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ORIGINAL

October 26, 2000

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

Re: Environmental Cost Recovery Clause
FPSC Docket No. 000007-EI

Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and ten (10) copies of Tampa Electric Company's Prehearing Statement.

Also enclosed is a diskette containing the above document generated in Word and saved in Rich Text format for use with WordPerfect.

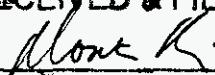
Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning same to this writer.

Thank you for your assistance in connection with this matter.

Sincerely,


James D. Beasley

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FPSC-RECORDS/REPORTING

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost)
Recovery Clause.)
_____)

DOCKET NO. 000007-EI
FILED: October 26, 2000

**TAMPA ELECTRIC COMPANY'S
PREHEARING STATEMENT**

A. APPEARANCES:

LEE L. WILLIS
JAMES D. BEASLEY
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>
<u>(Direct)</u>		
1. Karen O. Zwolak (TECO)	Final true-up for period ending December 31, 1999; estimated true-up for period January 1, 2000-August 31, 2000; projections for period January 2001 through December 2001	1, 2, 3, 4, 5, 6, 7, 8, 11, 11A, 11B, 11C, 11D, 11E
2. Gregory M. Nelson (TECO)	Explanation of proposed environmental compliance activities and projects cost variances	4, 11, 11B, 11D
3. Stanley J. Martin	Compliance activities and	4, 11, 11B, 11D

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(TECO)

costs thereof to comply with
Consent Final Judgment and
Consent Decree

C. EXHIBITS:

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
<u>(KOZ-1)</u>	Zwolak	Revised Final Environmental Cost Recovery Commission Forms 42-1A through 42-8A for the period January 1999 through December 1999
<u>(KOZ-1)</u>	Zwolak	Final true-up Environmental Cost Recovery, Commission Forms 42-1E through 42-8E for the Period January 2000 through December 2000
<u>(KOZ-2)</u>	Zwolak	Forms 42-1P through 42-7P Forms for the Period January 2001 through December 2001
<u>(GMN-1)</u>	Nelson	Clean Air Act Compliance Plan dated September 2000 with Appendix A (CFJ) and Appendix B (EPA Consent Decree)
<u>(SJM-1)</u>	Martin	Big Bend FGD Unit 1, 2 and 3 2000/2001 Reliability and Performance Improvement Projects; Big Bend Station Forecast of Costs for Reductions of NO _x Emissions and Big Bend Station Forecast of Costs for Reductions of Particulate Matter

D. STATEMENT OF BASIC POSITION

Tampa Electric Company's Statement of Basic Position:

The Commission should approve for environmental cost recovery the compliance programs described in the testimony and exhibits of Tampa Electric Witnesses Martin, Nelson, and Zwolak. The Commission should also approve Tampa Electric's calculation of its environmental cost recovery final true-up for the period January 1999 through December 1999, the actual/estimated environmental cost recovery true-up for the current period January 2000 through December 2000, and the company's projected ECRC revenue

requirement and the company's proposed ECRC factors for the period January 2001 through December 2001.

E. STATEMENT OF ISSUES AND POSITIONS

Generic Environmental Cost Recovery Issues

ISSUE 1: What are the appropriate final environmental cost recovery true-up amounts for the period ending December 31, 1999?

TECO: The appropriate final environmental cost recovery true-up amount for this period is an overrecovery of \$274,104. (Witnesses: Zwolak)

ISSUE 2: What are the estimated environmental cost recovery true-up amounts for the period January 2000 through December 2000?

TECO: The estimated environmental cost recovery true-up amount for the period is an underrecovery of \$1,662,657. (Witness: Zwolak)

ISSUE 3: What are the total environmental cost recovery true-up amounts to be collected or refunded during the period January 2001 through December 2001?

TECO: The total environmental cost recovery true-up amount to be collected during this period is \$1,388,553. (Witness: Zwolak)

ISSUE 4: What are the appropriate projected environmental cost recovery amounts for the period January 2001 through December 2001?

TECO: The appropriate amount is \$27,031,442. (Witnesses: Zwolak, Martin, Nelson)

ISSUE 5: What should be the effective date of the environmental cost recovery factors for billing purposes?

TECO: The factors should be effective beginning with the specified fuel cycle and thereafter for the period January 2001, through December 2001. Billing cycles may start before January 1, 2001, and the last cycle may be read after December 31, 2001, so that each customer is billed for 12 months regardless of when the adjustment factors became effective. (Witness: Zwolak)

ISSUE 6: What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery amounts for the period January 2001 through December 2001?

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. (Witness: Zwolak)

ISSUE 7: What are the appropriate jurisdictional separation factors for the projected period January 2001 through December 2001?

TECO: As shown on the schedules sponsored by Witness Zwolak. (Witness: Zwolak)

ISSUE 8: What are the appropriate Environmental Cost Recovery Factors for the period January 2001 through December 2001 for each rate group?

TECO: The appropriate factors are:

<u>Rate Class</u>	<u>Factor (cents/kWh)</u>
RS, RST	\$0.159
GS, GST, TS	\$0.159
GSD, GSDT	\$0.158
GSLD, GSLDT, SBF, SBFT	\$0.157
IS1, IST1, SBI1, IS3, IST3, SBI3	\$0.153
SL, OL	\$0.157
Average Factor	\$0.158

(Witness: Zwolak)

Company-Specific Environmental Cost Recovery Issues

Florida Power & Light Company

ISSUE 9: What effect does Florida Power & Light Company's stipulation have on the ECRC?

