

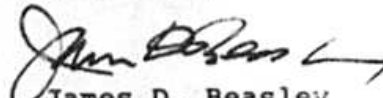


Ms. Blanca S. Bayo  
June 23, 1995  
Page 2

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

JDB/pp  
Enclosures

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

Ms. Blanca S. Bayo  
June 23, 1995  
Page 3

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing testimony and exhibits, filed on behalf of Tampa Electric Company, has been furnished by U. S. Mail or hand delivery (\*) on this 23<sup>rd</sup> day of June, 1995 to the following:

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Ms. Blanca S. Bayo  
June 23, 1995  
Page 4

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\_\_\_\_\_  
ATTORNEY

DOCKET NO. 950001-EI  
TAMPA ELECTRIC COMPANY  
OIL BACKOUT  
SUBMITTED FOR FILING 06/23/95

Unfiled  
FILE COPY

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**TAMPA ELECTRIC COMPANY**  
**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**  
**DOCKET NO. 950001-EI**

Re: Levelized Oil Backout Cost Recovery Factor  
October 1995 - December 1995

**TESTIMONY AND EXHIBITS OF:**

E. A. Townes

DOCUMENT NUMBER DATE  
05929 JUN 23 95  
FPSC-RECORDS/REPORTING

1                   BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2                                 PREPARED DIRECT TESTIMONY

3   OF

4   ELIZABETH A. TOWNES

5  
6       Q.     Would you please state your name and address?  
7

8       A.     My name is Elizabeth A. Townes. My business address is 702  
9             North Franklin Street, Tampa, Florida 33602.  
10

11     Q.     Please describe your educational background and experience.  
12

13     A.     I received a Bachelor of Business Administration degree in  
14             Accounting from Florida International University in 1978  
15             and a Master of Business Administration from the University  
16             of Tampa in 1982. I am a Certified Public Accountant in  
17             the state of Florida and a Member of the Florida Institute  
18             of Certified Public Accountants and American Institute of  
19             Certified Public Accountants.  
20

21             Prior to joining Tampa Electric Company in January 1982, I  
22             was employed by General Telephone Company of Florida. I  
23             joined Tampa Electric as a regulatory accountant. In  
24             September 1983, I was promoted to Manager-Regulatory  
25             Control and subsequently in February 1991, I was promoted

1 to my current position as Assistant Controller.

2  
3 My current responsibilities include accounting for fuel  
4 activities, conservation, oil backout and other regulatory  
5 accounting areas. I am also responsible for the revenue  
6 and financial reporting functions and accounts payable.

7  
8 Q. Ms. Townes, what is the purpose of your testimony in this  
9 proceeding?

10  
11 A. The purpose of my testimony is to present a summary  
12 computation of the estimated Oil Backout Cost Recovery  
13 Factor to be collected during the three-month projection  
14 period beginning October 1995 and ending December 1995,  
15 including the estimated true-up adjustment required as of  
16 September 1995.

17  
18 Q. Have you prepared documents in support of your testimony?

19  
20 A. Yes. I have jointly prepared with Mr. Cantrell a composite  
21 exhibit titled "Schedules Supporting Oil Backout Cost  
22 Recovery Factor" indicated as Exhibit No. (WNC/EAT-2).  
23 This exhibit is a summary of the detailed computations,  
24 prepared under my supervision and direction, to derive the  
25 estimated Oil Backout Cost Recovery Factor. This exhibit

1 consists of six documents and I will make references in my  
2 testimony to each of the documents and explain the  
3 development, or source, of each line item. I have also  
4 jointly prepared with Mr. Cantrell Exhibit No. (WNC/EAT-3)  
5 titled "Comparison of Projected Payoff with Original  
6 Estimate, as of May 1995." This exhibit provides a  
7 comparison of the estimated payback of the Gannon  
8 conversion project with the original projection submitted  
9 during the 1982 qualification hearings.

10

11 Q. Ms. Townes, would you first please summarize the key  
12 assumptions used in your derivation of the estimated  
13 factor?

14

15 A. Yes. The key assumptions involved with the determination  
16 of the factor for the projection period are the estimated  
17 fuel savings, the estimated revenue requirements associated  
18 with the converted Gannon Units and common facilities, the  
19 estimated energy sales, and the estimated true-up as of  
20 September 1995.

21

22 Q. What is the estimated Oil Backout Cost Recovery Factor  
23 which you have determined for the three-month projection  
24 period ended December 1995?

