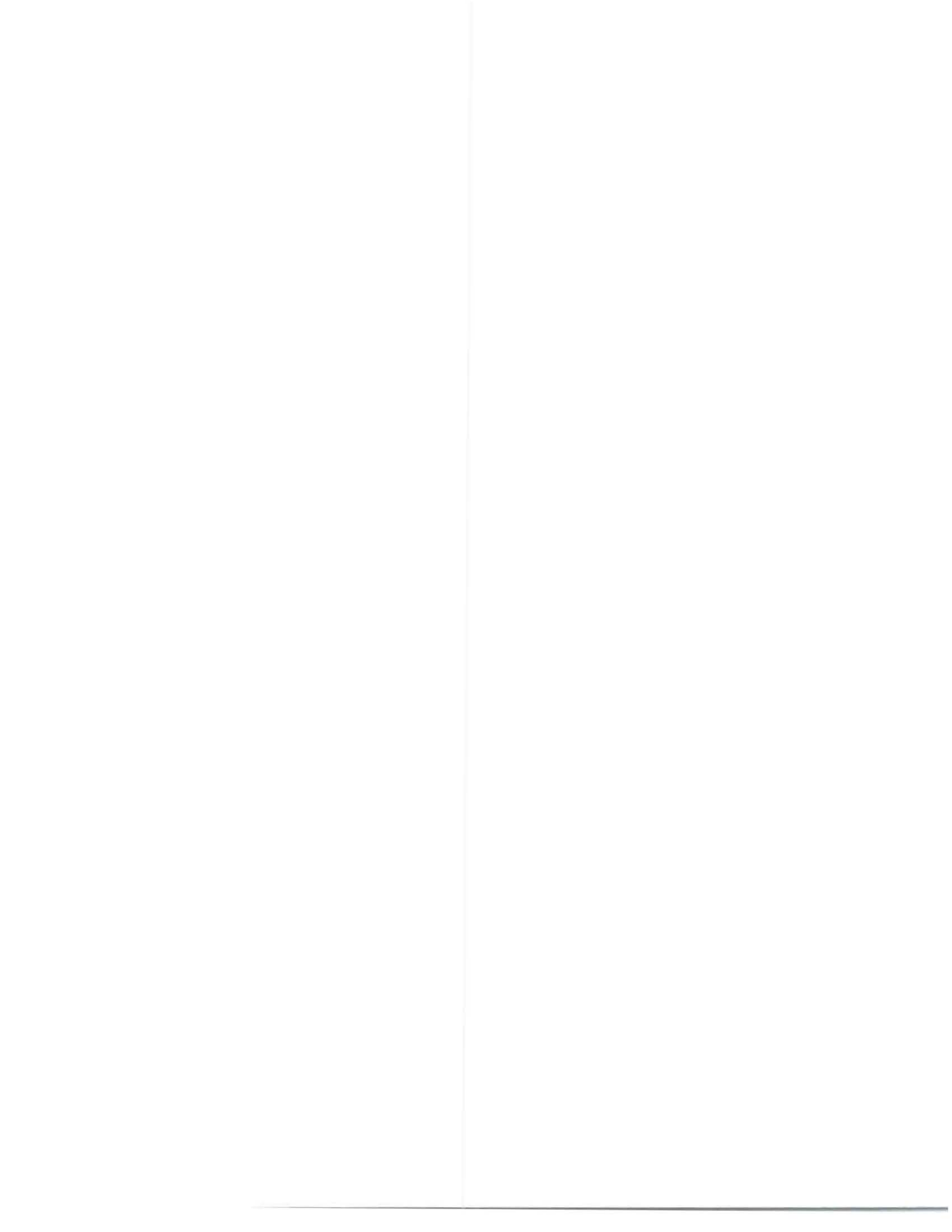
Strong elements, working together

To accomplish this goal, Tampa Electric has created a communications campaign that uses a variety of media, working together, to state the problem, recommend solutions and show customers where to come for energy conservation solutions that work.

