

# 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

October 15, 2009

HAND DELIVERED

RECEIVED--FPSC  
09 OCT 15 PM 4:12  
COMMISSION  
CLERK

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:

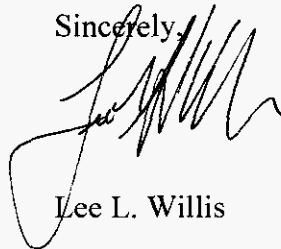
Enclosed for filing in the above docket are the original and fifteen (15) copies of Tampa Electric Company's Notice of Correction to its position on Issue 33, its Testimony, Preliminary List of Issues filed September 29, 2009 and Prehearing Statement filed October 6, 2009.

COM 5  
ECR 1  
GCL 2  
OPC  
RCP 1  
SSC  
SGA 2  
ADM  
CLK 1

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,



Lee L. Willis

LLW/pp  
Enclosure

cc: All parties of record (w/enc.)

DOCUMENT NUMBER-DATE  
10602 OCT 15 09  
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 15, 2009

**TAMPA ELECTRIC COMPANY'S  
NOTICE OF CORRECTION**

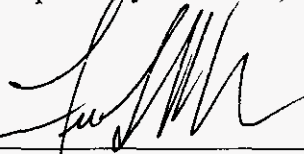
Tampa Electric Company ("Tampa Electric" or "the company") hereby furnishes notice of a correction to the company's demand unit of measurement on page 7 of Carlos Aldazabal's testimony filed September 1, 2009, the company's position on Issue 33 in its Preliminary List of Issues and Positions filed September 29, 2009, and Tampa Electric's Prehearing Statement filed on October 6, 2009. The demand rates reflected on all three of the aforementioned filings should be on a "dollar" per kW basis not the erroneously shown "cents" per kW basis. The company's position on all three filings is hereby corrected to reflect demand rates on a dollar per kW basis for all rate schedules. The revised testimony pages as well as the company's Preliminary List of Issues and Positions and Prehearing Statement reflecting the correction are attached as Attachment 1 – 3, respectively.

WHEREFORE, Tampa Electric furnishes notices of the foregoing corrections to its Testimony, Preliminary List of Issues and Positions, and Prehearing Statement.

**DOCUMENT NO.    DATE**  
*10602-09    10, 15, 09*  
**FPSC - COMMISSION CLERK**

DATED this 15<sup>th</sup> day of October 2009.

Respectfully submitted,



---

LEE L. WILLIS  
JAMES D. BEASLEY  
Ausley & McMullen  
Post Office Box 391  
Tallahassee, Florida 32302  
(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Notice of Correction, filed on behalf of Tampa Electric Company, has been furnished by U. S. Mail or hand delivery (\*) on this 15<sup>th</sup> day of October 2009 to the following:

Ms. Lisa C. Bennett\*  
Senior Attorney  
Office of General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0863

Mr. John T. Burnett  
Associate General Counsel  
Progress Energy Service Co., LLC  
Post Office Box 14042  
St. Petersburg, FL 33733-4042

Mr. Paul Lewis, Jr.  
106 East College Avenue  
Suite 800  
Tallahassee, FL 32301-7740

Mr. John W. McWhirter, Jr.  
McWhirter, Reeves & Davidson, P.A.  
Post Office Box 3350  
Tampa, FL 33601-3350

Ms. Vicki Kaufman  
Mr. Jon C Moyle  
Keefe Anchors Gordon & Moyle, PA  
118 N. Gadsden Street  
Tallahassee, FL 32301

Ms. Patricia A. Christensen  
Associate Public Counsel  
Office of Public Counsel  
111 West Madison Street – Room 812  
Tallahassee, FL 32399-1400

Mr. Norman Horton  
Messer Caparello & Self  
Post Office Box 15579  
Tallahassee, FL 32317

Mr. Mehrdad Khojasteh  
Florida Public Utilities Company  
P. O. Box 3395  
West Palm Beach, FL 33402-3395

Mr. John T. Butler  
Managing Attorney - Regulatory  
Florida Power & Light Company  
700 Universe Boulevard  
Juno Beach, FL 33408-0420

Mr. R. Wade Litchfield  
Florida Power & Light Company  
215 South Monroe Street, Suite 810  
Tallahassee, FL 32301-1859

Ms. Susan Ritenour  
Secretary and Treasurer  
Gulf Power Company  
One Energy Place  
Pensacola, FL 32520-0780