25



- 1 A. The factor which I have determined to be appropriate for  
2 the projection period is .058 cents per kilowatt hour.  
3 This factor is shown on line 19, of Document 1.  
4
- 5 Q. Please explain the computations shown on Document 1.  
6
- 7 A. The computations begin with the estimated energy sales  
8 during the projection period shown on line 1. These  
9 amounts are consistent with the company's fuel adjustment  
10 filing in this docket. Lines 2 through 4 reflect the  
11 estimated fuel savings supplied by Mr. Cantrell. Lines 5  
12 through 10 reflect a computation of the estimated revenue  
13 requirements associated with the Gannon Oil Backout  
14 Project. Lines 11 through 13 reflect a computation of the  
15 estimated net savings and the amount available for  
16 additional depreciation under the Clause, as determined on  
17 a six-month basis. Lines 14 through 19 reflect the  
18 computation of the Oil Backout Cost Recovery Factor  
19 including the estimated net true-up adjustment required as  
20 of September 1995.  
21
- 22 Q. Ms. Townes, please explain your computation of revenue  
23 requirements shown on lines 5 through 10.  
24
- 25 A. The computation begins on line 5 with the estimated

1 straight-line depreciation expense associated with the  
2 various components of the Plant in Service investment. The  
3 monthly provisions for depreciation reflected on line 5 are  
4 based on the currently approved depreciation rates for the  
5 various components of the Plant in Service investment.  
6 Line 6 reflects the estimated interest carrying cost of the  
7 Plant in Service investment. The projected monthly  
8 interest expense is determined based on the projected debt  
9 cost applied to the average debt balance for each month.  
10 Income tax expense, shown on line 7, is computed on  
11 Document 3. The estimated monthly property tax expense is  
12 shown as Taxes Other Than Income Taxes on line 8. The  
13 amounts shown on line 9 represent the operation and  
14 maintenance expense differential which was furnished by  
15 Mr. Cantrell. Total revenue requirements reflected on line  
16 10 represent the sum of all revenue requirement components  
17 shown on lines 5 through 9.

18  
19 Q. Ms. Townes, would you please explain Document 2 reflecting  
20 your computation of the Plant in Service investment?

21  
22 A. Yes. Line 1 of Document 2 reflects the actual unrecovered  
23 investment in Plant in Service at the beginning of each  
24 month shown. Since no additional expenditures are  
25 currently anticipated, line 2 indicates no additions to

1 Plant in Service. Line 5 reflects the provision for  
2 depreciation for the period. These are the same amounts  
3 shown on line 5 of Documents 1 and 5. Line 6 reflects the  
4 additional depreciation permitted under the Oil Backout  
5 Recovery Clause, equivalent to 2/3 of the estimated net  
6 savings which is shown on line 13 of Documents 1 and 5.  
7 Line 7 reflects the estimated net unrecovered investment in  
8 Plant in Service at the end of the month.

9  
10 Q. Ms. Townes, would you please explain further the  
11 computation of income tax expense reflected on line 7 of  
12 Documents 1 and 5?

13  
14 A. Yes. The computation of these amounts is shown on Document  
15 3. Referring to Document 3, lines 1 through 5 agree with  
16 amounts shown as components of revenue requirements  
17 including those associated with additional depreciation, on  
18 lines 5, 6, 8, 9, 10 and 13 on Documents 1 and 5. Line 7  
19 reflects the portion of depreciation on line 2 which  
20 represents depreciation of the equity portion of AFUDC  
21 capitalized during construction. As this amount is not tax  
22 deductible, it represents a "permanent" difference between  
23 book and tax basis of plant. Thus, this portion of  
24 depreciation expense for each month must be added back to  
25 book income to compute income before income taxes on line

1 8. Line 9 reflects the income tax expense before ratable  
2 amortization of investment tax credits using an effective  
3 income tax rate of 38.575%. Line 10 reflects the ratable  
4 amortization of investment tax credit consistent with the  
5 investment recovery via depreciation expense. Line 11  
6 reflects the total income tax expense which agrees with  
7 amounts shown on line 7 of Documents 1 and 5.

8  
9 Q. Ms. Townes, you indicated earlier that a key assumption in  
10 determining the factor for this projection period is the  
11 estimated true-up adjustment required for the six-month  
12 period ending September 1995. Please explain the  
13 calculation of the net true-up adjustment.

14  
15 A. The projected cumulative net true-up adjustment as of  
16 September 1995 represents an overrecovery of \$909,253 as  
17 shown on line 15 of Document 1. The true-up adjustment is  
18 calculated on Documents 4, 5 and 6.