Graphically, the campaign combines ordinary people and slice-of-life settings with juxtaposed images to capture the viewer's attention. The recurring visual element of the light bulb, appearing in print, outdoor boards (billboards) and television, becomes a symbol of how energy touches all aspects of life. It also becomes a unifying element for the campaign, strengthening the message and enabling each part of the campaign to clearly support the other.

Same message, different mediums

To further tie the campaign together and create memorability for the conservation message, Tampa Electric created television and radio commercials. Along with music, each spot uses a strong announcer who



energy is escaping. do something.



Leaky air ducts can cost you money. So why not call about our Seal Deal Duct Repair? We'll perform a diagnostic test on your system's ducts for a nominal cost, and even pick up 75% of any repair cost up to \$200. Don't let your energy savings vanish into thin air. Run smart and save with Tampa Electric.

www.tampaelectric.com
888.223.0800



RUN WITH US™



Boy with Balloon Bulb
Residential Print Ad

energy is escaping. do something.



Leaky air ducts can cost you money. So why not call about our Seal Deal Duct Repair? We'll perform a diagnostic test on your system's ducts for a nominal cost, and even pick up 75% of any repair cost up to \$200. Don't let your energy savings vanish into thin air. Run smart and save with Tampa Electric.

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RUN WITH US™

TECO

TAMPA ELECTRIC

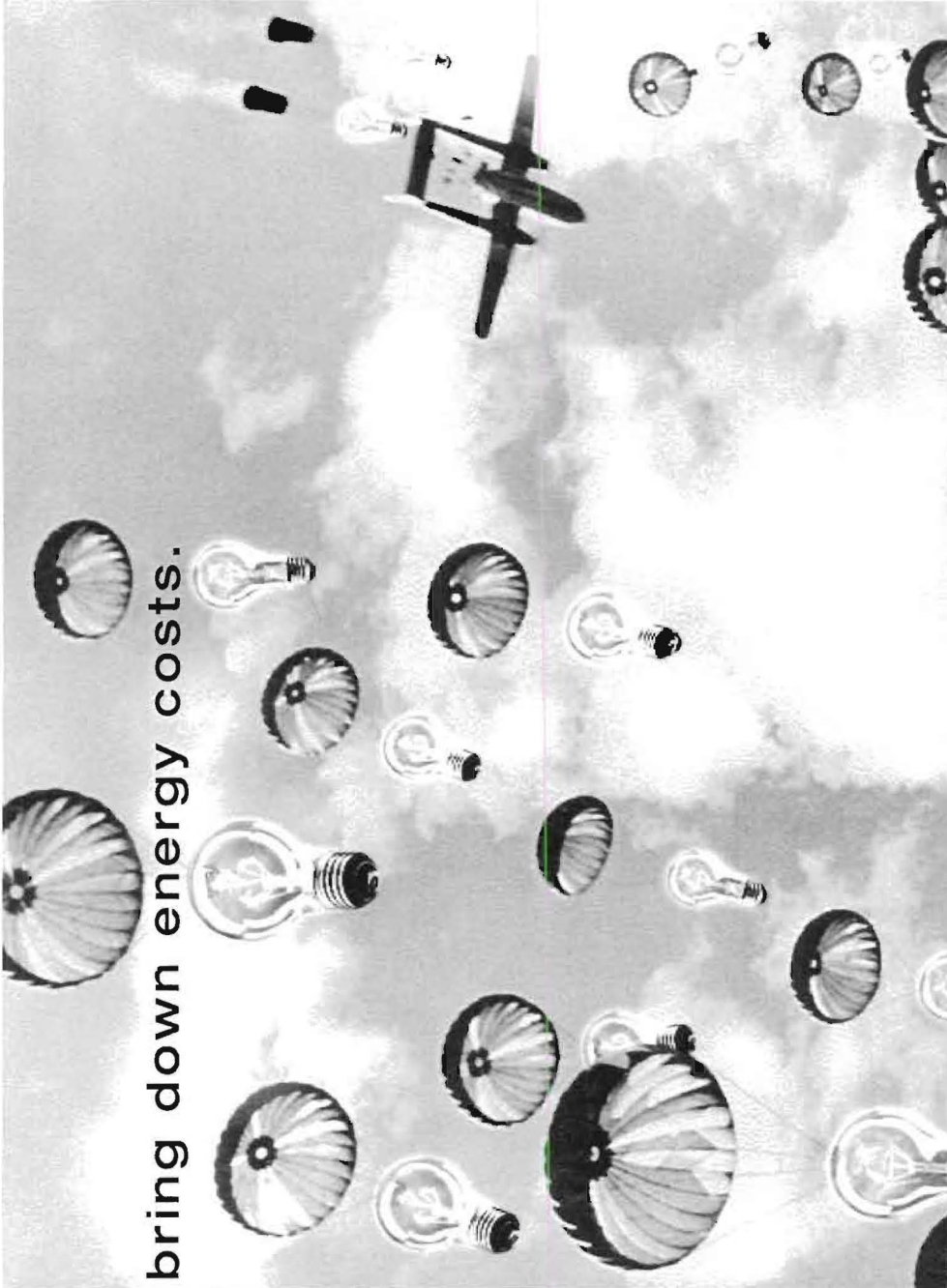
Boy with Balloon Bulb
Residential Print Ad

