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RECORDS AND
REPORTING

August 5, 1998

HAND DELIVERED

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399-0850

Re: Environmental Cost Recovery Clause
FPSC Docket No. 980007-EI

Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and ten (10) copies of the Prehearing Statement of Tampa Electric Company.

Also enclosed is a diskette containing the above Prehearing Statement originally typed in Microsoft Word 97 format which has been saved in Richtext format for use with WordPerfect.

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

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

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost)
 Recovery Clause.)
 _____)

DOCKET NO. 980007-EI
 FILED: August 5, 1998

PREHEARING STATEMENT OF TAMPA ELECTRIC COMPANYA. APPEARANCES:

LEE L. WILLIS
 JAMES D. BEASLEY
 Ausley & McMullen
 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. Karen O Zwolak (TECO)	Final true-up for period ending March 31, 1998 and estimated true-up for period April-September 1998; projections for period October 1998 through December 1998	1A,2A,3,4,5,6,7,8,9

C. EXHIBITS:

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
_____ (KOZ-1)	Zwolak	Final true-up Environmental Cost Recovery, Commission Forms 42-1A through 42-8A for the period October 1997 through March 1998.

<u>(KOZ-1)</u>	Zwolak	Final true-up Environment Cost Recovery Commission Forms 42-1P through 42-7P for the period October 1998-December 1998 and 42-1E through 42-8E for the period April 1998 - September 1998
<u>(KOZ-2)</u>	Zwolak	Form 42-1P for the Projected Period October 1998 - December 1998
<u>(KOZ-3)</u>	Zwolak	Form 42-1E2 for the period April 1998 to December 1998

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 October 1997 through March 1998, its actual true-up amount for the period April 1998 through September 1998, and its projected ECRC revenue requirement and ECRC cost recovery factors for the period October 1998 through December 1998.

E. STATEMENT OF ISSUES AND POSITIONS

Generic Environmental Cost Recovery Issues

ISSUE 1A: What are the appropriate final environmental cost recovery true-up amount for the period ending March 31, 1998?

TECO: An overrecovery of \$351,717. (Zwolak)

ISSUE 2A: What are the estimated environmental cost recovery true-up amounts for the period April, 1998 through September, 1998?

TECO: An underrecovery of \$80,017 for the period April 1, 1998 through September 30, 1998. However, if the currently approved rates were extended through December

31, 1998, the estimated environmental cost recovery true-up amount for the period April 1, 1998 through December 31, 1998 would be an underrecovery of \$143,228. (Zwolak)

ISSUE 3: What are the total environmental cost recovery true-up amounts to be collected?

TECO: \$271,700 overrecovery through September 30, 1998. However, if the currently approved rates were extended through December 31, 1998, the end of period total environmental cost recovery net true-up amount as of December 31, 1998 would be an overrecovery of \$208,489. (Zwolak)

ISSUE 4: What are the appropriate projected environmental cost recovery amounts for the period October, 1998 through December, 1998?

TECO: \$1,152,326 (Zwolak)

ISSUE 5: Should the Commission allow the electric utilities to keep their environmental cost recovery factors at the rate set by Order Nos. PSC-97-1047-FOF-EI and PSC-98-0408-FOF-EI for the projected period October, 1998 through December, 1998??

TECO: Yes. (Zwolak)

ISSUE 6: What is the appropriate recovery period to collect the total environmental cost recovery true-up amounts?

TECO: January 1999 through December 1999. (Zwolak)

ISSUE 7: What should be the effective date of the 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 October 1998 through December 1998. Billing cycles may start before October 1, 1998, and the last cycle may be read after December 31, 1998, so that each customer is billed for three months regardless of when the adjustment factor became effective. (Zwolak)

ISSUE 8: What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery true-up amounts to be collected?

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. (Zwolak)

ISSUE 9: What are the appropriate Environmental Cost Recovery Factors for the period beginning October 1998 for each rate group?

<u>TECO:</u>	RS, RST	0.033
	GS, GST, TS	0.033
	GSD, GSDT	0.033
	GSLD, GSLDT, SBF, SBFT	0.032
	IS1, IST1, SBI1, SBIT1,	
	IS3, IST3, SBI3, SBIT3	0.031
	SL, OL	0.032

(Zwolak)

E. STIPULATED ISSUES

TECO: None at this time.

G. MOTIONS

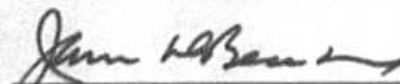
TECO: None at this time.

H. OTHER MATTERS

TECO: None at this time.

DATED this 5th day of August, 1998.

Respectfully submitted,



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ATTORNEYS FOR TAMPA ELECTRIC CO.

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 5th day of August, 1998 to the following:

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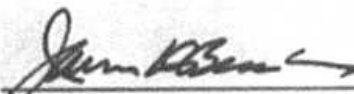
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