

**AUSLEY & McMULLEN**

ATTORNEYS AND COUNSELORS AT LAW

227 SOUTH CALHOUN STREET  
P.O. BOX 391 (ZIP 32302)  
TALLAHASSEE, FLORIDA 32301  
(850) 224-9115 FAX (850) 222-7560

August 12, 1998

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

Re: Petition by Tampa Electric Company for Approval of Cost Recovery for a new Environmental Program, the Big Bend Units 1 and 2 Flue Gas Desulfurization System; FPSC Docket No. 980693-EI

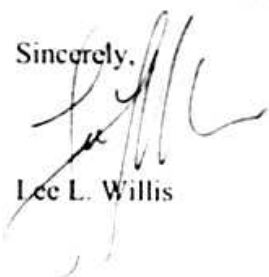
Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and fifteen (15) copies of Tampa Electric Company's Petition for Leave to Amend its Petition and the Entry of an Order Withdrawing Certain Issues and Testimony.

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 \_\_\_\_\_
- AFA 3
- APP \_\_\_\_\_
- CAF \_\_\_\_\_ LLW pp
- CMO \_\_\_\_\_ Enclosures
- CTR \_\_\_\_\_ cc: All Parties of Record (w/enc.)
- FAJ Teu
- LEC 1
- LIH 5
- ORL \_\_\_\_\_
- ROU \_\_\_\_\_
- SE 1
- WAN \_\_\_\_\_
- OTH \_\_\_\_\_

DOCUMENT NUMBER DATE

08555 AUG 12 98

RECORDS AND TRAINING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Tampa Electric Company ) DOCKET NO. 980693-EI  
For Approval of Cost Recovery for a New )  
Environmental Program, the Big Bend Units ) FILED: August 12, 1998  
1 and 2 Flue Gas Desulfurization System )  
\_\_\_\_\_ )

**TAMPA ELECTRIC'S PETITION  
FOR LEAVE TO AMEND ITS PETITION  
AND THE ENTRY OF AN ORDER  
WITHDRAWING CERTAIN ISSUES AND TESTIMONY**

Tampa Electric Company ("Tampa Electric" or the "Company") pursuant to Rule 28-106.202, F.A.C., files this its Petition for an order of the prehearing officer for Leave to Amend its Petition and the Entry of an Order Withdrawing Certain Issues and Testimony as described herein and says:

1. Tampa Electric filed its initial Petition in this matter on May 15, 1998. Rule 25-106.202, F.A.C. allows the amendment of a petition by the presiding officer after the assignment of the presiding officer.
2. Through a series of issue identification conferences, the last of which was held on August 10, 1998, the parties have refined the issues in this proceeding and reached an agreement that Issues 10, 11, 13, 14 and 15 identified in Staff's preliminary issue list dated July 8, 1998 are most appropriately reserved until the cost recovery portion of this determination which will take place in a subsequent docket, possibly in the fall of 1999.
3. Issues 13, 14 and 15 in the July 8, 1998 issue list, which relate to the appropriate period for recovery and depreciation rate for the proposed FGD system, arise from paragraph 13

DOCUMENT FILED DATE

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OFFICE OF THE CLERK

of Tampa Electric's initial Petition wherein Tampa Electric proposed the use of a ten year recovery period for the proposed FGD system.

4. Tampa Electric requests the prehearing officer enter an order approving the amendment of its Petition by striking paragraph 13 thereof as well as striking that portion of the prefiled testimony of Thomas L. Hernandez beginning with the question at line 24 of page 13 and ending at line 17 of page 14 and the last sentence beginning on line 5 through line 7 on page 15. The section entitled "Recovery Period," contained in the exhibit of witness T. L. Hernandez, Exhibit TLH-1, at Bates Stamp pages 132-133, would also be stricken. Tampa Electric also requests that Issues 13, 14 and 15 with respect to the proposed recovery period and depreciation rate for the proposed FGD system be dropped from this proceeding.


5. Tampa Electric further requests that Issues 10 and 11 with respect to return on equity and overall rate of return be dropped from this proceeding and reserved until the cost recovery portion of this determination which will take place in a subsequent docket, possibly in the fall of 1999.

6. In addition, Tampa Electric requests that the prehearing officer require that that portion of the testimony of FIPUG witness James T. Selecky prefiled in this docket addressing the subject matter of Issues 10, 11, 13, 14 and 15 be withdrawn.

7. Tampa Electric has conferred with representatives of Staff, Office of Public Counsel and FIPUG with respect to this motion and has been advised that there is no objection to the entry of the order requested herein.

