

MACFARLANE AUSLEY FERGUSON & McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

111 MADISON STREET, SUITE 2300
P. O. BOX 1531 (ZIP 33601)
TAMPA, FLORIDA 33602
(813) 213-4200 FAX (813) 273-4396

227 SOUTH CALHOUN STREET
P. O. BOX 391 (ZIP 32302)
TALLAHASSEE, FLORIDA 32301
(904) 224-9115 FAX (904) 222-7560

400 CLYDELAND STREET
P. O. BOX 1669 (ZIP 34617)
CLEARWATER, FLORIDA 34615
(813) 441-8966 FAX (813) 442-8470

July 12, 1995

ORIGINAL
FILE COPY

IN REPLY REFER TO

HAND DELIVERED

Tallahassee

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
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. 950001-21

Dear Ms. Bayo:

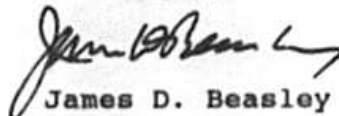
Enclosed for filing in the above docket are the original and fifteen (15) copies of Tampa Electric Company's Prehearing Statement.

Also enclosed is the above Prehearing Statement on a 3.5" diskette generated on a 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.

Thank you for your assistance in connection with this matter.

Sincerely,


James D. Beasley

JDB/pp
Enclosures

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

RECEIVED & FILED


FPSC BUREAU OF RECORDS

DOCUMENT NUMBER DATE

06603 JUL 12 95

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. 950001-EI
FILED: July 12, 1995

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>	<u>Subject Matter</u>	<u>Issues</u>
<u>(Direct)</u>		
1. Mary Jo Pennino (TECO)	Fuel Adjustment True-up and Projections; Capacity Cost Recovery True-up and Projections	1,2,3,4,6,7,8,19, 20,21,22,23,25
2. G. A. Keselowsky (TECO)	GPIF Reward/Penalty and Targets/Ranges	12,13
3. W. N. Cantrell and E. A. Townes (TECO)	Oil Backout Cost Recovery True-up and Projections	15,16,17,18, 11e,11f
4. W. N. Cantrell (TECO)	Affiliated Coal Trans- portation Costs	11a,11b,11c,11d

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 1994 - March 1995
<u>(MJP-2)</u>	Pennino	Fuel adjustment projection, October 1995 - March 1996

DOCUMENT NUMBER-DATE

06603 JUL 12 95

FPSC-RECORDS/REPORTING

<u> </u> (MJP-3)	Pennino	Capacity cost recovery projection, October 1995 - March 1996
<u> </u> (GAK-1)	Keselowsky	Generating Performance Incentive Factor Results, October 1994 - March 1995
<u> </u> (GAK-2)	Keselowsky	GPIF Targets and Ranges for October 1995 - March 1996
<u> </u> (GAK-3)	Keselowsky	Estimated Unit Performance Data, October 1995 - March 1996
<u> </u> (WNC/EAT-1)	Cantrell and Townes	Schedules Supporting Oil Backout Cost Recovery Factor - Actual, October 1994 - March 1995
<u> </u> (WNC/EAT-2)	Cantrell and Townes	Schedules Supporting Oil Backout Cost Recovery Factor, October 1995 - December 1995
<u> </u> (WNC/EAT-3)	Cantrell and Townes	Gannon Conversion Project Comparison of Projected Payoff with Original Estimate as of May 1995
<u> </u> (WNC-1)	Cantrell	Transportation Benchmark Calcula- tion, 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 2.365 cents per KWH before application of factors which adjust for variation in line losses; the proposed capacity cost recovery factor of .168 cents per KWH before applying the 12 CP and 1/13 allocation methodology; a GPIF penalty of \$471,209; and an oil backout cost recovery factor of .58 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, 1994 through March, 1995?

TECO: An underrecovery of \$5,963,794. (Pennino)

ISSUE 2: What are the estimated fuel adjustment true-up amounts for the period April, 1995 through September, 1995?

