

AUSLEY & McMULLEN

ORIGINAL

ATTORNEYS AND COUNSELORS AT LAW

227 SOUTH CALHOUN STREET
P.O. BOX 391 (ZIP 32302)
TALLAHASSEE, FLORIDA 32301
18501 224-9115 FAX 18501 222-7560

March 31, 1998

HAND DELIVERED

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Consideration of change in frequency and timing of the hearings for the fuel and purchased power cost recovery clause, the capacity cost recovery clause, the energy conservation cost recovery clause, the purchase gas adjustment (PGA) true-up, and the environmental cost recovery clause; FPSC Docket No. 980269-PU

Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and fifteen (15) copies of Tampa Electric Company's Post Workshop Written Comments.

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,


Lee L. Willis

- ACK
- AFA 3
- APP
- CAF
- CMU
- CTR LLW/pp
- EAC Enclosures
- LEG 2
- LIN
- OPC
- RCH
- SEC 1
- WAS
- OTH

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

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

03750 MAR 31 88

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of change in)
 frequency and timing of the hearings)
 for the fuel and purchased power cost)
 recovery clause, the capacity cost)
 recovery clause, the energy conservation)
 cost recovery clause, the purchase gas)
 adjustment (PGA) true-up, and the)
 environmental cost recovery clause.)

DOCKET NO. 980269-PU
 FILED: March 31, 1998

**TAMPA ELECTRIC COMPANY'S
 POST WORKSHOP WRITTEN COMMENTS**

At the conclusion of the March 17, 1998 workshop in this docket Staff offered the parties an opportunity to submit written comments on issues discussed at the workshop. Tampa Electric commented at the workshop that Staff's issues 3 through 6 should be reworded to make them more neutral, rather than favoring a calendar year cost recovery period. Accordingly, Tampa Electric has reworded issues 3 through 6 in these post workshop comments to inquire what should be the cost recovery period, assuming a change from semiannual to annual hearings is in order. Set forth below are Tampa Electric's written comments, keyed to the six substantive issues listed by Staff in the March 6, 1998 handout discussed during the workshop, with issues 3 through 6 reworded as described above:

- ISSUE 1:** Should the Commission approve a change in the frequency of the fuel and purchased power cost recovery hearings from a semiannual to an annual basis?
- ISSUE 2:** Should the Commission approve a change in the frequency of the environmental cost recovery hearings for Tampa Electric Company from a semiannual to an annual basis?

DOCUMENT NUMBER - DATE

03750 MAR 31 98

FPSC-RECORDS/REPORTING

TECO: Tampa Electric believes it would be appropriate to change the frequency of the fuel and purchase power and environmental cost recovery hearings from a semiannual basis to an annual basis provided all of the normally grouped cost recovery dockets are taken up on the same schedule. If the various cost recovery dockets are heard during the same hearings, all parties will achieve the efficiencies of going from a semiannual to an annual hearing schedule.

ISSUE 3: If the Commission determines that annual rather than semiannual hearings are appropriate for the calculation of the fuel and purchased power cost recovery clause, what annual cost recovery period should be used?

ISSUE 4: If the Commission determines that annual rather than semiannual hearings are appropriate for the calculation of the environmental cost recovery clause, what annual cost recovery period should be used?

ISSUE 5: If the Commission determines that annual rather than semiannual hearings are appropriate for the calculation of the energy conservation cost recovery clause, what annual cost recovery period should be used?

ISSUE 6: If the Commission determines that annual rather than semiannual hearings are appropriate for the calculation of the purchased gas adjustment (PGA) true-up, what annual cost recovery period should be used?

TECO: As Tampa Electric indicated during the workshop, a cost recovery period that runs from April through March would be the most efficient, reliable and cost-effective approach from Tampa Electric's perspective. The April through March period dovetails very effectively with Tampa Electric's budgeting process for costs that are recovered through the cost recovery clauses. In addition, in projecting for an April - March cost

recovery period, Tampa Electric could rely on more recently prepared fuel forecast data than would be available to the company if it were projecting for fuel cost recovery on a calendar year basis (January through December). Using more up-to-date fuel forecast data would enhance the accuracy and reliability of the forecast.

One major concern that Tampa Electric has regarding going to an annual recovery hearing based on calendar year is the problem associated with forecasting three seasons. Tampa Electric would have to project the seasonal effects of a portion of two winters, January through March and October through December as well as the summer April through September period. With annual recovery hearings based on an April through March time frame there will only be two seasons to project and the forecast at the end of the year winter period is more likely to be correctly projected due to the fact the most up to date forecasting data is utilized.

