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COMMISSION
CLERK

August 4, 2004

HAND DELIVERED

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

Re: Fuel and Purchased Power Cost Recovery Clause with Generating
Performance Incentive Factor; FPSC Docket No. 040001-EI

Dear Ms. Bayo:

Enclosed for filing on behalf of Tampa Electric Company are the original and ten (10) copies each of revised Document No. 2 of Exhibit (JDJ-1) and pages 6, 7 and 8 of Ms. J. Denise Jordan's testimony which we ask that you substitute in place of the corresponding pages of Ms. Jordan's testimony and exhibit filed February 23, 2004 in the above docket.

The enclosed revised Document No. 2 and the associated pages of Ms. Jordan's testimony correct an error discovered in the final true-up calculation detected subsequent to the February 23, 2004 filing. Upon review, Tampa Electric determined that the actual under-recovery of \$51,968,402, as originally shown on line 8 of Document No. 2, included \$8,416,800 for the Gannon O&M offset when it was booked and recorded as a line item in the calculation of the under-recovery amount in the December 2003 Schedule A2 that was filed on January 26, 2004. Therefore, the adjustment for the Gannon O&M offset, as originally shown on line 11 of Document No. 2, is duplicative and actually has the effect of canceling out the offset already included in the \$51,968,402 actual under-recovery. As a result, the correct actual amount of the final 2003 fuel over-recovery is \$39,039,043.

CMP _____
COM 5 _____
CTR + original _____

ECR _____

GCL 1 _____
OPC _____

MMS _____

RCA _____

SCR _____

SEC 1 _____

OTH _____

Since Tampa Electric carried forward the actual under-recovery amount of \$51,968,402 when preparing its January 2004 schedules, the 2004 true-up amounts the company calculated and filed in its monthly schedules are correct.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning same to this writer.

DOCUMENT NUMBER-DATE

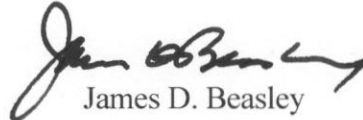
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FPSC-COMMISSION CLERK

Ms. Blanca S. Bayo
August 4, 2004
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Thank you for your assistance in connection with this matter.

Sincerely,


James D. Beasley

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JDB/pp
Enclosure

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

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing revised Document No. 2 and corresponding pages of J. Denise Jordan's testimony, filed on behalf of Tampa Electric Company, has been furnished by U. S. Mail or hand delivery (*) on this 4th day of August 2004 to the following:

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ATTORNEY

TAMPA ELECTRIC COMPANY
FINAL FUEL OVER/(UNDER)-RECOVERY
FOR THE PERIOD
JANUARY 2003 THROUGH DECEMBER 2003

1	TOTAL FUEL COSTS FOR THE PERIOD	\$646,244,377
2	JURISDICTIONAL FUEL COSTS (INCL. PEABODY AND ALL ADJUSTMENTS)	621,842,511
3	JURISDICTIONAL FUEL REVENUES APPLICABLE TO THE PERIOD	<u>599,026,725</u>
4	ACTUAL OVER/(UNDER)-RECOVERED FUEL COSTS FOR THE PERIOD (LINE 3 - LINE 2)	(22,815,786)
5	INTEREST	(490,289)
6	TRUE-UP COLLECTED	3,165,591
7	PRIOR PERIOD TRUE-UP (ACTUAL ENDING 12/02)	<u>(31,827,918)</u>
8	ACTUAL OVER/(UNDER)-RECOVERY FOR THE PERIOD * (LINE 4 + LINE 5 + LINE 6 + LINE 7)	(51,968,402)
9	PROJECTED UNDER-RECOVERY PER PROJECTION FILED 9/21/03 (SCHEDULE E1-A LINE 3)	<u>(91,007,445)</u>
10	FINAL FUEL OVER/(UNDER)-RECOVERY (LINE 8 - LINE 9)	<u>\$39,039,043</u>

* The adjustment for the Gannon Station O&M offset required by the FPSC's 11/14/03 decision was booked in December 2003, was reported as a line item on the Schedule A2 filed on January 26, 2004, and is included in the actual \$51,968,402 under-recovery for the period reported on Line No. 8.

1 FUEL AND PURCHASED POWER COST RECOVERY CLAUSE

2 Q. What is the final true-up amount for the Fuel and
3 Purchased Power Cost Recovery Clause for the period
4 January 2003 through December 2003?

5
6 A. The final fuel true-up for the period January 2003
7 through December 2003 is an over-recovery of
8 \$39,039,043. The actual fuel cost under-recovery,
9 including interest, was \$51,968,402 for the period
10 January 2003 through December 2003. This \$51,968,402
11 amount includes the \$8,416,800 offset to the company's
12 recoverable fuel costs due to O&M savings associated
13 with the Gannon Station shutdown that the Commission
14 voted to impose. Pursuant to generally accepted
15 accounting principles, the \$8,416,800 offset was booked
16 in December 2003 because the Commission's decision
17 resulted in a probable expense for Tampa Electric and
18 could be quantified. The offset is shown as a line item
19 on Tampa Electric's December 2003 Schedule A2, filed
20 January 26, 2004. The \$51,968,402 amount, less the
21 actual/estimated under-recovery amount of \$91,007,445
22 approved in Order No. PSC-03-1461-FOF-EI issued December
23 22, 2003 in Docket No. 030001-EI results in a final
24 over-recovery amount for the January through December
25 2003 period of \$39,039,043.

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Q. What is the estimated effect of the \$39,039,043 over-recovery from the January 2003 through December 2003 period on residential bills during the January 2005 through December 2005 period?

A. The \$39,039,043 over-recovery will cause a 1,000 kWh residential bill to be approximately \$2.09 lower.

Q. Please explain Document No. 2.

A. Document No. 2 is entitled "Tampa Electric Company Final Fuel Over/(Under)- Recovery for the Period January 2003 through December 2003". It shows the calculation of the final fuel over-recovery for the period of \$39,039,043.

Line 1 shows the total company fuel costs of \$646,244,377 for the period January 2003 through December 2003. The jurisdictional amount of total fuel costs is \$621,842,511 as shown on line 2. This amount is compared to the jurisdictional fuel revenues applicable to the period on line 3 to obtain the actual

1 under-recovered fuel costs for the period, shown on line
2 4. The resulting \$22,815,786 under-recovered fuel costs
3 for the period, combined with the interest, true-up
4 collected and the prior period true-up shown on lines 5,
5 6 and 7, respectively, constitute the actual under-
6 recovery of \$51,968,402 shown on line 8. The
7 \$51,968,402 less the actual/estimated under-recovery of
8 \$91,007,445 shown on line 9, results in a final over-
9 recovery amount for the period of \$39,039,043 as shown
10 on line 10.

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15 Q. Please explain Document No. 3.

16

17 A. Document No. 3 entitled "Tampa Electric Company
18 Calculation of True-up Amount Actual vs. Original
19 Estimates for the Period January 2003 through December
20 2003", shows the calculation of the actual under-
21 recovery as compared to the estimate for the same
22 period.

23

24 Q. What was the total fuel and net power transaction cost
25 variance for the period January 2003 through December