

AUSLEY & MCMULLEN

ATTORNEYS AND COUNSELORS AT LAW

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

ORIGINAL
COPY

June 23, 1997

HAND DELIVERED

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. 970001-EI

Dear Ms. Bayo:

Enclosed for filing in the above docket, on behalf of Tampa Electric Company, are ten copies of each of the following:

1. Petition of Tampa Electric Company. *06256-97*
2. Prepared Direct Testimony of Karen A. Branick and Exhibit (KAB-2) regarding Tampa Electric's projected Total Fuel and Purchased Power Cost Recovery Factors, Exhibit (KAB-3) regarding projected Capacity Cost Recovery Factors for the period October 1997 through March 1998 and Exhibit KAB-4 regarding the company's Deferred Revenue Plan \$25 million refund during the period October 1997 through December 1998. *06257-97*
3. Prepared Direct Testimony of George A. Keselowsky with Exhibits (GAK-2) and (GAK-3) regarding Tampa Electric Company's projected performance under the Generating Performance Incentive Factor for the period October 1997 through March 1998.

ACK _____
AFA Dandover
APP _____
CAF _____
CMU _____
CTR _____
EAG Bass
LEG L
LIN 3tag
OPC _____
RCH _____
SEC L
WAS _____
OTH _____

Pursuant to an agreement with Staff, Tampa Electric will file on Wednesday, June 25, 1997, Prepared Direct Testimony of Charles R. Black with Exhibit CRB-1 regarding 1996 transportation and coal benchmark calculations. The company will also file on that date, pursuant to Staff's agreement, Supplemental Direct Testimony of Karen A. Branick and Exhibit KAB-5 and Prepared Direct Testimony of Gerard J. Kordecki, all pertaining to the effect of FERC open access orders on Florida Broker Transactions.

[Handwritten signature]
FPSC-BUREAU DE RECORDS

Ms. Blanca S. Bayo
June 23, 1997
Page 2

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.)

Ms. Blanca S. Bayo
June 23, 1997
Page 3

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing petition, testimony and exhibits, filed on behalf of Tampa Electric Company, has been furnished by U. S. Mail or hand delivery (*) on this 23rd day of June, 1997 to the following:

Ms. Vicki D. Johnson*
Staff Counsel
Division of Legal Services
Florida Public Service Comm'n.
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, Rief & Bakas
117 S. Gadsden Street
Tallahassee, FL 32301

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

Mr. William B. Willingham
Rutledge, Ecenia, Underwood,
Purnell & Hoffman
Post Office Box 551
Tallahassee, FL 32302-0551

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 #201
Tallahassee, FL 32301

Mr. Jeffrey A. Stone
Beggs & Lane
Post Office Box 12950
Pensacola, FL 32576



ATTORNEY

TEC970001#2.br

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 970001-EI
 FILED: June 23, 1997

PETITION OF TAMPA ELECTRIC COMPANY

Tampa Electric Company ("Tampa Electric" or "the company"), hereby petitions the Commission for approval of the company's proposals concerning fuel adjustment, capacity cost recovery and generating performance incentive factor set forth herein. In support thereof says:

Fuel Adjustment

1. Tampa Electric has calculated that it experienced a final true-up amount for the October 1, 1996 through March 31, 1997 period of an overrecovery of \$1,926,965. (See Exhibit No. (KAB-1), Document No. 1, page 1 of 1.)

2. Tampa Electric projects its fuel adjustment true-up amount for the period April 1, 1997 through September 30, 1997, which is based upon actual data for the period April 1, 1997 through May 31, 1997 and revised estimates for the period June 1, 1997 through September 30, 1997 to be an overrecovery of \$4,809,709. This \$4,809,709 overrecovery, plus the final true-up amount for the October 1, 1996 - March 31, 1997 period of an overrecovery of \$1,926,965, produces an end of period total net true-up of \$6,736,674 overrecovery as of September 30, 1997.

DOCUMENT NUMBER-DATE

06256 JUN 23 5

FPSC-RECORDS/REPORTING

3. The company's projected expenditures for the period October 1, 1997 through March 31, 1998, when adjusted for the proposed GPIF reward and the true-up overrecovery amount and spread over projected kilowatt hour sales for the period October 1, 1997 through March 31, 1998, produce a fuel adjustment factor for the new period of 2.304 cents per KWH before application of the factors which adjust for variations in line losses. (See Exhibit No. (KAB-2), Schedule E-1E.)

Capacity Cost Recovery

4. Tampa Electric has calculated that it experienced a final true-up amount for the October 1, 1996 through March 31, 1997 period of an underrecovery of (\$28,551). (See Exhibit No. (KAB-1), Document No. 3, page 2 of 5.)