The benefits of going to an annual hearing process appear to be twofold:

- (a) Reducing customer confusion by having adjustment clauses change only once a year rather than twice a year.
- (b) Helping some larger business customers better estimate the cost of electricity in their

budgeting process.

The first of the above benefits will be realized just as easily with annual hearings on a noncalendar year basis as would be the case on a calendar year basis. With respect to the second benefit, it would appear that setting annual adjustment clauses on a calendar year basis would not materially assist business customers in budgeting on a calendar year basis because the changes would not be approved until late November of each year. The relatively few business customers who would benefit from having this cost information available for use in budgeting are certainly free to seek input from Tampa Electric on an estimated basis without having to require the company to adopt a calendar year cost recovery schedule.

All utilities have had experience projecting on an April through September cost recovery basis, with updated projections prepared for the October through March cost recovery periods. Streamlining the hearing schedule to encompass an annual hearing for the April through March cost recovery period would seem to accommodate a smoother transition in light of the way projections have been made in the past, rather than shifting to a calendar year projection. The Staff's own analysis shows that the transition to annual hearings on a calendar year basis would be significantly more complicated than

transitioning to annual hearings for an April-March cost recovery period.

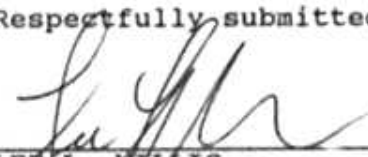
Based on an analysis of all the comments at the workshop, there does not appear to be any compelling reason to change the whole process to implement a calendar year cost recovery schedule as opposed to an annual cost recovery period of April-March.

FIPUG's Proposed Issues

Tampa Electric reiterates its concern that the last minute issues presented by the Florida Industrial Power Users Group at the workshop are inappropriate for consideration in this docket. Tampa Electric did not receive this list of issues until the day before the workshop. The issues noticed for this proceeding have to do with whether to shift from a semiannual to an annual cost recovery hearing schedule and, if so, what should be the annual cost recovery period? FIPUG's list of issues goes well beyond the subject matter of this proceeding and should be excluded from consideration in this docket.

DATED this 31st day of March, 1998.

Respectfully submitted,



LEE L. WILLIS
JAMES D. BEASLEY
Ausley & McMullen
Post Office Box 391
Tallahassee, FL 32302
(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing comments filed on behalf of Tampa Electric Company has been furnished by U. S. Mail or hand delivery (*) on this 21st day of March, 1998 to the following:

Ms. Leslie G. Paugh*
Staff Counsel
Division of Legal Services
Florida Public Service Comm'n.
101 East Gaines Street
Tallahassee, FL 32397-0863

Ms. Ann Wood
Chesapeake Utilities
Post Office Box 960
Winter Haven, FL 33883-0960

Mr. James A. McGee
Senior Counsel
Florida Power Corporation
P. O. Box 14042
St. Petersburg, FL 33733-4042

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

Mr. Joseph A. McGlothlin
Ms. Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin,
Davidson, Rief & Bakas
117 S. Gadsden Street
Tallahassee, FL 32301

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

Mr. Russell A. Badders
Beggs & Lane
Post Office Box 12950
Pensacola, FL 32576

Mr. John Roger Howe
Office of Public Counsel
Room 812
111 West Madison Street
Tallahassee, FL 32399-1400

Mr. Kenneth A. Hoffman
Rutledge, Ecenia, Underwood,
Purnell & Hoffman
Post Office Box 551
Tallahassee, FL 32302-0551

Mr. Michael A. Palecki
City Gas Company of Florida
955 East 25th Street
Hialeah, FL 33013-3498

Ms. Colette M. Powers
Indiantown Gas Company
P. O. Box 8
Indiantown, FL 34956-0008

Ms. Debra Swim
Legal Environmental Assistance
Foundation
1115 N. Gadsden Street
Tallahassee, FL 32303-6327

Mr. Joseph McCormick
Peoples Gas System - Plaza 7
Post Office Box 111
Tampa, FL 33601-0111

Sebring Gas System, Inc.
3515 Highway 27 South
Sebring, FL 33870-5452

Mr. John McLelland
South Florida Natural Gas Co.
Post Office Box 248
New Smyrna Beach, FL 32170-0248

Mr. Stuart L. Shoaf
St. Joe Natural Gas Company
Post Office Box 549
Port St. Joe, FL. 32457-0549

Mr. Ben Gray
West Florida Natural Gas Co.
Post Office Box 1460
Panama City, FL 32402-1460



ATTORNEY