TECO: An underrecovery of \$2,961,361. (Pennino)

ISSUE 3: What are the total fuel adjustment true-up amounts to be collected during the period October, 1995 through March, 1996?

TECO: An underrecovery of \$8,925,155. (Pennino)

ISSUE 4: What are the appropriate levelized fuel cost recovery factors for the period October, 1995 through March, 1996?

TECO: 2.365 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 capacity cost recovery charge for billing purposes?

TECO: The factor should be effective beginning with the specified fuel cycle and thereafter for the period October, 1995 through March, 1996, except in the case of the oil backout factor which should be collected during the period October, 1995 through December 1995. Billing cycles may start before October 1, 1995, and the last cycle may be read after March 31, 1996, 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?

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

*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 line losses?

TECO:

	<u>Standard</u>	<u>On-Peak</u>	<u>Off-Peak</u>
Group A	2.380	2.597	2.297
Group A1	2.342	-	-
Group B	2.368	2.583	2.285
Group C	2.299	2.508	2.218

(Pennino)

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, 1995 through March, 1996?

TECO: 1.00083

Company Specific Fuel Adjustment Issues

ISSUE 11a: What is the appropriate 1994 benchmark price for coal Tampa Electric Company purchased from its affiliate, Gatliff Coal Company?

TECO: \$40.08/Ton. (Cantrell)

ISSUE 11b: Has Tampa Electric Company adequately justified any costs associated with the purchase of coal from Gatliff Coal Company that exceed the 1994 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: What is the appropriate 1994 waterborne coal transportation benchmark price for transportation services provided by affiliates of Tampa Electric Company?

TECO: The 1994 transportation benchmark for affiliated waterborne coal transportation services is \$25.70. (Cantrell)

ISSUE 11d: Has Tampa Electric Company adequately justified any costs associated with transportation services provided by affiliates of Tampa Electric Company that exceed the

1994 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 11e: Should TECO separate Oil Backout Cost Recovery costs by wholesale and retail jurisdiction prior to calculating the oil backout factor?

TECO: No. Tampa Electric was not aware this would be an issue in this proceeding until after all of the testimony due dates had passed. If it is an issue, Tampa Electric reserves the right to select an appropriate witness to address the issue through supplemental testimony.

ISSUE 11f: Should TECO refund the non-jurisdictional portion of Oil Backout Cost Recovery costs previously recovered from its ratepayers?

TECO: No. See position in Issue 11e.

Generic Generating Performance Incentive Factor Issues

ISSUE 12: What is the appropriate GPIF reward or penalty for performance achieved during the period October, 1994 through March, 1995?

TECO: Penalty of \$471,209. (Keselowsky)

ISSUE 13: What should the GPIF targets/ranges be for the period October, 1995 through March, 1996?

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, 1994 through March, 1995 period?

TECO: An overrecovery of \$375,548. (Cantrell/Townes)

ISSUE 16: What is the estimated oil backout true-up amount for the period April, 1995 through September, 1995?

TECO: An overrecovery of \$686,843. (Cantrell/Townes)

ISSUE 17: What is the total oil backout true-up amount to be collected during the period October, 1995 through March, 1996?

TECO: An overrecovery of \$909,253. Pursuant to Order No. 95-0580-FOF-EI issued in Docket No. 950379-EI on May 10, 1995, this amount should be collected during the period October 1, 1995 through December 31, 1995. (Cantrell/Townes)

ISSUE 18: What is the projected oil backout cost recovery factor for the period October, 1995 through March, 1996?

TECO: .58 cents per KWH. This factor should apply pursuant to Order No. 95-0580-FOF-EI issued in Docket No. 950379-EI on May 10, 1995, this amount should be collected during the period October 1, 1995 through December 31, 1995. (Cantrell/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, 1994 through March, 1995 period?

