

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental cost
recovery clause.

DOCKET NO. 990007-EI
ORDER NO. PSC-99-2513-FOF-EI
ISSUED: December 22, 1999

The following Commissioners participated in the disposition of
this matter:

SUSAN F. CLARK
J. TERRY DEASON
E. LEON JACOBS, JR.

APPEARANCES:

MATTHEW M. CHILDS, ESQUIRE, Steel Hector & Davis, 215 South
Monroe Street, Suite 601, Tallahassee, Florida 32301
On behalf of Florida Power & Light Company

JEFFREY A. STONE, ESQUIRE, and RUSSELL A. BADDERS, Esquire,
Beggs & Lane, Post Office Box 12950, Pensacola, Florida 32576
On behalf of Gulf Power Company

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& McMullen, Post Office Box 391, Tallahassee, Florida 32302
On behalf of Tampa Electric Company

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On behalf of the Commission Staff.

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FPSC-RECORDS/REPORTING

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

As part of the Commission's continuing fuel cost recovery, conservation cost recovery, purchased gas adjustment and environmental cost recovery proceedings, a hearing was held on November 22-23, 1999, in this docket and in Docket No. 990001-EI, Docket No. 990002-EG, and Docket No. 990003-GU. The hearing addressed the issues set out in the body of the Prehearing Order. The parties have stipulated to several of the issues. They are described below.

Generic Environmental Cost Recovery Issues

I. Final Environmental Cost Recovery True-Up Amounts for Period Ending December 31, 1998

We approve as reasonable the following stipulation as to the appropriate final environmental cost recovery true-up amounts for the period ending December 31, 1998.

Florida Power & Light Company (FPL), \$678,159.

Tampa Electric Company (TECO), \$(1,053,356)

Gulf Power Company (Gulf), \$50,275

II. Estimated Environmental Cost Recovery True-Up Amounts for Period January 1999 Through December 1999

We approve as reasonable the following stipulation as to the appropriate estimated environmental cost recovery true-up amounts for the period January 1999 through December 1999.

FPL, \$157,015

TECO, \$(2,283,580)

Gulf, \$326,978

III. Total Environmental Cost Recovery True-Up Amounts for Period
January 2000 Through December 2000

We approve as reasonable the following stipulation as to the total environmental cost recovery true-up amounts to be collected or refunded during the period January 2000 through December 2000.

FPL, \$835,174

TECO, \$(3,336,936)

Gulf, \$377,253

IV. Projected Environmental Cost Recovery Amounts for Period
January 2000 Through December 2000

We approve as reasonable the following stipulation as to the appropriate projected environmental cost recovery amounts for the period January 2000 through December 2000.

FPL, \$12,800,000

TECO, \$24,053,189

Gulf, \$11,340,056

V. Environmental Cost Recovery Factors for Each Rate Class for
Period January 2000 Through December 2000

We approve as reasonable the following stipulation as to the appropriate Environmental Cost Recovery Factors for the period January, 2000, through December, 2000, for each rate class.

FPL

Rate Class	Recovery Factor (\$/KWH)
RS	.00016
GS1	.00016
GSD1	.00014
OS2	.00019

ORDER NO. PSC-99-2513-FOF-EI
DOCKET NO. 990007-EI
PAGE 4

Rate Class	Recovery Factor (\$/KWH)
GSLD-1/CS1	.00014
GSLD-2/CS2	.00014
GSLD-3/CS3	.00011
ISST1D	.00020
SST1T	.00010
SST1D	.00014
CILC D/CILC G	.00013
CILC T	.00010
MET	.00015
OL1/SL1	.00014
SL2	.00013

TECO

Rate Class	Recovery Factor (cents/KWH)
RS, RST	.146
GS, GST, TS	.146
GSD, GSDT	.145
GSLD, GSLDT, SBF, SBFT	.143
IS 1&3, IST 1&3, SBI 1&3, SBIT 1&3	.138
SL/OL	.144

Gulf

Rate Class	Recovery Factor (cents/KWH)
RS, RST	.123
GS, GST	.123
GSD, GSdT	.112
LP, LPT	.102
PX, PXT, RTP, SBS	.095
OS-1, OS-II	.080
OS-III	.100
OS-IV	.159

V. Effective Date of Environmental Cost Recovery Factors for Billing Purposes

We approve as reasonable the following stipulation as to the effective date of the environmental cost recovery factors for billing purposes:

The factors shall be effective beginning with the specified environmental cost recovery cycle and thereafter for the period January, 2000, through December, 2000. Billing cycles may start before January 1, 2000, and the last cycle may be read after December 31, 2000, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

The Office of Public Counsel (OPC) took no position on this issue and did not endorse the stipulated resolution set forth herein as to the effective date of the environmental cost recovery factors for billing purposes.

