

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

March 17, 2009

HAND DELIVERED

RECEIVED-FPSC
09 MAR 17 PM 4:28
COMMISSION
CLERK

Ms. Ann Cole, Director
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Fuel and Purchased Power Cost Recovery Clause with Generating Performance
Incentive Factor; FPSC Docket No. 090001-EI

Dear Ms. Cole:

Enclosed for filing in the above docket are the original and five copies of Tampa Electric Company's responses to Staff's First Data Request – Mid-Course Correction dated March 9, 2009.

Also enclosed is a CD containing the above-referenced responses to Staff's First Data Request 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.

COM
ECL CD furnished
GCL
OPC
RCP
SSC
SGA
ADM
CLK JDB/pp
Enclosure

Thank you for your assistance in connection with this matter.

Sincerely,

James D. Beasley

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

DOCUMENT NUMBER-DATE

02298 MAR 17 8

FPSC-COMMISSION CLERK

TAMPA ELECTRIC COMPANY
DOCKET NO. 090001-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 1
PAGE 1 OF 1
FILED: MARCH 17, 2009

1. Please provide the NYMEX forward curve for natural gas prices for each month of 2009 as of October 3, 2008 and as of the date of the revised estimates.
- A. The NYMEX forward curve for natural gas prices as of October 3, 2008 and as of the date of the revised estimates is shown in the table below.

NYMEX Natural Gas Futures Closing Price			
(\$/MMBtu)			
	October 3, 2008		Mid-Course Filing
Jan 2009	\$	7.874	\$ 6.136
Feb 2009	\$	7.924	\$ 4.476
Mar 2009	\$	7.829	\$ 4.807
Apr 2009	\$	7.694	\$ 4.856
May 2009	\$	7.744	\$ 4.946
Jun 2009	\$	7.859	\$ 5.081
Jul 2009	\$	7.989	\$ 5.216
Aug 2009	\$	8.079	\$ 5.299
Sep 2009	\$	8.109	\$ 5.334
Oct 2009	\$	8.189	\$ 5.444
Nov 2009	\$	8.474	\$ 5.937
Dec 2009	\$	8.839	\$ 6.462

TAMPA ELECTRIC COMPANY
DOCKET NO. 090001-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 2
PAGE 1 OF 1
FILED: MARCH 17, 2009

2. Please provide the forward curve for light oil for each month of 2009 as of October 3, 2008 and as of the date of the revised estimates.
- A. The forward curve for light oil prices as of October 3, 2008 and as of the date of the revised estimates is shown in the table below.

Light Oil Forward Curves ⁽¹⁾		
(\$/Gallon)		
	October 3, 2008	Mid-Course Filing
Jan 2009	\$ 2.678	\$ 1.376
Feb 2009	\$ 2.679	\$ 1.331
Mar 2009	\$ 2.666	\$ 1.118
Apr 2009	\$ 2.723	\$ 1.205
May 2009	\$ 2.715	\$ 1.197
Jun 2009	\$ 2.723	\$ 1.205
Jul 2009	\$ 2.743	\$ 1.225
Aug 2009	\$ 2.764	\$ 1.246
Sep 2009	\$ 2.786	\$ 1.268
Oct 2009	\$ 2.756	\$ 1.238
Nov 2009	\$ 2.776	\$ 1.258
Dec 2009	\$ 2.796	\$ 1.278

Note:

(1) Platt's Gulf Coast Ultra Low Sulfur Diesel
as reported in Energy Velocity.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 090001-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 3
PAGE 1 OF 1
FILED: MARCH 17, 2009**

3. Please provide the forward curve for heavy oil (1% SO₂) for each month of 2009 as of October 3, 2008 and as of the date of the revised estimates.
- A. The forward curve for one percent heavy oil prices as of October 3, 2008 and as of the date of the revised estimates is shown in the table below.

