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February 25, 1994

HAND DELIVERED

IN REPLY REFER TO

Tallahassee

Mr. Steve C. Tribble, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399-0850

Re: Fuel and Purchased Power Cost Recovery Clause
with Generating Performance Incentive Factor;
FPSC Docket No. 940001-EI

Dear Mr. Tribble:

Enclosed for filing in the above docket are the original and fifteen (15) copies of Tampa Electric Company's Prehearing Statement.

Also enclosed is a 3.5" high density diskette containing the above Prehearing Statement which was generated on an IBM DOS computer in WordPerfect 5.1 format.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning same to this writer.

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Thank you for your assistance in connection with this matter.

Sincerely,


James D. Beasley

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

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE
01935 FEB 25 94
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power)
Cost Recovery Clause and Generating)
Performance Incentive Factor.)

DOCKET NO. 940001-EI
FILED: February 25, 1994

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PREHEARING STATEMENT OF TAMPA ELECTRIC COMPANY

A. APPEARANCES:

LEE L. WILLIS
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Tallahassee, Florida 32302
On behalf of Tampa Electric Company

B. WITNESSES:

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
(Direct)		
1. Mary Jo Pennino (TECO)	Fuel Adjustment True-up and Projections; Capacity Cost Recovery True-up and Projections	1,2,3,4,5,6,7,8, 10,16,17,18,19,20
2. G. A. Keselowsky (TECO)	GPIF Reward/Penalty and Targets/Ranges	10,11
3. R. F. Tomczak and E. A. Townes (TECO)	Oil Backout Cost Recovery True-up and Projections	12,13,14,15

C. EXHIBITS:

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
<u>(JEM-1)</u>	Pennino	Levelized fuel cost recovery final true-up, April 1993 - September 1993
<u>(MJP-2)</u>	Pennino	Fuel adjustment projection, April 1994 - September 1994
<u>(MJP-3)</u>	Pennino	Capacity cost recovery projection, April 1994 - September 1994

DOCUMENT NUMBER-DATE

01935 FEB 25 94

FPSC-RECORDS/REPORTING

<u>(GAK-1)</u>	Keselowsky	Generating Performance Incentive Factor Results, April 1993 - September 1993
<u>(GAK-2)</u>	Keselowsky	GPIF Targets and Ranges for April 1994 - September 1994
<u>(GAK-3)</u>	Keselowsky	Estimated Unit Performance Data, April 1994 - September 1994
<u>(RFT/EAT-1)</u>	Tomczak and Townes	Schedules Supporting Oil Backout Cost Recovery Factor - Actual, April 1993 - September 1993
<u>(RFT/EAT-2)</u>	Tomczak and Townes	Schedules Supporting Oil Backout Cost Recovery Factor, April 1994 - September 1994
<u>(RFT/EAT-3)</u>	Tomczak and Townes	Gannon Conversion Project Comparison of Projected Payoff with Original Estimate as of November 1993

D. STATEMENT OF BASIC POSITION

Tampa Electric Company's Statement of Basic Position:

The Commission should approve Tampa Electric's calculation of its fuel adjustment, capacity cost recovery, GPIF, and oil backout cost recovery true-up calculations and projections, including the proposed fuel adjustment factor of 2.894 cents per KWH before application of factors which adjust for variation in line losses; the proposed capacity cost recovery factors; a GPIF penalty of \$214,237; and an oil backout cost recovery factor of .073 cents per KWH.

E. STATEMENT OF ISSUES AND POSITIONS

Generic Fuel Adjustment Issues

ISSUE 1: What are the appropriate final fuel adjustment true-up amounts for the period April 1993 through September 1993?

- TECO:** An underrecovery of \$8,343,904. (Pennino)
- ISSUE 2:** What are the estimated fuel adjustment true-up amounts for the period October 1993 through March 1994?
- TECO:** An underrecovery of \$5,354,211. (Pennino)
- ISSUE 3:** What are the total fuel adjustment true-up amounts to be collected during the period April 1994 through September 1994?
- TECO:** An underrecovery of \$13,698,115. (Pennino)
- ISSUE 4:** What are the appropriate levelized fuel cost recovery factors for the period April 1994 through September 1994?
- TECO:** 2.894 cents per KWH before application of the factors which adjust for variations in line losses. (Pennino)
- ISSUE 5:** What should be the effective date of the new fuel adjustment charge, capacity cost recovery charge and oil backout charge for billing purposes?
- TECO:** The factors should be effective beginning with the specified fuel cycle and thereafter for the period April 1994 through September 1994. Billing cycles may start before April 1, 1994, and the last cycle may be read after September 30, 1994, so that each customer is billed for six months regardless of when the adjustment factors became effective. (Pennino)
- ISSUE 6:** What are the appropriate fuel recovery loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class?