VI. Depreciation Rates

We approve as reasonable the following stipulation as to the appropriate depreciation rates that should be used to develop the depreciation expense included in the total environmental cost recovery true-up amounts:

The depreciation rates used to calculate the depreciation expense shall be the rates that are in effect during the period the allowed capital investment is in service.

The Florida Industrial Power Users Group (FIPUG) and OPC took no position on this issue and did not endorse the stipulated resolution set forth herein as to the appropriate depreciation rates that should be used to develop the depreciation expense included in the total environmental cost recovery true-up amounts.

VI. Minimum Filing Requirements

We approve as reasonable the following stipulation as to the proposed requirement that the Commission set minimum filing requirements upon a petition for approval of recovery of new projects through the Environmental Cost Recovery Clause (ECRC):

The Commission shall continue to evaluate each petition for new ECRC activities and projects on a case by case basis. At a minimum, each petition should contain the following:

1. identification of the specific environmental law(s) or regulation(s) requiring the proposed activity or project;
2. a description of the proposed environmental compliance activity;
3. the associated projected environmental compliance costs; and,
4. an adjustment for the level of costs currently being recovered through base rates or other rate-adjustment clauses must be included in the filing.

VII. Methodology for Adjusting Environmental Cost Recovery Project Costs for Plant-in-Service Retirements and Replacements Recovered Through Base Rates

We approve as reasonable the following stipulation concerning the appropriate methodology for making an adjustment to the ECRC project costs to reflect retirements or replacements of plant-in-service that are being recovered through base rates:

The appropriate adjustment to ECRC project costs to reflect retirements or replacements of plant shall reflect the impact on the company's net plant-in-service and depreciation expense. Based on utility accounting the impact of retiring plant on net investment is zero dollars. The net plant-in-service is increased by the amounts of the new ECRC investment. Until the company's next depreciation study depreciation expense would decrease by the amount of depreciation on the retired investment and would increase by the amount of depreciation related to the new investment. Until the next depreciation study becomes effective the company would offset the depreciation related to the retired investment for recovery through the ECRC. When a new depreciation study is prepared, the reserve deficiency created by the premature retirement of the old asset shall be properly reflected in the new depreciation rates. When these new rates become effective, the offset described above will no longer be necessary or appropriate. For purposes of resolving this issue, the depreciation expense offset shall be effective as of the effective date of the last company-specific depreciation study.

FIPUG took no position on this issue and did not endorse the stipulated resolution set forth herein as to the appropriate methodology for making an adjustment to the ECRC project costs to reflect retirements or replacements of plant-in-service that are being recovered through base rates.

VIII. Adjustments to Remove from the Clause Any Environmental Cost Recovery Clause Project Costs Being Recovered Through Base Rates

We approve as reasonable the following stipulation concerning whether the companies have made the appropriate adjustments to remove ECRC project costs that are being recovered through base rates:

The adjustments have been made in accordance with Order No. 94-0044-FOF-EI, issued January 12, 1994, in Docket No 930613-EI.

FIPUG and OPC took no position on this issue and did not endorse the stipulated resolution set forth herein as to whether

the utilities have made the appropriate adjustments to remove ECRC project costs that are being recovered through base rates.

Company - Specific Environmental Cost Recovery Issues

I. Legal Requirements for Cost Recovery

In order to recover environmental compliance costs through the ECRC, a proposed project must meet the specific criteria listed in Order No. PSC-94-0044-FOF-EI. The three components are as follows: (1) such costs were prudently incurred after April 13, 1993; (2) the activity is legally required to comply with a governmentally imposed environmental regulation enacted, which became effective, or whose effect was triggered after the Company's last test year upon which rates are based, and (3) such costs are not recovered through some other cost recovery mechanism or through base rates.

Additionally, pursuant to Order No. PSC-94-1207-FOF-EI, issued October 3, 1994 in Docket No. 940042-EI, ". . . a utility's petition for cost recovery must describe proposed activities and projected costs, not costs that have already been incurred." (at page 5)

II. FLORIDA POWER & LIGHT COMPANY

A. The Effect of Florida Power & Light Company's Stipulation on the Environmental Cost Recovery Clause

We approve as reasonable the following stipulation as to the effect of the stipulation reached among FPL, OPC, FIPUG and the Coalition for Equitable Rates in Order No. PSC-99-0519-AS-EI, issued March 17, 1999, in Docket No. 990067-EI:

For 2000, the stipulation does not allow FPL to recover a level of costs, including true-ups, in excess of \$12.8 million. The level of costs incurred above the cap will not be recovered through the ECRC in future periods.