Heavy Oil Forward Curves ⁽¹⁾		
(\$/Gallon)		
	October 3, 2008	Mid-Course Filing
Jan 2009	\$ 1.824	\$ 0.892
Feb 2009	\$ 1.825	\$ 0.870
Mar 2009	\$ 1.827	\$ 0.864
Apr 2009	\$ 1.824	\$ 0.860
May 2009	\$ 1.839	\$ 0.876
Jun 2009	\$ 1.855	\$ 0.894
Jul 2009	\$ 1.870	\$ 0.912
Aug 2009	\$ 1.885	\$ 0.929
Sep 2009	\$ 1.892	\$ 0.936
Oct 2009	\$ 1.898	\$ 0.943
Nov 2009	\$ 1.904	\$ 0.955
Dec 2009	\$ 1.910	\$ 0.970

Note:

(1) Platt's New York Harbor 1% Sulfur Residual
as reported in Energy Velocity.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 090001-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 4
PAGE 1 OF 1
FILED: MARCH 17, 2009**

- 4.** Please provide the forward curve for heavy oil (1.5% SO₂) for each month of 2009 as of October 3, 2008 and as of the date of the revised estimates.
 - A.** Tampa Electric does not forecast prices for 1.5 percent sulfur heavy oil.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 090001-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 5
PAGE 1 OF 1
FILED: MARCH 17, 2009**

5. For TECO coal units, please provide the forward curve for prices for each month of 2009 as of October 3, 2008 and as of the date of the revised estimates.
 - A. Approximately 95 percent of Tampa Electric's coal requirements for 2009 were contracted with known pricing at the time of the filing on October 3, 2008. The delivered coal costs included in the company's mid-course filing are lower because fuel price indexes used to calculate coal transportation charges are expected to be lower.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 090001-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 6
PAGE 1 OF 1
FILED: MARCH 17, 2009**

6. Do the number of MWH in the mid-course petition match the number of MWH included in the rate case MFRs, LLC Exhibit No. 1?
 - A. No, the MWH included in the mid-course petition are only 0.5 percent lower than the MWH reflected in rate case MFRs included in the testimony of Lorraine L. Cifuentes, Exhibit No. ____ (LLC-1).

**TAMPA ELECTRIC COMPANY
DOCKET NO. 090001-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 7
PAGE 1 OF 1
FILED: MARCH 17, 2009**

7. Does the customer charge reflect the dollars requested in the rate case with no adjustments? What would schedule E10 total bill be if the adjustments staff recommended in the rate case are made to the customer charge?
- A. Yes, Schedule E10 provided in Tampa Electric's mid-course fuel projection filing reflects the dollars requested in the rate case with no adjustments.

Staff's recommendation filed on March 5, 2009 in Docket No. 080317-EI did not recommend any adjustments to the customer charge component of the bill. Therefore, for purposes of this estimate, Tampa Electric included the staff's recommended adjustments in the energy charge, and the resulting 1,000 kWh residential bill would total \$117.82.^{1,2}

¹ The estimated bill amount shown in the alternative Schedule E10 reflects the tiered base rate design proposed in Docket No. 080317-EI.

² Includes adjustments for apparent mathematical errors in Staff's recommendation issued March 5, 2009 in Docket No. 080317-EI that were described in Tampa Electric's memo to Keino Young dated March 10, 2009.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 090001-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 8
PAGE 1 OF 1
FILED: MARCH 17, 2009**

8. With regard to the \$35,402,527, 2008 final true-up, based on TECO's current estimates for 2009, what would be the December 2009 true-up balance as a percent of 2009's revenue?
 - A. Tampa Electric's 2008 net final true-up as a percentage of 2009 total jurisdictional fuel revenue is 2.66 percent.

