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September 12, 2003

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

Re: Fuel and Purchased Power Cost Recovery Clause with Generating Performance Incentive Factor; FPSC Docket No. 030001-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.
- 2. Prepared Direct Testimony of Brent Dibner.
- 3. Prepared Direct Testimony and Exhibit (JDJ-3) of J. Denise Jordan.
- 4. Prepared Direct Testimony of Benjamin F. Smith.
- 5. Prepared Direct Testimony and Exhibit (WAS-2) of William A. Smotherman.
- 6. Prepared Direct Testimony and Exhibit (JTW-2) of Joann T. Wehle.
- 7. Prepared Direct Testimony and Exhibit (WTW-1) of William T. Whale.

As is stated in his testimony, Mr. Dibner is in the process of completing his analysis for Tampa Electric, after which he will provide the company with rate recommendations based on Tampa Electric's overall coal transportation requirements, the services offered in the bid responses, along with his estimation of total rates and costs. The results of that analysis and recommendations and Tampa Electric's response thereto will be addressed in supplemental direct testimony of Mr. Dibner and Ms. Wehle which will be filed on or about September 25, 2003.

DOCUMENT NUMBER OF DATE

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Ms. Blanca S. Bayo September 12, 2003 Page Two

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/encls.)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost Recovery)	
Clause with Generating Performance Incentive) .	DOCKET NO. 030001-EI
Factor.)	FILED: September 12, 2003
)	<u>-</u>

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, and the projected wholesale sales incentive benchmark 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, 2003 through December 31, 2003 will be an under-recovery of \$91,007,445 (See Exhibit No. __(JDJ-3), Document No. 2, Schedule E1-C).
- 2. The company's projected expenditures for the period January 1, 2004 through December 31, 2004, 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, 2004 through December 31, 2004, produce a fuel and purchased power factor for the new period of 3.967 cents per kWh before application of the factors which adjust for variations in line losses. (See Exhibit No. __(JDJ-3), Document No. 2, Schedule E1-E).
- 3. The company's projected benchmark level for calendar year 2004 for gains on non-separated wholesale energy sales eligible for the shareholder incentive as set forth by Order

DOCUMENT SUMPER-DATE

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FPSC-COMMUNISION CLERK

No. PSC-00-1744-PAA-EI, in Docket No. 991779 is \$1,261,681, as provided in the direct testimony of Tampa Electric witness J. Denise Jordan.

Capacity Cost Factor

- 4. Tampa Electric estimates that its net true-up amount applicable for the period January 1, 2003 through December 31, 2003 will be an under-recovery of \$2,161,509, as shown in Exhibit No. __(JDJ-3), Document No. 1, page 2 of 3.
- 5. The company's projected expenditures for the period January 1, 2004 through December 31, 2004, when adjusted for the true-up under-recovery amount and spread over projected kilowatt-hour sales for the new period January 1, 2004 through December 31, 2004 produce a capacity cost recovery factor for the period of 0.216 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-3), Document No. 1, page 3 of 3.

GPIF

- 6. Tampa Electric has calculated that it is subject to a GPIF penalty of \$2,496,021 for performance experienced during the period January 1, 2002 through December 31, 2002.
- 7. The company is also proposing GPIF targets and ranges for the period January 1, 2004 through December 31, 2004 with such proposed targets and ranges being detailed in the testimony and exhibits of Tampa Electric witness William A. Smotherman filed herewith.

Other Issues

8. The testimony of Tampa Electric's witnesses also addresses certain generic and Tampa Electric specific issues identified in the Commission staff's preliminary list of issues dated July 31, 2003.

WHEREFORE, Tampa Electric Company requests that its proposals relative to fuel and purchased power cost recovery, capacity cost recovery and GPIF be approved as they relate to prior period true-up calculations and projected cost recovery charges, and that the Commission approve the company's projected wholesale sales incentive benchmark.

DATED this 12 day of September 2003.

Respectfully submitted,

LEE L. WILLIS

JAMES D. BEASLEY

Ausley & McMullen

Post Office Box 391

Tallahassee, Florida 32302

(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Petition, filed on behalf of Tampa

Electric Company, has been furnished by U. S. Mail or hand delivery (*) on this /2 day of

September, 2003 to the following:

Mr. Wm. Cochran Keating, IV* Senior Attorney Division of Legal Services Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850

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TTORNEY