FIPUG and OPC took no position on this issue and did not endorse the stipulated resolution set forth herein as to the effect of the stipulation reached between FPL, OPC, FIPUG and the Coalition for Equitable Rates in Order No. PSC-99-0519-AS-EI, issued March 17, 1999, in Docket No. 990067-EI.

B. Adjustments to Depreciation Expense for Environmental Compliance True-up

We approve as reasonable the following stipulation as to adjustments to depreciation expense for environmental compliance true-up for FP&L:

For the three projects listed: Project 3b, Continuous Emission Monitoring; Project 8b, Oil Spill Cleanup/Response Equipment; and, Project 17, Non-Containerized Liquid Wastes, staff has been unable to verify Florida Power & Light's depreciation amounts and adjustments. Florida Power & Light agrees to provide staff with the necessary information and calculations to resolve the differences identified by staff and to reflect any resulting changes in its actual 1999 results. The amounts in question for 1997 through 2000, are not significant enough to change Florida Power & Light's proposed factors. However, the net amount of the changes will be reflected in Florida Power & Light's true-up filing scheduled for April 1, 2000.

III. GULF POWER COMPANY

A. Gulf Coast Ozone Study

We decline to decide whether this study is ripe for cost recovery at this time. Gulf has petitioned for deferred accounting treatment of this project in Docket No. 991834-EI. However, we approve as reasonable the following stipulation as to the allocation of costs for the Gulf Coast Ozone Study to the rate classes:

If the Gulf Coast Ozone Study program meets the criteria for cost recovery, its costs shall be allocated to the rate classes on an energy basis.

B. Approval for Recovery of Costs of Mercury Emissions Information Collection Effort

We approve as reasonable the following stipulation as to whether Gulf may recover the costs of the Mercury Emissions Information Collection Effort through the Environmental Cost Recovery Clause:

The Commission found in Order No. PSC-99-0912-PAA-EI, issued May 10, 1999, in Docket No. 981973, and consummated by Order No. PSC-99-1125-CO-EI on June 4, 1999, that the proposed Mercury Emissions Information Collection Effort qualified for recovery through the ECRC.

OPC and FIPUG took no position on this issue and did not endorse the stipulated resolution set forth herein as to whether Gulf may recover costs of the Plant Smith Sodium Injection system through the ECRC.

We approve as reasonable the following stipulation as to the manner in which the costs for the Plant Smith Sodium Injection system should be allocated to the rate classes. The costs of the Mercury Emissions Information Collection Effort shall be allocated on an energy basis.

D. Underground Fuel Storage Tanks

We approve as reasonable the following stipulation as to the adjustments to be made to the ECRC to reflect any amount in base rates for the costs of the underground fuel storage tanks:

Because of our vote concerning the appropriate methodology for making an adjustment to the ECRC project costs to reflect retirements or replacements of plant-in-service that are being recovered through base rates, we believe there does not need to be an adjustment made to the ECRC to reflect amounts in base rates for the costs of the underground fuel storage tanks replaced by above-ground fuel storage tanks. The project plant-in-service beginning amount for purposes of setting the 2000 factors shall be \$457,919.

E. Subaccounts

We approve as reasonable the following stipulation as to whether Gulf is in compliance with Order No. PSC-94-0044-FOF-EI, regarding the maintenance of separate subaccounts consistent with the Uniform System of Accounts for all items included in the ECRC:

Gulf continues to believe that it has been in compliance with Order No. PSC-94-0044-FOF-EI since the implementation of the ECRC through the use of specific

location numbers for O&M expenses and the use of unique work order numbers in the plant accounting system. The accounting practice which has been in place since 1993 has not been questioned by any party prior to this year. However, in order to address the concerns expressed in the most recent audit report, the Company is willing to begin making manual entries to the general ledger no later than the first quarter of 2000. These entries will separately identify the plant related ECRC amounts in the applicable FERC accounts.

