

AUSLEY MCMULLEN

ATTORNEYS AND COUNSELORS AT LAW

123 SOUTH CALHOUN STREET
P.O. BOX 391 (ZIP 32302)
TALLAHASSEE, FLORIDA 32301
(850) 224-9115 FAX (850) 222-7560

October 9, 2015

VIA: ELECTRONIC FILING

Ms. Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Environmental Cost Recovery Clause
FPSC Docket No. 150007-EI

Dear Ms. Stauffer:

Attached for filing in the above docket is the original of Tampa Electric Company's Prehearing Statement.

Thank you for your assistance in connection with this matter.

Sincerely,


James D. Beasley

JDB/pp
Attachment

cc: All Parties of Record (w/attachment)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost)
Recovery Clause.)
_____)

DOCKET NO. 150007-EI

FILED: OCTOBER 9, 2015

**TAMPA ELECTRIC COMPANY'S
PREHEARING STATEMENT**

A. APPEARANCES:

JAMES D. BEASLEY
J. JEFFRY WAHLEN
ASHLEY M. DANIELS
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. Penelope A. Rusk (TECO)	Final true-up for period ending December 31, 2014; estimated true-up for period January 2015 through December 2015; projections for period January 2016 through December 2016	1, 2, 3, 4, 5, 6, 7, 8
	Tariff Approval	13
2. Paul L. Carpinone (TECO)	Qualification of environmental activities for ECRC recovery	3

C. EXHIBITS:

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
<u>(PAR-1)</u>	Rusk	Final Environmental Cost Recovery Commission Forms 42-1A through 42-9A for the period January 2014 through December 2014
<u>(PAR-2)</u>	Rusk	Environmental Cost Recovery Commission Forms 42-1E through 42-9E for the Period January 2015 through December 2015
<u>(PAR-3)</u>	Rusk	Forms 42-1P through 42-8P Forms for the January 2016 through December 2016

D. STATEMENT OF BASIC POSITION

Tampa Electric Company's Statement of Basic Position:

The Commission should approve the compliance programs described in the testimony and exhibits of Tampa Electric Witnesses Rusk and Carpinone for environmental cost recovery. The Commission should also approve Tampa Electric's calculation of its environmental cost recovery final true-up for the period January 2014 through December 2014, the actual/estimated environmental cost recovery true-up for the current period January 2015 through December 2015, and the company's projected ECRC revenue requirement and the company's proposed ECRC factors for the period January 2016 through December 2016.

E. STATEMENT OF ISSUES AND POSITIONS

Generic Environmental Cost Recovery Issues

ISSUE 1: What are the final environmental cost recovery true-up amounts for the period January 2014 through December 2014?

TECO: The appropriate final environmental cost recovery true-up amount for this period is an under-recovery of \$3,915,636. (Witness: Rusk)

ISSUE 2: What are the actual/estimated environmental cost recovery true-up amounts for the period January 2015 through December 2015?

TECO: The estimated environmental cost recovery true-up amount for the period is an over-recovery of \$4,535,273. (Witness: Rusk)

ISSUE 3: What are the projected environmental cost recovery amounts for the period January 2016 through December 2016?

TECO: The appropriate amount of environmental costs projected to be recovered for the period January 2016 through December 2016 is \$81,255,576. (Witnesses: Rusk; Carpinone)

ISSUE 4: What are the environmental cost recovery amounts, including true-up amounts, for the period January 2016 through December 2016?

TECO: The total environmental cost recovery amount, including true-up amounts, for the period January 2016 through December 2016 is \$80,693,997 after the adjustment for taxes. (Witness: Rusk)

ISSUE 5: What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery amounts for the period January 2016 through December 2016?

TECO: The depreciation rates used to calculate the depreciation expense shall be the rates that are in effect during the period the allowed capital investment is in service. (Witness: Rusk)

ISSUE 6: What are the appropriate jurisdictional separation factors for the projected period January 2016 through December 2016?

TECO: The appropriate jurisdictional separation factors are 1.0000000. (Witness: Rusk)

ISSUE 7: What are the appropriate environmental cost recovery factors for the period January 2016 through December 2016 for each rate group?

