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ORIGINAL

October 24, 2001

HAND DELIVERED

Ms. Blanca S. Bayo, Director
Division of Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

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Re: Environmental Cost Recovery Clause
FPSC Docket No. 010007-EI

Dear Ms. Bayo:

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

Also enclosed is a diskette containing the above document generated in Word and saved in Rich Text 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

APP _____ JDB/pp
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 010007-EI
FILED: October 24, 2001

**TAMPA ELECTRIC COMPANY'S
PREHEARING STATEMENT**

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>
(Direct)		
1. Howard T. Bryant (TECO)	Final true-up for period ending December 31 2000, estimated, true-up for period January 2001 through December 2001; projections for period January 2002 through December 2002	1, 2, 3, 4, 5, 6, 7, 8,
2. Gregory M. Nelson (TECO)	Qualification of environmental activities for ECRC recovery	1,2,3,4
3. Darryl H. Scott (TECO)	Description of ECRC projects	1,2,3,4

C. EXHIBITS:

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
<u> </u> (HTB-1)	Bryant	Final Environmental Cost Recovery Commission Forms 42-1A through 42-8A for the period January 2000 through December 2000
<u> </u> (HTB-2)	Bryant	Environmental Cost Recovery Commission Forms 42-1E through 42-8E for the Period January 2001 through December 2001
<u> </u> (HTB-3)	Bryant	Forms 42-1P through 42-7P Forms for the January 2002 through December 2002

D. STATEMENT OF BASIC POSITION

Tampa Electric Company's Statement of Basic Position:

The Commission should approve for environmental cost recovery the compliance programs described in the testimony and exhibits of Tampa Electric Witnesses Bryant, Nelson, and Scott. The Commission should also approve Tampa Electric's calculation of its environmental cost recovery final true-up for the period January 2000 through December 2000, the actual/estimated environmental cost recovery true-up for the current period January 2001 through December 2001, and the company's projected ECRC revenue requirement and the company's proposed ECRC factors for the period January 2002 through December 2002.

E. STATEMENT OF ISSUES AND POSITIONS

Generic Environmental Cost Recovery Issues

ISSUE 1: What are the appropriate final environmental cost recovery true-up amounts for the period ending December 31, 2000?

TECO: The appropriate final environmental cost recovery true-up amount for this period is an overrecovery of \$677,727. (Witnesses: Bryant, Nelson, Scott)

ISSUE 2: What are the estimated environmental cost recovery true-up amounts for the period January 2001 through December 2001?

TECO: The estimated environmental cost recovery true-up amount for the period is an overrecovery of \$33,526. (Witnesses: Bryant, Nelson, Scott)

ISSUE 3: **What are the total environmental cost recovery true-up amounts to be collected or refunded during the period January 2002 through December 2002?**

TECO: The total environmental cost recovery true-up amount to be refunded during this period is \$711,253. (Witnesses: Bryant, Nelson, Scott)

ISSUE 4: **What are the appropriate projected environmental cost recovery amounts for the period January 2002 through December 2002?**

TECO: The appropriate amount is \$27,920,097. (Witnesses: Bryant, Nelson, Scott)

ISSUE 5: **What should be the effective date of the environmental cost recovery factors for billing purposes?**

TECO: The factors should be effective beginning with the specified fuel cycle and thereafter for the period January 2002, through December 2002. Billing cycles may start before January 1, 2002, and the last cycle may be read after December 31, 2002, so that each customer is billed for 12 months regardless of when the adjustment factors became effective. (Witness: Bryant)

ISSUE 6: **What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery amounts for the period January 2002 through December 2002?**

TECO: 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. (Witness: Bryant)

ISSUE 7: **What are the appropriate jurisdictional separation factors for the projected period January 2002 through December 2002?**

TECO: As shown on the schedules sponsored by Witness Bryant. (Witness: Bryant)

ISSUE 8: **What are the appropriate environmental cost recovery factors for the period January 2002 through December 2002 for each rate group?**

TECO: The appropriate factors are:

<u>Rate Class</u>	<u>Factor (cents/kWh)</u>
RS, RST	\$0.159
GS, GST, TS	\$0.158

GSD, GSDT	\$0.157
GSLD, GSLDT, SBF, SBFT	\$0.156
IS1, IST1, SBI1, IS3, IST3, SBI3	\$0.151
SL, OL	\$0.156
Average Factor	\$0.157

(Witness: Bryant)

Company-Specific Environmental Cost Recovery Issues

Florida Power & Light Company

ISSUE 9: What effect does Florida Power & Light Company’s stipulation approved by Order No. PSC-99-0519-AS-EI have on the company’s level of recovery for 2002?

TECO: No position.

Gulf Power Company

ISSUE 10A: Should the Commission approve Gulf Power Company’s request for recovery costs of the Generic NO_x Control Intelligent System (GNOCIS) through the Environmental Cost Recovery Clause?

TECO: No position.

Issue 10B: Should the Commission approve Gulf Power Company’s request for recovery of costs for Consumptive Use-Shield Water Substitution Project through the Environmental Cost Recovery Clause.

TECO: No position.

Issue 10C: How should the newly proposed environmental costs for the Consumptive Use-Shield Water Substitution Project be allocated to the rate classes?

TECO: No position.

Tampa Electric Company

Issue 11A: Should the Commission approve Tampa Electric Company’s request for recovery of costs for Gannon Thermal Discharge Study through the Environmental Cost Recovery Clause?

TECO: Yes. (Witness: Bryant)

Issue 11B: How should the newly proposed environmental costs for the Gannon Thermal Discharge Study be allocated to the rate classes?

TECO: The recoverable costs for the Gannon Thermal Discharge Study should be allocated to rate classes on a demand basis consistent with previous Commission orders. (Witness: Bryant)

F. STIPULATED ISSUES

TECO: None at this time.

G. MOTIONS

TECO: None at this time.

H. OTHER MATTERS

TECO: None at this time.

DATED this 24th day of October, 2001.

Respectfully submitted,



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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 24th day of October 2001 to the following:

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Ms. Vicki Gordon Kaufman
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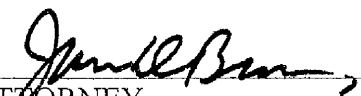
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