IV. TAMPA ELECTRIC COMPANY

A. Big Bend 1 & 2 Flue Gas Desulfurization Project

We approve as reasonable the following stipulation concerning how the costs for the Big Bend Unit 1 & 2 Flue Gas Desulfurization (FGD) project shall be allocated to the rate classes:

The recoverable costs for the Big Bend 1 & 2 FGD project being done to met the requirements of the Clean Air Act Amendments of 1990, should be allocated to the rate classes on an energy basis as set forth in previous Orders of the Commission. Nevertheless, it is FIPUG's position that costs should be allocated on a capacity basis; however, FIPUG recognizes that the Commission has previously decided to allocate such costs on an energy basis.

B. EPA Mercury Emissions Information Collection Effort

We approve as reasonable the following stipulation as to Tampa Electric Company's EPA Mercury Emissions Information Collection Effort:

The Commission voted on this matter at the Agenda Conference held October 5, 1999 (Order No. PSC-99-2103-PAA-EI, issued October 25, 1999, in Docket No. 990976-EI, and consummated by Order No. PSC-99-2279-CO-EI, issued November 19, 1999). The EPA Mercury Emission Information Collection Effort is a project which qualifies for recovery through the ECRC.

OPC and FIPUG took no position on the dollar amounts and did not endorse the stipulated resolution set forth herein on the Mercury Emissions Information Collection Effort.

We approve as reasonable the following stipulation as to the allocation to the rate classes of the newly proposed environmental costs for the EPA Mercury Emissions Information Collection Effort. The EPA Mercury Emissions Information Collection Effort, which is a project being done to meet the requirements of the Clean Air Amendments of 1990, should be allocated to the rate classes on an energy basis as set forth in previous orders by this Commission. Nevertheless, it is FIPUG's position that costs should be allocated on a capacity basis; however, FIPUG recognizes that the Commission has previously decided to allocate such costs on an energy basis.

C. Gannon Electrostatic Precipitator Optimization Study

We approve as reasonable the following stipulation as to Tampa Electric Company's request for recovery of costs of the Gannon Electrostatic Precipitator Optimization Study through the Environmental Cost Recovery Clause:

The Commission voted on this matter at the Agenda Conference held on October 5, 1999 (Order No. PSC-99-2103-PAA-EI, issued October 25, 1999, in Docket No. 990976-EI, and consummated by Order No. PSC-99-2279-CO-EI, issued November 19, 1999). The Gannon Electrostatic Precipitator Optimization Study is a project which qualifies for recovery through the ECRC.

OPC and FIPUG took no position on the dollar amounts and did not endorse the stipulated resolution set forth herein on the Gannon Electrostatic Precipitator Optimization Study.

We approve as reasonable the following stipulation as to the allocation to the rate classes of the newly proposed environmental costs for the Gannon Electrostatic Precipitator Optimization Study. The Gannon Electrostatic Precipitator Optimization Study, which is a project being done to meet the requirements of the Clean Air Amendments of 1990, shall be allocated to the rate classes on an energy basis as set forth in previous orders by this Commission. Nevertheless, it is FIPUG's position that costs should be allocated on a capacity basis; however, FIPUG recognizes that the Commission has previously decided to allocate such costs on an energy basis.

D. Replaced and Retired Assets Associated with Big Bend CEM and Gannon Ignition Oil Tank

We approve as reasonable the following stipulation as to what adjustments, if any, should be made to the ECRC to reflect the assets recovered through base rates that were replaced and retired in connection with the Big Bend CEM and Gannon Ignition Oil Tank ECRC projects:

The (\$24,864) ECRC adjustment reflected on Page 42-2E of Karen Zwolak's testimony should be (\$5,840).

E. Subaccounts

We approve as reasonable the following stipulation as to whether TECO should be required to maintain separate subaccounts for all items included in the Environmental Cost Recovery factors:

In order to address staff's efforts to implement more automated audit capabilities, the company is willing to begin making manual entries to the general ledger no later than the first quarter of 2000. These entries will separately identify the plant-related ECRC amounts in the applicable FERC accounts.

OPC took no position on the dollar amounts and did not endorse the stipulated resolution set forth herein on the Gannon Electrostatic Precipitator Optimization Study.

V. ISSUES FOR WHICH STIPULATIONS WERE NOT REACHED

A. Should the Commission require Utilities to Petition for Approval of Recovery of New Projects Through the Environmental Cost Recovery Clause at Least Three Months Prior to Due Date for Projection Filing Testimony?

