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October 5, 2007

HAND DELIVERED

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COMMISSION
CLERK

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
FPSC Docket No. 070007-EI

Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and fifteen (15) copies of Tampa Electric Company's Prehearing Statement.

Also enclosed is a CD containing the above-referenced Prehearing Statement generated on a Windows 98 operating system and using Word 2000 as the word processing software.

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

CMP _____

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Enclosure

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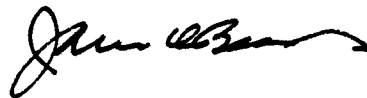
SEC _____

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

OTH _____

Thank you for your assistance in connection with this matter.

Sincerely,



James D. Beasley

DOCUMENT NUMBER-DATE

09146 OCT-5 07

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost)
Recovery Clause.)
_____)

DOCKET NO. 070007-EI
FILED: October 5, 2007

**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, 2006, estimated true-up for period January 2007 through December 2007; projections for period January 2008 through December 2008	1, 2, 3, 4, 5, 6, 7, 8
2. Paul L. Carpinone (TECO)	Qualification of environmental activities for ECRC recovery	3

DOCUMENT NUMBER-DATE

09146 OCT-5 8

FROM COMMISSION CLERK

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 2006 through December 2006
<u>(HTB-2)</u>	Bryant	Environmental Cost Recovery Commission Forms 42-1E through 42-8E for the Period January 2007 through December 2007
<u>(HTB-3)</u>	Bryant	Forms 42-1P through 42-7P Forms for the January 2008 through December 2008

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 Carpinone. The Commission should also approve Tampa Electric's calculation of its environmental cost recovery final true-up for the period January 2006 through December 2006, the actual/estimated environmental cost recovery true-up for the current period January 2007 through December 2007, and the company's projected ECRC revenue requirement and the company's proposed ECRC factors for the period January 2008 through December 2008.

E. STATEMENT OF ISSUES AND POSITIONS

Generic Environmental Cost Recovery Issues

ISSUE 1: What is the final environmental cost recovery true-up amount for the period ending December 31, 2006?

TECO: The appropriate final environmental cost recovery true-up amount for this period is an under-recovery of (\$11,895,683). (Witness: Bryant)

ISSUE 2: What is the estimated environmental cost recovery true-up amount for the period January 2007 through December 2007?

TECO: The estimated environmental cost recovery true-up amount for the period is an over-recovery of \$9,624,173. (Witness: Bryant)

ISSUE 3: What is the projected environmental cost recovery amount for the period January 2008 through December 2008?

TECO: The appropriate amount of environmental costs projected to be recovered for the period January 2008 through December 2008 is \$18,911,243. (Witnesses: Bryant; Carpinone)

ISSUE 4: What is the environmental cost recovery amount, including true-up amounts, for the period January 2008 through December 2008?

TECO: The total environmental cost recovery amount, including true-up amounts, for the period January 2008 through December 2008 is \$21,198,005 after the adjustment for taxes. (Witness: Bryant)

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 2008 through December 2008?

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 2008 through December 2008?

TECO: The demand jurisdictional separation factor is 96.66743%. 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. These are shown on the schedules sponsored by witness Bryant. (Witness: Bryant)

ISSUE 7: What are the appropriate environmental cost recovery factors for the period January 2008 through December 2008, for each rate group?

TECO: The appropriate factors are:

<u>Rate Class</u>	<u>Factor (cents/kWh)</u>
RS, RST	0.104
GS, GST, TS	0.104
GSD, GSdT	0.105

GSLD, GSLDT, SBF	0.104
IS1, IST1, SBI1, SBIT1, IS3, IST3, SBI3	0.102
SL, OL	0.105
Average Factor	0.104

(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 environment cost recovery cycle and thereafter for the period January 2008 through December 2008. Billing cycles may start before January 1, 2008, and the last cycle may be read after December 31, 2008, 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

Tampa Electric Company (TECO)

TECO: None at this time.

F. STIPULATED ISSUES

TECO: None at this time.

G. MOTIONS

TECO: None at this time.

H. PENDING REQUEST OR CLAIMS FOR CONFIDENTIALITY

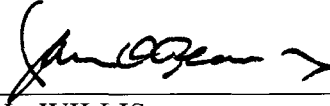
TECO: None at this time.

I. OTHER MATTERS

TECO: None at this time.

DATED this 5th day of October 2007.

Respectfully submitted,



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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 5th day of October 2007 to the following:

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