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Public Service Commission

August 18, 2006

STAFF'S FIRST DATA REQUEST

Jim Beasley
Ausley & McMullen Law Firm
Tampa Electric Company
P.O. Box 391
Tallahassee, FL 32302

Re: Docket Number 060001, Fuel and purchased power cost recovery clause with generating performance incentive factor.

Dear Mr. Beasley:

Pursuant to an agenda conference held on August 15, 2006 regarding a petition by Florida Power and Light to recover storage of natural gas through the fuel clause, several questions were raised regarding treatment of costs associated with the storage of fossil fuel. In an effort to obtain a complete understanding of the appropriate method of treatment of these costs associated with the storage of natural gas, we are asking that each investor owned utility provide us with information regarding its treatment of on and off site storage of all fuels (except nuclear). By this letter, the Commission staff requests that TECO provide responses to the following set of data requests:

DMP _____
COM _____
CTR _____
ECR _____
SCL _____
SPC _____
SCA _____
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SGA _____
SEC _____
JTH _____

1. Please explain Tampa Electric's plans for using firm natural gas storage. Include the following in the explanation:
 - when Tampa Electric plans to begin using natural gas storage;
 - the planned amount of firm storage capacity;
 - how Tampa Electric will recover the costs of natural gas storage; and
 - how Tampa Electric will report the costs of natural gas storage.
2. For each fossil fuel TECO burns, at what point in the transportation chain does it take ownership?
3. For each fossil fuel, at what points in the transportation chain is the fuel considered fuel inventory of TECO?

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4. For each fossil fuel, if fuel storage is utilized, indicate whether there is fuel stored both on-site and off-site.
5. For off-site storage of coal and heavy oil, identify which costs of storage are recovered through the fuel clause and which costs are recovered through base rates. For any fee or charge recovered through the fuel clause, state the utility's rationale for recovery of those costs through the fuel clause as opposed to base rates. When providing the rationale please cite applicable rules or orders.
6. For on-site storage of coal and heavy oil, identify which costs of storage are recovered through the fuel clause and which costs are recovered through base rates. For any fee or charge recovered through the fuel clause, state the utility's rationale for recovery of these costs through the fuel clause as opposed to base rates. When providing the rationale please cite applicable rules or orders.
7. If storage costs are recovered through the fuel clause for the delivered price of that fuel, detail whether you have considered storage costs to be commodity, transportation or hedging costs.
8. If fuel carrying costs are applicable to any fuel storage, indicate whether these costs are recovered through the fuel clause or base rates. Is there a difference in treatment of on-site vs. off-site storage? What is your rationale for recovery of fuel inventory carrying cost through the fuel clause?
9. What is Tampa Electric's definition of physical hedging? Please provide examples.

Please provide a response to these data requests by August 25, 2006. If you have any questions, please contact me at (850) 413-6230.

Sincerely,



Lisa C. Bennett
Attorney

LCB:jb

cc: All Parties of Record
Charles Beck – Office of Public Counsel
Jack Shreve – Attorney General's Office
Shef Wright – Florida Retail Federation
Tim Perry – Florida Industrial Power Users Group
Mike Twomey – AARP
Division of the Commission Clerk and Administrative Services (Docket file)
Division of Economic Regulation (Lester)
Division of Regulatory Compliance and Consumer Assistance (Vandiver)