

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

DECEMBER 1, 1998

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.

Issue 1A: Should FIPUG's Motion to Reopen the Record be granted?

Recommendation: No. The Florida Industrial Power Users Group's Motion to Reopen the Record appears to be predicated upon the theory that Section 366.825, Florida Statutes, controls this case. This theory was specifically rejected in Order No. PSC-98-1260-PCO-EI, issued September 22, 1998. In addition, FIPUG, as a party to this proceeding, had a reasonable opportunity to offer evidence on the issue of NO_x compliance. Further, the issue of NO_x compliance, if it is relevant, was adequately addressed on the record of this proceeding.

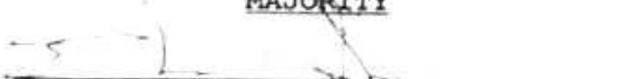
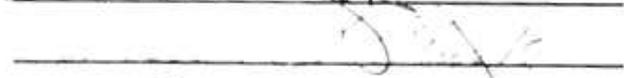
APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

REMARKS/DISSENTING COMMENTS:

Chairman Johnson participated in the conference via teleconference. She agreed with ~~disented from~~ the majority vote and will sign the vote sheet upon return to Tallahassee.

DOCUMENT FILED

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Issue 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?

Recommendation: Yes. Tampa Electric Company has adequately explored alternatives to the construction of a Flue Gas Desulfurization (FGD) system on Big Bend Units 1 and 2. The in-service date of the FGD system and its effect on both fuel and allowance savings should be monitored in the ongoing fuel adjustment and environmental cost recovery clauses.

APPROVED

Issue 2: Is the fuel price forecast used by TECO in its selection of a CAAA Phase II Compliance plan reasonable?

Recommendation: Yes. The fuel price forecast used by TECO in its selection of a CAAA Phase II SO₂ Compliance plan appears to be reasonable for determining whether an FGD system is cost-effective. The record contains no evidence as to why the difference between coal and natural gas prices diverge.

APPROVED

Issue 3: Are the economic and financial assumptions used by TECO in its selection of a CAAA Phase II Compliance plan reasonable?

Recommendation: Yes. The economic and financial assumptions used by TECO in its selection of a CAAA Phase II Compliance plan are reasonable and sufficient for planning purposes.

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Issue 4: 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 (SO₂) compliance purposes?

Recommendation: Yes. TECO appears to have reasonably considered 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 SO₂ compliance purposes. TECO should continue to evaluate the environmental compliance costs for all other regulated pollutants and should also continue to evaluate other methods for achieving compliance in a cost-effective manner.

APPROVED

Issue 5: Has TECO demonstrated that its proposed FGD system on Big Bend Units 1 and 2 for SO₂ compliance purposes is the most cost-effective alternative available?

Recommendation: Yes. TECO has demonstrated that its proposed FGD system on Big Bend Units 1 and 2, for SO₂ compliance purposes, is the most cost-effective alternative available.

APPROVED

Issue 6: Should the Commission approve TECO's request to accrue allowance for funds used during construction (AFUDC) for the proposed FGD system on Big Bend Units 1 and 2?

Recommendation: No. AFUDC should be accrued only to the extent that it complies with the criteria set forth in Rule 25-6.0141, Florida Administrative Code, especially Section (1)(b)1. concerning the level of CWIP included in rate base in the last rate case.

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Issue 7: Should TECO's petition for cost recovery of an FGD system on Big Bend Units 1 and 2 through the Environmental Cost Recovery Clause (ECRC) be granted?

Recommendation: Yes. The proposed FGD project qualifies for recovery through the ECRC; however, the amount of costs to be recovered will be determined in subsequent rate-setting proceedings.

APPROVED

Issue 8: Should this docket be closed?

Recommendation: The docket should be closed after the time for filing an appeal has run.

APPROVED