

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 980001-EI
 FILED: June 23, 1998

PETITION OF TAMPA ELECTRIC COMPANY

Tampa Electric Company ("Tampa Electric" or "the company") petitions the Commission for an interim continuation of Tampa Electric's currently approved fuel and purchased power cost recovery factors and capacity cost recovery factors (collectively referred to as "cost recovery factors") during the period October 1, 1998 through December 31, 1998, pending the approval and effectiveness of new cost recovery factors for the annual cost recovery period January 1, 1999 through December 31, 1999, and as grounds therefor, says:

1. Tampa Electric's current cost recovery factors were approved by the Commission in Order No. PSC-98-0412-FOF-EI issued March 20, 1998 in this docket for use during the period April 1998 through September 1998.

2. Subsequent to the entry of Order No. 98-0412 the Commission voted to change the cost recovery clauses from a six month cost recovery period to an annual calendar year cost recovery period.¹ The Commission's decision in this regard requires a transition from the existing bi-annual hearing schedule to an annual schedule. Under the transition a hearing will be conducted

¹Order No. PSC-98-0691-FOF-PU issued in Docket No. 980269-PU on May 19, 1998.

in November of 1998 to set the cost recovery factors to be applied during the period January 1999 through December 1999.

3. As indicated above, the currently effective cost recovery factors were approved for use through September 1998. Tampa Electric has analyzed its fuel and capacity expense and kilowatt hour sales, both for the current six month cost recovery period and projected through the three month transition period ending December 31, 1998, and has concluded that a continuation of the company's present cost recovery factors during the three month transition period of October 1998 - December 1998 is a preferable alternative to changing the cost recovery factors on October 1 and again three months later. Continuing the current factors will not have a material impact on the total amount charged to retail customers. Moreover, maintaining the current factors will avoid potential customer confusion over fluctuating cost recovery factors and will save all parties the administrative costs of placing a new factor in place for the brief three month transition period. These are the same types of considerations that formed the basis for the Commission's decision to move to an annual cost recovery schedule. Consequently, the company petitions the Commission for a continuation of its currently approved cost recovery factors during the period October 1998 through December 1998, subject to certain proposed adjustments relative to the Generation Performance Incentive Factor ("GPIF") methodology.

4. Tampa Electric's current fuel adjustment factor has built into it a GPIF penalty totalling \$363,850, calculated to have been

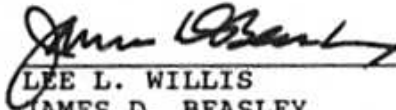
collected over the six month period ending September 30, 1998. Leaving the fuel factor in place would continue this penalty through the end of 1998 and result in the company being overpenalized during the transition period. Rather than changing the fuel factor to avoid this effect, Tampa Electric requests that in the final true-up for April 1998 - December 1998 (to be considered in the November 1999 fuel adjustment hearing) Tampa Electric be given credit for the amount by which it is overpenalized, plus interest, and have that credit applied to the GPIF reward/penalty calculated for such true-up period.

5. In addition, Tampa Electric has in place Commission approved GPIF targets and ranges for the period April 1998 through September 1998. Tampa Electric suggests that it would not be administratively efficient to conduct a hearing for the sole purpose of setting GPIF targets and ranges for the period October 1998 through December 1998. Tampa Electric understands the Commission's Staff prefers that the electric utilities submit their proposed GPIF targets and ranges for the October - December 1998 period in their October 1998 filings for the November 1998 fuel adjustment hearing and Tampa Electric is proceeding on this schedule.

WHEREFORE, Tampa Electric requests that its currently approved cost recovery factors remain in effect through December 31, 1998 subject to the adjustments discussed above.

DATED this 23rd day of June, 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 Petition, filed on behalf of Tampa Electric Company, has been furnished by U. S. Mail or hand delivery (*) on this 23rd day of June, 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 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. Kenneth A. Hoffman
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
TLCN980001#2.pet