



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost )  
Recovery Clause. )

DOCKET NO. 970007-EI  
FILED: January 27, 1997

PREHEARING STATEMENT OF TAMPA ELECTRIC COMPANY

A. APPEARANCES:

LEE L. WILLIS  
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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>
(Direct)		
1. Jeffrey S. Chronister (TECO)	Final true-up June 1996-September 1996	1
2. Karen Branick (TECO)		2,3,4,5,6,7,8,9A, 9B

C. EXHIBITS:

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
<u>(JSC-1)</u>	Chronister	Final true-up June 1996 - September 1996
<u>(KAB-1)</u>	Branick	Environmental cost recovery actual/estimated true-up amount for the period October 1996 through March 1997, and projected ECRC revenue requirement and billing factor for the period April 1997 through September 1997.

DOCUMENT NUMBER DATE

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FPSC-RECORDS/REPORTING

**D. STATEMENT OF BASIC POSITION**

**Tampa Electric Company's Statement of Basic Position:**

The Commission should approve Tampa Electric's calculation of its environmental cost recovery final true-up for the period June 1996 through September 1996, its actual/estimated true-up amount for the period October 1996 through March 1997, and its projected ECRC revenue requirement and ECRC cost recovery factors for the period April 1997 through September 1997.

**E. STATEMENT OF ISSUES AND POSITIONS**

**Generic Environmental Cost Recovery Issues**

**ISSUE 1:** What is the appropriate final environmental cost recovery true-up amount for the four-month period ending September 30, 1996?

**TECO:** An underrecovery of \$1,193,181. (Chronister)

**ISSUE 2:** What are the estimated environmental cost recovery true-up amounts for the period October 1996 through March 1997?

**TECO:** An overrecovery of \$953,871. (Branick)

**ISSUE 3:** What are the total environmental cost recovery true-up amounts to be collected during the period April 1997 through September 1997?

**TECO:** An underrecovery of \$239,310. (Branick)

**ISSUE 4:** What are the appropriate projected environmental cost recovery amounts for the period April 1997 through September 1997?

**TECO:** \$2,720,712. (Branick)

**ISSUE 5:** What should be the effective date of the new environmental cost recovery factors for billing purposes?

**TECO:** The factor should be effective beginning with the specified environmental cost recovery cycle and thereafter for the period April 1997 through September 1997. Billing cycles may start before April 1, 1997, and the last cycle may be read after September 30, 1997, so that each customer is billed for six months regardless of when the adjustment factor became effective. (Branick)

**ISSUE 6:** What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery true-up amounts to be collected during the period April 1997 through September 1997?

**TECO:** The company should use the Commission approved depreciation rates applicable to each asset according to the company's last depreciation rate order, Order No. PSC-96-0399-FOF-EI, issued on March 21, 1996 in Docket No. 950499-EI. (Branick)

**ISSUE 7:** How should the newly proposed environmental costs be allocated to the rate classes?

**TECO:** The Commission has directed in Order No. 94-0044 that costs required for compliance with the Clean Air Act Amendments of 1990 (CAAA) shall be allocated to the rate classes on a per kilowatt hour, or energy basis. This projected filing now includes additional charges associated with storage tank compliance costs. These costs are allocated using demand and energy factors. Demand allocation factors are calculated by determining the percentage each rate class contributes to the monthly system peaks. The energy allocators are calculated by determining the percentage each rate class contributes to total KWH sales, as adjusted for losses, for each rate class. (Branick)

**ISSUE 8:** What are the appropriate Environmental Cost Recovery Factors for the period April 1997 through September 1997 for each rate group?

<b><u>TECO:</u></b>	RS, RST	0.333
	GS, GST, TS	0.033
	GSD, GSDT	0.033
	GSLD, GSLDT, SBF	0.033
	IS1, IST1, SBI1, SBIT1,	
	IS3, IST3, SBI3, SBIT3	0.032
	SL, OL	0.033

(Branick)

Company - Specific Environmental Cost Recovery Issues

Tampa Electric Company

**ISSUE 9A:** Should the Commission approve Tampa Electric Company's request for recovery of costs of the Gannon Station Coalfield Diesel Tank Upgrade through the Environmental Cost Recovery Clause?

**TECO:** Yes. (Branick)

**ISSUE 9B:** Should the Commission approve Tampa Electric Company's request to recover the cost of the Gannon Station Ignition Oil Tank Upgrade through the Environmental Cost Recovery Clause?

**TECO:** Yes. (Branick)

**F. STIPULATED ISSUES**

**TECO:** None at this time.

**G. MOTIONS**

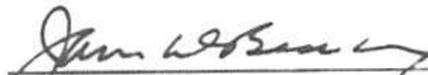
**TECO:** None at this time.

**H. OTHER MATTERS**

**TECO:** None at this time.

DATED this 27<sup>th</sup> day of January, 1997.

Respectfully submitted,



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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 hand delivery (\*) or U. S. Mail on this 27<sup>th</sup> day of January, 1997 to the following:

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