

# 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

September 29, 2017

**VIA: ELECTRONIC FILING**

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

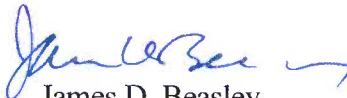
Re: Environmental Cost Recovery Clause  
FPSC Docket No. 20170007-EI

Dear Ms. Stauffer:

Enclosed 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/ne  
Attachment

cc: All Parties of Record (w/attachment)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost )  
Recovery Clause. )  
\_\_\_\_\_ )

DOCKET NO. 20170007-EI  
FILED: September 29, 2017

**TAMPA ELECTRIC COMPANY'S  
PREHEARING STATEMENT**

**A. APPEARANCES:**

JAMES D. BEASLEY  
J. JEFFRY WAHLEN  
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, 2016; estimated true-up for period January 2017 through December 2017; projections for period January 2018 through December 2018	1, 2, 3, 4, 5, 6, 7, 8
	Tariff approval	9
	Treatment of revenues for Phase II of CCR program	11
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 2016 through December 2016
<u>(PAR-2)</u>	Rusk	Environmental Cost Recovery Commission Forms 42-1E through 42-9E for the Period January 2017 through December 2017
<u>(PAR-3)</u>	Rusk	Forms 42-1P through 42-8P Forms for the January 2018 through December 2018

**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 2016 through December 2016, the actual/estimated environmental cost recovery true-up for the current period January 2017 through December 2017, and the company's projected ECRC revenue requirement and the company's proposed ECRC factors for the period January 2018 through December 2018.

**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 2016 through December 2016?

**TECO:** The appropriate final environmental cost recovery true-up amount for this period is an under-recovery of \$658,080. (Witness: Rusk)

**ISSUE 2:** What are the actual/estimated environmental cost recovery true-up amounts for the period January 2017 through December 2017?

**TECO:** The estimated environmental cost recovery true-up amount for the period is an over-recovery of \$6,759,424. (Witness: Rusk)

**ISSUE 3:** What are the projected environmental cost recovery amounts for the period January 2018 through December 2018?

**TECO:** The appropriate amount of environmental costs projected to be recovered for the period January 2018 through December 2018 is \$72,821,226. (Witnesses: Rusk; Carpinone)

**ISSUE 4:** What are the environmental cost recovery amounts, including true-up amounts, for the period January 2018 through December 2018?

**TECO:** The total environmental cost recovery amount, including true-up amounts, for the period January 2018 through December 2018 is \$66,767,920 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 2018 through December 2018?

**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 2018 through December 2018?

**TECO:** Energy: 100.00%  
Demand: 100.00% (Witness: Rusk)

**ISSUE 7:** What are the appropriate environmental cost recovery factors for the period January 2018 through December 2018 for each rate group?

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

<u>Rate Class</u>	<u>Factor (¢/kWh)</u>
RS	0.343
GS, CS	0.343
GSD, SBF	
Secondary	0.342
Primary	0.338
Transmission	0.335
IS	
Secondary	0.337
Primary	0.333
Transmission	0.330
LS1	0.339
Average Factor (Witness: Rusk)	0.342

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

**TECO:** The factors shall be effective beginning with the specified environmental cost recovery cycle and thereafter for the period January 2018 through December 2018. Billing cycles may start before January 1, 2018 and the last cycle may be read after December 31, 2018, so that each customer is billed for twelve months regardless of when the adjustment factors became effective. These charges shall continue in effect until modified by subsequent order of this Commission. (Witness: Rusk)

**ISSUE 9:** 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)

**Company Specific Environmental Cost Recovery Issues**

Tampa Electric Company (TECO)

**ISSUE 11:** How should revenues included in Tampa Electric’s projected ECRC cost recovery amount for 2018 associated with Phase II of the company’s coal combustion residuals compliance program (“CCR Program”), the approval of which is currently pending in Docket No. 20170168-EI, be treated for cost recovery purposes pending the final disposition of the company’s petition in that docket?