TECO: An underrecovery of \$667,853. (Pennino)

ISSUE 20: What is the estimated capacity cost recovery true-up amount for the period April, 1995 through September, 1995?

TECO: An overrecovery of \$622,234. (Pennino)

ISSUE 21: What is the total capacity cost recovery true-up amount to be collected during the period October, 1995 through March, 1996?

TECO: An underrecovery of \$45,619. (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, 1995 through March, 1996?

TECO: \$11,347,579. (Pennino)

ISSUE 23: What are the projected capacity cost recovery factors for the period October, 1995 through March 1996?

TECO: The appropriate factors are as follows:

<u>Rate Schedules</u>	<u>Factor</u>
RS	.229 cents per KWH
GS, TS	.211 cents per KWH
GSD	.159 cents per KWH
GSLD, SBF	.145 cents per KWH
IS-1 & 3, SBI-1 & 3	.013 cents per KWH
SL, OL	.035 cents per KWH

(Pennino)

Company-Specific Capacity Cost Recovery Issues

TECO: None at this time.

Generic Aerial Coal Inventory Issue

ISSUE 25: Should the Commission approve a permanent change in the frequency of aerial coal inventory surveys from quarterly to semi-annually?

TECO: Yes.

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-95-0771-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 12th day of July, 1995.

Respectfully submitted,



LEE C. WILLIS
JAMES D. BEASLEY
Macfarlane Ausley Ferguson & McMullen
Post Office Box 391
Tallahassee, Florida 32302
(904) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

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 12th day of July, 1994 to the following:

Ms. Martha C. Brown*
Ms. Vicki D. Johnson
Division of Legal Services
Florida Public Service
Commission
101 East Gaines Street
Tallahassee, FL 32399-0863

Mr. James A. McGee
Senior Counsel
Florida Power Corporation
Post Office Box 14042
St. Petersburg, FL 33733

Mr. Joseph A. McGlothlin
Ms. Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin,
Davidson & Bakas
315 S. Calhoun St., Suite 716
Tallahassee, FL 32301

Mr. Jack Shreve
Office of Public Counsel
Room 812
111 West Madison Street
Tallahassee, FL 32399-1400

Mr. Matthew M. Childs
Steel Hector & Davis
Suite 601
215 South Monroe Street
Tallahassee, FL 32301

Mr. John W. McWhirter
McWhirter, Reeves, McGlothlin,
Davidson & Bakas
Post Office Box 3350
Tampa, FL 33601

Ms. Suzanne Brownless
Suzanne Brownless P.A.
1311-B Paul Russell Road
Suite 202
Tallahassee, FL 32301

Mr. David M. Kleppinger
McNees, Wallace & Nurick
Post Office Box 1166
Harrisburg, PA 17108-1166

Mr. Floyd R. Self
Messer, Vickers, Caparello,
Madsen, Lewis, Goldman & Metz
Post Office Box 1876
Tallahassee, FL 32301-1876

Mr. G. Edison Holland, Jr.
Beggs & Lane
Post Office Box 12950
Pensacola, FL 32576

Mr. Barry Huddleston
Destec Energy
2500 CityWest Blvd. Suite 150
Houston, TX 77042

Mr. Eugene M. Trisko
Post Office Box 596
Berkeley Springs, WV 25411

Mr. Roger Yott
Air Products & Chemicals, Inc.
7540 Windsor Drive, Suite 301
Allentown, PA 18195

Mr. Richard J. Salem
Ms. Marian B. Rush
Salem, Saxon & Nielsen, P.A.
Post Office Box 3399
Tampa, FL 33601

Mr. Peter J. P. Brickfield
Brickfield, Burchette & Ritts
1025 Thomas Jefferson St. N.W.
Eighth Floor, West Tower
Washington, D.C. 20007-0805

Mr. Stephen R. Yurek
Dahlen, Berg & Co.
2150 Dain Bosworth Plaza
60 South Sixth Street
Minneapolis, MN 55402



ATTORNEY