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September 21, 2000

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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. 000001-EI

Dear Ms. Bayo:

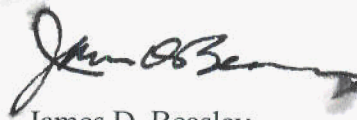
Enclosed for filing in the above docket on behalf of Tampa Electric Company are the original and ten (10) copies of each of the following:

1. Petition of Tampa Electric Company. 11885-00
2. Prepared Direct Testimony and Exhibit of W. L. Brown. 11886-00
3. Prepared Direct Testimony and Exhibit of Brian S. Buckley. 11887-00
4. Prepared Direct Testimony and Exhibit of Rod Burkhardt. 11888-00
5. Prepared Direct Testimony and Exhibit of J. Denise Jordan. 11891-00

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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JDB/pp
Enclosures

cc: All parties of record (w/encls.)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 000001-EI
FILED: September 21, 2000

PETITION OF TAMPA ELECTRIC COMPANY

Tampa Electric Company ("Tampa Electric" or "company"), hereby petitions the Commission for approval of the company's proposals concerning fuel and purchased power factors, capacity cost factors, generating performance incentive factors, seasonal fuel factor pilot program, and wholesale sales incentive mechanism implementation set forth herein, and in support thereof, says:

Fuel and Purchased Power Factors

1. Tampa Electric projects a fuel and purchased power net true-up amount for the period January 1, 2000 through December 31, 2000 will be an under-recovery of \$42,721,321. This under-recovery is comprised of a final true-up over-recovery amount of \$2,831,673 for the January 2000 through May 2000 period and an estimated under-recovery in the amount of \$45,102,994 for the June 2000 through December 2000 period. These two periods were utilized to effect the mid-course correction the Commission approved in Order No. PSC-00-1081-PCO-EI issued in this docket on June 5, 2000.

2. The company's projected expenditures for the period January 1, 2001 through December 31, 2001, when adjusted for the proposed GPIF penalty and true-up under-recovery amount and spread over projected kilowatt hour sales for the period January 1, 2001 through December 31, 2001, produce a fuel and purchased power factor for the new period of 2.500 cents

per KWH before application of the factors which adjust for variations in line losses. (See Exhibit No. __ (JDJ-4), Document No. 2, Schedule E1-E).

3. The direct testimony of Tampa Electric witness J. Denise Jordan describes the manner in which Tampa Electric proposes to implement the wholesale sales incentive mechanism approved by the Commission in Docket No. 991779-EI. Tampa Electric requests Commission approval of the manner in which Tampa Electric proposes to implement such incentive mechanism.

Capacity Cost Factor

4. Tampa Electric estimates that its net true-up amount applicable for the period January 1, 2000 through December 31, 2000 will be an over-recovery of \$1,977,239, as shown in Exhibit __ (JDJ-3), Document No. 2, page 2 of 3. This amount is a combination of the over-recovery of \$3,121,037 which the company experienced during the period January 2000 through May 2000 and the re-projected true-up amount of an under-recovery of \$1,143,798 the company expects to experience during the period June 2000 through December 2000. (See Exhibit No. __ JDJ-3, Document No. 1 and Document No. 2, page 1 of 3.) These two periods were utilized to effect the mid-course correction the Commission approved in Order No. PSC-00-1081-PCO-EI issued in this docket on June 5, 2000.

5. The company's projected expenditures for the period January 1, 2001 through December 31, 2001, when adjusted for the true-up under-recovery amount and spread over projected kilowatt hour sales for the new period January 1, 2001 through December 31, 2001 produce a capacity cost recovery factor for the period of 0.202 cents per KWH before applying the 12 CP and 1/13 allocation methodology. This will produce the capacity cost recovery factors by rate schedule as set forth in Exhibit No. __ (JDJ-4), Document No. 1, page 3 of 5.

GPIF

6. Tampa Electric has calculated that it is subject to a GPIF penalty of \$1,151,236 (adjusted to include a regulatory assessment fee of 1/12 of 1%) for performance experienced during the period January 1, 1999 through December 31, 1999.

7. The company is also proposing GPIF targets and ranges for the period January 1, 2001 through December 31, 2001 with such proposed targets and ranges being detailed in the testimony and exhibits of witness Brian S. Buckley filed herewith.