19  
20 The computation begins on Document 4 with the estimated  
21 tariff revenues to be billed under the Clause for each  
22 month in the period from April 1995 through September 1995,  
23 shown on Line 1. The Oil Backout Revenue applicable to  
24 this period is then reduced by the estimated/actual cost  
25 recovery under the Clause for each month in the period from

1 April 1995 through September 1995. The amounts on Line 4  
2 are calculated on Document 5. To this true-up provision  
3 shown on Line 5 by month, is added the beginning of the  
4 month true-up and interest provision, shown on Line 6 for  
5 a cumulative end of the period net true-up before interest,  
6 shown on Line 8. The resulting estimated true-up provision  
7 at September 1995, of \$909,253 is shown on Line 10 of  
8 Document 4.  
9

10 Q. What was the projected true-up amount for the six months  
11 ended March 1995 which was included in the Oil Backout cost  
12 recovery for the period April 1995 - September 1995?  
13

14 A. In the filing dated January 17, 1995, the company projected  
15 a cumulative overrecovery of \$153,138 as of March 1995  
16 which is currently being collected. The actual  
17 overrecovery at March 1995 was \$375,548, as reflected on  
18 line 6 of Document 4. The actual overrecovery at March 31,  
19 1995, is due to lower than anticipated operating expense.  
20

21 Q. What is the status of the estimated payback of the Gannon  
22 conversion project?  
23

24 A. As shown on Exhibit No. (WNC/EAT-3), titled "Comparison of  
25 Projected Payoff with Original Estimate, as of May 1995,"

1 cost recovery is now projected to end on January 1, 1996.  
2 On January 1, 1996, the oil-backout cost recovery clause  
3 will be eliminated pursuant to PSC Order No. PSC-95-0580-  
4 FOF-EI, Docket No. 950379-EI. Any remaining true-up  
5 dollars related to oil-backout costs for 1995 will be  
6 recovered as a line item adjustment to fuel cost through  
7 the fuel and purchased power cost recovery clause during  
8 the period April 1, 1996 through September 30, 1996.

9  
10 Q. Please explain any significant variances noted in the  
11 payoff comparison.

12  
13 A. Actual straight-line depreciation is less than the original  
14 projection in 1982. This is due to the 1982 estimation of  
15 early retirement of existing plant.

16  
17 Significant variances noted in the cost of capital and  
18 income tax components are due to the current estimate being  
19 based on the approved 100% debt financing; whereas, the  
20 original estimate was based on conventional financing,  
21 which included a combination of debt and equity. Since  
22 conventional financing included an equity component, income  
23 taxes were provided on the return associated with the  
24 equity component.

25

1 An estimate for taxes other than income taxes was not  
2 included in the original estimate. An estimate is now  
3 included since property taxes can be more reasonably  
4 determined.

5  
6 In the original estimate, revenue taxes were included as  
7 part of the base revenue requirement (the sum of straight-  
8 line depreciation, cost of capital, income taxes, taxes  
9 other than income taxes, operation and maintenance  
10 differential, and revenue taxes). Revenue taxes are now  
11 excluded from the base revenue requirement. The Regulatory  
12 Assessment fee is included in the total to be billed by  
13 grossing up the Oil Backout factor.

14  
15 The net result of the changes between the original and  
16 current estimate is a decrease in base revenue requirement.  
17 However, the expected additional depreciation has declined  
18 due to reduced fuel savings. Additional depreciation is  
19 computed as two-thirds of the excess of fuel savings over  
20 the base revenue requirement determined on a six-month  
21 filing period as required under the Oil Backout Clause.

22  
23 Q. Ms. Townes, does this conclude your testimony?

24  
25 A. Yes, it does.

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TAMPA ELECTRIC COMPANY  
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 950001-EI

Re: Levelized Oil Backout Cost Recovery Factor  
October 1995 - December 1995

TESTIMONY AND EXHIBITS OF:

W. N. Cantrell



1                   BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2                               PREPARED DIRECT TESTIMONY

3   OF

4   W. N. CANTRELL

5  
6 Q.    Please state your name, address and occupation.

7  
8 A.    My name is William N. Cantrell. My mailing address is  
9       P. O. Box 111, Tampa, Florida 33601, and my business  
10       address is 6820 South Tamiami Trail, North Ruskin, Florida  
11       33570. I am Vice President-Energy Supply of Tampa Electric  
12       Company.

13  
14 Q.    Please furnish a brief outline of your educational  
15       background and business experience.

16  
17 A.    I was educated in the public schools of Tampa, Florida and  
18       received a Bachelor of Science degree in Electrical  
19       Engineering from the Georgia Institute of Technology in  
20       1974. I am a registered Professional Engineer licensed in  
21       the State of Florida. I also received a Master of Business  
22       Administration degree in 1979 from the University of Tampa.  
23       I have been employed at Tampa Electric Company since June  
24       1975. Since that time I have served as Manager of

1           Generation Planning, Assistant Director, Budgets and  
2           Director of Fuels. In 1987, I was elected Vice President of  
3           the company. In 1994, I was elected to my current position  
4           as Vice President-Energy Supply.

