

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Environmental cost) DOCKET NO. 970007-EI
recovery clause.) ORDER NO. PSC-97-0293-FOF-EI
_____) ISSUED: March 14, 1997

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman
J. TERRY DEASON
DIANE K. KIESLING

APPEARANCES:

LEE L. WILLIS, Esquire and JAMES D. BEASLEY, Esquire,
Ausley & McMullen, Post Office Box 391, Tallahassee,
Florida 32302
On behalf of Tampa Electric Company (TECO).

JOSEPH A. MCGLOTHLIN, Esquire and VICKI GORDON KAUFMAN,
Esquire, McWhirter, Reeves, McGlothlin, Davidson, Rief
and Bakas, P.A., 117 South Gadsden Street, Tallahassee,
Florida 32301
On behalf of Florida Industrial Power Users Group.

JOHN ROGER HOWE, Esquire, Deputy Public Counsel, c/o The
Florida Legislature, 111 West Madison Street, Room 812,
Tallahassee, Florida 32399-1400
On behalf of the Citizens of the State of Florida.

VICKI D. JOHNSON, Esquire, Florida Public Service
Commission, 2540 Shumard Oak Boulevard, Tallahassee,
Florida 32399-0850
On behalf of the Commission Staff.

**ORDER APPROVING PROJECTED EXPENDITURES AND TRUE-UP
AMOUNTS FOR ENVIRONMENTAL COST RECOVERY FACTORS**

BY THE COMMISSION:

As part of the Commission's continuing fuel, energy conservation, purchased gas, and environmental cost recovery proceedings, a hearing was held on February 19, 1997, in this docket and in Docket Nos. 970001-EI, 970002-EG, and 970003-GU. The hearing addressed the issues set out in the Prehearing Order, Order No. PSC-97-0183-PHO-EI, issued February 18, 1997. The parties stipulated to a resolution for all of the issues presented. They are as described below.

DOCUMENT NUMBER-DATE

02700 MAR 14 5

FPSC-RECORDS/REPORTING

Generic Environmental Cost Recovery Issues

The parties agreed to, and we approve as reasonable, the following final environmental cost recovery true-up amount for the period ending September 30, 1996:

TECO: \$1,193,181 underrecovery.

The parties agreed to, and we approve as reasonable, the following estimated environmental cost recovery true-up amount for the period October, 1996 through March, 1997:

TECO: \$953,887 overrecovery.

The parties agreed to, and we approve as reasonable, the following total environmental cost recovery true-up amount to be collected during the period April, 1997 through September, 1997:

TECO: \$239,294 underrecovery.

The parties agreed to, and we approve as reasonable, the following projected environmental cost recovery amount for the period April, 1997 through September, 1997:

TECO: \$2,712,567.

We find that the new environmental cost recovery factor shall be effective for billing purposes 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.

We approve as reasonable the parties' stipulation that the depreciation rates used to develop the depreciation expense included in the total environmental cost recovery true-up amount to be collected during the period April, 1997 through September, 1997 shall be the rates that are in effect during the period the allowed capital investment is in service.

We approve as reasonable the parties' stipulation relating to the method for allocating the approved environmental costs to the rate classes. The costs of TECO's SO₂ Allowances shall be allocated on an energy basis.

We find that the appropriate Environmental Cost Recovery Factors for the period April, 1997 through September, 1997 for each rate group are as follows:

TECO:	<u>Rate Class</u>	<u>cents/kwh</u>
	RS, RST	0.033
	GS, GST, TS	0.033
	GSD, GSDT, EVX	0.033
	GSLD, GSLDT, SBF, SBFT	0.033
	IS1, IST1, SBI1, SBIT1,	
	IS3, IST3, SBI3, SBIT3	0.032
	SL, OL	0.033

Company - Specific Environmental Cost Recovery Issues

Tampa Electric Company

Tampa Electric Company has withdrawn its request to recover the costs of the Gannon Station Coalfield Diesel Tank Upgrade through the Environmental Cost Recovery Clause and has removed this project from this projection filing. A project entitled Gannon Underground Piping, which included DEP Rule 17-762 piping upgraded for the Gannon coalfield diesel tank, was included in Tampa Electric Company's 1993 and 1994 projections in their last rate case. The current DEP Rule 62-762 is substantially the same as DEP Rule 17-762; therefore, Tampa Electric Company found it appropriate to remove this project from the filing to avoid double recovery of these costs.

Tampa Electric has withdrawn without prejudice its request to recover the cost of the Gannon Station Oil Tank Upgrade during the forthcoming environmental cost recovery period. If Tampa Electric seeks recovery of this project in a future cost recovery period, it will include projected costs for that period only. Tampa Electric Company will revise the affected schedules to reflect the withdrawal of the Gannon Station Ignition Oil Tank Upgrade from the current and projected periods. Staff and Tampa Electric disagree as to whether this project meets the criteria for cost recovery through this clause as outlined in Order No. PSC-94-0044-FOF-EI; however, that disagreement need not be resolved in this hearing given Tampa Electric Company's decision to withdraw this project from the forthcoming cost recovery period.

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It is therefore,

ORDERED by the Florida Public Service Commission that the stipulations set forth in the body of this Order are hereby approved. It is further

ORDERED that Tampa Electric Company is hereby ordered to apply the environmental cost recovery factors set forth herein during the period April, 1997, until September, 1997, and until such factors are modified by subsequent Order. It is further

ORDERED that the estimated true-up amounts contained in the environmental cost recovery factors approved herein are hereby authorized, subject to final true-up, and further subject to proof of the reasonableness and prudence of the expenditures upon which the amounts are based.

By ORDER of the Florida Public Service Commission, this 14th day of March, 1997.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay Flynn
Chief, Bureau of Records

(S E A L)

VDJ

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.