

AUSLEY & McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

123 SOUTH CALHOUN STREET
P.O. BOX 391 (ZIP 32302)
TALLAHASSEE, FLORIDA 32301
(850) 224-9115 FAX (850) 222-7560

RECEIVED-FPSC

10 SEP 27 AM 10:15

COMMISSION
CLERK

September 27, 2010

HAND DELIVERED

Ms. Ann Cole, Director
Division of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Fuel and Purchased Power Cost Recovery Clause with Generating
Performance Incentive Factor; FPSC Docket No. 100001-EI

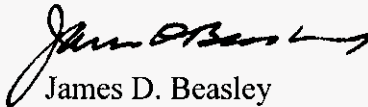
Dear Ms. Cole:

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
Enclosure

COM	_____	cc: All parties of record (w/enc.)
APA	_____	
ECR	12	
GCL	1	
RAD	1	
SSC	_____	
ADM	_____	
OPC	_____	
CLK	_____	

DOCUMENT NUMBER 08043 SEP 27 2010
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. 100001-EI
FILED: September 27, 2010

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

Tampa Electric Company ("Tampa Electric" or "the company") submits the following preliminary list of issues and positions based on the tentative list of issues attached as Appendix A to Order No. PSC-10-0154-PCO-EI, issued in this docket on March 18, 2010 (Order Establishing Procedure).

COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES

ISSUE 5A: Should the Commission approve as prudent, TECO's actions to mitigate the volatility of natural gas, residual oil and purchased power prices, as reported in TECO's April 2010 and August 2010 hedging reports?

TECO: Yes. Tampa Electric prudently followed its 2009 and 2010 Risk Management Plans and accordingly utilized financial hedges to mitigate volatility of natural gas prices during the period January 2009 through July 2010. (Witness: Wehle, Smith)

ISSUE 5B: Should the Commission approve TECO's 2011 Risk Management Plan?

TECO: Yes. Tampa Electric's 2011 Risk Management Plan provides prudent, non-speculative guidelines for mitigating price volatility while ensuring supply reliability. (Witness: Wehle, Smith)

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 6: What are the appropriate actual benchmark levels for calendar year 2010 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

TECO: \$2,002,890. (Witness: Aldazabal)

RECEIVED SEP 27 2010
6 8043 SEP 27 2010
FPSC-COMMISSION OF CH.

ISSUE 7: What are the appropriate estimated benchmark levels for calendar year 2011 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

TECO: \$2,325,363. (Witness: Aldazabal)

ISSUE 8: What are the appropriate fuel adjustment true-up amounts for the period January 2009 through December 2009?

TECO: \$14,108,291 over-recovery. (Witness: Aldazabal)

ISSUE 9: What are the appropriate fuel adjustment true-up amounts for the period January 2010 through December 2010?

TECO: \$52,979,582 over-recovery. (Witness: Aldazabal)

ISSUE 10: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2011 to December 2011?

TECO: \$67,087,873 over-recovery. (Witness: Aldazabal)

ISSUE 11: 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 2011 through December 2011?

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

ISSUE 12: What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2011 through December 2011?

TECO: The projected net fuel and purchased power cost recovery amount to be included in the recovery factor for the period January 2011 through December 2011, adjusted by the jurisdictional separation factor, is \$862,959,690. 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 \$798,275,699. (Witness: Aldazabal, Wehle, Buckley, Smith)

ISSUE 13: What are the appropriate levelized fuel cost recovery factors for the period January 2011 to December 2011?

TECO: The appropriate factor is 4.218 cents per kWh before any application of time of use multipliers for on-peak or off-peak usage. (Witness: Aldazabal)

ISSUE 14: 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>Metering Voltage Schedule</u>	<u>Line Loss Multiplier</u>
Distribution Secondary	1.0000
Distribution Primary	0.9900
Transmission	0.9800
Lighting Service	1.0000

(Witness: Aldazabal)

ISSUE 15: 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>Metering Voltage Level</u>	<u>Fuel Charge Factor (cents per kWh)</u>	
Secondary	4.225	
Tier I (Up to 1,000 kWh)	3.875	
Tier II (Over 1,000 kWh)	4.875	
Distribution Primary	4.183	
Transmission	4.141	
Lighting Service	4.134	
Distribution Secondary	4.817	(on-peak)
	3.994	(off-peak)
Distribution Primary	4.769	(on-peak)
	3.954	(off-peak)
Transmission	4.721	(on-peak)
	3.914	(off-peak)

(Witness: Aldazabal)

ISSUE 16: 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 2011 and thereafter through the last billing cycle for December 2011. The first billing cycle may start before January 1, 2011, and the last billing cycle may end after December 31, 2011, so long as each customer is billed for 12 months regardless of when the fuel factors became effective.
(Witness: Aldazabal)

GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

ISSUE 21: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2009 through December 2009 for each investor-owned electric utility subject to the GPIF?

TECO: A reward in the amount of \$1,830,855. (Witness: Buckley)

ISSUE 22: What should the GPIF targets/ranges be for the period January 2012 through December 2011 for each investor-owned electric utility subject to the GPIF?