5. Tampa Electric projects its capacity recovery true-up amount for the period April 1, 1997 through September 30, 1997, which is based upon actual data for the period April 1, 1997 through May 31, 1997 and revised estimates for the period June 1, 1997 through September 30, 1997 to be an underrecovery of (\$316,537). This (\$316,537) underrecovery, plus the final true-up amount for the October 1, 1996 through March 31, 1997 period of an underrecovery of (\$28,551), produces an end of period total net true-up of (\$345,088) underrecovery as of September 30, 1997.

6. The company's projected expenditures for the period October 1, 1997 through March 31, 1998, when adjusted for the true-up underrecovery amount and spread over projected kilowatt hour sales for the period October 1, 1997 through March 31, 1998

produce a capacity cost recovery factor for the new period of .171 cents per KWH before applying the 12 CP & 1/13 allocation methodology, and producing the capacity recovery factors by rate schedule. (See Exhibit No. (KAB-3), page 3 of 5).

Refund Credit Factor

7. The company is currently refunding \$25 million over a one-year period which began on October 1, 1996 pursuant to the Stipulation approved in Order No. PSC-96-0670-S-EI in Docket No. 950379-EI issued May 20, 1996 (In re: Investigation into Earnings for 1995 and 1996 of Tampa Electric Company). This refund is currently reflected on customers' bills as a Revenue Credit Refund Factor. This Refund Factor will be terminated with the last billing cycle in September 1997. Per the Stipulation, any over or under collections balance remaining will be handled as a true-up component in the normal course of Tampa Electric's fuel cost recovery proceedings.

Temporary Base Rate Reduction

8. Beginning in the October 1997 through March 1998 fuel adjustment period, Tampa Electric will begin the \$25 million temporary base rate reduction defined in the Stipulation approved in Order No. PSC-96-1300-S-EI in Docket No. 960409-EI issued October 24, 1996 (In re: Prudence Review to Determine the Regulatory Treatment of Tampa Electric Company's Polk Unit). The \$25 million rate reduction will be reflected as a line-item credit on customer's bills over a fifteen month period commencing October

1, 1997 with the reduction being netted against 1999 refunds which may otherwise been made under the first Stipulation. The temporary base rate reduction is 0.130 cent/KWH on average and is adjusted for each rate class according to the line loss factors applied in the fuel clause. The computation of the new factor is shown on Exhibit KAB-4.

GPIF

9. Tampa Electric has calculated that it is subject to a GPIF reward of \$96,660 (adjusted to include regulatory assessment fee of one-twelfth of one-percent) for performance experienced during the period October 1, 1996 through March 31, 1997.

10. The company is also proposing GPIF targets and ranges to be applied to the period October 1, 1997 through March 31, 1998 with such proposed targets and ranges being detailed in testimony and exhibits filed herewith.

Order of Presentation of Witnesses

Tampa Electric will present the following witnesses testifying on the subjects indicated:

Fuel Adjustment, Capacity Cost Recovery and Refund Credit Factor - Karen A. Branick

Effect of FERC Open Access Orders on Florida Broker Transactions - Gerard J. Kordecki and Karen A. Branick

GPIF Targets/Ranges and Rewards/Penalties - George Keselowsky

Review of Payments to Affiliates during 1996 - Charles R. Black

WHEREFORE, Tampa Electric Company requests that its proposals relative to fuel adjustment, capacity cost recovery and GPIF be approved as they relate to prior period true-up calculations and projected cost recovery charges. The company also requests that the proposed Refund Credit Factor be approved.

DATED this 23rd day of June, 1997.

Respectfully submitted,



LEE L. WILLIS
JAMES D. BEASLEY
Ausley & 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 Petition, filed on behalf of Tampa Electric Company, has been furnished by U. S. Mail or hand delivery (*) on this 23rd day of June, 1997 to the following:

Ms. Vicki D. Johnson*
Staff Counsel
Division of Legal Services
Florida Public Service Comm'n.
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, Rief & Bakas
117 S. Gadsden Street
Tallahassee, FL 32301

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

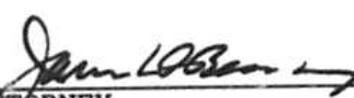
Mr. William B. Willingham
Rutledge, Ecenia, Underwood,
Purnell & Hoffman
Post Office Box 551
Tallahassee, FL 32302-0551

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 #201
Tallahassee, FL 32301

Mr. Jeffrey A. Stone
Beggs & Lane
Post Office Box 12950
Pensacola, FL 32576



ATTORNEY

TEC\970001#2.pet