

State of Florida



ORIGINAL

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: June 27, 2007
TO: Ann Cole, Commission Clerk - PSC, Office of Commission Clerk
FROM: William B. McNulty, Public Utilities Supervisor, Division of Economic Regulation *WBM*
RE: Filing in Docket No. 070001-EI

Please file the attached original correspondence which was hand delivered to me on June 15, 2007, from James D. Beasley on behalf of Tampa Electric Company, in the Docket file in Docket No. 070001-EI, Fuel and Purchased Power Cost Recovery Clause and Generation Performance Incentive Factor.

Attachment

RECEIVED-FPSC
07 JUN 27 AM 9:24
COMMISSION
CLERK

DOCUMENT NUMBER-DATE

05101 JUN 27 08

FPSC-COMMISSION CLERK

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

07 JUN 15 PM 1:13

DIVISION OF
ECONOMIC REGULATION

June 15, 2007

HAND DELIVERED

ORIGINAL

Mr. Bill McNulty
Division of Economic Regulation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Ms. Lisa Bennett
Staff Attorney
Division of Legal Services
Florida Public Service Commission,
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: FPSC Docket No. 070001-EI – Fuel and Purchased Power Cost
Recovery Clause and Generation Performance Incentive Factor

Dear Mr. McNulty and Ms. Bennett:

Commission Order No. 13694, issued in Docket No. 840001-EI on September 20, 1984 states:

When a utility becomes aware that its projected fuel revenues... will result in an over- or under-recovery in excess of 10% of its projected fuel costs for the period, the utility shall so advise the Commission through a filing promptly made. . .

Additionally, in Order No. PSC-07-033-PAA-EI, issued in Docket No. 070001-EI on April, 16, 2007 the Commission ordered that a utility must make a similar percent calculation for the capacity clause.

Tampa Electric has now determined that its projected actual/estimated capacity cost under-recovery for the current 2007 cost recovery period will be greater than the ten percent notification threshold set forth in Order No. PSC-07-0333-PAA-EI. Tampa Electric's current 2007 projected actual/estimated under-recovery is \$19.7 million as a result of new firm purchase agreements and the extension of existing agreements. This includes \$2.7 million of the company's 2006 Actual true-up under-recovery reported in the company's March 1, 2007 filing.

Order No. 13694 further states:

In light of certain timing considerations a utility may choose, in lieu of requesting a hearing, to inform the Commission, the Staff

DOCUMENT NUMBER-DATE

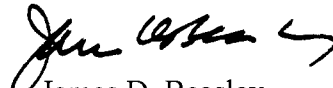
05101 JUN 27 8

FPSC-COMMISSION CLERK

and the intervenors that a greater than ten percent over- or under recovery is projected to occur.

In view of the timing of this determination, Tampa Electric is not requesting a mid-course correction but, instead, will seek recovery of the projected 2007 under-recovery as a component of the company's 2008 capacity factors.

Sincerely,



James D. Beasley

JDB/pp