TECO: The appropriate targets and ranges are shown in Exhibit No. ____ (BSB-2) to the prefiled testimony of Mr. Brian S. Buckley. 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 and later modified in 2006 after meeting with Staff and intervening parties at the request of the Commission. (Witness: Buckley)

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 27: What are the appropriate capacity cost recovery true-up amounts for the period January 2009 through December 2009?

TECO: \$21,184 over-recovery. (Witness: Aldazabal)

ISSUE 28: What are the appropriate capacity cost recovery true-up amounts for the period January 2010 through December 2010?

TECO: \$74,275 under-recovery. (Witness: Aldazabal)

ISSUE 30: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2011 through December 2011?

TECO: \$53,091 under-recovery. (Witness: Aldazabal)

ISSUE 31: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2011 through December 2011?

TECO: The purchased power capacity cost recovery amount to be included in the recovery factor for the period January 2011 through December 2011, adjusted by the jurisdictional separation factor, is \$54,814,246. The total recoverable capacity cost recovery amount to be collected, including the true-up amount and adjusted for the revenue tax factor, is \$54,906,841. (Witness: Aldazabal, Smith)

ISSUE 32: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2011 through December 2011?

TECO: The appropriate jurisdictional separation factor is 0.9674819. (Witness: Aldazabal)

ISSUE 33: What are the appropriate capacity cost recovery factors for the period January 2011 through December 2011?

TECO: The appropriate factors for January 2011 through December 2011 are as follows:

<u>Rate Class and Metering Voltage</u>	<u>Capacity Cost Recovery Factor</u>	
	<u>Cents per kWh</u>	<u>Cents per kW</u>
RS Secondary	0.336	
GS and TS Secondary	0.294	
GSD, SBF Standard Secondary		1.07
Primary		1.06
Transmission		1.05
GSD Optional Secondary	0.255	
Primary	0.253	
IS, SBI Primary		0.87
Transmission		0.86
LS1 Secondary	0.078	

(Witness: Aldazabal)

WHEREFORE, Tampa Electric Company submits the foregoing as its Preliminary List of Issues and Positions for consideration in the November 2010 Fuel and Purchased Power Cost Recovery proceeding.

DATED this 27th day of September, 2010

Respectfully submitted,



JAMES D. BEASLEY
J. JEFFRY WAHLEN
Ausley & McMullen
Post Office Box 391
Tallahassee, Florida 32302
(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Preliminary List of Issues and Positions, filed on behalf of Tampa Electric Company, has been furnished by U. S. Mail or hand delivery (*) on this 27th day of September 2010 to the following:

Ms. Lisa C. Bennett*
Senior Attorney
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0863

Mr. John T. Burnett
Associate General Counsel
Progress Energy Service Co., LLC
Post Office Box 14042
St. Petersburg, FL 33733-4042

Mr. Paul Lewis, Jr.
Progress Energy Service Co., LLC
106 East College Avenue
Suite 800
Tallahassee, FL 32301-7740

Ms. Vicki Kaufman
Mr. Jon C Moyle
Keefe Anchors Gordon & Moyle, PA
118 N. Gadsden Street
Tallahassee, FL 32301

Mr. John W. McWhirter, Jr.
Post Office Box 3350
Tampa, FL 33601-3350

Ms. Patricia A. Christensen
Associate Public Counsel
Office of Public Counsel
111 West Madison Street – Room 812
Tallahassee, FL 32399-1400

Ms. Beth Keating
Akerman Senterfitt
106 East College Avenue, Suite 1200
Tallahassee, FL 32302-1877

Mr. George Bachman
Ms. Cheryl Martin
Florida Public Utilities Company
P. O. Box 3395
West Palm Beach, FL 33402-3395

Mr. John T. Butler
Managing Attorney - Regulatory
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420

Mr. R. Wade Litchfield
Florida Power & Light Company
215 South Monroe Street, Suite 810
Tallahassee, FL 32301-1859

Ms. Susan Ritenour
Secretary and Treasurer
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0780

Mr. Jeffrey A. Stone
Mr. Russell A. Badders
Mr. Steven R. Griffin
Beggs & Lane
Post Office Box 12950
Pensacola, FL 32591-2950

Mr. Robert Scheffel Wright
Mr. John T. LaVia, III
Young van Assenderp, P.A.
225 South Adams Street, Suite 200
Tallahassee, FL 32301

Shayla L. McNeill, Capt, USAF
Air Force Legal Operations Agency
Utility Litigation Field Support Center
139 Barnes Drive, Suite 1
Tyndall Air Force Base, FL 32403-5319

Ms. Cecilia Bradley
Senior Assistant Attorney General
Office of the Attorney General
The Capitol – PL01
Tallahassee, FL 32399-1050

Mr. James W. Brew
Mr. F. Alvin Taylor
Brickfield, Burchette, Ritts & Stone, P.C.
1025 Thomas Jefferson Street, NW
Eighth Floor, West Tower
Washington, D.C. 20007-5201

Mr. Randy B. Miller
White Springs Agricultural Chemicals, Inc.
Post Office Box 300
White Springs, FL 32096



ATTORNEY

h:\jdb\tec\100001 issues & positions-final.doc