

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

January 27, 2016

VIA: ELECTRONIC MAIL

Ms. Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket I50223 EI– Petition for approval of new environmental program for cost recovery through Environmental Cost Recovery Clause, by Tampa Electric Company.

Dear Ms. Stauffer:

We write on behalf of Tampa Electric Company in connection with the above matter to request a modification to the manner in which costs of Tampa Electric’s proposed Coal Combustion Residual (“CCR”) Compliance Program activities are allocated to rate classes. The Staff Recommendation for the February 2, 2016 Regular Agenda recommends allocating those costs to rate classes on an energy basis, the same as was referenced in Tampa Electric’s petition. However, after that petition was filed, the Florida Industrial Power User’s Group (“FIPUG”) requested on behalf of some of Tampa Electric’s larger customers that the capital costs of the program be allocated on a demand basis.

After Tampa Electric filed its petition in this docket, the Commission issued its final order¹ in the Environmental Cost Recovery Clause docket allocating capital costs of similar CCR program costs of Florida Power & Light Company, Duke Energy Florida and Gulf Power Company on a demand basis. Tampa Electric believes FIPUG’s request for a similar allocation methodology by Tampa Electric is appropriate and would be consistent with the allocation methodologies approved for the other IOUs.

¹ Order No. PSC-15-0536-FOF-EI, issued November 19, 2015 in Docket No. 150007-EI; In re: Environmental Cost Recovery Clause

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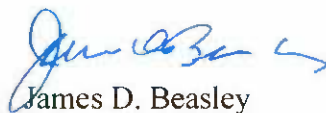
If the allocation methodology is changed as FIPUG requested, the estimated rate impacts reflect an increase of less than \$0.01 per 1,000 kWh and less than \$0.01 per 1,200 kWh on monthly residential bills. A revised version of the rate impacts reflecting a demand allocation for capital costs is provided in Exhibit A, attached to this letter.

Based on the foregoing, Tampa Electric requests that the Staff's recommendation on this matter be modified by changing the last sentence on page 5 of the recommendation to read as follows:

Staff recommends that, as requested by TECO and consistent with approved similar programs for other IOUs, the capital costs associated with this new environmental program be allocated to rate classes on a demand basis and the O&M costs be allocated on an energy basis.

Thank you for your assistance in connection with this matter.

Sincerely,



James D. Beasley

JDB/ne

cc: Leslie Ames
Laura King
Jon Moyle

Exhibit A

Estimated Residential Customer Bill Impacts^{2,3}

Year	\$/1,000 kWh	\$/1,200 kWh
2016	0	0
2017	0.0260	0.0312
2018	0.0337	0.0405

² Revised to reflect the allocation of capital costs on a demand basis rather than on an energy basis.

³ The 2016 amounts were incorporated into the 2017 bill impacts because the impact will not occur until 2017 due to the true-up mechanism in the ECRC docket.