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March 18, 2009

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COMMISSION  
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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:

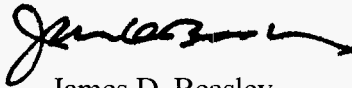
Enclosed for filing in the above docket are the original and five copies of Tampa Electric Company's responses to Staff's Second Data Request – Mid-Course Correction dated March 16, 2009.

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.

Thank you for your assistance in connection with this matter.

Sincerely,



James D. Beasley

COM   
ECR  J.D.  
GCL  J.  
OPC   
RCP   
SSC   
SGA   
ADM   
CLK

JDB/pp  
Enclosure

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

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

TAMPA ELECTRIC COMPANY  
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REQUEST NO. 1  
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1. In paragraph 10 of TECO's petition, TECO proposes to exclude its 2008 under-recovery from the 2009 mid-course correction petition. TECO states that its reason for excluding the 2008 over-recovery is to help mitigate the uncertainty of projected prices because of natural fuel prices and sales forecasts. TECO asserts that this treatment is consistent with prior Commission decisions. Please explain in more detail why TECO believes the projected prices and sales forecast remain uncertain and to what extent that uncertainty may effect ratepayers. Include in the explanation, all prior Commission Orders which TECO relies upon as being consistent with its position to exclude the 2008 over-recovery from the mid-course protection.
  - A. By their nature, projections are always somewhat uncertain. While the company has provided its best estimates for 2009, sales may be affected by the economic downturn. Customer growth and average usage are demonstrating a downward trend that may be even lower than expected. To the extent that sales differ from projected, the collection of the projected costs will be affected because there could be less MWH to spread the costs across.

Similarly, there will be variances between the actual fuel prices and costs incurred and the projected prices and costs. Currently fuel prices are at historically low levels, so the likelihood of upside price pressure is more likely than additional commodity price reductions. As such, Tampa Electric believes that maintaining its 2008 final true-up amount on the typical schedule, for inclusion in the 2010 fuel factors, provides an effective hedge to mitigate any 2010 rate impact associated with increased fuel prices in 2009.

As fuel prices and sales continue to differ from projected, customers will be affected since the collection of fuel costs will be true-up in subsequent proceedings in the fuel docket.

In Tampa Electric's 2001 mid-course adjustment approved by the Commission in Order No. PSC-01-0709-PCO-EI, issued March 21, 2001 in Docket No. 010001-EI, the final 2000 true-up amount was not included. The Commission approved the inclusion of 2001 estimates only in the revised 2001 factor. Additionally, on March 17, 2009, the Commission voted to approve Progress Energy Florida's mid-course correction that does not include the 2008 final over-recovery in the revised 2009 fuel factor.

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2. Does TECO propose to use any of the 2008 over-recovery from the fuel clause to off-set other clause under-recoveries? If yes, please identify which clauses, the dollar amounts of the under-recoveries and the prior Commission authority for doing so.
- A. No, Tampa Electric does not propose to offset under-recoveries in other clauses with the 2008 fuel over-recovery; however, the net effect of the final true-up amounts is that the fuel over-recovery is partially offset by under-recoveries in other clauses, as shown below.

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<b>Tampa Electric</b>	
<b>2008 Final True-Up Amounts</b>	
<b>Cost Recovery Clause</b>	<b>Over- / (Under-Recovery)</b>
Fuel	\$ 35,402,527
Capacity	(8,525,166)
Environmental	(8,112,993)
Conservation	<u>856,478</u>
<b>Total</b>	<b><u>\$ 19,620,846</u></b>

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3. The attached Table I shows staffs disaggregation of TECO's estimated 2009 over recovery. The total does not include the 2008 final true-up or any interest. It accounts for 1) the difference between last Fall's 2009 estimated revenue per kWh and revenue per kWh and the mid-course estimate, 2) the difference between the two mWh estimates, and 3) the slight difference between line loss factors on last Fall's E-I Schedule and on the mid-course Schedule E-2, as well and for the differences between the weighted c/kWh's in the original estimates and the mid-course estimates, by fuel and purchased power type. The fuel and purchased power type over recoveries are equal to the differences between the two "Column F's" (mid-course less original) times the revised 19,771,375 mWh estimate, times 10. Does TECO agree with staff's disaggregation of TECO's 2009 over recovery estimate in Table 1?
  - A. Yes, the disaggregation of costs in Table 1 prepared by Staff is correct; however, the source/component portion of the table compares only the dollar variance of the original estimate to the mid-course estimate. The source/component of the over-recovery is a combination of the volume variance and the price variance of the fuel commodities and interchange transactions.

