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September 22, 2006

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. 060001-EI

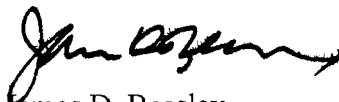
Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and fifteen (15) copies of Tampa Electric Company's Preliminary List of Issues and Positions.

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

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

DOCUMENT NUMBER-DATE

08770 SEP 22 8

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 060001-EI
FILED: September 22, 2006

**TAMPA ELECTRIC COMPANY'S
PRELIMINARY LIST OF ISSUES AND POSITIONS**

Tampa Electric Company ("Tampa Electric" or "the company") hereby submits its Preliminary List of Issues to be taken up at the hearing scheduled to commence on November 6, 2006 in the above docket.

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 1: What are the appropriate fuel adjustment true-up amounts for the period January 2005 through December 2005?

TECO: \$106,516,837 under-recovery. (Witness: Aldazabal)

ISSUE 2: What are the appropriate fuel adjustment true-up amounts for the period January 2006 through December 2006?

TECO: \$51,260,142 under-recovery. (Witness: Aldazabal)

ISSUE 3: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2007 to December 2007?

TECO: \$157,776,979 under-recovery. (Witness: Aldazabal)

ISSUE 4: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2007 through December 2007?

TECO: The appropriate revenue tax factor is 1.00072. (Witness: Aldazabal)

ISSUE 5: What are the appropriate projected net fuel and purchased power cost recovery amounts to be included in the recovery factor for the period January 2007 through December 2007?

TECO: The projected net fuel and purchased power cost recovery amount to be included in the recovery factor for the period January 2007 through December 2007, adjusted by the jurisdictional separation factor, is \$1,019,138,160. The total recoverable fuel and purchased power cost recovery amount to be collected, including the true-up and GPIF and adjusted for the revenue tax factor, is \$1,177,662,727. (Witness: Aldazabal)

ISSUE 6: What is the appropriate levelized fuel cost recovery factor for the period January 2007 to December 2007?

TECO: The appropriate factor is 5.897 cents per kWh before the normal application of factors that adjust for variations in line losses. (Witness: Aldazabal)

ISSUE 7: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

TECO: The appropriate fuel recovery line loss multipliers are as follows:

<u>Rate Schedule</u>	<u>Fuel Recovery Loss Multiplier</u>
RS, GS and TS	1.0042
RST and GST	1.0042
SL-2, OL-1 and OL-3	N/A
GSD, GSLD, and SBF	1.0004
GSDT, GSLDT, EV-X and SBFT	1.0004
IS-1, IS-3, SBI-1, SBI-3	0.9742
IST-1, IST-3, SBIT-1, SBIT-3	0.9742

(Witness: Aldazabal)

ISSUE 8: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

TECO: The appropriate factors are as follows:

<u>Rate Schedule</u>	<u>Fuel Charge Factor (cents per kWh)</u>
Average Factor	5.897
RS, GS and TS	5.922
RST and GST	7.392 (on-peak) 5.146 (off-peak)
SL-2, OL-1 and OL-3	5.483
GSD, GSLD, and SBF	5.899
GSDT, GSLDT, EV-X and SBFT	7.364 (on-peak) 5.126 (off-peak)
IS-1, IS-3, SBI-1, SBI-3	5.745
IST-1, IST-3, SBIT-1, SBIT-3	7.171 (on-peak) 4.992 (off-peak)

(Witness: Aldazabal)

ISSUE 9: What should be the effective date of the fuel adjustment charge and capacity cost recovery charge for billing purposes?