we'll help you

bring down energy costs.

Inefficient energy use can make business costs soar. That's why we've made it our mission to offer such energy-saving programs as indoor lighting design rebates, free energy audits, load management and more. Find out how we can help bring down energy costs for your business. Run smart and save with Tampa Electric.

www.tampaelectric.com
888.223.0800



RUN WITH US™



Parachute Bulbs Commercial
Print Ad

we'll help you keep energy from escaping.



Every bit of energy that escapes from your home is costing you money. So why not call us for a free home energy audit? We'll show you how running your home more efficiently can keep energy savings from going right out the window. Run smart and save with Tampa Electric.

www.tampaelectric.com
888.223.0800

RUN WITH US™

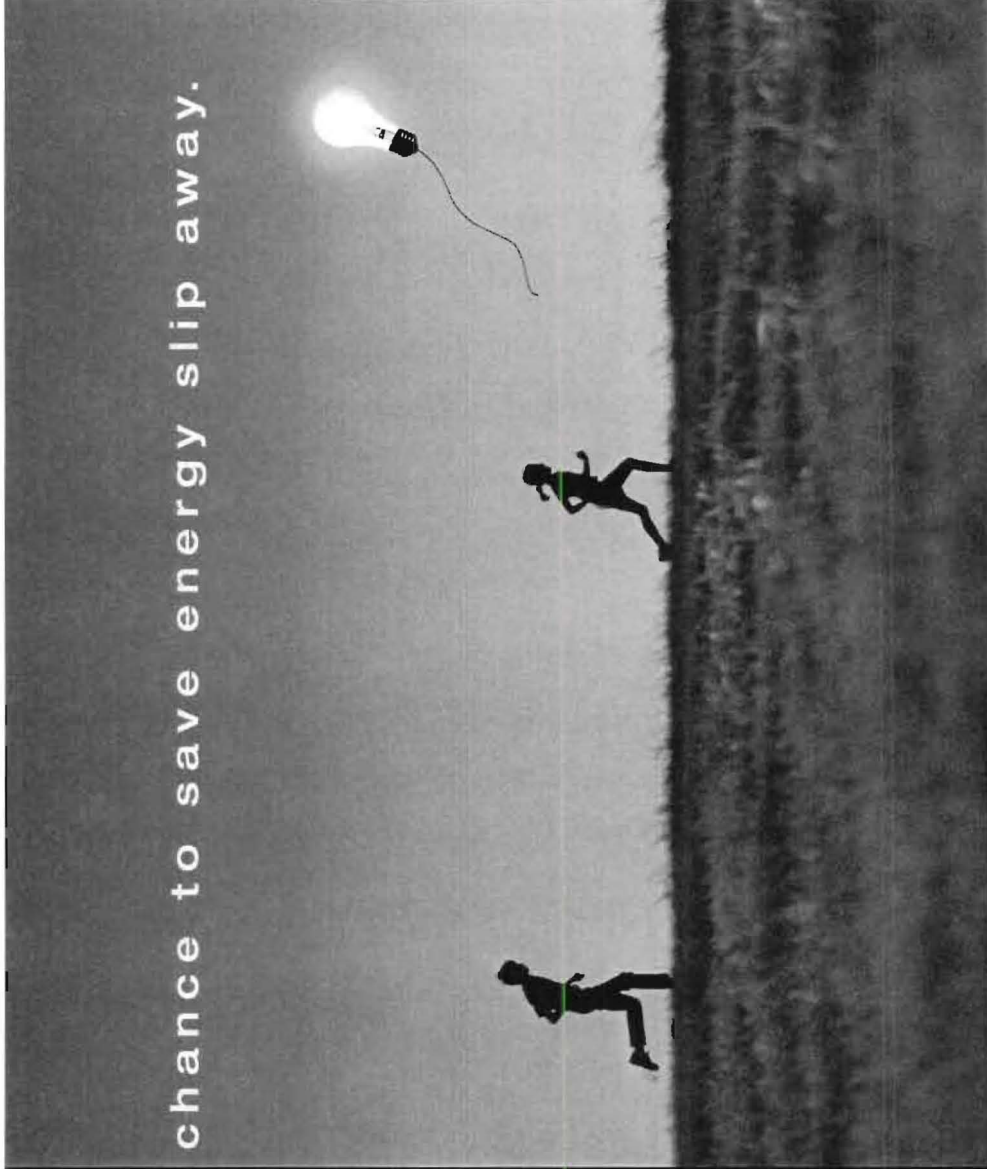
TECO
TAMPA ELECTRIC

**Woman with Bubbles
Residential Print Ad**

don't let your chance to save energy slip away.

With Tampa Electric's conservation programs, energy savings are always within reach. Our Seal Deal Duct Repair, heat pump rebates, Prime Time energy management credits and other programs can help your home run more efficiently. So don't let energy savings slip away. Run smart and save with Tampa Electric.

www.tampaelectric.com
888.223.0800



RUN WITH US™

TECO
TAMPA ELECTRIC

Kids with Balloon Bulb Residential
Print Ad

BI-93 200M 6/99 EPS

www.tampaelectric.com



we'll help you bring down energy costs.

RUN WITH US™

The advertisement features a black and white photograph of a plane flying through a cloudy sky, with numerous parachutes and lightbulbs falling from it. The parachutes are open, and the lightbulbs are glowing. The text "we'll help you bring down energy costs." is overlaid on the left side of the image. At the bottom, there is a red banner with the text "RUN WITH US™" and the TAMPA ELECTRIC logo.

Now you can plug in and save up to \$228* on your annual electric bill with Tampa Electric's Prime Time Energy Management Program. That's an average savings of up to 20 percent* on your electric bill every month.

Prime Time is a free and easy way to save on your electric bill and you don't have to lift a finger. As a Prime Time customer, you allow us to give your appliances a little "time off" during prime energy use periods. An energy management device "communicates" with the appliances that are plugged into Prime Time and interrupts service temporarily when there's a need to reduce the demand for electricity. In return, you'll receive a credit of up to \$19 on your monthly electric bill.

Select one, two, three or all four electric appliances in your home that can qualify for Prime Time:

- 1 Central Air Conditioner
- 2 Central Heater
- 3 Water Heater
- 4 Swimming Pool Pump