Table 1  
COMPONENTS OF THE TAMPA ELECTRIC 2009 MID-COURSE OVER RECOVERY

A Source	Mid-Course Estimate					F D*E	Source/Component	Over Recovery
	B Dollars	C MWH	D Weight	E c/kWh	F D*E			
Coal	367,020,512	10,379,121	0.5249569643	3.5361425308	1.8563226483	Coal	\$56,408,524	
Residual Oil	348,086	2,246	0.0001135986	15.4980409617	0.0017605553	Residual Oil	(54,258)	
Distillate Oil	8,158,345	48,946	0.0024755992	16.6680525477	0.0412634174	Distillate Oil	6,699,330	
Natural Gas	586,071,793	9,442,919	0.4776055788	6.2064684977	2.9642439790	Natural Gas	6,190,241	
Nuclear Fuel	0	0	0.0000000000	-	0.0000000000	Nuclear Fuel	0	
Non-Fuel Generation	(72,618)	0	0.0000000000	-	0.0000000000	Non-Fuel Generation	1,104	
<b>Total Generation</b>	<b>961,526,118</b>	<b>19,873,232</b>	<b>1.0051517408</b>	<b>4.8382976559</b>	<b>4.8632233115</b>	<b>Total Generation</b>	<b>\$69,244,942</b>	
Power Sold	(20,476,192)	(318,339)	(0.0161009945)	6.4322011643	(0.1035648355)	Power Sold	16,755,656	
Purchased Power	52,467,010	825,571	0.0417558718	6.3552389801	0.2653685442	Purchased Power	24,610,932	
Qualifying Facilities	41,553,430	984,292	0.0497836898	4.2216568010	0.2101696526	Qualifying Facilities	25,214,323	
Economy Energy	10,575,179	243,764	0.0123291375	4.3382858010	0.0534873219	Economy Energy	67,334,261	
Unbilled Sales, T&D losses and Company Use	0	(1,116,206)	(0.0564556587)	-	0.0000000000	Unbilled Sales, T&D losses and Company Use	0	
Wholesale kWh Sales	(36,702,572)	(720,940)	(0.0364638271)	5.0909329487	(0.1856348989)	Wholesale kWh Sales	(9,588,526)	
Jurisdictional kWh Sales	1,008,942,973	19,771,375	1.0000000000	5.1030490950	5.1030490950	Jurisdictional kWh Sales	\$193,571,589	
						Revenue Adjustment for Rate Class Consumption	(1,898,517)	
						Unrecovered True-up and GPIF for 2009	1,454,985	
						Line Loss Correction	(198)	
						<b>Total December 2009 Estimated Under Recovery</b>	<b>\$190,217,889</b>	

