

# AUSLEY & McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

227 SOUTH CALHOUN STREET  
P O BOX 391 (ZIP 32302)  
TALLAHASSEE, FLORIDA 32301  
(850) 224-9115 FAX (850) 222-7560

October 14, 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: Environmental Cost Recovery Clause  
EPSC Docket No. 030007-EI

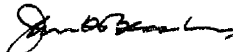
Dear Ms. Bayo.

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

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  
Enclosure

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

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EPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost )  
Recovery Clause )  
\_\_\_\_\_ )

DOCKET NO. 030007-EI  
FILED: October 14, 2003

**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 2002, estimated true-up for period January 2003 through December 2003; projections for period January 2004 through December 2004	1, 2, 3, 4, 5, 6, 7, 8
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>(HTB-1)</u>	Bryant	Final Environmental Cost Recovery Commission Forms 42-1A through 42-8A for the period January 2002 through December 2002*
<u>(HTB-2)</u>	Bryant	Environmental Cost Recovery Commission Forms 42-1E through 42-8E for the Period January 2003 through December 2003
<u>(HTB-3)</u>	Bryant	Forms 42-1P through 42-7P Forms for the January 2004 through December 2004

**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 2002 through December 2002, the actual/estimated environmental cost recovery true-up for the current period January 2003 through December 2003, and the company's projected ECRC revenue requirement and the company's proposed ECRC factors for the period January 2004 through December 2004.

**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, 2002?

**TECO:** The appropriate final environmental cost recovery true-up amount for this period is an under recovery of \$456,568 (Witnesses: Bryant, Nelson)

**ISSUE 2:** What are the estimated environmental cost recovery true-up amounts for the period January 2003 through December 2003?

**TECO:** The estimated environmental cost recovery true-up amount for the period is an under recovery of \$163,803. (Witnesses: Bryant, Nelson)

**ISSUE 3:** What are the total environmental cost recovery true-up amounts to be collected or refunded during the period January 2004 through December 2004?

**TECO:** The total environmental cost recovery true-up amount to be collected during this period is an under-recovery of \$620,371. (Witnesses: Bryant, Nelson)

**ISSUE 4:** What are the appropriate projected environmental cost recovery amounts for the period January 2004 through December 2004?

**TECO:** The appropriate amount is \$26,200,066. (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 2004 through December 2004?

**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 2004 through December 2004?

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

**ISSUE 7:** What are the appropriate environmental cost recovery factors for the period January 2004 through December 2004 for each rate group?

**TECO:** The appropriate factors are:

<b><u>Rate Class</u></b>	<b><u>Factor (cents/kWh)</u></b>
RS, RST	0.144
GS, GST, TS	0.144
GSD, GSdT	0.143
GSLD, GSLDT, SBF	0.142

IS1, IST1, SBI1, SBIT1, IS3, IST3, SBI3, SBIT3	0.137
SL, OL	0.142
Average Factor	0.143

(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 2004 through December 2004. Billing cycles may start before January 1, 2004, and the last cycle may be read after December 31, 2004, 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 10A:** Should the Commission approve FPL's request for recovery of costs for the Underground Storage Tank Replacement/Removal through the Environmental Cost Recovery Clause?

**TECO:** No position.

**ISSUE 10B:** How should FPL's newly proposed environmental costs for the Underground Storage Tank Replacement/Removal be allocated to the rate classes?

**TECO:** No position

**ISSUE 10C:** Should the Commission approve FPL's request for recovery of costs for the Lowest Quality Water Source Project through the Environmental Cost Recovery Clause?

**TECO:** No position

**ISSUE 10D:** How should FPL's newly proposed environmental costs for the Lowest Quality Water Source Project be allocated to the rate classes?

**TECO:** No position.

**ISSUE 10E:** Should the Commission approve FPL's request for recovery of costs for the Port Everglades Electrostatic Precipitator Technology Project through the Environmental Cost Recovery Clause?

**TECO:** No position.

**ISSUE 10F:** How should FPL's newly proposed environmental costs for the Port Everglades Electrostatic Precipitator Technology Project be allocated to the rate classes?