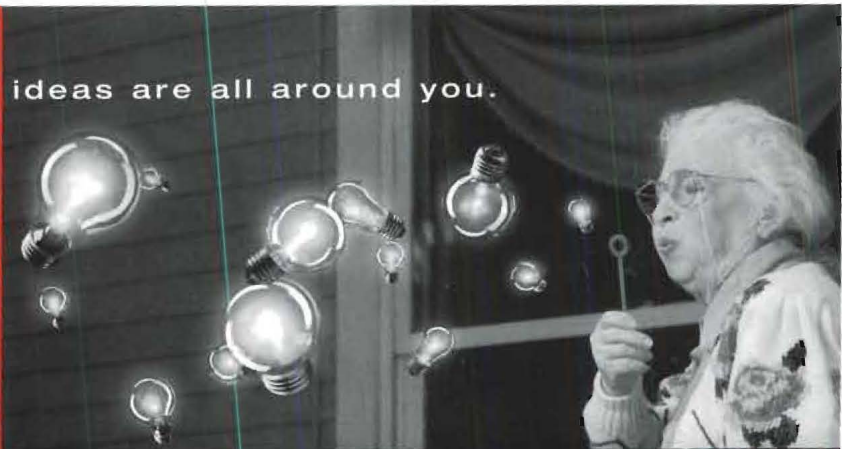
Best of all, you'll receive your monthly credit even if we don't interrupt your appliances that month. Sign up today. Call your local Tampa Electric office (the numbers are listed below) and get plugged into Prime Time. And if you're buying a brand new home or moving to a new residence, you can sign up for Prime Time when you call in for electric service. In most cases, we'll have Prime Time installed in less than a week.

*Based on a 1,000 kwh residential bill.

Hillsborough County 223-0800
Outside Hillsborough County 1-888-223-0800
(Mon - Fri 8 a.m. - 5 p.m.)
www.tampaelectric.com



energy saving ideas are all around you.



RUN WITH US™

TECO

TAMPA ELECTRIC

Leaky air ducts can cost you money. So why not call about our Seal Deal Duct Repair Program? We'll perform a diagnostic test on your system's ducts for only \$25 (additional systems \$10 each), and even pick up 75% of any repair cost up to \$200. Don't let your energy savings vanish into thin air. Run smart and save with Tampa Electric.

Hillsborough County 223-0800

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energy is escaping. do something.



RUN WITH US™

TECO
TAMPA ELECTRIC

Boy with Balloon Bulb
Residential Outdoor

energy saving ideas are all around you.



RUN WITH US™

TECO
TAMPA ELECTRIC

Woman with Bubbles
Residential Outdoor

we'll help you bring down energy costs.

RUN WITH US™

TECO
TAMPA ELECTRIC

Parachute Bulbs
Commercial Outdoor



energy is escaping. do something.

RUN WITH US™

TECO
TAMPA ELECTRIC

Boy with Balloon Bulb Banner

we'll help you keep energy from escaping.

Seal Deal is Tampa Electric's money-saving offer to help you correct leaky duct work in your home.



RUN WITH US™

TECO
TAMPA ELECTRIC

Leaky air ducts can cost you money. So why not call about our Seal Deal Duct Repair Program? A Tampa Electric-approved contractor will perform a diagnostic test on your system's ducts for only \$25 (additional systems \$10 each). Tampa Electric will even pick up 75% of any repair cost up to \$200. Don't let your energy savings vanish into thin air. Run smart and save with Tampa Electric.

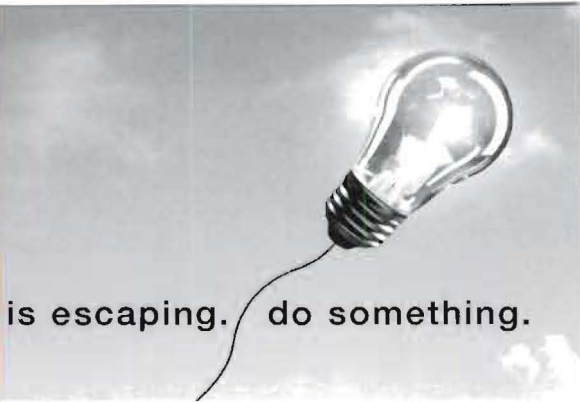
Hillsborough County 813-223-0800

Outside Hillsborough County 1-888-223-0800



TAMPA ELECTRIC

www.tampaelectric.com



energy is escaping. do something.

At no cost to you, our Tampa Electric customer, Tampa Electric's Ceiling in Value program can help. A trained expert will check your attic's insulation and provide a thorough analysis of your insulation needs. Once this inspection is completed, you may qualify for a \$100 Certificate from Tampa Electric to help you pay for needed insulation. This inspection must be completed prior to insulation being installed. Don't let your energy savings vanish into thin air. Run smart and save with Tampa Electric.