A Source	Original Estimate					F D*E
	B Dollars	C MWH	D Weight	E c/kWh	F D*E	
Coal	428,069,693	10,845,924	0.5425218891	3.9468254895	2.1412392205	Coal
Residual Oil	297,177	1,650	0.0000825343	18.0107272727	0.0014865034	Residual Oil
Distillate Oil	15,014,030	48,513	0.0024266595	30.9484674211	0.0751013922	Distillate Oil
Natural Gas	598,852,887	8,205,028	0.4104221356	7.2986086946	2.9955105674	Natural Gas
Nuclear Fuel	0	0	0.0000000000	-	0.0000000000	Nuclear Fuel
Non-Fuel Generation	(72,312)	0	0.0000000000	-	0.0000000000	Non-Fuel Generation
<b>Total Generation</b>	<b>1,042,161,475</b>	<b>19,101,115</b>	<b>0.9554532185</b>	<b>5.4560242949</b>	<b>5.2129759730</b>	<b>Total Generation</b>
Power Sold	(3,785,000)	(57,596)	(0.0028809985)	6.5716369192	(0.0189328761)	Power Sold
Purchased Power	77,903,000	591,468	0.0295857077	13.1711267558	0.3896771057	Purchased Power
Qualifying Facilities	67,477,100	1,035,065	0.0517747883	6.5191171569	0.3375259108	Qualifying Facilities
Economy Energy	78,685,100	1,126,461	0.0563464901	6.9851597170	0.3935892331	Economy Energy
Unbilled Sales, T&D losses and Company Use	0	(1,036,511)	(0.0518471184)	-	0.0000000000	Unbilled Sales, T&D losses and Company Use
Wholesale kWh Sales	(46,793,736)	(768,322)	(0.0384320877)	6.0903808559	(0.2340660515)	Wholesale kWh Sales
Jurisdictional kWh Sales	1,215,647,939	19,991,680	1.0000000000	6.0807692950	6.0807692950	Jurisdictional kWh Sales

Line Loss Correction is difference in the loss factors \* \$1,008,942,973

Non-Fuel Generation is the difference of the total generation and fuel line items.

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4. Please provide a revised Schedule E-10 and a calculation of the rates by rate class assuming that TECO refunds the 2008 final true-up, \$35,402,527, over the mid-course period.
- A. The revised fuel factors by rate class, assuming that the 2008 final true-up over-recovery is returned to customers over the mid-course period, are shown below.

<u>Metering Voltage Level</u>	<u>Factor (cents per kWh)</u>
Secondary: Residential Only	
Tier I: First 1,000 kWh	4.799
Tier II: Amount Over 1,000 kWh	5.799
Secondary	5.149
Distribution Primary	5.098
Transmission	5.046
Lighting Service <sup>1</sup>	4.937
Distribution Secondary On-Peak	6.309
Distribution Secondary Off-Peak	4.655
Distribution Primary On-Peak	6.246
Distribution Primary Off-Peak	4.608
Transmission On-Peak	6.183
Transmission Off-Peak	4.562

The revised Schedule E10 provided on the following page is based on the revised Schedule E10 requested in Staff's First Data Request, No. 7, filed in this docket on March 17, 2009. In addition, this revised Schedule E10 includes the \$35,402,527 final 2008 fuel over-recovery over the mid-course period. However, as previously stated in the response to number 1 of this data request, Tampa Electric does not believe it would be consistent or appropriate to refund the true-up amount as part of the mid-course adjustment.

<sup>1</sup> Lighting service is based on distribution secondary, 17 percent on-peak and 83 percent off-peak.

Alternative Schedule E10 Requested by FPSC Staff <sup>(1)</sup>

TAMPA ELECTRIC COMPANY  
RESIDENTIAL BILL COMPARISON  
FOR MONTHLY USAGE OF 1,000 KWH

	Current	Projected	Difference	
	Jan 09 - Apr 09	May 09 - Dec 09	\$	%
Base Rate Revenue	\$51.92	\$54.59	\$2.67	5%
Fuel Recovery Revenue	64.16	47.99	(16.17)	-25%
Conservation Revenue	1.06	2.17	1.11	105%
Capacity Revenue	5.80	5.34	(0.46)	-8%
Environmental Revenue	2.29	2.25	(0.04)	-2%
Florida Gross Receipts Tax Revenue	3.21	2.88	(0.33)	-10%
<b>TOTAL REVENUE</b>	<b>\$128.44</b>	<b>\$115.22</b>	<b>(\$13.22)</b>	<b>-10%</b>

- (1) Alternative E10 estimate based on FPSC Staff's March 5, 2009 recommendation in Docket No. 080317-EI with Tampa Electric's correction of apparent math errors described in the memo to K. Young dated March 10, 2009. Also includes 2008 final fuel over-recovery of \$35,402,527.
- (2) Does not include revenue requirement adjustments approved by the Commission during March 17, 2009 agenda conference.

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