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July 21, 1994

IN REPLY REFER TO:

HAND DELIVERED

Tallahassee

ORIGINAL
FILE COPY

Ms. Blanca S. Bayo, 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 Ms. Bayo:

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

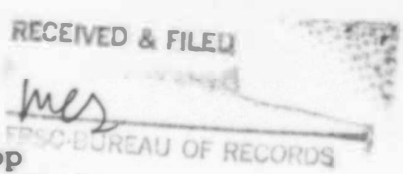
Also enclosed is a 3.5" high density diskette containing the Prehearing Statement which was generated on an IMB DGS computer in WordPerfect 5.1 format.

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

Thank you for your assistance in connection with this matter.

Sincerely,


James D. Beasley

RECEIVED & FILED

JDB/pp
Enclosures

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

- ACK
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DOCUMENT NUMBER-DATE

07418 JUL 21 94

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL
FILE COPY

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

DOCKET NO. 940001-EI
FILED: July 21, 1994

PREHEARING STATEMENT OF TAMPA ELECTRIC COMPANY

A. APPEARANCES:

LEE L. WILLIS
JAMES D. BEASLEY
Macfarlane Ausley Ferguson & McMullen
Post Office Box 391
Tallahassee, Florida 32302
On behalf of Tampa Electric Company

B. WITNESSES:

<u>Witness</u> (Direct)	<u>Subject Matter</u>	<u>Issues</u>
1. Mary Jo Pennino (TECO)	Fuel Adjustment True-up and Projections; Capacity Cost Recovery True-up and Projections	1,2,3,4,6,7,8,11c, 19,20,21,22,23,25a
2. G. A. Keselowsky (TECO)	GPIF Reward/Penalty and Targets/Ranges	13, 14
3. R. F. Tomczak and E. A. Townes (TECO)	Oil Backout Cost Recovery True-up and Projections	15, 16, 17, 18
4. W. N. Cantrell (TECO)	Affiliated Coal Trans- portation Costs	11a, 11b

C. EXHIBITS:

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
<u>(MJP-1)</u>	Pennino	Levelized fuel cost recovery and capacity cost recovery final true- up, October 1993 - March 1994
<u>(MJP-2)</u>	Pennino	Fuel adjustment projection, October 1994 - March 1995

DOCUMENT NUMBER-DATE

07418 JUL 21 1994

FPSC-RECORDS/REPORTING

<u>(MJP-3)</u>	Pennino	Capacity cost recovery projection, October 1994 - March 1995
<u>(GAK-1)</u>	Keselowsky	Generating Performance Incentive Factor Results, October 1993 - March 1994
<u>(GAK-2)</u>	Keselowsky	GPIF Targets and Ranges for October 1994 - March 1995
<u>(GAK-3)</u>	Keselowsky	Estimated Unit Performance Data, October 1994 - March 1995
<u>(RFT/EAT-1)</u>	Tomczak and Townes	Schedules Supporting Oil Backout Cost Recovery Factor - Actual, October 1993 - March 1994
<u>(RFT/EAT-2)</u>	Tomczak and Townes	Schedules Supporting Oil Backout Cost Recovery Factor, October 1994 - March 1995
<u>(RFT/EAT-3)</u>	Tomczak and Townes	Gannon Conversion Project Comparison of Projected Payoff with Original Estimate as of May 1994
<u>(WNC-1)</u>	Cantrell	Transportation Benchmark Calculation, FPSC Order 93-0443-FOF-EI and FPSC Order No. 20298

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 2.353 cents per KWH before application of factors which adjust for variation in line losses; the proposed capacity cost recovery factor of .129 cents per KWH before applying the 12 CP and 1/13 allocation methodology; a GPIF reward of \$406,404; and an oil backout cost recovery factor of .096 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 October 1993 through March 1994?

TECO: An overrecovery of \$5,779,224. (Pennino)

ISSUE 2: What are the estimated fuel adjustment true-up amounts for the period April, 1994 through September, 1994?

TECO: An underrecovery of \$4,827,083. (Pennino)

ISSUE 3: What are the total fuel adjustment true-up amounts to be collected during the period October, 1994 through March, 1995?

TECO: An overrecovery of \$952,141. (Pennino)

ISSUE 4: What are the appropriate levelized fuel cost recovery factors for the period October, 1994 through March, 1995?

TECO: 2.353 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, oil backout charge and conservation cost recovery charge for billing purposes?

TECO: The factor should be effective beginning with the specified fuel cycle and thereafter for the period October, 1994 through March, 1995. Billing cycles may start before October 1, 1994, and the last cycle may be read after March 31, 1995, so that each customer is billed for six months regardless of when the adjustment factor became effective.

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?

TECO:

	<u>Multiplier</u>
Group A	
Group A1	1.0064
Group B	1.0064
Group C	1.0012
	0.9721
System (Pennino)	1.0000

ISSUE 7:

What are the appropriate fuel cost recovery factors for each rate group adjusted for line losses?