5  
6           Q. Will you describe some of the responsibilities of your  
7           present position?

8  
9           A. As Vice President - Energy Supply, I am responsible for the  
10          engineering, operation, maintenance, and construction of  
11          the power production facilities including safety of  
12          personnel and equipment, security, training, control of  
13          costs, and various personnel and administrative functions.  
14          I am also responsible for environmental matters and fuel  
15          procurement.

16  
17          Q. Mr. Cantrell, what is the objective of your testimony?

18  
19          A. The objective of my testimony is to present the cost  
20          associated with the conversion of four of Tampa Electric  
21          Company's generating units from oil to coal. In addition,  
22          I will sponsor the calculation of the operation and  
23          maintenance expense differential and the determination of  
24          fuel savings for the projection period and the projected  
25          payoff period.

- 1 Q. How does your testimony relate to the testimony of other  
2 witnesses in this proceeding?  
3
- 4 A. Ms. Elizabeth Townes is sponsoring the overall calculation  
5 of the company's Oil Backout Cost Recovery Factor for the  
6 period October 1995 - December 1995, as well as the  
7 estimated payoff period for the total project. In these  
8 calculations, Ms. Townes develops the basic revenue  
9 requirements of the project using the actual cost of the  
10 conversion assets, and my projection of the operation and  
11 maintenance expense differential and the fuel savings  
12 resulting from the conversion. Kilowatt-hour sales and  
13 fuel costs are consistent with those used in the company's  
14 fuel adjustment filing.  
15
- 16 Q. Have you prepared documents in support of your testimony?  
17
- 18 A. Yes. I have prepared portions of documents which are  
19 included in a composite Exhibit No. (WNC/EAT-2) titled  
20 "Schedules Supporting Oil Backout Cost Recovery Factor" and  
21 Exhibit No. (WNC/EAT-3) titled "Comparison of Projected  
22 Payoff with Original Estimate, as of May 1995." These  
23 exhibits are being jointly sponsored by Ms. Townes and me.  
24
- 25 Q. What is the status of the project?

1 A. The conversion of Gannon units 1 through 4 from oil to coal  
2 is complete. The units were placed into commercial service  
3 as follows:

4		
5	Unit 1	October 6, 1985
6	Unit 2	May 23, 1985
7	Unit 3	July 12, 1984
8	Unit 4	November 7, 1983
9		

10 Q. What is the cost of the Oil Backout assets which are  
11 included in the cost recovery computation in this  
12 proceeding?

13  
14 A. The total cost of the conversion project to be recovered  
15 through the Clause is \$140.5 million. No additional  
16 expenditures are anticipated.

17  
18 Q. What are the projected fuel savings which will occur as a  
19 result of the operation of the converted Gannon units  
20 during the projection period?

21  
22 A. As shown on Line 4 of Document 1, total fuel savings  
23 resulting from the project for the period October 1995 -  
24 December 1995 are expected to be \$1,305,690. This amount  
25 is based upon the difference in fuel expenses from

1 production costing runs which simulate dispatch of all  
2 generating units with and without the conversion of the  
3 Gannon units. The assumptions for sales, unit ratings,  
4 heat rates, coal and No. 6 oil prices and availability  
5 factors are consistent with those used by the company in  
6 its fuel adjustment filing in this docket.  
7

8 Q. Have you calculated the projected operating and maintenance  
9 expense differential of the project for October 1995 -  
10 December 1995?  
11

12 A. Yes, I have calculated the operation and maintenance  
13 expense differential for this period to be \$824,880 as  
14 shown on line 9 of Document 1.  
15

16 Q. Please explain how the operation and maintenance expense  
17 differential was calculated.  
18

19 A. The operation and maintenance differential consists of the  
20 oil/non-oil operating expense differential and other  
21 projected costs resulting from the Oil Backout project.  
22 This differential was calculated by applying a percentage  
23 representing the increased operation and maintenance costs  
24 associated with coal-firing to total projected operation  
25 and maintenance expenses pertaining to the converted Gannon

1 units. The percentage was derived by comparing historical  
2 operation and maintenance costs for Gannon units 1-4 as  
3 oil-fired to historical operation and maintenance costs for  
4 Gannon units 5 and 6 as coal-fired. Specifically  
5 identifiable costs to be incurred to comply with the Oil  
6 Backout Cost Recovery Rule were added to the operating  
7 expense differential to derive the total operation and  
8 maintenance differential.

9  
10 The operation and maintenance differential as shown on  
11 Exhibit No. (WNC/EAT-3) "Comparison of Projected Payoff  
12 with Original Estimate, as of May 1995," is now higher than  
13 the original estimate since the original estimate did not  
14 include maintaining the assets required for dual firing  
15 capability. In addition, the current estimate is based on  
16 more detailed engineering estimates and actual experience  
17 associated with the converted units.

