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October 25, 2002

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

RECEIVED FPSC
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COMMISSION
CLERK

Re: Environmental Cost Recovery Clause
FPSC Docket No. 020007-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,

[Handwritten signature of James D. Beasley]

James D. Beasley

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Enclosure

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

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 020007-EI
FILED: October 25, 2002

**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 2001, estimated, true-up for period January 2002 through December 2002; projections for period January 2003 through December 2003	1, 2, 3, 4, 5, 6, 7, 8, 11A, 11B
2. Greg M. Nelson (TECO)	Qualification of environmental activities for ECRC recovery	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 2001 through December 2001
<u> </u> (HTB-2)	Bryant	Environmental Cost Recovery Commission Forms 42-1E through 42-8E for the Period January 2002 through December 2002
<u> </u> (HTB-3)	Bryant	Forms 42-1P through 42-7P Forms for the January 2003 through December 2003

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 and Nelson. The Commission should also approve Tampa Electric's calculation of its environmental cost recovery final true-up for the period January 2001 through December 2001, the actual/estimated environmental cost recovery true-up for the current period January 2002 through December 2002, and the company's projected ECRC revenue requirement and the company's proposed ECRC factors for the period January 2003 through December 2003.

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, 2001?

TECO: The appropriate final environmental cost recovery true-up amount for this period is an under-recovery of \$1,001,138. (Witnesses: Bryant, Nelson)

ISSUE 2: What are the estimated environmental cost recovery true-up amounts for the period January 2002 through December 2002?

TECO: The estimated environmental cost recovery true-up amount for the period is an over-recovery of \$3,457,263. (Witnesses: Bryant, Nelson)

ISSUE 3: **What are the total environmental cost recovery true-up amounts to be collected or refunded during the period January 2003 through December 2003?**

TECO: The total environmental cost recovery true-up amount to be refunded during this period is an over-recovery of \$2,456,125. (Witnesses: Bryant, Nelson)

ISSUE 4: **What are the appropriate projected environmental cost recovery amounts for the period January 2003 through December 2003?**

TECO: The appropriate amount is \$25,795,266. (Witnesses: Bryant, Nelson)

ISSUE 5: **What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery amounts for the period January 2003 through December 2003?**

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 6: **What are the appropriate jurisdictional separation factors for the projected period January 2003 through December 2003?**

TECO: The demand jurisdictional separation factor is 95.43611%. The energy jurisdictional separation factors are calculated for each month based on retail kWh sales as a percentage of projected total system kWh sales. These are shown on the schedules sponsored by witness Bryant. (Witness: Bryant)

ISSUE 7: **What are the appropriate environmental cost recovery factors for the period January 2003 through December 2003 for each rate group?**

TECO: The appropriate factors are:

<u>Rate Class</u>	<u>Factor (cents/kWh)</u>
RS, RST	\$0.144
GS, GST, TS	\$0.144
GSD, GSDT	\$0.143
GSLD, GSLDT, SBF, SBFT	\$0.142
IS1, IST1, SBI1, SBIT1, IS3, IS3, IST3, SBI3, SBIT3	\$0.137
SL, OL	\$0.142
Average Factor	\$0.14

(Witness: Bryant)

ISSUE 8: 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 2003 through December 2003. Billing cycles may start before January 1, 2003, and the last cycle may be read after December 31, 2003, so that each customer is billed for 12 months regardless of when the adjustment factors became effective. (Witness: Bryant)

Company-Specific Environmental Cost Recovery Issues

Florida Power & Light Company

ISSUE 9A: 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 2003?

TECO: No position.

ISSUE 9B: Should the commission approve Florida Power & Light Company's request fore recovery of costs for the St. Lucie Turtle Net project through the Environmental Cost Recovery Clause?

TECO: No position.

ISSUE 9C: How should the newly proposed environmental costs for the St. Lucie Turtle Net project be allocated to the rate classes?

TECO: No position.

ISSUE 9D: Should the Commission approve Florida Power & Light Company's request for recovery of costs for Pipeline Integrity Management through the Environmental Cost Recovery Clause?

TECO: No position.

ISSUE 9E: How should the newly proposed environmental costs for the Pipeline Integrity Management activity be allocated to the rate classes?

TECO: No position.

ISSUE 9F: Should the Commission approve Florida Power & Light Company's request for recovery of costs for Oil Spill Prevention, Control & Countermeasures through the Environmental Cost Recovery Clause?

TECO: No position.

ISSUE 9G: How should the newly proposed environmental costs for the Oil Spill Prevention, Control & Countermeasures activities be allocated to the rate classes?

TECO: No position.

ISSUE 9H: Should the Commission approve FPL's request for recovery of costs to implementing the Agreement between FPL and DEP through the ECRC?

TECO: No position.

ISSUE 9I: How should the newly proposed environmental costs for the Agreement between FPL and DEP be allocated to the rate classes?

TECO: No position.

Gulf Power Company

ISSUE 10A: Should the Commission approve Gulf Power Company's request for recovery of costs for implementing the Agreement between Gulf and the DEP through the Environmental Cost Recovery Clause?

TECO: No position.

ISSUE 10B: How should the newly proposed environmental costs for implementing the Agreement between Gulf and the DEP be allocated to the rate classes?

TECO: No position.

Tampa Electric Company

ISSUE 11A: How should the environmental costs for the Polk NO_x Emissions Reduction project be allocated to the rate classes?

TECO: The recoverable costs for the Polk NO_x Emissions Reductions project should be allocated to the rate classes on an energy basis. (Witness: Bryant)

Florida Power Corporation

ISSUE 12A: Should the Commission approve Florida Power Corporation's request for recovery of costs for Substation Environmental Investigation, Remediation, and Pollution Prevention?

TECO: No position.

ISSUE 12B: How should the newly proposed environmental costs for the Substation Environmental Investigation, Remediation, and Pollution Prevention be allocated to the rate classes?

TECO: No position.

ISSUE 12C: Should the Commission approve Florida Power Corporation's request for recovery of costs for Distribution System Environmental Investigation, Remediation, and Pollution Prevention?

TECO: No position.

ISSUE 12D: How should the newly proposed environmental costs for the Distribution System Environmental Investigation, Remediation, and Pollution Prevention be allocated to the rate classes?

TECO: No position.

F. STIPULATED ISSUES

TECO: None at this time.

G. MOTIONS

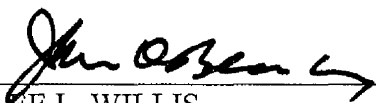
TECO: None at this time.

H. OTHER MATTERS

TECO: None at this time.

DATED this 25th day of October 2002.

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 25th day of October 2002 to the following:

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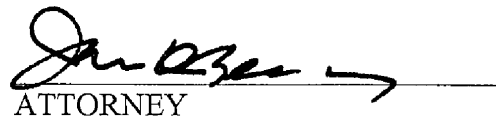
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