FIPUG's Witness Taylor testified that all testimony and projections should be filed at least 90 days prior to hearing. However, after hearing argument from all parties, we find that utilities' final ECRC true-ups shall be filed on the first business day in April of each year. The utilities shall also be required to file their current period true-ups at least 90 calendar days before the ECRC hearing. The initial ECRC projections shall be filed not later than 60 days before the ECRC hearing. For purposes of this issue, true-ups, estimated/actual true-ups and projections shall

include both the amounts and justification of the amounts in both the testimony and the exhibits.

B. When Should the Costs of the TECO Scrubbers be Recovered Through the ECRC?

According to TECO, the FGD system at Big Bend 1 & 2 will go into service mid December of 1999. We heard testimony from FIPUG Witness Taylor that TECO should not be allowed cost recovery for the scrubbers until cost savings materialize to the ratepayers as a result of fuel savings from the use of the FGD system. Past Commission precedent has been to allow cost recovery without delay for activities, such as the FGD system, that previously have been approved for cost recovery. We find, therefore, that the costs of TECO's Big Bend Units 1 & 2 FGD system shall be recovered through the ECRC without delay.

C. If Recovery of the Cost of TECO's Scrubbers is on a kWh Basis, Should Wholesale Customers Bear a Portion of the Cost Responsibility Based on Their Consumption?

This issue was raised by FIPUG. It concerns the separation of costs of the Big Bend Units 1 & 2 FGD system between the retail and wholesale jurisdictions. Currently, in the ECRC, TECO determines the cost to be recovered from the retail jurisdiction by applying two jurisdictional separation factors: an energy related jurisdictional factor is applied to those costs that are allocated to the rate classes on an energy basis; and, a demand related factor is used for those costs that are allocated to the rate classes on a demand basis. These factors are determined based on the level of kilowatt hour sales and coincident peak demands of TECO's long-term firm separated wholesale transactions and its retail rate payers.

Pursuant to Order No. PSC-94-0044-FOF-EI, the Big Bend Units 1 & 2 FGD system is being allocated to the rate classes on an energy basis. TECO, therefore, separates these costs between the retail and wholesale jurisdictions based upon their respective kilowatt hour sales. This is the appropriate treatment and is consistent with our past Orders.

The current regulatory treatment for a nonseparated type transaction does require the utility to flow back a substantial portion of the gains from nonseparated sales to the ratepayers through the adjustment clauses. These revenues do serve to offset

the fixed costs that are supported by the general body of ratepayers. TECO Witness Zwolak testified that to require TECO to add a cost component to these sales to reflect the cost of the FGD system could result in fewer sales and fewer benefits to the retail ratepayers. We believe that this sort of treatment would also be inconsistent with the manner in which wholesale transactions are separated in the rate case process and through the surveillance reports. We find that the evidence in the record does not justify a departure from our established policy on separation of environmental costs.

D. What ROE Should be Applied to the Recovery of the Scrubbers?

We believe that Section 366.8255(1)(d)1, Florida Statutes authorizes a utility to earn its last authorized rate of return on equity for in-service capital investments which were acquired by the utility in compliance with environmental laws and regulations. Though we do not believe that this statute necessarily requires the utility to use the mid-point of the range, we find that the mid-point is reasonable in this instance. We point out that if the low end of the range is indicated for certain types of investments, it is usually noted in the statute.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that utilities' return on equity for purposes of cost recovery under the Environmental Cost Recovery Clause shall continue to be calculated in the manner set forth in Order No. PSC-94-0044-FOF-EI, issued January 12, 1994, Docket No. 930613-EI. It is further

ORDERED that the stipulations set forth in the body of this Order are hereby approved. It is further

ORDERED that Florida Power & Light Company, Gulf Power Company, and Tampa Electric Company shall apply the environmental cost recovery factors set forth herein during the period January 1, 2000, through December 31, 2000, and until such factors are modified by subsequent Order. Billing cycles may start before January 1, 2000, and the last cycle may be read after December 31, 2000, so that each customer is billed for twelve months regardless of when the adjustment factor became effective. It is further

ORDER NO. PSC-99-2513-FOF-EI
DOCKET NO. 990007-EI
PAGE 16

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. It is further

ORDERED that the projected environmental cost recovery amount for the period January 2000 through December 2000 are approved subject to estimated/actual true up and subsequent final true-up, and further subject to proof of the reasonableness and prudence of the expenditures upon which the amounts are based. It is further

ORDERED that the final environmental cost recovery true-up amounts for the period ending December 31, 1998, are approved as reasonable. It is further

ORDERED that utilities filing under the Environmental Cost Recovery Clause shall file their final Environmental Cost Recovery Clause true-ups on the first business day of April each year, their current period actual/estimated true-ups at least 90 days prior to the Environmental Cost Recovery Clause hearing, and their initial projections no later than 60 days prior to the Environmental Cost Recovery Clause hearing. It is further