TAMPA ELECTRIC COMPANY
DOCKET NO. 090001-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 9
PAGE 1 OF 1
FILED: MARCH 17, 2009

9. Please provide the actual and unrealized hedging effects for natural gas as of the date of the revised estimates for 2009.
- A. The 2009 actual and unrealized hedging effects for natural gas as of the date of the revised estimates are shown in the table below

Actual and Unrealized Natural Gas Hedge Positions as of Mid-Course Filing (Gain/(Loss))		
Jan 2009	Actual	\$ (11,809,700)
Feb 2009	Actual	\$ (17,178,750)
Mar 2009	Unrealized	\$ (14,878,500)
Apr 2009	Unrealized	\$ (11,957,760)
May 2009	Unrealized	\$ (14,232,960)
Jun 2009	Unrealized	\$ (11,449,850)
Jul 2009	Unrealized	\$ (11,917,480)
Aug 2009	Unrealized	\$ (10,068,660)
Sep 2009	Unrealized	\$ (9,122,400)
Oct 2009	Unrealized	\$ (7,929,460)
Nov 2009	Unrealized	\$ (4,834,500)
Dec 2009	Unrealized	\$ (6,877,000)

**TAMPA ELECTRIC COMPANY
DOCKET NO. 090001-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 10
PAGE 1 OF 1
FILED: MARCH 17, 2009**

10. Does TECO have any purchased power supply agreements for which it is responsible for providing natural gas to the generators? Please explain. If yes, did TECO reproject the price of natural gas for these agreements?

A. Yes, Tampa Electric has purchased power supply agreements for which it is responsible for providing natural gas to the generators. The company updated the price forecast for all of its natural gas purchased power resources and included the new cost estimates in its mid-course filing on March 5, 2009. The price forecast update is the monthly Henry Hub NYMEX strip as of February 9, 2009.

Tampa Electric's natural gas purchased power agreements are described below. All are firm purchased power agreements and have been approved by the Commission in previous dockets.

Tampa Electric has the obligation to supply the natural gas for the following contracts and updated the natural gas price forecast for the resources listed below.

- Reliant – The Reliant purchase is a 158 MW peaking purchase; the term is January 2009 through May 2012.
- Pasco Cogen – The Pasco Cogen purchase is a 121 MW purchase; the term is January 2009 through December 2018.

Tampa Electric does not have the obligation to supply the natural gas for the following contracts, but it did update the natural gas price forecast for the resources listed below.

- Hardee Power Partners – The Hardee Power Partners purchase is a 360 MW purchase; the term is January 1993 through December 2012.
- Calpine – The Calpine purchase is a 170 MW peaking purchase; the term is May 2006 through April 2011.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 090001-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 11
PAGE 1 OF 1
FILED: MARCH 17, 2009**

11. As part of its filing, did TECO reproject the cost of purchased power? Please explain.
- A. Yes, Tampa Electric updated the short-term economy market price forecast. The price forecast results from a state-wide, economic dispatch simulation that utilized the updated fuel forecasts.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 090001-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 12
PAGE 1 OF 1
FILED: MARCH 17, 2009**

- 12.** In calculating the mid-course correction to its fuel factors, did TECO reproject the fuel costs and gains associated with power sales. Please explain.
- A.** Yes, as part of Tampa Electric's mid-course correction fuel costs and gains associated with power sales were re-calculated when fuel commodity prices were updated. The resulting fuel costs and gains associated with the re-projected power sales are reflected on Schedule E6 in the mid-course filing.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 090001-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 13
PAGE 1 OF 1
FILED: MARCH 17, 2009**

- 13.** Why have projected megawatt hour sales been revised downward?
- A.** Tampa Electric has continued to experience a decline in megawatt-hour sales due to the economic downturn. As such, the company believes a downward revision to sales is warranted to more accurately reflect existing conditions.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 090001-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 14
PAGE 1 OF 1
FILED: MARCH 17, 2009**

14. For 2009, what percent of actual and estimated coal costs are based on spot purchases?
- A. Tampa Electric has contracted for all of Big Bend Station's coal needs in 2009. The company has also contracted for all of Polk Unit 1 pet coke but will need to purchase some low-sulfur spot coal for Polk Unit 1 as inventory depletes during the year. The net effect is that Tampa Electric's actual and estimated coal costs are based on approximately five percent spot purchases.