Pilot Program to Implement Seasonal Fuel Factors

8. On January 4, 2000 Tampa Electric filed a petition for approval of a pilot program to implement seasonal fuel factors. That petition was assigned Docket No. 000013-EI. Tampa Electric subsequently was advised on the Commission Staff's desire to have the substance of that petition taken up in the November 2000 fuel adjustment proceeding. Accordingly, Tampa Electric dismissed its petition in Docket No. 000013-EI and hereby resubmits its proposed pilot program for seasonal fuel factors for Commission approval.

9. As agreed to during the fuel adjustment hearings conducted in November, 1999, Tampa Electric proposes to implement an optional twenty-four month experimental pilot program which offers customers taking service under tariff schedules IS-1, IST-1, SBI-1, IS-3, IST-3 and SBI-3 the choice to select seasonal fuel factors in place of the projected levelized annual fuel factor. The proposed tariff sheets are provided in standard format as Exhibit No. __ (JDJ-4), Document No. 3, Part A and a legislative format version is provided as Exhibit No. __ (JDJ-4), Document No. 3, Part B.

10. The pilot program is being offered to determine customer interest and assess the potential for system benefits resulting from seasonal load shifting in response to offering a

seasonally differentiated fuel factor. Typically on Tampa Electric's system, fuel costs are higher in the summer period due to increased demands for energy over longer periods of time. Non-summer period fuel costs, conversely, are lower due to less sustained demand. The pilot program seeks to align seasonal fuel factors with the seasonal cost of fuel to produce a higher fuel factor during the summer months and a lower fuel factor during the non-summer months. The optional seasonal factors are designed to encourage, through price signals, shifting load into the non-summer season by large industrial customers who are able to shift significant load, thereby resulting in benefits to all ratepayers in terms of lower total, annual costs of generation.

11. Program participation is restrictive to customers taking interruptible service for several reasons. First, customers on IS rates are expected to be the customers more likely capable of shifting load between seasons. Second, load shifting under this class will have no impact on system reserves and the experiment is, in part, intended to measure the benefits to system fuel costs versus the impact on peak demand. Finally, fuel costs are such a significant portion of an IS customer's total bill that the price impact resulting from the differential of the factors will likely be higher than for other customers. Therefore, measuring and comparing costs as well as any load shifts is best accomplished for the IS customer class.

12. Tampa Electric believes that the most effective implementation method for this optional pilot offer is to provide an "open enrollment" period. Because the company is seeking to implement the seasonal fuel factors concurrently with the approval of annual levelized fuel factors, the company plans to offer the first open enrollment period from November 1, 2000 through December 15, 2000. Upon Commission approval, the seasonal fuel factors will be effective January 2001. A second open enrollment period will be held in November 2001 to allow additional customers to subscribe to the seasonal rate and provide an opportunity for

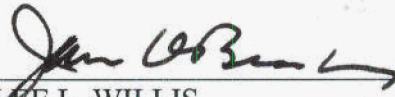
current customers to either re-subscribe or return to utilizing the annual levelized fuel factor. Once a customer chooses the seasonal fuel factor option, a one-year commitment is required to assure that customers do not select seasonal pricing only during the lower non-summer period and go back on the annual levelized fuel factor for the higher summer period.

13. Tampa Electric will advise its customers of the availability of the pilot program through direct customer interactions between customers and their assigned customer account representatives. Additionally, Tampa Electric will provide information regarding the experimental pilot program in its newsletters and in bill inserts. Customers will be informed that the pilot program is available and will be provided information regarding the enrollment period. They will also be informed that the pilot program is optional and that they are not required to participate.

WHEREFORE, Tampa Electric Company requests that its proposals relative to fuel and purchased cost recovery, capacity cost recovery and GPIF be approved as they relate to prior period true-up calculations and projected cost recovery charges, the company's proposed method for implementing the approved shareholder incentive, and that the Commission approve the company's proposed seasonable fuel factor pilot program.

DATED this 21st day of September 2000.

Respectfully submitted,



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ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Motion for Protective Order has been furnished by U. S. Mail or hand delivery (*) on this 21st day of September, 2000 to the following:

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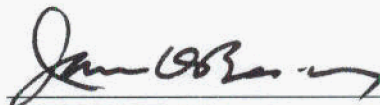
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