Mr. Jeffrey A. Stone  
Mr. Russell A. Bidders  
Mr. Steven R. Griffin  
Beggs & Lane  
Post Office Box 12950  
Pensacola, FL 32591-2950

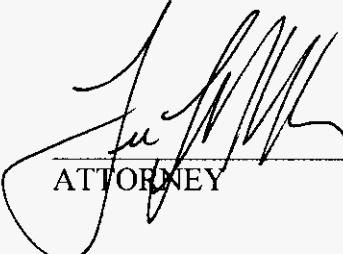
Mr. Michael B. Twomey  
Post Office Box 5256  
Tallahassee, FL 32314-5256

Mr. Robert Scheffel Wright  
Mr. John T. LaVia, III  
Young van Assenderp, P.A.  
225 South Adams Street, Suite 200  
Tallahassee, FL 32301

Karen S. White, Lt Col, USAF  
Shayla L. McNeill, Capt, USAF  
AFCESA/ULT  
139 Barnes Drive, Suite 1  
Tyndall Air Force Base, FL 32403-5319

Mr. James W. Brew  
Brickfield, Burchette, Ritts & Stone, P.C.  
1025 Thomas Jefferson Street, NW  
Eighth Floor, West Tower  
Washington, D.C. 20007-5201

Ms. Cecilia Bradley  
Senior Assistant Attorney General  
Office of the Attorney General  
The Capitol – PL01  
Tallahassee, FL 32399-1050



---

ATTORNEY

1 did not include those costs for recovery through the  
 2 capacity clause.

3  
 4 Q. Please summarize the proposed capacity cost recovery  
 5 factors by metering voltage level for January 2010  
 6 through December 2010.

7

8 **A.**

Rate Class and	Capacity Cost	Recovery Factor
<u>Metering Voltage</u>	<u>Cents per kWh</u>	<u>Dollars 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
IS, IST, SBI		
Primary		1.55
Transmission		1.54
GSD Optional		
Secondary	0.419	
Primary	0.414	
LS1 Secondary	0.158	

9  
 10  
 11  
 12  
 13  
 14  
 15  
 16  
 17  
 18  
 19  
 20  
 21  
 22  
 23  
 24 These factors are shown in Exhibit No. \_\_\_\_\_ (CA-3)  
 25 Document No. 1, page 3 of 4.

DOCUMENT NUMBER-DATE

10602 OCT 15 09

FPSC-COMMISSION CLERK

1 Q. How does Tampa Electric's proposed average capacity cost  
2 recovery factor of 0.539 cents per kWh compare to the  
3 factor for May 2009 through December 2009?

4  
5 A. The proposed capacity cost recovery factor is 0.005 cents  
6 per kWh (or \$0.05 per 1,000 kWh) higher than the average  
7 capacity cost recovery factor of 0.467 cents per kWh for  
8 the May 2009 through December 2009 period.

9  
10 **Fuel and Purchased Power Cost Recovery Factor**

11 Q. What is the appropriate amount of the levelized fuel and  
12 purchased power cost recovery factor for the year 2010?

13  
14 A. The appropriate amount for the 2010 period is 4.509 cents  
15 per kWh before any application of time of use multipliers  
16 for on-peak or off-peak usage. Schedule E1-E of Exhibit  
17 No. \_\_\_\_ (CA-3), Document No. 2, shows the appropriate  
18 value for the total fuel and purchased power cost  
19 recovery factor for each metering voltage level as  
20 projected for the period January 2010 through December  
21 2010.

22  
23 Q. Please describe the information provided on Schedule E1-  
24 C.

25

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased )  
Power Cost Recovery Factor )  
and Generating Performance )  
Incentive Factor. )  
\_\_\_\_\_ )

DOCKET NO. 090001-EI  
REVISED: October 15, 2009

**TAMPA ELECTRIC COMPANY'S REVISED  
PRELIMINARY LIST OF ISSUES AND POSITIONS**

Tampa Electric Company ("Tampa Electric" or "the company") submits the following revised preliminary list of issues and positions to make the statement of the issues match the issues as stated in Staff's September 28 preliminary list of issues and positions. None of Tampa Electric's positions have changed from those the company filed on September 28, 2009.

**COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES**

**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 August 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 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:** \$45,016,697 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 4.509 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 \$1,239,009. (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:

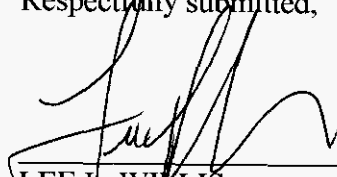
<u>Rate Class and Metering Voltage</u>	<u>Capacity Cost Recovery Factor</u>	
	<u>Cents per kWh</u>	<u>Dollars per kW</u>
RS Secondary	0.539	
GS and TS Secondary	0.526	
GSD, SBF Standard Secondary		1.74
Primary		1.72
Transmission		1.71
GSD Optional Secondary	0.419	
Primary	0.414	
IS, SBI Primary		1.55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

(Witness: Aldazabal)

WHEREFORE, Tampa Electric Company submits the foregoing as its Preliminary List of Issues and Positions for consideration in the November 2009 Fuel and Purchased Power Cost Recovery proceeding.

DATED this 15<sup>th</sup> day of October, 2009

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lee L. Willis", is written over a horizontal line.

LEE L. WILLIS  
JAMES D. BEASLEY  
Ausley & McMullen  
Post Office Box 391  
Tallahassee, Florida 32302  
(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Revised Preliminary List of Issues and Positions, filed on behalf of Tampa Electric Company, has been furnished by U. S. Mail or hand delivery (\*) on this 15<sup>th</sup> day of October 2009 to the following:

Ms. Lisa C. Bennett\*  
Senior Attorney  
Office of General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0863

Mr. John T. Burnett  
Associate General Counsel  
Progress Energy Service Co., LLC  
Post Office Box 14042  
St. Petersburg, FL 33733-4042

Mr. Paul Lewis, Jr.  
106 East College Avenue  
Suite 800  
Tallahassee, FL 32301-7740

Mr. John W. McWhirter, Jr.  
McWhirter, Reeves & Davidson, P.A.  
Post Office Box 3350  
Tampa, FL 33601-3350

Ms. Vicki Kaufman  
Mr. Jon C Moyle  
Keefe Anchors Gordon & Moyle, PA  
118 N. Gadsden Street  
Tallahassee, FL 32301

Ms. Patricia A. Christensen  
Associate Public Counsel  
Office of Public Counsel  
111 West Madison Street – Room 812  
Tallahassee, FL 32399-1400

Mr. Norman Horton  
Messer Caparello & Self  
Post Office Box 15579  
Tallahassee, FL 32317

Mr. Mehrdad Khojasteh  
Florida Public Utilities Company  
P. O. Box 3395  
West Palm Beach, FL 33402-3395

Mr. John T. Butler  
Managing Attorney - Regulatory  
Florida Power & Light Company  
700 Universe Boulevard  
Juno Beach, FL 33408-0420

Mr. R. Wade Litchfield  
Florida Power & Light Company  
215 South Monroe Street, Suite 810  
Tallahassee, FL 32301-1859

Ms. Susan Ritenour  
Secretary and Treasurer  
Gulf Power Company  
One Energy Place  
Pensacola, FL 32520-0780

Mr. Jeffrey A. Stone  
Mr. Russell A. Badders  
Mr. Steven R. Griffin  
Beggs & Lane  
Post Office Box 12950  
Pensacola, FL 32591-2950

Mr. Michael B. Twomey  
Post Office Box 5256  
Tallahassee, FL 32314-5256

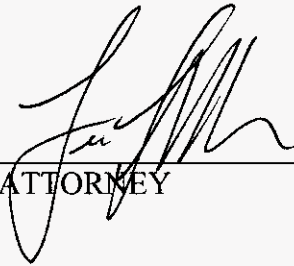


Mr. Robert Scheffel Wright  
Mr. John T. LaVia, III  
Young van Assenderp, P.A.  
225 South Adams Street, Suite 200  
Tallahassee, FL 32301

Karen S. White, Lt Col, USAF  
Shayla L. McNeill, Capt, USAF  
AFCESA/ULT  
139 Barnes Drive, Suite 1  
Tyndall Air Force Base, FL 32403-5319

Ms. Cecilia Bradley  
Senior Assistant Attorney General  
Office of the Attorney General  
The Capitol – PL01  
Tallahassee, FL 32399-1050

Mr. James W. Brew  
Brickfield, Burchette, Ritts & Stone, P.C.  
1025 Thomas Jefferson Street, NW  
Eighth Floor, West Tower  
Washington, D.C. 20007-5201