TECO: No position.

Gulf Power Company

ISSUE 10: Should the Commission approve Gulf Power Company's request for recovery costs of the Generic NO_x Control Intelligent System to Plant Smith Unit 1 project through the Environmental Cost Recovery Clause?

TECO: No position.

Issue 10A: How should the newly proposed environmental costs for the Generic NO_x Control Intelligent System to Plant Smith Unit 1 project be allocated to the rate classes?

TECO: No position.

Issue 10B: Should the Commission approve Gulf Power Company's request for recovery of costs for the Consumptive Water Use Monitoring Activity through the Environmental Cost Recovery Clause?

TECO: No position.

Issue 10C: How should the newly proposed environmental costs for the Consumptive Water Use Monitoring Activity be allocated to the rate classes?

TECO: No position.

Issue 10D: Should the Commission approve Gulf Power Company's request for recovery of costs for Gulf Coast Ozone Study through the Environmental Cost Recovery Clause?

TECO: No position.

Tampa Electric Company

Issue 11: Should the Commission approve Tampa Electric Company's request for recovery of costs of the Big Bend Units 1, 2, and 3 Flue Gas Desulfurization System Optimization and Utilization Program through the Environmental Cost Recovery Clause?

TECO: Yes. (Witnesses: Nelson, Martin, Zwolak)

Issue 11A: How should the newly proposed environmental costs for the Big Bend Units 1, 2, and 3 Flue Gas Desulfurization System Optimization and Utilization Program be allocated to the rate classes?

TECO: The recoverable costs for the Big Bend Units 1, 2, and 3 FGD System Optimization and Utilization Plan should be allocated to rate classes on an energy basis consistent with previous Commission orders. (Witness: Zwolak)

Issue 11B: Should the Commission approve Tampa Electric Company's request for recovery of costs of the Particulate Emission Minimization and monitoring Program through the Environmental Cost Recovery Clause?

TECO: Yes. The Commission voted to approve this project for recovery through the ECRC at agenda conference on October 17, 2000. The Particulate Emission Minimization and Monitoring Program is a program which qualifies for recovery through the ECRC. (Witnesses: Nelson, Martin, Zwolak)

Issue 11C: How should the newly proposed environmental costs for the Particulate Emission Minimization and Monitoring Program be allocated to the rate classes?

TECO: The recoverable costs for the Particulate Emission Minimization and Monitoring Program should be allocated to rate classes on an energy basis consistent with previous Commission orders. (Witness: Zwolak)

Issue 11D: Should the Commission approve Tampa Electric Company's request for recovery of costs of the Reduction of Nitrogen Oxide Emission Program through the Environmental Cost Recovery Clause?

TECO: Yes. The Commission voted to approve ECRC cost recovery of this project at its agenda conference on October 17, 2000. The Reduction of Nitrogen Oxide Emission Program is a project which qualifies for recovery through the ECRC. (Witness: Nelson, Martin, Zwolak)

Issue 11E: How should the newly proposed environmental costs for the Reduction of Nitrogen Oxide Emission Program be allocated to the rate classes?

TECO: The recoverable costs for the Reduction of Nitrogen Oxide Emission Program, should be allocated to rate classes on an energy basis consistent with previous Commission orders. (Witness: Zwolak)

Issue 11F: Should the Commission approve Tampa Electric Company's request for the recovery of costs of the Big Bend Unit 4 Particulate Matter Continuous Emission Monitor through the Environmental Cost Recovery Clause?

TECO: Yes. The Commission voted to approve ECRC cost recovery of this project at its agenda conference on October 17, 2000 as a component of the Particulate Matter Minimization Program. The Big Bend Unit 4 Particulate Matter Continuous Emission Monitor program is a project which qualifies for recovery through the ECRC. (Witnesses: Nelson, Martin, Zwolak)

Issue 11G: How should the newly proposed environmental costs for the Big Bend Unit 4 Particulate Matter Continuous Emission Monitor be allocated to the rate classes?

TECO: The recoverable costs for the Big Bend Unit 4 Particulate Matter Continuous Emission Monitor should be allocated to the rate classes on an energy basis, consistent with prior Commission orders. (Witness: Zwolak)

F. STIPULATED ISSUES

TECO: None at this time.

G. MOTIONS

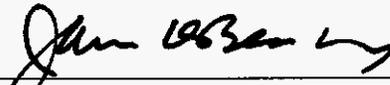
TECO: None at this time.

H. OTHER MATTERS

TECO: None at this time.

DATED this 26th day of October, 2000.

Respectfully submitted,



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ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Prehearing Statement, filed on behalf of Tampa Electric Company has been furnished by hand delivery (*) or U. S. Mail on this 26th day of October 2000 to the following:

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McWhirter, Reeves, McGlothlin,
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& Steen, P.A.
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Tallahassee, FL 32301

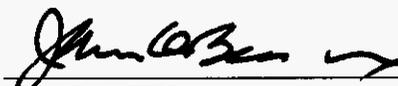
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