18  
19 Q. Mr. Cantrell, please explain the decrease in fuel savings  
20 indicated on the projected payoff exhibit.

21  
22 A. The reduction in fuel savings is due to a decrease in the  
23 projected differential between the price of oil and the  
24 price of coal, and a decrease in the projected system  
25 energy requirements. The current estimate of fuel savings

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is based on long-term fuel price and energy projections prepared in conjunction with this current fuel adjustment clause filing.

Q. Does this conclude your testimony?

A. Yes.

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 950001-E1  
TAMPA ELECTRIC COMPANY  
(WNC/EAT-2)  
SUBMITTED FOR FILING 6/23/95

TAMPA ELECTRIC COMPANY  
SCHEDULES SUPPORTING OIL BACKOUT  
COST RECOVERY FACTOR  
OCTOBER 1995 - DECEMBER 1995



OIL BACKOUT COST RECOVERY

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TAMPA ELECTRIC COMPANY

SUMMARY OF OIL BACKOUT  
COST RECOVERY COMPUTATION

October 1995 through December 1995

Line No.	Units	Witness	Source	October	November	December	Total
1. Sales	MWH	Cantrell		<u>1,237,947</u>	<u>1,073,869</u>	<u>1,100,856</u>	<u>3,412,672</u>
Fuel Savings:							
2. Fuel and Net Power Transactions without Conversion	\$	Cantrell		\$28,564,809	\$23,929,278	\$25,271,084	\$77,765,171
3. Fuel and Net Power Transactions with Conversion	\$	Cantrell		<u>27,949,169</u>	<u>23,514,368</u>	<u>24,995,944</u>	<u>76,459,481</u>
4. Fuel Savings	\$	Cantrell	Line 2 - Line 3	<u>\$615,640</u>	<u>\$414,910</u>	<u>\$275,140</u>	<u>\$1,305,690</u>
Revenue Requirements:							
5. Straight-Line Depreciation	\$	Townes	Document 2	\$584,605	\$584,605	\$584,605	\$1,753,815
6. Interest Expense	\$	Townes		124,556	119,391	117,137	361,084
7. Income Tax Expense	\$	Townes	Document 3	(53,174)	(53,174)	(53,174)	(159,522)
8. Taxes Other Than Income Taxes	\$	Townes		38,000	38,000	39,000	115,000
9. O & M Differential	\$	Cantrell		<u>289,780</u>	<u>256,780</u>	<u>278,320</u>	<u>824,880</u>
10. Revenue Requirements	\$	Townes	Lines 5+6+7+8+9	<u>\$983,767</u>	<u>\$945,602</u>	<u>\$965,888</u>	<u>\$2,895,257</u>
Additional Depreciation:							
11. Net Savings	\$	Townes	Line 4 - Line 10	(\$368,127)	(\$530,692)	(\$690,748)	(\$1,589,567)
12. Customer Retained Savings	\$	Townes		<u>368,127</u>	<u>530,692</u>	<u>690,748</u>	<u>1,589,567</u>
13. Additional Depreciation	\$	Townes	Line 11 - Line 12	\$0	\$0	\$0	\$0
14. Cost Recovery for the Period	\$	Townes	Line 10 + Line 13	<u>\$983,767</u>	<u>\$945,602</u>	<u>\$965,888</u>	<u>\$2,895,257</u>
15. Prior Period Net True-Up	\$	Townes	Document 4	(303,084)	(303,084)	(303,085)	(909,253)
16. Total Cost Recovery	\$	Townes	Line 14 + Line 15	<u>\$680,683</u>	<u>\$642,518</u>	<u>\$662,803</u>	<u>\$1,986,004</u>
17. Oil Backout Cost Recovery Factor	¢/KWH	Townes	Line 16 / Line 1				0.05819
18. Oil Backout Cost Recovery Factor Adjusted for Revenue Taxes	¢/KWH	Townes	Line 17 x 1.00063				0.0582
19. Rounded Oil Backout Recovery Factor	¢/KWH	Townes					<u>0.058</u>

TAMPA ELECTRIC COMPANY  
PLANT IN SERVICE INVESTMENT  
April 1995 through December 1995

