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October 4, 2016

**VIA: ELECTRONIC FILING**

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

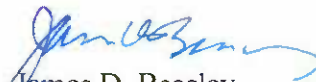
Re: Environmental Cost Recovery Clause  
FPSC Docket No. 160007-EI

Dear Ms. Stauffer:

Attached for filing in the above docket is 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. 160007-EI  
FILED: October 4, 2016

**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, 2015; estimated true-up for period January 2016 through December 2016; projections for period January 2017 through December 2017	1, 2, 3, 4, 5, 6, 7, 8
	Tariff approval	12
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 2015 through December 2015
<u>(PAR-2)</u>	Rusk	Environmental Cost Recovery Commission Forms 42-1E through 42-9E for the Period January 2016 through December 2016
<u>(PAR-3)</u>	Rusk	Forms 42-1P through 42-8P Forms for the January 2017 through December 2017

**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 2015 through December 2015, the actual/estimated environmental cost recovery true-up for the current period January 2016 through December 2016, and the company's projected ECRC revenue requirement and the company's proposed ECRC factors for the period January 2017 through December 2017.

**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 2015 through December 2015?

- TECO:** The appropriate final environmental cost recovery true-up amount for this period is an over-recovery of \$1,721,184. (Witness: Rusk)
- ISSUE 2:** What are the actual/estimated environmental cost recovery true-up amounts for the period January 2016 through December 2016?
- TECO:** The estimated environmental cost recovery true-up amount for the period is an over-recovery of \$5,755,973. (Witness: Rusk)
- ISSUE 3:** What are the projected environmental cost recovery amounts for the period January 2017 through December 2017?
- TECO:** The appropriate amount of environmental costs projected to be recovered for the period January 2017 through December 2017 is \$81,235,918. (Witnesses: Rusk; Carpinone)
- ISSUE 4:** What are the environmental cost recovery amounts, including true-up amounts and revenue taxes, for the period January 2017 through December 2017?
- TECO:** The total environmental cost recovery amount, including true-up amounts, for the period January 2017 through December 2017 is \$73,811,867 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 2017 through December 2017?
- 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 2017 through December 2017?
- TECO:** The demand jurisdictional separation factor is 99.58992%. The energy jurisdictional separation factors are calculated for each month based on retail kWh sales as a percentage of projected total system kWh sales. These are shown on the schedules sponsored by witness Rusk. (Witness: Rusk)
- ISSUE 7:** What are the appropriate environmental cost recovery factors for the period January 2017 through December 2017 for each rate group?

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

<b><u>Rate Class</u></b>	<b><u>Factor (¢/kWh)</u></b>
RS	0.389
GS, TS	0.388
GSD, SBF	
Secondary	0.386
Primary	0.382
Transmission	0.378
I\$	
Secondary	0.379
Primary	0.375
Transmission	0.371
LS1	0.381
Average Factor (Witness: Rusk)	0.387

**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 2017 through December 2017. Billing cycles may start before January 1, 2017, and the last cycle may be read after December 31, 2017, 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 12:** 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. (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 4<sup>th</sup> day of October 2016.

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 hand delivery (\*) or electronic mail on this 4<sup>th</sup> day of October 2016 to the following:

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