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COMMISSION CLERK

August 24, 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: Fuel and Purchased Power Cost Recovery Clause with Generating Performance
Incentive Factor; FPSC Docket No. 010001-EI

Dear Ms. Bayo:

Enclosed for filing in the above docket on behalf of Tampa Electric Company are the
original and ten (10) copies of Tampa Electric Company's Answer to FIPUG Petition for Fuel
Charge Rate Reduction.

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
APP _____
CAF _____
CMP _____
COM S cc: All parties of record (w/enc.)
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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost Recovery)
Clause with Generating Performance Incentive) DOCKET NO. 010001-EI
Factor.) FILED: August 24, 2001
_____)

**TAMPA ELECTRIC COMPANY'S ANSWER TO FIPUG
PETITION FOR FUEL CHARGE RATE REDUCTION**

Tampa Electric Company ("Tampa Electric" or "the company"), pursuant to Rule 28-106.203, Florida Administrative Code, submits this its answer to the Petition for Fuel Charge Rate Reduction filed on August 15, 2001 on behalf of the Florida Industrial Power Users Group ("FIPUG") and, says:

1. FIPUG's Petition suffers many of the same symptoms exhibited by other recent FIPUG filings. In the body of the Petition FIPUG makes unsupported allegations of fact, many of which are simply wrong. A number of the conclusions stated in FIPUG's Petition appear to have been derived through a flawed blending of non-comparable concepts and/or data or through misinterpretations of information the utilities routinely file with the Commission.

2. FIPUG's Tampa Electric specific statements contained in paragraphs 14 through 16 of the Petition have no support whatsoever either in the Petition or in the Affidavit attached to the Petition.

3. Neither FIPUG's Petition nor the Affidavit attached to it even addresses or takes into account whether the individual utilities are presently in an underrecovered or overrecovered position with respect to their fuel and purchased power costs. FIPUG apparently believes, erroneously, that fuel adjustment factors may be abruptly and arbitrarily modified based on a

consultant's affidavit without regard to reality and without regard to the impact such action would have on customers in both the current and future cost recovery periods.

4. On August 13, 2001 Tampa Electric notified the Commission that as of that date the company projects that over the remainder of 2001 it may or may not be underrecovered in excess of ten percent of its fuel and purchased power costs, depending upon whether the \$55 million in underrecovery, deferred for collection in 2002 in the earlier mid-course correction order,¹ counts toward the ten percent threshold.

5. The relief demanded in FIPUG's Petition, an arbitrary reversion to the fuel factors in place prior to the mid-course correction, would significantly aggravate Tampa Electric's underrecovered position and greatly impact customers when new fuel and purchased power cost recovery factors become effected in January of 2002.

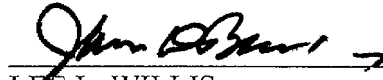
6. The Commission is scheduled to consider all of the utilities' fuel and purchased power costs at the forthcoming November cost recovery hearing. The Commission has put forth a schedule that will enable it to give proper consideration to all issues in an orderly manner. FIPUG should be required to adhere to that schedule rather than jumping the gun with a petition demanding an arbitrary and unsupported change in the existing fuel and purchased power cost recovery factors.

WHEREFORE, Tampa Electric urges the Commission to deny FIPUG's Petition for Fuel Charge Rate Reduction.

¹ Order No. PSC-01-0709-PCO-EI issued March 21, 2001 in Docket No. 010001-EI.

DATED this 24th day of August, 2001.

Respectfully submitted,



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ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Answer to FIPUG Petition for Fuel Charge Rate Reduction, filed on behalf of Tampa Electric Company, has been furnished by hand delivery (*) or U. S. Mail on this 24th day of August, 2001 to the following:

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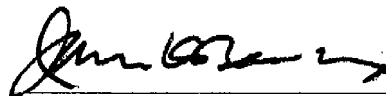
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