Line No.	Actual April	Actual May	June	July	August	September	October	November	December
1. Beginning Net Plant Balance	\$35,772,281	\$35,187,676	\$34,603,071	\$34,284,285	\$33,699,680	\$33,115,075	\$32,530,470	\$31,945,865	\$31,361,260
2. Additions to Plant in Service	0	0	0	0	0	0	0	0	0
3. Cost of Removal / Salvage	0	0	0	0	0	0	0	0	0
4. Balance (Lines 1 + 2 + 3)	\$35,772,281	\$35,187,676	\$34,603,071	\$34,284,285	\$33,699,680	\$33,115,075	\$32,530,470	\$31,945,865	\$31,361,260
5. Straight - line Depreciation	(584,605)	(584,605)	(584,605)	(584,605)	(584,605)	(584,605)	(584,605)	(584,605)	(584,605)
6. Additional Depreciation	0	0	265,819 (1)	0	0	0	0	0	0
7. Ending Net Plant Balance (Lines 4 + 5 + 6)	\$35,187,676	\$34,603,071	\$34,284,285	\$33,699,680	\$33,115,075	\$32,530,470	\$31,945,865	\$31,361,260	\$30,776,655

(1) Retroactive adjustment to reduce additional depreciation by \$265,819. See note on Document 5.

TAMPA ELECTRIC COMPANY  
COMPUTATION OF OIL BACKOUT INCOME TAXES  
April 1995 through December 1995

Line No.	Source	Actual April	Actual May	June	July	August	September	October	November	December
1.	Revenue-base - add. deprec.	\$928,599	\$944,032	\$1,000,482	\$976,805	\$1,059,904	\$1,105,349	\$983,767	\$945,002	\$965,888
	Document 1 & 5, Line 10 Document 1 & 5, Line 13	0	0	(265,819) (1)	0	0	0	0	0	0
2.	Depreciation-straight -add.	(594,605)	(594,605)	(594,605)	(594,605)	(594,605)	(594,605)	(594,605)	(594,605)	(594,605)
	Document 1 & 5, Line 5 Document 1 & 5, Line 13	0	0	265,819 (1)	0	0	0	0	0	0
3.	Interest Expense	(115,432)	(127,460)	(134,697)	(128,405)	(128,152)	(128,049)	(124,556)	(119,391)	(117,137)
4.	Taxes Other Than Income Taxes	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)	(39,000)
5.	O & M Differential	(241,523)	(245,920)	(332,302)	(278,969)	(263,321)	(407,869)	(289,780)	(256,760)	(279,320)
6.	Subtotal	(51,961)	(51,961)	(499,189)	(553,174)	(553,174)	(553,174)	(553,174)	(553,174)	(553,174)
7.	Depreciation of AFUDC Equity	2,958	2,958	2,958	2,958	2,958	2,958	2,958	2,958	2,958
8.	Income Before Income Taxes	(49,003)	(49,003)	(465,231)	(550,216)	(550,216)	(550,216)	(550,216)	(550,216)	(550,216)
9.	Income Taxes	(18,903)	(18,903)	(55,386) (2)	(19,371)	(19,371)	(19,371)	(19,371)	(19,371)	(19,371)
10.	Amortization of ITC	(33,058)	(33,058)	(33,003)	(33,003)	(33,003)	(33,003)	(33,003)	(33,003)	(33,003)
11.	Income Tax Expense	(51,961)	(51,961)	(88,389)	(53,174)	(53,174)	(53,174)	(53,174)	(53,174)	(53,174)

(1) Retroactive adjustment to reduce additional depreciation by \$265,819. See note on Document 5.  
(2) Retroactive adjustment to reduce income tax expense by \$36,015. See note on Document 5.

TAMPA ELECTRIC COMPANY  
OIL BACKOUT TRUE-UP COMPUTATION  
April 1995 through September 1995

Line No.	Actual April	Actual May	June	July	August	September	Total
1. Oil-Backout Cost Recovery Revenue (Net of Revenue Taxes)	\$940,568	\$1,007,784	\$1,071,797	\$1,113,111	\$1,107,878	\$1,124,411	\$6,265,549
2. Adjustment not Applicable to this period (Prior true-up)	25,523	25,523	25,523	25,523	25,523	25,523	153,138
3. Oil-Backout Revenue Applicable to this period (Line 1 + 2)	866,091	1,033,307	1,097,320	1,138,634	1,133,401	1,149,934	6,418,687
4. Jurisdictional Oil-Backout Cost Recovery Authorized (Document 5, Line 14)	(828,599)	(844,032)	(734,663)	(876,809)	(1,058,904)	(1,105,349)	(5,749,352)
5. True-up Provision for the Month Over(Under) Collection (Line 3 + 4)	(82,508)	89,275	362,657	181,829	73,497	44,585	669,335
6. True-up and Interest Provision for the Month Beginning of the Month	375,548	289,201	354,578	683,341	833,454	885,715	375,548
7. True-up Collected (Refunded)	(25,523)	(25,523)	(25,523)	(25,523)	(25,523)	(25,523)	(153,138)
8. End of the Period Net True-up Before Interest (Line 5 + 6 + 7)	287,517	352,953	691,712	829,647	881,428	904,777	891,745
9. Interest Provision for the Month Interest (Document 6, Line 10)	1,684	1,625	1,628 (1)	3,807	4,287	4,476	17,508
10. End of the Period Net True-up Over(Under) Recovery (Line 8 + 9)	\$289,201	\$354,578	\$693,341	\$833,454	\$885,715	\$909,253	\$909,253

(1) Retroactive adjustment to reduce interest on over/under recovery by \$1,002. See note on Document 5.

