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October 12, 2009

HAND DELIVERED

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

RECEIVED-FPSC
09 OCT 12 PM 3:01
COMMISSION
CLERK

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

Dear Ms. Cole:

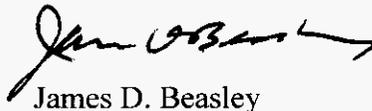
Enclosed for filing in the above docket, on behalf of Tampa Electric Company, are the original and fifteen (15) copies of each of the following:

1. Motion for Leave to File Supplemental Direct Testimony.
2. Joann T. Wehle's Supplemental Direct Testimony.

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 5
ECR 1
GCL 2
OPC — JDB/pp
RCP 1 Enclosures
SSC —
SGA 1 cc: All parties of record (w/encls.)
ADM —
CLK 1

DOCUMENT NUMBER / DATE
10478 OCT 12 8
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 12, 2009

**TAMPA ELECTRIC COMPANY'S
MOTION FOR LEAVE TO FILE
SUPPLEMENTAL DIRECT TESTIMONY**

Tampa Electric Company ("Tampa Electric" or "the company") moves the Commission for leave to file brief supplemental direct testimony of witness Joann T. Wehle in the above-styled proceeding and, as grounds therefor, says:

1. On September 1, 2009 Tampa Electric Company timely filed projection direct testimony of various company witnesses including Ms. Joann T. Wehle.
2. On September 23, 2009 the audit staff of the Commission submitted its hedging audit report including one finding relative to Tampa Electric's 2009 hedging activities.
3. Tampa Electric desires to place of record its agreement with the finding contained in Staff's audit report. Given the fact that the audit report was released subsequent to the filing of the company's projection testimony, the submission of brief supplemental direct testimony of witness Wehle agreeing with the audit finding will serve as the most expedient means of placing that agreement of record. Accordingly, this motion is accompanied by Ms. Wehle's supplemental direct testimony.
4. Tampa Electric has emailed the parties to this proceeding as to their positions regarding this motion and as of the filing of this motion has received no objection.

DOCUMENT NUMBER-DATE

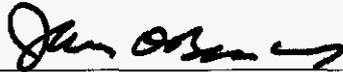
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WHEREFORE, Tampa Electric Company moves the Commission for leave to file the accompanying brief supplemental direct testimony of Tampa Electric witness Joann T. Wehle.

DATED this 12th day of October 2009.

Respectfully submitted,



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(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Motion for Leave to File Supplemental Direct Testimony, filed on behalf of Tampa Electric Company, has been furnished by U. S. Mail or hand delivery (*) on this 12th day of October 2009 to the following:

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ATTORNEY



BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 090001-EI

IN RE: FUEL & PURCHASED POWER COST RECOVERY

AND

CAPACITY COST RECOVERY

SUPPLEMENTAL DIRECT TESTIMONY

OF

JOANN T. WEHLE

DOCUMENT NUMBER-DATE
10478 OCT 12 88
FPSC-COMM

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **PREPARED SUPPLEMENTAL DIRECT TESTIMONY**

3 **OF**

4 **JOANN T. WEHLE**

5
6 **Q.** Please state your name, address, occupation and employer.

7
8 **A.** My name is Joann T. Wehle. My business address is 702
9 North Franklin Street, Tampa, Florida 33602. I am
10 employed by Tampa Electric Company ("Tampa Electric" or
11 "company") as Director, Wholesale Marketing & Fuels.

12
13 **Q.** Are you the same Joann T. Wehle who submitted prepared
14 direct testimony on September 1, 2009 in this proceeding?

15
16 **A.** Yes, I am.

17
18 **Q.** What is the purpose of your supplemental direct testimony
19 testimony?

20
21 **A.** The purpose of my supplemental direct testimony is to
22 address the single audit finding contained in the audit
23 report filed by the audit staff of the Florida Public
24 Service Commission ("FPSC") in Tampa Electric's 2009
25 Hedging Activities audit for the period August 1, 2008

DOCKET NUMBER-DATE

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FPSC-COMMISSION CLERK

1 through July 31, 2009. The audit report was issued
2 September 23, 2009 subsequent to my direct testimony
3 filing on September 1, 2009.
4

5 **Q.** Do you agree with the audit findings by the Commission
6 audit?
7

8 **A.** Yes, I do.
9

10 **Q.** Please elaborate on the company's explanations to the
11 Commission's audit staff as to why the company hedged
12 outside of its Risk Management Plan percentage limits.
13

14 **A.** Tampa Electric agrees with the Commission audit finding
15 showing that for four months during the period August
16 2008 through July 2009 the quantity of natural gas hedged
17 compared to the actual natural gas consumption was at a
18 percentage level outside the prescribed levels in the
19 Risk Management Plan. However, the percentage hedged for
20 all four months in question are within the guidelines
21 when compared to the projected natural gas consumption.
22 Therefore, Tampa Electric's hedging activities were
23 consistent with its Risk Management Plan.
24

25 For the four months in question, changes in load,

1 outages, and generation caused the actual natural gas
2 consumption to vary relative to the projection. These
3 are events beyond the control of the company and, thus,
4 do not imply a violation of its Risk Management Plan.
5

6 **Q.** Has the Commission evaluated the effect of actual natural
7 gas consumption on actual versus targeted hedging
8 percentages?
9

10 **A.** Yes, the Commission completed a comprehensive review of
11 the Fuel Procurement Hedging Practices of Florida's
12 Investor-Owned Electric Utilities and issued its final
13 report in June 2008, in which the staff recognized that
14 hedges may exceed the percentage targets when actual fuel
15 burns are significantly lower than the fuel projections.
16 In addition, audit staff believed that the yearly
17 averages of fuel hedged against forecast and actual burn
18 demonstrate that the company provides enough flexibility
19 within its strategy to allow for fluctuations in its fuel
20 consumption. Thus, due to the normal fluctuation in
21 actual monthly consumption, any comparison of hedge
22 percentages compared to actual consumption volumes should
23 be made over an extended time period. For the twelve-
24 month period included in the audit, Tampa Electric hedged
25 approximately 74 percent of its actual natural gas

1 consumption, which is within its prescribed Risk
2 Management Plan guidelines.

3
4 **Q.** Do you believe Tampa Electric has complied with its Risk
5 Management Plan?

6
7 **A.** Yes, I do. Tampa Electric has abided by its Commission
8 approved Risk Management Plan and has executed its
9 hedging program in a manner that is non-speculative and
10 consistent with the overall objective of minimizing fuel
11 price volatility. Furthermore, Tampa Electric has also
12 executed its Risk Management Plan according to sound
13 separation of duty principles.

14
15 **Q.** Please summarize your supplemental direct testimony.

16
17 **A.** Tampa Electric concurs with the findings in the
18 Commission staff audit dated September 23, 2009. Tampa
19 Electric performed its hedging duties consistent with the
20 projected levels of natural gas consumption and therefore
21 complied with its Commission approved Risk Management
22 Plan. Tampa Electric believes that variances caused by
23 actual consumption being different than projected
24 consumption are to be expected and that the Commission
25 has previously recognized this can occur and does not

1 imply any failure to comply with the Risk Management
2 Plan.

3

4 **Q.** Does this conclude your testimony?

5

6 **A.** Yes, it does.

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