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October 31, 2001

VIA HAND DELIVERY

Blanca S. Bayo, Director
Division of Records and Reporting
Betty Easley Conference Center
4075 Esplanade Way
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Re: Docket No.: 010001-EI

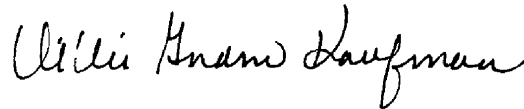
Dear Ms. Bayo:

On behalf of The Florida Industrial Power Users Group (FIPUG), enclosed for filing and distribution are the original, 15 copies and disk containing the following:

- ▶ The Florida Industrial Power Users Group's Supplemental Prehearing Statement.

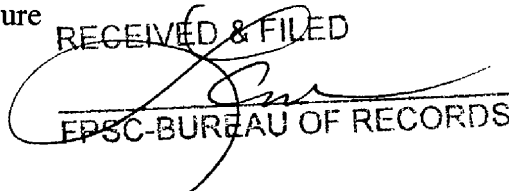
Please acknowledge receipt of the above on the extra copy of each and return the stamped copies to me. Thank you for your assistance.

Sincerely,



Vicki Gordon Kaufman

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MCWHIRTER, REEVES, MCGLOTHLIN, DAVIDSON, DECKER, KAUFMAN, ARNOLD & STEEN, P.A.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power
cost recovery clause and
generating performance incentive
factor.

Docket No. 010001-EI

Filed: October 31, 2001

The Florida Industrial Power Users Group's Supplemental Prehearing Statement

FIPUG filed its Prehearing Statement on October 24, 2001. On October 30, Staff conducted an Issue Identification meeting. Some of the previously identified issues were either deleted or subsumed in other issues. Therefore, FIPUG files this Supplement to its original Prehearing Statement. This supplemental filing contains only *changes* to FIPUG's original Prehearing Statement. To the extent an issue is not contained herein, the position in FIPUG's original filing remains the same.

ISSUE 3: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January, 2002 to December, 2002?

FIPUG: TECo should not be permitted to collect any of its true-up request pending the outcome of a Commission investigation into its wholesale practices.

ISSUE 21C: For the period January 1998, to December 2000, were Tampa Electric Company's decisions regarding its wholesale energy purchases from and its wholesale sales to Hardee Power Partners reasonable?

FIPUG: No. The Commission should open a separate docket to conduct a thorough investigation of Tampa Electric Company's affiliate transactions and its procurement of power for its wholesale customers to determine whether Tampa Electric Company's actions regarding affiliate transactions are prudent and beneficial to retail customers.

ISSUE 21D: For the period January 1998, to December 2000, were Tampa Electric Company's decisions regarding its wholesale energy purchases from and its wholesale energy sales to non-affiliated entities reasonable?

FIPUG: No. The Commission should open a docket to require TECo to quantify the magnitude of the past overcharges to retail customers due to its inappropriate management of its long-term contracts.

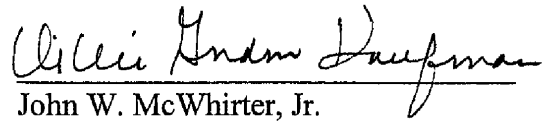
ISSUE 21G: Does TECo currently allocate 100% of purchased power costs to retail customers? If so, what action, if any, should the Commission take?

FIPUG: Yes, TECo currently allocates 100% of purchased power costs to retail customers. It should be ordered to cease this practice and be directed to allocate a pro rata share of all replacement power purchases to wholesale operations.

ISSUE 21H¹: Does the Commission's requirement that wholesale sales be charged average system fuel costs and non-separated sales be charged system incremental costs allow TECo to charge all purchased power costs exclusively to retail consumers?

FIPUG: No. TECo fails to account for the costs of incremental power purchases in its calculations. Commission Order No. PSC-97-0262-FOF-EI was rendered at the conclusion of a 1996 docket studying fuel costs. It was rendered to prohibit gaming in fuel cost. TECo has incorrectly construed this order to enable it to shield its wholesale customers from any responsibility for replacement power costs. The Order does not stand for the proposition that retail customers must bear all the risks of extensive wholesale market transactions. When TECo uses wholesale transactions to provide the capacity needed to meet the demands on its system, the cost of purchased power should be allocated first to TECo's wholesale customers and second to retail customers.

¹This issue has been reworded as requested at the Issue Identification meeting. It is intended to be a TECo-specific issue.



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the FIPUG's Supplemental Prehearing Statement has been served by (*) hand delivery, or U.S. Mail this 31st day of October 2001, to the following parties of record:

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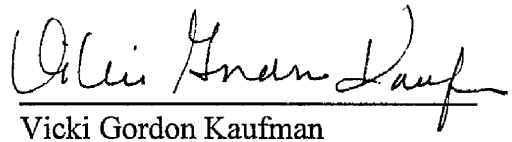
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