TECO: The appropriate environmental cost recovery factors are as follows:

<u>Rate Class</u>	<u>Factor (¢/kWh)</u>
RS	0.432
GS, TS	0.431
GSD, SBF	
Secondary	0.429
Primary	0.424
Transmission	0.420
IS	
Secondary	0.423
Primary	0.419
Transmission	0.414
LS1	0.427
Average Factor (Witness: Rusk)	0.430

ISSUE 8: What should be the effective date of the new environmental cost recovery factors for billing purposes?

TECO: The factors should be effective beginning with the specified environment cost recovery cycle for the period January 2016 through December 2016. Billing cycles may start before January 1, 2016, and the last cycle may be read after December 31, 2016, so that each customer is billed for 12 months regardless of when the adjustment factors became effective. (Witness: Rusk)

Company Specific Environmental Cost Recovery Issues

Tampa Electric Company (TECO)

TECO: None at this time.

Tariff Approval

ISSUE 13: Should the Commission approve revised tariffs reflecting the environmental cost recovery amounts and environmental cost recovery factors determined to be appropriate in this proceeding?

TECO: Yes. The Commission should approve revised tariffs reflecting the environmental cost recovery amounts and environmental cost recovery factors determined to be

appropriate in this proceeding. The Commission should direct Staff to verify that the revised tariffs are consistent with the Commission's decision. (Witness: Rusk)

F. STIPULATED ISSUES

TECO: None at this time.

G. MOTIONS

TECO: None at this time.

H. PENDING REQUEST OR CLAIMS FOR CONFIDENTIALITY

TECO: None at this time.

I. OTHER MATTERS

TECO: None at this time.

DATED this 9th day of October 2015.

Respectfully submitted,



JAMES D. BEASLEY
J. JEFFRY WAHLEN
ASHLEY M. DANIELS
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 Prehearing Statement, filed on behalf of Tampa Electric Company has been furnished by hand delivery (*) or U. S. Mail on this 9th day of October 2015 to the following:

Mr. Charles W. Murphy*
Senior Attorney
Office of the General Counsel
Florida Public Service Commission
Room 390R – Gerald L. Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
cmurphy@psc.state.fl.us

Ms. Patricia Christensen
Associate Public Counsel
Office of Public Counsel
111 West Madison Street – Room 812
Tallahassee, FL 32399-1400
christensen.patty@leg.state.fl.us

Mr. Jon C. Moyle, Jr.
Moyle Law Firm
118 N. Gadsden Street
Tallahassee, FL 32301
jmoyle@moylelaw.com

Mr. Matthew R. Bernier
Duke Energy Florida, Inc.
106 East College Avenue, Suite 800
Tallahassee, FL 32301-7740
matthew.bernier@duke-energy.com

Ms. Dianne M. Triplett
Duke Energy Florida, Inc.
299 First Avenue North
St. Petersburg, FL 33701
dianne.triplett@duke-energy.com

Mr. John T. Butler
Assistant General Counsel - Regulatory
Florida Power & Light Company
700 Universe Boulevard (LAW/JB)
Juno Beach, FL 33408-0420
john.butler@fpl.com

Mr. Kenneth Hoffman
Vice President, Regulatory Relations
Florida Power & Light Company
215 South Monroe Street, Suite 810
Tallahassee, FL 32301-1858
ken.hoffman@fpl.com

Mr. Gary V. Perko
Hopping Green & Sams, P.A.
Post Office Box 6526
Tallahassee, FL 32314
gperko@hgslaw.com

Mr. Robert L. McGee, Jr.
Regulatory and Pricing Manager
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0780
rlmcgee@southernco.com

Mr. Jeffrey A. Stone
Mr. Russell A. Badders
Mr. Steven R. Griffin
Beggs and Lane
Post Office Box 12950
Pensacola, FL 32591-2950
jas@beggslane.com
rab@beggslane.com
srg@beggslane.com

Mr. David J. Marshall
c/o DeSoto County Generating Company, LLC
1700 Broadway, 35th Floor
New York, New York 10019
dmarshall@LSPower.com

Mr. James W. Brew
Mr. Owen J. Kopon
Ms. Laura A. Wynn
Stone Mattheis Xenopoulos & Brew, PC
1025 Thomas Jefferson Street, NW
Eighth Floor, West Tower
Washington, D.C. 20007-5201
jbrew@smxblaw.com
ojk@smxblaw.com
laura.wynn@smxblaw.com



ATTORNEY