TECO: The new factors should be effective beginning with the specified billing cycle and thereafter for the period January 2007 and thereafter through the last billing cycle for December 2007. The first billing cycle may start before January 1, 2007, and the last billing cycle may end after December 31, 2007, so long as each customer is billed for 12 months regardless of when the factors became effective. (Witness: Aldazabal)

ISSUE 10: What are the appropriate benchmark levels for calendar year 2006 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

TECO: \$1,037,634. (Witness: Aldazabal)

ISSUE 11: What are the appropriate estimated benchmark levels for calendar year 2007 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

TECO: \$1,165,220. (Witness: Aldazabal)

GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

ISSUE 17: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2005 through December 2005 for each investor-owned electric utility subject to the GPIF?

TECO: A penalty in the amount of \$99,791. (Witness: Smotherman)

ISSUE 18: What should the GPIF targets/ranges be for the period January 2007 through December 2007 for each investor-owned electric utility subject to the GPIF?

TECO: The appropriate targets and ranges are shown in Exhibit No. 1 to the prefiled testimony of Mr. William A. Smotherman. Targets and ranges should be set according to the prescribed GPIF methodology established in 1981 by Commission Order No. 9558 in Docket No. 800400-CI. (Witness: Smotherman)

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 23: What are the appropriate final capacity cost recovery true-up amounts for the period January 2005 through December 2005?

TECO: \$156,806 under-recovery. (Witness: Aldazabal)

ISSUE 24: What are the appropriate estimated capacity cost recovery true-up amounts for the period January 2006 through December 2006?

TECO: \$804,145 under-recovery. (Witness: Aldazabal)

ISSUE 25: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2007 through December 2007?

TECO: \$960,951 under-recovery. (Witness: Aldazabal)

ISSUE 26: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2007 through December 2007?

TECO: The purchased power capacity cost recovery amount to be included in the recovery factor for the period January 2007 through December 2007, adjusted by the jurisdictional separation factor, is \$53,038,052. The total recoverable capacity cost recovery amount to be collected, including the true-up amount and adjusted for the revenue tax factor, is \$54,037,882. (Witness: Aldazabal)

ISSUE 27: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2007 through December 2007?

TECO: The appropriate jurisdictional separation factor is 0.9666743. (Witness: Aldazabal)

ISSUE 28: What are the appropriate capacity cost recovery factors for the period January 2007 through December 2007?

TECO: The appropriate factors are as follows:

<u>Rate Schedule</u>	<u>Capacity Cost Recovery Factor (cents per kWh)</u>
Average Factor	0.271
RS	0.325
GS and TS	0.311
GSD, EV-X	0.261
GSLD and SBF	0.222
IS-1, IS-3, SBI-1, SBI-3	0.020
SL-2, OL-1 and OL-3	0.042

(Witness: Aldazabal)

ISSUES RAISED BY PETITION OF THE CITIZENS OF THE STATE OF FLORIDA REGARDING THE MODIFICATION OF REWARD/PENALTY CRITERIA OF GENERATING PERFORMANCE INCENTIVE FACTOR MECHANISM

ISSUE 33: Should the Commission amend or modify the existing GPIF mechanism so as to incorporate a "dead band" around the scale of Generating Performance Incentive Points in the amounts proposed by OPC?

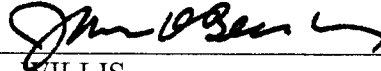
TECO: No, the proposed dead band approach would modify the GPIF methodology in an asymmetrical way to favor penalties. It is inconsistent with the primary objective of the GPIF program which is to encourage improved performance through a fair and balanced application of the incentive/penalty mechanism. (Witness: Smotherman)

ISSUE 34: If the "dead band" amendment to the GPIF mechanism is implemented by the Commission should it be applied for the current year so that the rewards or penalties are applied commencing January 1, 2007?

TECO: No, any amendment to the GPIF mechanism implemented by the Commission should be applied commencing January 1, 2008. (Witness: Smotherman)

DATED this 22nd day of September, 2006.

Respectfully submitted,



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ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Preliminary List of Issues, filed on behalf of Tampa Electric Company, has been furnished by U. S. Mail or hand delivery (*) on this 22nd day of September 2006 to the following:

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