ORDERED that the depreciation rates used to calculate the depreciation expense shall be the rates that are in effect during the period the allowed capital investment is in service. It is further

ORDERED that each petition for cost recovery of an activity under the Environmental Cost Recovery Clause shall contain at a minimum: identification of the specific environmental law(s) or regulation(s) requiring the proposed activity or project; a description of the proposed environmental compliance activity; the associated projected environmental compliance costs; and, an adjustment for the level of costs currently being recovered through base rates or other rate-adjustment clause(s) must be included in the filing. It is further

ORDERED that the appropriate adjustment to the Environmental Cost Recovery Clause project costs to reflect retirements or replacements of plant shall reflect the impact on the company's net plant-in-service and depreciation expense as described within the body of this Order. It is further

ORDERED that for purposes of the Environmental Cost Recovery Clause, Florida Power & Light Company shall not recover a level of costs, including true-ups, in excess of \$12.8 million for 2000, and that any level of costs incurred above the cap shall not be recovered through the Environmental Cost Recovery Clause in future periods. It is further

ORDERED that Florida Power & Light Company shall provide Commission staff with the necessary information and calculations to resolve the differences identified by Commission staff for projects: 3b, Continuous Emission Monitoring; 8b, Oil Spill Cleanup/Response Equipment; and, Project 17, Non-Containerized Liquid Wastes. As discussed herein, Florida Power & Light shall reflect any resulting changes in its actual 1999 results and the net amount of the changes shall be reflected in its true-up filing scheduled for the first business day of April 2000. It is further

ORDERED that if Gulf Power Company's Gulf Coast Ozone Study is approved for cost recovery, its associated costs shall be allocated to the rate classes on an energy basis as discussed herein. It is further

ORDERED that Gulf Power Company's Mercury Emissions Information Collection Effort and Plant Smith Sodium Injection System and prudently incurred costs are appropriate for recovery through the Environmental Cost Recovery Clause as set forth herein. It is further

ORDERED that the costs associated with Gulf Power Company's Mercury Emissions Information Collection Effort and Plant Smith Sodium Injection System and prudently incurred costs shall be allocated to the rate classes on an energy basis as discussed herein. It is further

ORDERED that Gulf Power Company shall maintain subaccounts for all ECRC plant-related expenses in the applicable FERC accounts beginning no later than the first quarter 2000. It is further

ORDERED that Tampa Electric Company's Big Bend Units 1 & 2 Flue Gas Desulfurization project and prudently incurred costs shall be allocated to the rate classes on an energy basis as discussed herein. It is further

ORDERED that Tampa Electric Company's Mercury Emissions Information Collection Effort and its Gannon Electrostatic

ORDER NO. PSC-99-2513-FOF-EI
DOCKET NO. 990007-EI
PAGE 18

Precipitator Optimization Study project, and prudently incurred costs are appropriate for recovery through the Environmental Cost Recovery Clause as set forth herein. It is further

ORDERED that Tampa Electric Company's Mercury Emissions Information Collection Effort and its Gannon Electrostatic Precipitator Optimization Study project, and prudently incurred costs shall be allocated to the rate classes on an energy basis as discussed herein. It is further

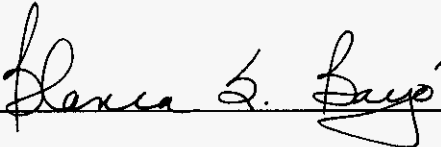
ORDERED that the negative \$24,864 Environmental Cost Recovery Clause adjustment shown on Page 42-2E of Tampa Electric Company Witness Zwolak's testimony shall be changed to reflect negative \$5,840. It is further

ORDERED that Tampa Electric Company shall begin to recover the costs of its Big Bend Units 1 & 2 Flue Gas Desulfurization system without delay. It is further

ORDERED that Tampa Electric Company shall use the midpoint of its authorized range of return on equity to for recovery of costs incurred for its Big Bend Units 1 & 2 Flue Gas Desulfurization System.

ORDERED that Tampa Electric Company shall begin making manual entries to the general ledger no later than the first quarter of 2000 to separately identify the plant-related ECRC amounts in the applicable FERC accounts.

By ORDER of the Florida Public Service Commission this 22nd day of December, 1999.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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ORDER NO. PSC-99-2513-FOF-EI
DOCKET NO. 990007-EI
PAGE 19

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.