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FEB 13 1995

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February 13, 1995

HAND DELIVERED

IN REPLY REFER TO:

Tallahassee

Ms. Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, Florida 32399-0850

Re: Conservation Cost Recovery Clause  
FPSC Docket No. 950002-EG

Dear Ms. Bayo:

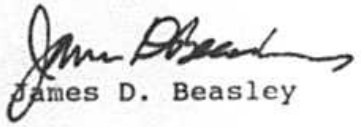
Enclosed for filing in the above docket are the original and fifteen (15) copies of Tampa Electric Company's Prehearing Statement.

Also enclosed is the above Prehearing Statement on a 3.5" high density diskette generated on a DOS computer in WordPerfect 5.1 format.

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

- ACK
- MAA
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CIU \_\_\_\_\_
- CPG \_\_\_\_\_
- CRG \_\_\_\_\_
- CS \_\_\_\_\_
- CT \_\_\_\_\_
- CU \_\_\_\_\_
- CV \_\_\_\_\_
- CS 1
- CU 4
- CV \_\_\_\_\_
- CS 1
- CU \_\_\_\_\_
- CV \_\_\_\_\_

JDB/pp  
Enclosures

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

28

DOCUMENT NUMBER-DATE

01685 FEB 13 95

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Conservation Cost )  
Recovery Clause. )

DOCKET NO. 950002-EG  
FILED: February 13, 1995

**PREHEARING STATEMENT  
OF TAMPA ELECTRIC COMPANY**

**A. APPEARANCES:**

LEE L. WILLIS and  
JAMES D. BEASLEY  
Macfarlane Ausley Ferguson & 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.	Howard T. Bryant (TECO)	Conservation Cost Recovery True-up and Projection	1, 2
2.	John E. Currier (TECO)	Advertising Expenses	3, 4

**C. EXHIBITS:**

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
<u>(HTB-1)</u>	Bryant	Schedules supporting cost recovery factor, actual April through September 1994
<u>(HTB-2)</u>	Bryant	Schedules supporting conservation costs projected for the period April 1, 1995 through March 31, 1996
<u>(JEC-1)</u>	Currier	Exhibit of John E. Currier

DOCUMENT NUMBER-DATE

01685 FEB 13 95

FPSC-RECORDS/REPORTING

D. STATEMENT OF BASIC POSITION

Tampa Electric's Statement of Basic Position:

The Commission should determine that Tampa Electric has properly calculated its conservation cost recovery true-up and projections and that the appropriate conservation cost recovery factor to be applied by Tampa Electric during the period April 1, 1995 through March 31, 1996 is 0.007 cents per KWH for Interruptible, 0.154 cents per KWH for Residential, 0.146 cents per KWH for General Service Non-Demand, 0.119 cents per KWH for General Service Demand - Secondary, 0.118 cents per KWH for General Service Demand - Primary, 0.112 cents per KWH for General Service Large Demand - Secondary, 0.111 cents per KWH for General Lighting Service Large Demand - Primary, and 0.058 cents per KWH for Lighting. With respect to advertising expenses, Peoples Gas should not be entitled to recover the cost of advertising during the period October 1993 through September 1994 to the extent that such cost is for false and misleading advertising of the types addressed in the testimony of Mr. John E. Currier, filed January 25, 1995.

E. STATEMENT OF ISSUES AND POSITIONS

Generic Conservation Cost Recovery Issues

ISSUE 1: What is the final end-of-the-period true-up amount for the period October 1, 1993 through September 30, 1994?

TECO: An overrecovery of \$182,603, including interest. (Bryant)

ISSUE 2: What are the appropriate conservation cost recovery factors for the period April 1995 through March 1996?

TECO: 0.007 cents per KWH for Interruptible  
0.154 cents per KWH for Residential

0.146 cents per KWH for General Service Non-Demand  
0.119 cents per KWH for General Service Demand-Secondary  
0.118 cents per KWH for General Service Demand-Primary  
0.112 cents per KWH for General Service Large  
Demand - Secondary  
0.111 cents per KWH for General Service Large  
Demand - Primary  
0.058 cents per KWH for Lighting (Bryant)

**ISSUE 3:** Are all the utilities participating in the conservation cost recovery clause entitled to recover their advertising expenses incurred during the period October 1993 through September 1994?

**TECO:** Tampa Electric is entitled to recover its advertising expenses incurred during the period October 1993 through September 1994. Peoples Gas is not entitled to recover its advertising expenses incurred during the same period to the extent that those expenses were for false and misleading advertising of the types addressed in the testimony of Mr. John E. Currier, filed January 25, 1995. (Currier)

**ISSUE 4:** Should the Commission open a docket to establish advertising standards for the numerous variables such as energy efficiency, energy consumption, equipment costs, etc. used by utilities when comparing different fuel types and applications?

**TECO:** No. (Currier)

#### **Company-Specific Conservation Cost Recovery Issues**

**ISSUE 12:** Is Tampa Electric Company's proposed methodology for disbursement of its \$880,208 refund from Department of Revenue for overcollection of gross receipts taxes on load management credits reasonable?

**TECO:** Yes. Tampa Electric reduced projected load management expenses by the \$880,208 amount plus accrued interest in the first month of the projection period (April 1995). This one time reduction was selected due to the cost and administrative burden associated with implementing one time bill credits or refund checks to customers of record on a specific date. (Bryant)

**ISSUE 13:** Should Tampa Electric Company be required to make an (\$340,562) adjustment to depreciation expense and return on investments for the True-up Period 10/93 through 9/94?

**TECO:** Tampa Electric Company agrees that the add-back

adjustment called for in the audit report is necessary. Accordingly, the company plans to add the adjustment to depreciation expense and return on investment in the recovery period ending March, 1995. (Bryant)

**F. STIPULATED ISSUES**

Tampa Electric is not aware of any stipulated issues as of this date.

**G. MOTIONS**


Tampa Electric does not have any motions pending at this time.

**H. OTHER MATTERS**

Tampa Electric is not aware of any other matters requiring the attention of the Prehearing Officer at this time.

DATED this 13<sup>th</sup> day of February, 1995.

Respectfully submitted,



LEE L. WILLIS  
JAMES D. BEASLEY  
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(904) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Prehearing Statement, filed on behalf of Tampa Electric Company, has been furnished by U. S. Mail or hand delivery (\*) on this 13<sup>th</sup> day of February, 1995 to the following:

Mr. Robert Elias\*  
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Division of Legal Services  
Florida Public Service Commission  
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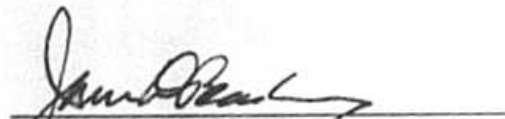
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