Hillsborough County
813-223-0800

Outside Hillsborough County
1-888-223-0800

www.tampaelectric.com

252.374.2 10M 5/99 PCS

RUN WITH US™

TECO
TAMPA ELECTRIC

Get conservation value from your energy investment

Tampa Electric offers an energy management program that provides cash incentives to businesses that invest in equipment to shift or reduce their energy load during periods of peak energy demand. The program is called Conservation Value.

You may be eligible for rebates for implementing measures that primarily reduce your energy consumption during "peak" use periods. With Conservation Value the more you reduce your "peak" energy use, the greater the potential incentive.

How does it work?

1. With the help of a Tampa Electric representative, you or your engineering consultant submit a proposal to us on a measure designed to reduce your peak energy use. Proposal must be submitted prior to actual installation.
2. Tampa Electric reviews the proposal for cost-effectiveness and estimates the potential incentive.
3. After 90 days of successful operation, incentives are dispersed based on actual equipment performance (an average* reduction of less than 50 KW will be paid in full; an average* reduction of 50 KW or greater will earn 50 percent of the incentive with the remaining amount paid at the end of one year of continued successful operation). Some monitoring may be required for evaluation purposes.

Potential Incentives

The maximum potential rebate in this Customer-incentive program can be \$275 per average* KW for measures which reduce or shift both summer cooling and winter heating loads.

For measures that reduce or shift summer peak cooling loads, the maximum rebate can be \$225 per average* KW. The summer peak period runs from April 1 through October 31 and the hours are 12 noon to 9 p.m., Monday through Friday.

For measures that reduce or shift winter peak heating loads, the maximum rebate can be \$150 per average* KW. The winter peak period runs from November 1 through March 31, Monday through Friday, and the hours are 6 a.m. to 10 a.m. and 6 p.m. to 10 p.m.

***Note:** Average KW is defined as the kilowatt-hours (KWH) used in the seasonal peak, divided by the total peak hours in the season.

Minimum Qualifications

To qualify for Tampa Electric's Conservation Value program, the peak reduction must be a minimum of 5 average* KW for summer and/or winter measures. The savings are calculated by comparing the existing equipment to the proposed measure unless there is a baseline minimum product code for efficiency. In this case, the savings are calculated by comparing a baseline measure to the proposed measure.

Some measures are not eligible for Conservation Value rebates. These include:

- Electric loads receiving credit under other Tampa Electric conservation and load management programs.
- Operational (behavioral) improvements.
- Measures potentially in conflict with environmental regulations.
- On-site generation, emergency generation, and cogeneration.
- Customers on non-firm rates.
- Measures undergoing research and development evaluations.
- Measures with less than a two year simple payback (including incentives) with respect to savings from the existing or baseline measure, whichever is applicable.

If you would like to participate in the Conservation Value program, please call (813) 228-4123.

Energy Audits

Tampa Electric's energy audits can help you earn bigger profits with less energy, whether you own a small business or a huge complex.

Free Energy Audit

Save hundreds of dollars with Tampa Electric's Free Energy Audit. During the audit, a Tampa Electric representative will evaluate your energy-consuming equipment.

Then, we'll recommend low-cost/no-cost measures that will help you use energy more efficiently, while giving you a quick payback on your investment.

Your business could qualify for incentives from other Tampa Electric conservation programs. During the audit, we'll also suggest energy-saving measures that could help you qualify.

Comprehensive Energy Audit

We'll take a closer look at your potential savings with our Comprehensive Energy Audit. During this audit, we'll

- Examine the operation and costs of specific equipment at your business,
- Recommend energy measures that have a mid- to long-term payback period,
- Provide an estimated electric demand and energy savings.

This audit is primarily designed for facilities with more than 100,000 square feet or 500 KW demand, such as:

- Large office complexes
- Retail stores
- Manufacturing plants
- Hospitals

Fees for this comprehensive audit vary, depending on your electric rate schedule.

The sooner you call, the sooner you'll start saving. To learn more about Tampa Electric's energy audits, please call (813) 228-4108, Monday through Friday, 8 a.m. to 5 p.m.

For more information on Tampa Electric's services, visit our Web site at www.tampaelectric.com