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FILE COPY

July 22, 1997

HAND DELIVERED

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Fuel and Purchased Power Cost Recovery Clause
with Generating Performance Incentive Factor;
FPSC Docket No. 970001-EI

Dear Ms. Bayo:

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

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,



Lee L. Willis

ACK Stuanwei
AFA _____
APP _____
CAF _____
CMU _____
CTR _____
EAG Behrman
LEG 1
LIN 3
OIR _____
F _____
S 1
W/S _____
DTH _____

LLW/pp
Enclosures

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

RECEIVED & FILED

EPSC-BUREAU OF RECORDS

DOCUMENT NUMBER: DATE
07362 JUL 22 5
EPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL
FILE COPY

In re: Fuel and Purchased)
Power Cost Recovery Factor)
and Generating Performance)
Incentive Factor.)

DOCKET NO. 970001-EI
FILED: July 22, 1997

**TAMPA ELECTRIC COMPANY'S
STATEMENT OF ISSUES AND POSITIONS**

Tampa Electric Company ("Tampa Electric" or "the company") hereby submits its Statement of the Issues and Positions to be taken up at the hearing scheduled to commence on August 14, 1997 in the above docket.

FUEL ADJUSTMENT

Issue No. 1: What is the appropriate final true-up amount for Tampa Electric Company for the October, 1996 through March 1997 period?

Tampa Electric's Position: An overrecovery of \$1,926,965.
(Witness: Branick)

Issue No. 2: What is the appropriate projected fuel adjustment true-up amount for the period April 1, 1997 through September 30, 1997, based upon actual data for the period April 1, 1997 through May 31, 1997 and revised estimates for the period June 1, 1997 through September 30, 1997?

Tampa Electric's Position: An overrecovery of \$4,809,709.
(Witness: Branick)

Issue No. 3: What is the total fuel adjustment true-up amount to be collected during the period October 1997 through March 1998?

DOCUMENT NUMBER-DATE

07362 JUL 22 97

FPSC-RECORDS/REPORTING

Tampa Electric's Position: An overrecovery of \$6,736,674.

(Witness: Branick)

Issue No. 4: What is the appropriate levelized fuel adjustment factor for Tampa Electric to apply during the period October 1, 1997 through March 31, 1998?

Tampa Electric's Position: 2.304 cents per KWH before application of the factors which adjust for variations in line losses. (Witness: Branick)

CAPACITY COST RECOVERY

Issue No. 5: What is the final capacity cost recovery true-up amount for the October, 1996 through March, 1997 period?

Tampa Electric's Position: An underrecovery of \$28,551.

(Witness: Branick)

Issue No. 6: What is the estimated capacity cost recovery true-up amount for the period April, 1997 through September, 1997?

Tampa Electric's Position: An underrecovery of \$316,537.

(Witness: Branick)

Issue No. 7: What is the total capacity cost recovery true-up amount to be collected during the period October, 1997 through March, 1998?

Tampa Electric's Position: An underrecovery of \$345,088.

(Witness: Branick)

Issue No. 8: What is the projected capacity cost recovery factor for the period October, 1997 through March, 1998?

Tampa Electric's Position: .171 cents per KWH before applying the 12 CP and 1/13 allocation methodology, and producing

the capacity recovery factors by rate schedule. (Witness: Branick)

REFUND CREDIT FACTOR

Issue No. 9: How should Tampa Electric be authorized to conclude the refund credit factor as agreed to in the Stipulation approved in Docket No. 950379-EI, Order No. PSC-96-0760-S-EI?

Tampa Electric's Position: The company is currently refunding \$25 million over a one-year period which began on October 1, 1996 pursuant to the Stipulation approved in Order No. PSC-96-0670-S-EI in Docket No. 950379-EI issued May 20, 1996 (In re: Investigation into Earnings for 1995 and 1996 of Tampa Electric Company). This refund is currently reflected on customers' bills as a Revenue Credit Refund Factor. This Refund Factor will be terminated with the last billing cycle in September 1997. Per the Stipulation, any over or under collections balance remaining will be handled as a true-up component in the normal course of Tampa Electric's fuel cost recovery proceedings. (Witness: Branick)

TEMPORARY BASE RATE REDUCTION

Issue No. 10: How should Tampa Electric be authorized to implement the temporary base rate reduction stipulation approved by the Commission in Order No. PSC-96-1300-S-EI in Docket No. 960409-EI, issued October 24, 1996?

Tampa Electric's Position: Beginning in the October 1997 through March 1998 fuel adjustment period, Tampa Electric will begin the \$25 million temporary base rate reduction defined in the

Stipulation approved in Order No. PSC-96-1300-S-EI in Docket No. 960409-EI issued October 24, 1996 (In re: Prudence Review to Determine the Regulatory Treatment of Tampa Electric Company's Polk Unit). The \$25 million rate reduction will be reflected as a line-item credit on customers' bills over a fifteen month period commencing October 1, 1997 with the reduction being netted against 1999 refunds which may otherwise have been made under the first Stipulation. The temporary base rate reduction is 0.130 cent/KWH on average and is adjusted for each rate class according to the line loss factors applied in the fuel clause. The computation of the new factor is shown on Exhibit KAB-4.

OPEN ACCESS - FERC ORDER NOS. 888 AND 888A

Issue No. 11: How should the transmission costs associated with a Schedule C, broker transaction purchase be treated after the implementation of Order 888 and 888A?

Tampa Electric's Position: Tampa Electric should continue to recover these costs, and retail customers will continue to realize the savings of a Broker purchase through the Fuel and Purchase Power Cost Recovery Clause.

Issue No. 12: How should the transmission revenues associated with a Schedule C, broker sale be treated after the implementation of Order 888 and 888A?

Tampa Electric's Position: Revenues equal to the transmission rate should be credited above the line to operating revenue from the margin. Remaining margin revenues should be shared 80/20 with

80% flowing through the fuel clause to retail customers and 20% to the shareholders below the line.

Issue No. 13: How should transmission revenues associated with third party transactions from Schedule C, broker sales be treated after the implementation of Order 888 and 888A?

Tampa Electric's Position: Third party transmission revenues should be treated the same subsequent to Order 888 and 888A as prior. Transmission revenues should be credited to operating revenue above the line for ratemaking purposes consistent with past Tampa Electric rate case orders issued by this Commission.

GPIF

Issue No. 14: What is the appropriate GPIF reward or penalty for performance achieved during the period October 1996 through March, 1997?

Tampa Electric's Position: Reward of \$96,660 (adjusted to include regulatory assessment fee of one-twelfth of one-percent) for performance experienced during the period October 1, 1996 through March 31, 1997. (Witness: Keselowsky)

Issue No. 15: What should the GPIF targets and ranges be for the period October 1997 through March 1998?

Tampa Electric's Position: As set forth in Attachment "A" attached to the Prepared Direct Testimony of George A. Keselowsky. (Witness: Keselowsky)

DATED this 22nd day of July, 1997.

Respectfully submitted,



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ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Statement of Issues and Positions, filed on behalf of Tampa Electric Company, has been furnished by U. S. Mail or hand delivery (*) on this 22nd day of July, 1997 to the following:

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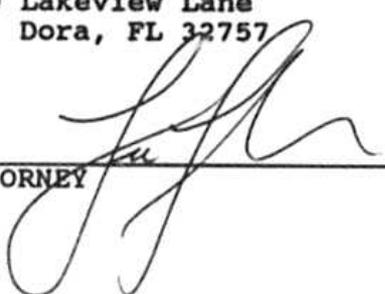
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