TAMPA ELECTRIC COMPANY  
SUMMARY OF OIL BACKOUT  
COST RECOVERY COMPUTATION  
April 1995 through September 1995

Line No.	Units	Witness	Source	Actual April	Actual May	June	July	August	September	Total
1.			MMH Cantrell	1,028,604	1,245,215	1,324,302	1,375,357	1,368,881	1,389,319	7,741,695
Fuel Savings:										
2.			Fuel and Net Power Transactions without Conversion	\$ 26,329,840	\$ 35,839,092	\$ 33,822,699	\$ 34,177,659	\$ 35,084,732	\$ 31,968,625	\$ 197,022,647
3.			Fuel and Net Power Transactions with Conversion	\$ 25,746,890	\$ 34,234,932	\$ 32,578,429	\$ 32,223,878	\$ 34,159,862	\$ 31,171,255	\$ 191,115,047
4.			Fuel Savings	\$ 582,150	\$ 1,604,160	\$ 1,044,270	\$ 953,780	\$ 924,870	\$ 797,370	\$ 5,907,600
Revenue Requirements:										
5.			Straight-Line Depreciation	\$ 594,605	\$ 594,605	\$ 594,605	\$ 594,605	\$ 594,605	\$ 594,605	\$ 3,507,630
6.			Interest Expense	\$ 115,432	\$ 127,460	\$ 134,697	\$ 128,405	\$ 126,152	\$ 128,049	\$ 760,195
7.			Income Tax Expense	\$ (51,961)	\$ (51,961)	\$ (69,189)(1)	\$ (53,174)	\$ (53,174)	\$ (53,174)	\$ (352,633)
8.			Taxes Other Than Income Taxes	\$ 39,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 39,000	\$ 38,000	\$ 230,000
9.			O & M Differential	\$ 241,523	\$ 245,928	\$ 332,369	\$ 278,958	\$ 263,321	\$ 407,869	\$ 1,869,979
10.			Revenue Requirements	\$ 928,599	\$ 944,032	\$ 1,000,492	\$ 976,805	\$ 1,059,904	\$ 1,105,349	\$ 6,015,171
Additional Depreciation:										
11.			Net Savings	\$ (345,449)	\$ 660,126	\$ 43,786	\$ (23,025)	\$ (135,034)	\$ (307,979)	\$ (107,571)
12.			Customer Retained Savings	\$ 345,449	\$ (660,126)	\$ (43,786)	\$ 23,025	\$ 135,034	\$ 307,979	\$ 107,571
13.			Additional Depreciation	\$ 0	\$ 0	\$ (265,819)(2)	\$ 0	\$ 0	\$ 0	\$ (265,819)
14.			Cost Recovery for the Period	\$ 1929,599	\$ 944,032	\$ 734,663	\$ 976,805	\$ 1,059,904	\$ 1,105,349	\$ 5,749,352
15.			Prior Period Net True-Up	\$ 62,591	\$ 62,591	\$ 62,591	\$ 62,591	\$ 62,591	\$ 62,591	\$ 375,548
16.			Total Cost Recovery	\$ 991,190	\$ 1,006,623	\$ 797,254	\$ 1,039,395	\$ 1,122,495	\$ 1,167,942	\$ 6,124,900

Note: This projected filing contains retroactive adjustments based on an Internal Revenue Service audit adjustment of the original Investment Tax Credit calculated in 1983 when the OBO Tariff was established. The related effects on Investment Tax Credit amortization (straight-line and additional), income taxes, additional depreciation and interest on over/under recovery have been reflected in June 1995 projected expenses.

- (1) Retroactive adjustment to reduce income tax expense by \$36,015.
- (2) Retroactive adjustment to reduce additional depreciation by \$265,819.

