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COMMISSION  
CLERK

September 26, 2011

HAND DELIVERED

Ms. Ann Cole, Director  
Office 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. 110001-EI

Dear Ms. Cole:

Enclosed for filing in the above docket are the original and fifteen (15) copies of Tampa  
Electric Company's Preliminary List of Issues and Positions.

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  
Enclosure

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

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 110001-EI  
FILED: September 26, 2011

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

Tampa Electric Company ("Tampa Electric" or "the company") submits the following preliminary list of issues and positions based on the tentative list of issues attached as Appendix A to Order No. PSC-11-0132-PCO-EI, issued in this docket on February 25, 2011 (Order Establishing Procedure).

**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 2011 and August 2011 hedging reports?

**TECO:** Yes. Tampa Electric prudently followed its 2010 and 2011 Risk Management Plans and accordingly utilized financial hedges to mitigate volatility of natural gas prices during the period January 2010 through July 2011. (Witness: Caldwell, Smith)

**ISSUE 5B:** Should the Commission approve TECO's 2012 Risk Management Plan?

**TECO:** Yes. Tampa Electric's 2012 Risk Management Plan provides prudent, non-speculative guidelines for mitigating price volatility while ensuring supply reliability. (Witness: Caldwell, Smith)

**GENERIC FUEL ADJUSTMENT ISSUES**

**ISSUE 6:** What are the appropriate actual benchmark levels for calendar year 2011 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

**TECO:** \$2,719,531. (Witness: Aldazabal)

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FPSC-COMMISSION CLERK

**ISSUE 7:** What are the appropriate estimated benchmark levels for calendar year 2012 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

**TECO:** \$2,160,817. (Witness: Aldazabal)

**ISSUE 8:** What are the appropriate fuel adjustment true-up amounts for the period January 2010 through December 2010?

**TECO:** \$5,086,991 over-recovery. (Witness: Aldazabal)

**ISSUE 9:** What are the appropriate fuel adjustment true-up amounts for the period January 2011 through December 2011?

**TECO:** \$42,726,419 over-recovery. (Witness: Aldazabal)

**ISSUE 10:** What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2012 to December 2012?

**TECO:** \$47,813,410 over-recovery. (Witness: Aldazabal)

**ISSUE 11:** What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2012 through December 2012?

**TECO:** The total fuel and purchased power cost recovery amount for the period January 2012 through December 2012, is \$842,609,327. The total recoverable fuel and purchased power recovery amount to be collected, adjusted by the jurisdictional separation factor excluding GPIF and revenue tax factor but including the true-up amount, is \$793,991,818. (Witness: Aldazabal, Smith)

## **GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES**

**ISSUE 16:** What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2010 through December 2010 for each investor-owned electric utility subject to the GPIF?

**TECO:** A reward in the amount of \$2,054,696. (Witness: Buckley)

**ISSUE 17:** What should the GPIF targets/ranges be for the period January 2012 through December 2012 for each investor-owned electric utility subject to the GPIF?

**TECO:** The appropriate targets and ranges are shown in Exhibit No. \_\_\_\_ (BSB-3) to the pre-filed 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)

**FUEL FACTOR CALCULATION ISSUES**

**ISSUE 18:** 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 2012 through December 2012?

**TECO:** The projected net fuel and purchased power cost recovery amount to be included in the recovery factor for the period January 2012 through December 2012, adjusted by the jurisdictional separation factor, is \$841,805,228. 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 \$796,618,188. (Witness: Aldazabal, Caldwell, Buckley, Smith)

**ISSUE 19:** 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 2012 through December 2012?

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

**ISSUE 20:** What are the appropriate levelized fuel cost recovery factors for the period January 2012 to December 2012?

**TECO:** The appropriate factor is 4.183 cents per kWh before any application of time of use multipliers for on-peak or off-peak usage. (Witness: Aldazabal)

**ISSUE 21:** 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 22:** 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	4.190	
Tier I (Up to 1,000 kWh)	3.840	
Tier II (Over 1,000 kWh)	4.840	
Distribution Primary	4.148	
Transmission	4.106	
Lighting Service	4.129	
Distribution Secondary	4.580	(on-peak)
	4.036	(off-peak)
Distribution Primary	4.534	(on-peak)
	3.996	(off-peak)
Transmission	4.488	(on-peak)
	3.955	(off-peak)
(Witness: Aldazabal)		

### **GENERIC CAPACITY COST RECOVERY FACTOR ISSUES**

**ISSUE 27:** What are the appropriate capacity cost recovery true-up amounts for the period January 2010 through December 2010?

**TECO:** \$461,060 under-recovery. (Witness: Aldazabal)

**ISSUE 28:** What are the appropriate capacity cost recovery true-up amounts for the period January 2011 through December 2011?

**TECO:** \$254,524 under-recovery. (Witness: Aldazabal)

**ISSUE 29:** What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2012 through December 2012?

**TECO:** \$715,584 under-recovery. (Witness: Aldazabal)

**ISSUE 30:** What are the appropriate projected total capacity cost recovery amounts for the period January 2012 through December 2012?

**TECO:** The projected total capacity cost recovery amount for the period January 2012 through December 2012 is \$44,720,668. (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 2012 through December 2012?

**TECO:** The purchased power capacity cost recovery amount to be included in the recovery factor for the period January 2012 through December 2012, adjusted by

the jurisdictional separation factor, is \$44,533,518. The total recoverable capacity cost recovery amount to be collected, including the true-up amount and adjusted for the revenue tax factor, is \$45,281,681. (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 2012 through December 2012?

**TECO:** The appropriate jurisdictional separation factor is 0.9958152. (Witness: Aldazabal)

**ISSUE 33:** What are the appropriate capacity cost recovery factors for the period January 2012 through December 2012?

**TECO:** The appropriate factors for January 2012 through December 2012 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	0.278	
GS and TS Secondary	0.258	
GSD, SBF Standard		
Secondary		.86
Primary		.85
Transmission		.84
GSD Optional		
Secondary	0.205	
Primary	0.203	
IS, SBI		
Primary		0.69
Transmission		0.69
LS1 Secondary	0.065	

(Witness: Aldazabal)

**EFFECTIVE DATE**

**ISSUE 34:** What should be the effective date of the fuel adjustment factors and capacity cost recovery factors for billing purposes?

**TECO:** The new factors should be effective beginning with the specified billing cycle and thereafter for the period January 2012 and thereafter through the last billing cycle for December 2012. The first billing cycle may start before January 1, 2012, and the last billing cycle may end after December 31, 2012, so long as each customer is billed for 12 months regardless of when the fuel factors became effective. (Witness: Aldazabal)

WHEREFORE, Tampa Electric Company submits the foregoing as its Preliminary List of Issues and Positions for consideration in the November 2011 Fuel and Purchased Power Cost Recovery proceeding.

DATED this 26<sup>th</sup> day of September, 2011

Respectfully submitted,



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ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing 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 26<sup>th</sup> day of September 2011 to the following:

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