TECO:

	<u>Standard</u>	<u>On-Peak</u>	<u>Off-Peak</u>
Group A	2.368	2.683	2.253
Group A1	2.317	-	-
Group B	2.356	2.669	2.242
Group C	2.287	2.592	2.177
System (Pennino)	2.353	2.666	2.239

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 October, 1994 through March, 1995?

TECO:

1.00083

Company Specific Fuel Adjustment Issues

ISSUE 11a:

Has Tampa Electric Company adequately justified any costs associated with the purchase of coal from Gatliff Coal Company that are in excess of the 1993 benchmark price?

TECO:

Yes. TECO's actual costs are below the benchmark as calculated by both Staff and the company, and therefore this issue is moot. (Cantrell)

ISSUE 11b:

Has Tampa Electric Company adequately justified any costs associated with transportation services provided by affiliates of Tampa Electric Company that are in excess of the 1993 waterborne transportation benchmark price?

TECO:

Yes. TECO's actual costs are below the benchmark as calculated by both Staff and the company, and therefore this issue is moot. (Cantrell)

ISSUE 11c:

Has Tampa Electric Company prudently administered its contract with Consol Coal Company?

TECO:

Yes. (Pennino)

Generic Generating Performance Incentive Factor Issues

ISSUE 13: What is the appropriate GPIF reward or penalty for performance achieved during the period October, 1993 through March, 1994?

TECO: Reward of \$406,404. (Keselowsky)

ISSUE 14: What should the GPIF targets/ranges be for the period October, 1994 through March, 1995?

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 15: What is the final oil backout true-up amount for the October, 1993 through March, 1994 period?

TECO: An overrecovery of \$528,062. (Tomczak/Townes)

ISSUE 16: What is the estimated oil backout true-up amount for the period April, 1994 through September, 1994?

TECO: An overrecovery of \$43,988. (Tomczak/Townes)

ISSUE 17: What is the total oil backout true-up amount to be collected during the period October, 1994 through March, 1995?

TECO: An underrecovery of \$31,543. (Tomczak/Townes)

ISSUE 18: What is the projected oil backout cost recovery factor for the period October, 1994 through March, 1995?

TECO: .096 cents per KWH. (Tomczak/Townes)

Company-Specific Oil Backout Issues

TECO: None at this time.

Generic Capacity Cost Recovery Issues

ISSUE 19: What is the appropriate final capacity cost recovery true-up amount for the October, 1993 through March, 1994 period?

TECO: An overrecovery of \$861,751. (Pennino)

ISSUE 20: What is the estimated capacity cost recovery true-up amount for the period April, 1994 through September, 1994?

TECO: An overrecovery of \$742,821. (Pennino)

ISSUE 21: What is the total capacity cost recovery true-up amount to be collected during the period October, 1994 through March, 1995?

TECO: An overrecovery of \$1,604,572. (Pennino)

ISSUE 22: What is the appropriate projected net purchased power capacity cost recovery amount to be included in the recovery factor for the period October, 1994 through March, 1995?

TECO: \$8,380,145. (Pennino)

ISSUE 23: What are the projected capacity cost recovery factors for the period October, 1994 through March 1995?

TECO: The appropriate factors are as follows:

<u>Rate Schedules</u>	<u>Factor</u>
RS	.176 cents per KWH
GS, TS	.162 cents per KWH
GSD	.123 cents per KWH
GSLD, SBF	.111 cents per KWH
IS-1 & 3, SBI-1 & 3	.010 cents per KWH
SL, OL	.010 cents per KWH

(Pennino)

Company-Specific Capacity Cost Recovery Issues

ISSUE 25a: Other than economy sales and revenues from the seven entities that were separated out in TECO's last rate case, should Tampa Electric credit all nonfuel revenues from off-system sales back to the retail ratepayers through the fuel adjustment clause and the capacity cost recovery clause?

TECO: No. The level of sales and resulting revenues from long-term firm off-system sales vary subsequent to a rate case. In Docket No. 920324-EI it was determined that long-term firm off-system sales were to be treated with consistency. (Pennino)

F. STIPULATED ISSUES

TECO: Issue 5 should be stipulated.

G. MOTIONS

TECO: None at this time.

H. OTHER MATTERS


TECO: None at this time.

I. STATEMENT OF ANY REQUIREMENT SET FORTH IN ORDER PSC-94-0818-PCO-EI THAT CANNOT BE COMPLIED WITH

TECO: Tampa Electric knows of no such requirement that cannot be complied with at this time.

DATED this 21st day of July, 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 U. S. Mail or hand delivery (*) on this 21st day of July, 1994 to the following:

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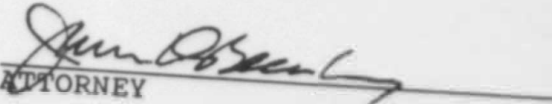
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