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October 6, 2009

HAND DELIVERED

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

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

Dear Ms. Cole:

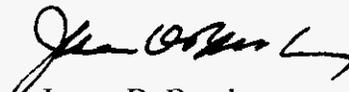
Enclosed for filing in the above docket are the original and fifteen (15) copies of Tampa Electric Company's Prehearing Statement.

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.

Thank you for your assistance in connection with this matter.

Sincerely,


James D. Beasley

JDB/pp
COM Enclosures
ECR 10 + CD
GCL 2 cc: All parties of record (w/enc.)
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DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased)
Power Cost Recovery Clause)
And Generating Performance)
Incentive Factor.)
_____)

DOCKET NO. 090001-EI
FILED: October 6, 2009

**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. Carlos Aldazabal (TECO)	Company-Specific Fuel Adjustment Factors	5A, 5B
	Generic Fuel Adjustment Issues	6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16
	Generic Capacity Cost Recovery Factor Issues	27, 28, 30, 31, 32, 33
2. Brian S. Buckley (TECO)	Generic Generating Performance Incentive Factor Issues	21, 22
3. Benjamin F. Smith (TECO)	Company-Specific Fuel Adjustment Issues	5A, 5B
	Generic Fuel Adjustment Issues	12

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

	Generic Capacity Cost Recovery Factor Issues	31
4. Joann T. Wehle (TECO)	Company-Specific Fuel Adjustment Issues	5A, 5B
	Generic Fuel Adjustment Issues	12

C. EXHIBITS:

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
<u>(CA-1)</u>	Aldazabal	Fuel Cost Recovery January 2008 - December 2008
<u>(CA-1)</u>	Aldazabal	Capacity Cost Recovery January 2008 – December 2008
<u>(CA-2)</u>	Aldazabal	Fuel Cost Recovery, Projected January 2009 – December 2009
<u>(CA-2)</u>	Aldazabal	Capacity Cost Recovery, Projected January 2009 – December 2009
<u>(CA-3)</u>	Aldazabal	Fuel Cost Recovery, Projected January 2010 – December 2010
<u>(CA-3)</u>	Aldazabal	Capacity Cost Recovery, Projected January 2010 – December 2010
<u>(CA-3)</u>	Aldazabal	Levelized and Tiered Fuel Rate
<u>(BSB-1)</u>	Buckley	Generating Performance Incentive Factor Results January 2008 – December 2008
<u>(BSB-2)</u>	Buckley	Generating Performance Incentive Factor Estimated January 2010 – December 2010
<u>(JTW-1)</u>	Wehle	2008 Waterborne Transportation Cost Adjustment

D. STATEMENT OF BASIC POSITION

Tampa Electric Company's Statement of Basic Position:

The Commission should approve Tampa Electric's calculation of its fuel adjustment, capacity cost recovery and GPIF true-up and projection calculations, including the proposed fuel adjustment factor of 4.517 cents per kWh before any application of time of use multipliers for on-peak or off-peak usage; the company's proposed for the period January through December 2010; a GPIF reward of \$1,239,009 and approval of the company's proposed GPIF targets and ranges for 2010. Tampa Electric also requests approval of its calculated wholesale incentive benchmark of \$1,846,336 for calendar year 2010.

E. STATEMENT OF ISSUES AND POSITIONS

COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES

Tampa Electric Company

ISSUE 5A: Should the Commission approve as prudent, TECO's actions to mitigate the volatility of natural gas, residual oil and purchased power prices, as reported in TECO's April 2009 and September 2009 hedging reports?

TECO: Yes. Tampa Electric prudently followed its 2008 and 2009 Risk Management Plans and accordingly utilized financial hedges to mitigate volatility of natural gas prices during the period January 2008 through July 2009. (Witness: Wehle, Smith)

ISSUE 5B: Should the Commission approve TECO's 2010 Risk Management Plan?

TECO: Yes. Tampa Electric's 2010 Risk Management Plan provides prudent, non-speculative guidelines for mitigating price volatility while ensuring supply reliability. (Witness: Wehle, Smith)

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 6: What are the appropriate actual benchmark levels for calendar year 2009 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

TECO: \$1,077,446. (Witness: Aldazabal)

ISSUE 7: What are the appropriate estimated benchmark levels for calendar year 2010 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

TECO: \$1,846,336. (Witness: Aldazabal)

ISSUE 8: What are the appropriate final fuel adjustment true-up amounts for the period January 2008 through December 2008?

TECO: \$35,402,527 over-recovery. (Witness: Aldazabal)

ISSUE 9: What are the appropriate fuel adjustment true-up amounts for the period January 2009 through December 2009?

TECO: \$45,016,696 over-recovery. (Witness: Aldazabal)

ISSUE 10: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2010 to December 2010?

TECO: \$45,016,697 over-recovery. (Witness: Aldazabal)

ISSUE 11: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2010 through December 2010?

TECO: The appropriate revenue tax factor is 1.00072. (Witness: Aldazabal)

ISSUE 12: What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2010 through December 2010?