<u>TECO:</u>	<u>Group</u>	<u>Multiplier</u>
	Group A	1.0064
	Group A1	1.0064*
	Group B	1.0012
	Group C	0.9721
	System	1.0000

*Group A1 is based on Group A, 15% of On-Peak and 85% of Off-Peak. (Pennino)

ISSUE 7: What are the appropriate fuel cost recovery factors for each rate group adjusted for variations in line losses?

TECO:

	<u>Standard</u>	<u>On-Peak</u>	<u>Off-Peak</u>
Group A	2.913	3.815	2.460
Group A1	2.663	-	-
Group B	2.897	3.796	2.447
Group C	2.813	3.685	2.376
System (Pennino)	2.894	3.791	2.444

ISSUE 8: What is the appropriate revenue tax factor to be applied in calculating each company's levelized fuel factor for the projection period of April through September 1994?

TECO: 1.00083. (Pennino)

Company Specific Fuel Adjustment Issues

ISSUE 10: Has Tampa Electric Company prudently administered its contract with Zeigler Coal Company and prudently purchased replacement coal intended to replace the coal it did not receive from Zeigler during the United Mine Workers strike?

TECO: Yes. (Pennino)

Generic Generating Performance Incentive Factor Issues

ISSUE 10: What is the appropriate GPIF reward or penalty for performance achieved during the period April 1993 through September 1993?

TECO: Penalty of \$214,237. (Keselowsky)

ISSUE 11: What should the GPIF targets/ranges be for the period April 1994 through September 1994?

TECO: As set forth in Attachment "A" attached to the Prepared Direct Testimony of George A. Keselowsky. (Keselowsky)

Company-Specific GPIF Issues

TECO: None at this time.

Generic Oil Backout Issues

ISSUE 12: What is the final oil backout true-up amount for the April 1993 through September 1993 period?

TECO: An overrecovery of \$193,724. (Tomczak/Townes)

ISSUE 13: What is the estimated oil backout true-up amount for the period October 1993 through March 1994?

TECO: An overrecovery of \$402,407. (Tomczak/Townes)

ISSUE 14: What is the total oil backout true-up amount to be collected during the period April 1994 through September 1994?

TECO: An overrecovery of \$609,239. (Tomczak/Townes)

ISSUE 15: What is the projected oil backout cost recovery factor for the period April 1994 through September 1994?

TECO: .073 cents per KWH. (Tomczak/Townes)

Company-Specific Oil Backout Issues

TECO: None at this time.

Generic Capacity Cost Recovery Issues

ISSUE 16: What is the final capacity cost recovery true-up amount for the April 1993 through September 1993 period?

TECO: An overrecovery of \$4,897. (Pennino)

ISSUE 17: What is the estimated capacity cost recovery true-up amount for the period October 1993 through March 1994?

TECO: An underrecovery of \$918,803. (Pennino)

ISSUE 18: What is the total capacity cost recovery true-up amount to be collected during the period April 1994 through September 1994?

TECO: An underrecovery of \$913,906. (Pennino)

ISSUE 19: What is the appropriate projected net purchased power capacity cost recovery amount to be included in the recovery factor for the period April 1994 through September 1994?

TECO: \$11,106,718. (Pennino)

ISSUE 20: What are the projected capacity cost recovery factors for the period April 1994 through September 1994?

TECO: The appropriate factors are as follows:

<u>Rate Schedules</u>	<u>Factor</u>
RS	.205 cents per KWH
GS, TS	.168 cents per KWH
GSD	.141 cents per KWH
GSLD, SBF	.125 cents per KWH
IS-1 & 3, SBI-1 & 3	.011 cents per KWH
SL, OL (Pennino)	.012 cents per KWH

Company-Specific Capacity Cost Recovery Issues

TECO: None at this time.

F. STIPULATED ISSUES

TECO: Issue 5 should be stipulated.

G. MOTIONS

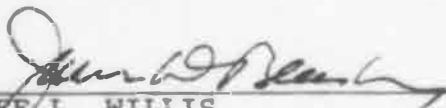
TECO:

H. OTHER MATTERS

TECO: None at this time.

DATED this 25th day of February, 1994.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Prehearing Statement, filed on behalf of Tampa Electric Company, has been furnished by United States Mail on this 25th day of February, 1994 to the following:

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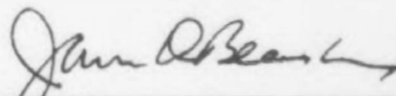
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