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June 25, 2001

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: Calculation of gains and appropriate regulatory treatment for non-separated
wholesale energy sales by investor-owned electric utilities;
FPSC Docket No. 010283-EI

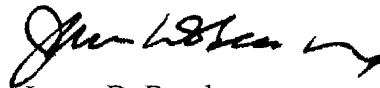
Dear Ms. Bayo:

Enclosed for filing in the above styled docket are the original and fifteen (15) copies of
Tampa Electric Company's Prehearing Statement.

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

JDB/pp
Enclosures

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

DOCUMENT NUMBER-DATE

07846 JUN 25 2001

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Calculation of gains and appropriate)
regulatory treatment for non-separated)
wholesale energy sales by investor-owned)
electric utilities)
_____)

DOCKET NO. 010283-EI
FILED: June 25, 2001

**PREHEARING STATEMENT
OF TAMPA ELECTRIC COMPANY**

A. 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>
<u>(Direct)</u>			
1.	J. Denise Jordan (TECO)	Calculation and appropriate treatment of gains from non- separated wholesale sales	2, 3, 4
2.	W. Lynn Brown (TECO)	Non-separated wholesale sales; treatment of gains	2, 3
<u>(Rebuttal)</u>			
1.	J. Denise Jordan (TECO)	Rebuttal of Mr. Kordecki's direct testimony	2, 3, 4

C. STATEMENT OF BASIC POSITION

Tampa Electric Company's Statement of Basic Position:

The Commission should adhere to the regulatory treatment of revenues and expenses associated with non-separated wholesale power sales as set forth in Part III of Order No. PSC-00-1744-PAA-EI ("Order No. 00-1744"), issued September 26, 2000 in Docket No. 991779-EI. The shareholder incentive approved in Order No. 00-1744 should be implemented in the manner described in Staff's memorandum dated September 20, 2000 in Docket No. 000001-EI.

D. STATEMENT OF ISSUES AND POSITIONS

ISSUE 1: What is the appropriate regulatory treatment for Gulf Power Company's SO₂ emission allowances associated with its non-separated wholesale energy sales?

TECO: No position.

ISSUE 2: What is the appropriate regulatory treatment for the cost of fuel and purchased power associated with non-separated wholesale energy sales?

TECO: Each IOU should credit its fuel and purchased power cost recovery clause for an amount equal to the incremental fuel cost of generating the energy for each such sale. (Jordan; Brown)

ISSUE 3: What is the appropriate regulatory treatment for the operation and maintenance (O&M) expenses associated with non-separated wholesale energy sales?

TECO: Each IOU should credit its operating revenues for an amount equal to the incremental O&M cost of generating the energy for each such sale. (Jordan; Brown)

ISSUE 4: How should the Commission implement Part II of Order No. PSC-00-1744-PAA-EI, in Docket No. 991779-EI, issued September 26, 2000, concerning the application of incentives to wholesale energy sales?

TECO: Tampa Electric agrees with the implementation methodology set forth in the Commission Staff's September 20, 2000 memorandum issued in Docket No. 000001-EI. (Jordan)

E. STIPULATED ISSUES

TECO: None at this time.

F. MOTIONS

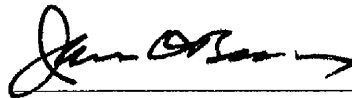
TECO: None at this time.

G. OTHER MATTERS

TECO: None at this time.

DATED this 25th day of June 2001.

Respectfully submitted,



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(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

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 25th day of June 2001 to the following:

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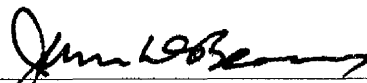
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