TECO: The projected net fuel and purchased power cost recovery amount to be included in the recovery factor for the period January 2010 through December 2010, adjusted by the jurisdictional separation factor, is \$907,801,607. The total recoverable fuel and purchased power cost recovery amount to be collected, including the true-up and GPIF and adjusted for the revenue tax factor, is \$864,645,124. (Witness: Aldazabal, Wehle, Smith)

ISSUE 13: What are the appropriate levelized fuel cost recovery factors for the period January 2010 to December 2010?

TECO: The appropriate factor is 4.517 cents per kWh before any application of time of use multipliers for on-peak or off-peak usage. (Witness: Aldazabal)

ISSUE 14: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

TECO: The appropriate fuel recovery line loss multipliers are as follows:

<u>Metering Voltage Schedule</u>	<u>Line Loss Multiplier</u>
Distribution Secondary	1.0000
Distribution Primary	0.9900
Transmission	0.9800
Lighting Service	1.0000

(Witness: Aldazabal)

ISSUE 15: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

TECO: The appropriate factors are as follows:

<u>Metering Voltage Level</u>	<u>Fuel Charge Factor (cents per kWh)</u>	
Secondary	4.517	
Tier I (Up to 1,000 kWh)	4.167	
Tier II (Over 1,000 kWh)	5.167	
Distribution Primary	4.472	
Transmission	4.427	
Lighting Service	4.383	
Distribution Secondary	5.407	(on-peak)
	4.173	(off-peak)
Distribution Primary	5.353	(on-peak)
	4.131	(off-peak)
Transmission	5.299	(on-peak)
	4.090	(off-peak)

(Witness: Aldazabal)

ISSUE 16: What should be the effective date of the fuel adjustment charge and capacity cost recovery charge for billing purposes?

TECO: The new factors should be effective beginning with the specified billing cycle and thereafter for the period January 2010 and thereafter through the last billing cycle for December 2010. The first billing cycle may start before January 1, 2010, and the last billing cycle may end after December 31, 2010, so long as each customer is billed for 12 months regardless of when the fuel factors became effective.

(Witness: Aldazabal)

GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

ISSUE 21: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2008 through December 2008 for each investor-owned electric utility subject to the GPIF?

TECO: A reward in the amount of \$1,239,000 . (Witness: Buckley)

ISSUE 22: What should the GPIF targets/ranges be for the period January 2010 through December 2010 for each investor-owned electric utility subject to the GPIF?

TECO: The appropriate targets and ranges are shown in Exhibit No. ____ (BSB-2) to the prefiled testimony of Mr. Brian S. Buckley. Targets and ranges should be set according to the prescribed GPIF methodology established in 1981 by Commission Order No. 9558 in Docket No. 800400-CI and later modified in 2006 after meeting with Staff and intervening parties at the request of the Commission. (Witness: Buckley)

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 27: What are the appropriate capacity cost recovery true-up amounts for the period January 2008 through December 2008?

TECO: \$8,525,166 under-recovery. (Witness: Aldazabal)

ISSUE 28: What are the appropriate capacity cost recovery true-up amounts for the period January 2009 through December 2009?

TECO: \$20,092,934 under-recovery. (Witness: Aldazabal)

ISSUE 30: What are the appropriate total capacity cost recovery true-up amounts to be collected/ refunded during the period January 2010 through December 2010?

TECO: \$28,618,100 under-recovery. (Witness: Aldazabal)

ISSUE 31: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2010 through December 2010?

TECO: The purchased power capacity cost recovery amount to be included in the recovery factor for the period January 2010 through December 2010, adjusted by the jurisdictional separation factor, is \$61,632,996. The total recoverable capacity cost recovery amount to be collected, including the true-up amount and adjusted for the revenue tax factor, is \$90,316,077. (Witness: Aldazabal, Smith)

ISSUE 32: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2010 through December 2010?

TECO: The appropriate jurisdictional separation factor is 0.9639735. (Witness: Aldazabal)

ISSUE 33: What are the appropriate capacity cost recovery factors for the period January 2010 through December 2010?

TECO: The appropriate factors for January 2010 through December 2010 are as follows:

<u>Rate Class and Metering Voltage</u>	<u>Capacity Cost Recovery Factor</u>	
	<u>Cents per kWh</u>	<u>Cents per kW</u>
RS Secondary	0.539	
GS and TS Secondary	0.526	
GSD, SBF Standard Secondary		1.74
Primary		1.72
Transmission		1.71
GSD Optional Secondary	0.419	
Primary	0.414	
IS, SBI Primary		1.55
Transmission		1.54
LS1 Secondary	0.158	

(Witness: Aldazabal)

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

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: Tampa Electric has pending several requests for confidential treatment of information relating to hedging practices, risk management strategies and fuel and fuel transportation contract matters.

I. OBJECTIONS TO A WITNESS'S QUALIFICATION AS AN EXPERT

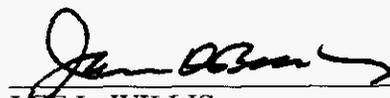
TECO: None at this time.

J. OTHER MATTERS

TECO: None at this time.

DATED this 6th day of October 2009.

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 U. S. Mail or hand delivery (*) on this 6th day of October 2009 to the following:

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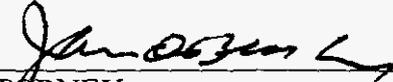
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