**TECO:** Tampa Electric has included in its projected ECRC cost recovery amount for 2018 revenues associated with Phase II of its coal combustion residuals compliance program (“CCR Program”) the approval of which is currently pending in Docket No. 20170168-EI. The company’s Petition in that docket is scheduled to be considered by the Commission on November 7, 2017. Any approved ECRC revenues associated with CCR Program Phase II activities will be collected subject to the Commission's continuing jurisdiction to review revenues collected pursuant to cost recovery clause dockets, with any revenue adjustment required by the final disposition of Docket No. 20170168-EI to be handled as a true-up item in the 2018 ECRC cost recovery proceeding. (Witness: Rusk)

**F. STIPULATED ISSUES**

**TECO:** None at this time.

**G. MOTIONS**

**TECO:** None at this time.

**H. PENDING REQUEST OR CLAIMS FOR CONFIDENTIALITY**

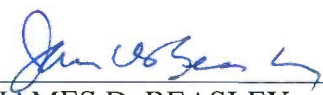
**TECO:** None at this time.

**I. OTHER MATTERS**

**TECO:** None at this time.

DATED this 29<sup>th</sup> day of September 2017.

Respectfully submitted,

  
\_\_\_\_\_  
JAMES D. BEASLEY  
J. JEFFRY WAHLEN  
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 29th day of September 2017 to the following:

Mr. Charles W. Murphy  
Ms. Stephanie Cuello  
Office of the General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
[cmurphy@psc.state.fl.us](mailto:cmurphy@psc.state.fl.us)  
[scuello@psc.state.fl.us](mailto:scuello@psc.state.fl.us)

Mr. Matthew R. Bernier  
Duke Energy Florida, Inc.  
106 East College Avenue, Suite 800  
Tallahassee, FL 32301-7740  
[matthew.bernier@duke-energy.com](mailto: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](mailto:dianne.triplett@duke-energy.com)

Mr. John T. Butler  
Assistant General Counsel - Regulatory  
Ms. Maria Jose Moncada  
Principal Attorney  
Florida Power & Light Company  
700 Universe Boulevard (LAW/JB)  
Juno Beach, FL 33408-0420  
[john.butler@fpl.com](mailto:john.butler@fpl.com)  
[maria.moncada@fpl.com](mailto:maria.moncada@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](mailto:ken.hoffman@fpl.com)

Mr. Robert L. McGee, Jr.  
Regulatory and Pricing Manager  
Gulf Power Company  
One Energy Place  
Pensacola, FL 32520-0780  
[rlmcgee@southernco.com](mailto: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](mailto:jas@beggslane.com)  
[rab@beggslane.com](mailto:rab@beggslane.com)  
[srg@beggslane.com](mailto:srg@beggslane.com)

Ms. Patricia Christensen  
Ms. Stephanie A. Morse  
Associate Public Counsel  
Office of Public Counsel  
111 West Madison Street – Room 812  
Tallahassee, FL 32399-1400  
[christensen.patty@leg.state.fl.us](mailto:christensen.patty@leg.state.fl.us)  
[morse.stephanie@leg.state.fl.us](mailto:morse.stephanie@leg.state.fl.us)

Mr. Jon C. Moyle, Jr.  
Moyle Law Firm  
118 N. Gadsden Street  
Tallahassee, FL 32301  
[jmoyle@moylelaw.com](mailto:jmoyle@moylelaw.com)

Mr. George Cavros  
Southern Alliance for Clean Energy  
120 E. Oakland Park Blvd., Suite 105  
Fort Lauderdale, FL 33334  
[george@carvos-law.com](mailto:george@carvos-law.com)

Mr. James W. Brew  
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](mailto:jbrew@smxblaw.com)  
[laura.wynn@smxblaw.com](mailto:laura.wynn@smxblaw.com)

  
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ATTORNEY