---

ATTORNEY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 090001-EI  
REVISED: October 15, 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>
( <u>Direct</u> )		
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

	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>          </u> (CA-1)	Aldazabal	Fuel Cost Recovery January 2008 - December 2008
<u>          </u> (CA-1)	Aldazabal	Capacity Cost Recovery January 2008 – December 2008
<u>          </u> (CA-2)	Aldazabal	Fuel Cost Recovery, Projected January 2009 – December 2009
<u>          </u> (CA-2)	Aldazabal	Capacity Cost Recovery, Projected January 2009 – December 2009
<u>          </u> (CA-3)	Aldazabal	Fuel Cost Recovery, Projected January 2010 – December 2010
<u>          </u> (CA-3)	Aldazabal	Capacity Cost Recovery, Projected January 2010 – December 2010
<u>          </u> (CA-3)	Aldazabal	Levelized and Tiered Fuel Rate
<u>          </u> (BSB-1)	Buckley	Generating Performance Incentive Factor Results January 2008 – December 2008
<u>          </u> (BSB-2)	Buckley	Generating Performance Incentive Factor Estimated January 2010 – December 2010
<u>          </u> (JTW-1)	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 4.509 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>Dollars 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 \_\_\_\_\_ day of October 2009.

Respectfully submitted,



---

LEE L. WILLIS  
JAMES D. BEASLEY  
Ausley & McMullen  
Post Office Box 392  
Tallahassee, Florida 32302  
(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Revised Prehearing Statement, filed on behalf of Tampa Electric Company, has been furnished by U. S. Mail or hand delivery (\*) on this \_\_\_\_\_ day of October 2009 to the following:

Ms. Lisa C. Bennett\*  
Senior Attorney  
Office of General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0863

Mr. John T. Burnett  
Associate General Counsel  
Progress Energy Service Co., LLC  
Post Office Box 14042  
St. Petersburg, FL 33733-4042

Mr. Paul Lewis, Jr.  
106 East College Avenue  
Suite 800  
Tallahassee, FL 32301-7740

Mr. John W. McWhirter, Jr.  
McWhirter, Reeves & Davidson, P.A.  
Post Office Box 3350  
Tampa, FL 33601-3350

Ms. Vicki Kaufman  
Mr. Jon C Moyle  
Keefe Anchors Gordon & Moyle, PA  
118 N. Gadsden Street  
Tallahassee, FL 32301

Ms. Patricia A. Christensen  
Associate Public Counsel  
Office of Public Counsel  
111 West Madison Street – Room 812  
Tallahassee, FL 32399-1400

Mr. Norman Horton  
Messer Caparello & Self  
Post Office Box 15579  
Tallahassee, FL 32317

Mr. Mehrdad Khojasteh  
Florida Public Utilities Company  
P. O. Box 3395  
West Palm Beach, FL 33402-3395

Mr. John T. Butler  
Managing Attorney - Regulatory  
Florida Power & Light Company  
700 Universe Boulevard  
Juno Beach, FL 33408-0420

Mr. R. Wade Litchfield  
Florida Power & Light Company  
215 South Monroe Street, Suite 810  
Tallahassee, FL 32301-1859

Ms. Susan Ritenour  
Secretary and Treasurer  
Gulf Power Company  
One Energy Place  
Pensacola, FL 32520-0780

Mr. Jeffrey A. Stone  
Mr. Russell A. Badders  
Mr. Steven R. Griffin  
Beggs & Lane  
Post Office Box 12950  
Pensacola, FL 32591-2950

Mr. Michael B. Twomey  
Post Office Box 5256  
Tallahassee, FL 32314-5256

Mr. Robert Scheffel Wright  
Mr. John T. LaVia, III  
Young van Assenderp, P.A.  
225 South Adams Street, Suite 200  
Tallahassee, FL 32301

Karen S. White, Lt Col, USAF  
Shayla L. McNeill, Capt, USAF  
AFCESA/ULT  
139 Barnes Drive, Suite 1  
Tyndall Air Force Base, FL 32403-5319

Ms. Cecilia Bradley  
Senior Assistant Attorney General  
Office of the Attorney General  
The Capitol – PL01  
Tallahassee, FL 32399-1050

Mr. James W. Brew  
Brickfield, Burchette, Ritts & Stone, P.C.  
1025 Thomas Jefferson Street, NW  
Eighth Floor, West Tower  
Washington, D.C. 20007-5201



---

ATTORNEY