WHEREFORE, Tampa Electric requests the prehearing officer enter an order approving the amendment of Tampa Electric's Petition, the elimination of Issues 10, 11, 13, 14 and 15 from this proceeding and the withdrawal of those portions of prefiled testimony as described herein.

DATED this 12<sup>th</sup> day of August, 1998.



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Lee L. Willis  
James D. Beasley  
Ausley & McMullen, P.A.  
Post Office Box 391  
Tallahassee, FL 32302  
850/224-9115

ATTORNEYS FOR TAMPA ELECTRIC  
COMPANY

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing Tampa Electric's  
Petition for Leave to Amend its Petition has been furnished by U. S. Mail or hand delivery(\*)  
this 12<sup>th</sup> day of August, 1998 to the following:

Ms. Grace Jaye\*  
Staff Counsel  
Division of Legal Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Mr. John W. McWhirter, Jr.\*  
McWhirter, Reeves, McGlothlin,  
Davidson, Rief & Bakas, P.A.  
Post Office Box 3350  
Tampa, FL 33601

Mr. Joseph A. McGlothlin  
Ms. Vicki Gordon Kaufman  
McWhirter, Reeves, McGlothlin,  
Davidson, Rief & Bakas, P.A.  
117 South Gadsden Street  
Tallahassee, FL 32301

Mr. Roger Howe\*  
Office of Public Counsel  
Room 812  
111 West Madison Street  
Tallahassee, FL 32399-1400



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ATTORNEY

State of Florida



# Public Service Commission

## -M-E-M-O-R-A-N-D-U-M-

**DATE:** July 8, 1998  
**TO:** Lee Willis, Esquire  
Vicki Gordon Kaufman, Esquire  
**FROM:** Grace A. Jaya, Attorney, Division of Legal Services *NO RUE*  
**RE:** Docket No. 980693-EI - Petition by Tampa Electric Company for approval of cost recovery for a new environmental program, the Big Bend Units 1 & 2 Flue Gas Desulfurization System.

**Via Facsimile**

The following is a second amended list of staff's preliminary issues to be addressed in the above docket.

1. Has Tampa Electric Company (TECO) adequately explored alternatives to the construction of a Flue Gas Desulfurization (FGD) system on Big Bend Units 1 and 2?
2. Are the cogeneration and wholesale interchange forecasts used by TECO in its selection of a Clean Air Act Amendments of 1990 (CAAA) Phase II Compliance plan reasonable?
3. Is the energy forecast used by TECO in its selection of a CAAA Phase II Compliance plan reasonable?
4. Is the demand forecast used by TECO in its selection of a CAAA Phase II Compliance plan reasonable?
5. Is the fuel price forecast used by TECO in its selection of a CAAA Phase II Compliance plan reasonable?
6. Is the Demand Side Management (DSM) forecast used by TECO in its selection of a CAAA Phase II Compliance plan reasonable?
7. Are the economic and financial assumptions used by TECO in its selection of a CAAA Phase II Compliance plan reasonable?
8. Did TECO reasonably consider the environmental compliance costs for all regulated air, water and land pollutants in its selection of the proposed FGD system on Big Bend Units 1 and 2 for sulfur dioxide (SO<sub>2</sub>) compliance purposes?

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June 30, 1998  
Page 2

9. Has TECO demonstrated that its proposed FGD system on Big Bend Units 1 and 2 for SO<sub>2</sub> compliance purposes is the most cost-effective alternative available?
10. What return on equity (ROE) should TECO be allowed to earn on the capital investment costs for the proposed FGD system on Big Bend Units 1 and 2?
11. What is the appropriate overall rate of return for the recovery of the capital investment costs for the proposed FGD system on Big Bend Units 1 and 2?
12. Should the Commission approve TECO's request for recovery of allowance for funds used during construction (AFUDC) for the proposed FGD system on Big Bend Units 1 and 2?
13. Should the Commission approve TECO's request for recovery of the proposed FGD system on Big Bend Units 1 and 2 over a ten-year period?
14. What is the appropriate depreciation rate for the proposed FGD system on Big Bend Units 1 and 2?
15. What should be the date of implementation for the depreciation rate for the proposed FGD system on Big Bend Units 1 and 2?
16. What is the appropriate tax depreciation life and treatment?
17. Based on the resolution of the previous issues, should TECO's petition for cost recovery of a FGD system on Big Bend Units 1 and 2 through the Environmental Cost Recovery Clause (ECRC) be granted?
18. Should this docket be closed?

GAJ/js