**TECO:** No position.

Progress Energy Florida

**ISSUE 11A:** How should PEF's newly proposed environmental costs for the Pipeline integrity Management Program be allocated to the rate classes?

**TECO:** No position

**ISSUE 11B:** Should an adjustment be made for the level of costs currently being recovered through PEF's base rates for the Aboveground Tank Secondary Containment Program?

**TECO:** No position

**ISSUE 11C:** How should PEF's newly proposed environmental costs for the Aboveground Tank Secondary Containment Program be allocated to the rate classes?

**TECO:** No position.

**ISSUE 11D:** what are the appropriate weighted debt and equity rates of return for the recovery of capital investment costs for PEF?

**TECO:** No position

Gulf Power Company

**ISSUE 12A:** Should the Commission approve Gulf's request for recovery of costs for the Plant Crist Unit 7 Scrubber Study through the Environmental Cost Recovery Clause?

**TECO:** No position.

**ISSUE 12B:** How should Gulf's newly proposed environmental costs for the Plant Crist Unit 7 Scrubber Study be allocated to the rate classes?

**TECO:** No position

**ISSUE 12C:** should the Commission approve Gulf's request for recovery of costs for the Plant Crist Fourier Transform Infrared spectrometer through the Environmental Cost Recovery Clause?

**TECO:** No position

**ISSUE 12D:** How should Gulf's newly proposed environmental costs for the Plant Crist Fourier Transform Infrared Spectrometer be allocated to the rate classes?

**TECO:** No position.

**ISSUE 12E:** Should the Commission approve Gulf's request for recovery of costs for the Plant Crist Stormwater Project through the Environmental Cost Recovery Clause?

**TECO:** No position.

**ISSUE 12F:** How should Gulf's new proposed environmental costs for the Plant Crist Stormwater Project be allocated to the rate classes?

**TECO:** No position

**F. STIPULATED ISSUES**

**TECO:** None at this time

**G. MOTIONS**

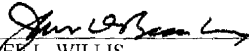
**TECO:** None at this time.

**H. OTHER MATTERS**

**TECO:** None at this time

DATED this 14th day of October 2003.

Respectfully submitted,



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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 Prehearing Statement, filed on behalf of Tampa Electric Company has been furnished by hand delivery (\*) or U. S. Mail on this 14th day of October 2003 to the following:

Ms. Marlene K. Stern\*  
Senior Attorney  
Division of Legal Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Room 370Q – Gunter Building  
Tallahassee, FL 32399-0850

Mr. Robert Vandriver  
Associate Public Counsel  
Office of Public Counsel  
111 West Madison Street – Suite 812  
Tallahassee, FL 32399-1400

Mr. John W. McWhirter, Jr.  
McWhirter, Reeves, McGlothlin, Davidson,  
Kaufman & Arnold, P.A.  
400 North Tampa Street, Suite 2450  
Tampa, FL 33601-3350

Mr. Joseph A. McGlothlin  
Ms. Vicki Gordon Kaufman  
McWhirter, Reeves, McGlothlin, Davidson,  
Kaufman & Arnold, P.A.  
117 South Gadsden Street  
Tallahassee, FL 32301

Mr. James A. McGee  
Associate General Counsel  
Progress Energy Florida, Inc.  
Post Office Box 14042  
St. Petersburg, FL 33733

Mr. Richard D. Melson  
Mr. Gary V. Perko  
Hopping Green & Sams, P.A.  
P. O. Box 6526  
Tallahassee, FL 32314

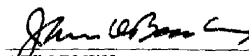
Mr. John T. Butler  
Steel Hector & Davis LLP  
200 South Biscayne Boulevard  
Suite 4000  
Miami, FL 33131-2398

Mr. R. Wade Litchfield  
Florida Power & Light Company  
700 Universe Blvd.  
Juno Beach, FL 33408

Ms. Susan Ritenour  
Gulf Power Company  
One Energy Place  
Pensacola, FL 32520

Mr. Jeffrey A. Stone  
Mr. Russell A. Badders  
Beggs and Lane  
Post Office Box 12950  
Pensacola, FL 32591-2950

Mr. Paul Lewis  
Ms. Bonnie Davis  
106 East College Avenue  
Tallahassee, FL 32301-7740

  
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ATTORNEY