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October 11, 2019

**VIA: ELECTRONIC FILING**

Mr. Adam J. Teitzman  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

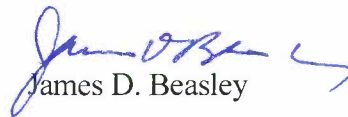
Re: Environmental Cost Recovery Clause  
FPSC Docket No. 20190007-EI

Dear Mr. Teitzman:

Attached for filing in the above styled 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. 20190007-EI  
FILED: October 11, 2019

**TAMPA ELECTRIC COMPANY'S  
PREHEARING STATEMENT**

**A. APPEARANCES:**

JAMES D. BEASLEY  
J. JEFFRY WAHLEN  
MALCOLM N. MEANS  
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, 2018; estimated true-up for period January 2019 through December 2019; projections for period January 2020 through December 2020	1, 2, 3, 4, 5, 6, 7, 8
	Tariff approval	9
	Joint Motion to Modify Order No. PSC-2012-0425-PAA-EU	17

2. Paul L. Carpinone (TECO)	Qualification of environmental activities for ECRC recovery	3
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**C. EXHIBITS:**

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
<u>          </u> (PAR-1)	Rusk	Final Environmental Cost Recovery Commission Forms 42-1A through 42-9A for the period January 2018 through December 2018
<u>          </u> (PAR-2)	Rusk	Environmental Cost Recovery Commission Forms 42-1E through 42-9E for the Period January 2019 through December 2019
<u>          </u> (PAR-3)	Rusk	Environmental Cost Recovery Forms 42-1P through 42-8P Forms for the Period January 2020 through December 2020

**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 2018 through December 2018, the actual/estimated environmental cost recovery true-up for the current period January 2019 through December 2019, and the company’s projected ECRC revenue requirement and the company’s proposed ECRC factors for the period January 2020 through December 2020.

**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 2018 through December 2018?

**TECO:** The appropriate final environmental cost recovery true-up amount for this period is an over-recovery of \$2,396,214. (Witness: Rusk)

**ISSUE 2:** What are the estimated/actual environmental cost recovery true-up amounts for the period January 2019 through December 2019?

**TECO:** The actual/estimated environmental cost recovery true-up amount for the period is an over-recovery of \$4,108,435. (Witness: Rusk)

**ISSUE 3:** What are the projected environmental cost recovery amounts for the period January 2020 through December 2020?

**TECO:** The appropriate amount of environmental costs projected to be recovered for the period January 2020 through December 2020 is \$53,963,728. (Witnesses: Rusk; Carpinone)

**ISSUE 4:** What are the environmental cost recovery amounts, including true-up amounts, for the period January 2020 through December 2020?

**TECO:** The total environmental cost recovery amount, including true-up amounts, for the period January 2020 through December 2020 is \$47,493,250 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 2020 through December 2020?

**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 with the exception of Big Bend Fuel Oil Tanks 1 & 2 which were retired in 2016 and are depreciated over a five-year period from the date of retirement. (Witness: Rusk)

**ISSUE 6:** What are the appropriate jurisdictional separation factors for the projected period January 2020 through December 2020?

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

**ISSUE 7:** What are the appropriate environmental cost recovery factors for the period January 2020 through December 2020 for each rate group?

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

<u>Rate Class</u>	<u>Factor (¢/kWh)</u>
RS	0.244
GS, CS	0.244
GSD, SBF	
Secondary	0.243
Primary	0.241
Transmission	0.238
IS	
Secondary	0.239
Primary	0.237
Transmission	0.234
LS1	0.241
Average Factor (Witness: Rusk)	0.244

**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 environmental cost recovery cycle and thereafter for the period January 2020 through December 2020. Billing cycles may start before January 1, 2020 and the last cycle may be read after December 31, 2020, 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)

**ISSUE 10:** Should this docket be closed?

**TECO:** Yes.

**ISSUE 17:** Should the Joint Motion to Modify Order No. PSC-2012-0425-PAA-EU Regarding Weighted Average Cost of Capital Methodology be approved?

**TECO:** Yes. The Joint Motion to Modify Order No. PSC-2012-0425-PAA-EU Regarding Weighted Average Cost of Capital Methodology should be approved because the proposed methodology fully complies with Internal Revenue Service rules and regulations.

**F. STIPULATED ISSUES**

**TECO:** None at this time.

**G. MOTIONS**

**TECO:** Tampa Electric has no pending motions at this time.

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

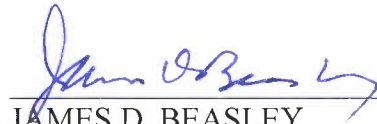
**TECO:** None at this time.

**I. OTHER MATTERS**

**TECO:** None at this time.

DATED this 11th day of October 2019.

Respectfully submitted,



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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 electronic mail on this 11th day of October 2019 to the following:

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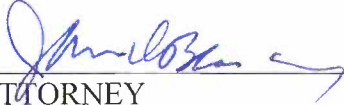
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ATTORNEY