TAMPA ELECTRIC COMPANY

CALCULATION OF OIL BACKOUT INTEREST PROVISION

April 1995 through September 1995

Line No.		Actual April	Actual May	June	July	August	September
1.	Beginning True-up Amount	\$375,548	\$289,201	\$354,573	\$693,341	\$833,454	\$885,715
2.	Ending True-up Amount Before Interest	287,517	352,953	691,712	829,647	691,428	904,777
3.	Total True-up Amount	\$663,065	\$642,154	\$1,046,285	\$1,522,988	\$1,714,882	\$1,790,492
4.	Average True-up Amount	\$331,533	\$321,077	\$523,143	\$761,494	\$857,441	\$895,246
5.	Interest Rate - First Day of Month	6.120%	6.070%	6.070%	6.000%	6.000%	6.000%
6.	Interest Rate - First Day of Subsequent Month	6.070%	6.070%	6.000%	6.000%	6.000%	6.000%
7.	Total Beginning and Ending Interest Rate	12.190%	12.140%	12.070%	12.000%	12.000%	12.000%
8.	Average Interest Rate	6.095%	6.070%	6.035%	6.000%	6.000%	6.000%
9.	Monthly Average Interest Rate	0.508%	0.506%	0.503%	0.500%	0.500%	0.500%
10.	Monthly Interest Provision	\$1,694	\$1,625	\$1,629 (1)	\$3,807	\$4,287	\$4,476
							\$17,500

(1) Retroactive adjustment to reduce interest on over/under recovery by \$1,002. See note on Document 5.

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 950001-EI  
TAMPA ELECTRIC COMPANY  
(WNC/EAT-3)  
SUBMITTED FOR FILING 6/23/95

TAMPA ELECTRIC COMPANY  
GANNON CONVERSION PROJECT  
COMPARISON OF PROJECTED PAYOFF WITH ORIGINAL ESTIMATE  
AS OF MAY 1995



Document No. 1  
 Page 1 of 1

TAMPA ELECTRIC COMPANY  
 OIL BACKOUT VARIANCE ANALYSIS  
 COMPARISON OF PROJECTED PAYOFF WITH ORIGINAL ESTIMATE  
 AS OF MAY 1995

Line No.	Description	Actual 1993	Actual 1994	Actual 1995	Actual 1996	Actual 1997	Actual 1998	Actual 1999	Actual 2000	Actual 2001	Actual 2002	Actual 2003	Actual 2004	Actual 2005
1	Straight-Line Depreciation													
2	Current Estimate	\$517	5,441	7,748	8,351	6,978	7,016	7,016	7,015	7,015	7,016	7,015	7,016	7,015
3	Original Estimate	\$2,820	\$5,878	\$7,728	\$8,728	\$7,845	\$7,845	\$7,845	\$7,845	\$7,845	\$7,845	\$7,845	\$7,845	\$7,845
4	Variance	\$3,203	\$4,437	\$20	\$3,377	\$868	\$829	\$829	\$830	\$830	\$830	\$830	\$830	\$830
5	Cost of Capital													
6	Current Estimate	\$582	\$5,957	\$7,171	\$7,826	\$6,592	\$6,674	\$6,674	\$6,647	\$6,699	\$6,271	\$1,082	\$1,124	\$1,402
7	Original Estimate	\$4,023	\$8,245	\$12,858	\$15,903	\$14,244	\$11,718	\$8,511	\$4,252	\$0	\$0	\$0	\$0	\$0
8	Variance	\$3,441	\$2,288	\$5,687	\$8,077	\$7,652	\$5,044	\$1,837	\$1,187	\$3,692	\$2,271	\$1,082	\$1,124	\$1,402
9	Income Taxes													
10	Current Estimate	\$184	\$2,819	\$2,957	\$5,277	\$6,979	\$6,649	\$6,649	\$1,023	\$3,971	\$619	\$624	\$624	\$1,784
11	Original Estimate	\$3,108	\$5,228	\$7,823	\$8,825	\$8,861	\$4,622	\$4,622	\$1,564	\$0	\$0	\$0	\$0	\$0
12	Variance	\$2,924	\$2,409	\$4,866	\$3,548	\$1,882	\$1,973	\$1,973	\$2,541	\$3,971	\$619	\$624	\$624	\$1,784
13	Taxes Other Than Income Taxes													
14	Current Estimate	\$0	\$411	\$817	\$1,274	\$804	\$785	\$785	\$788	\$757	\$705	\$659	\$487	\$480
15	Original Estimate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Variance	\$0	\$411	\$817	\$1,274	\$804	\$785	\$785	\$788	\$757	\$705	\$659	\$487	\$480
17	Operation & Maintenance Diff.													
18	Current Estimate	\$124	\$1,106	\$2,322	\$3,675	\$3,858	\$3,556	\$3,556	\$3,640	\$3,512	\$3,684	\$3,789	\$4,074	\$3,638
19	Original Estimate	\$750	\$311	\$1,878	\$988	\$1,211	\$1,428	\$1,428	\$1,547	\$0	\$0	\$0	\$0	\$0
20	Variance	\$626	\$795	\$444	\$2,687	\$2,647	\$2,128	\$2,128	\$2,093	\$3,512	\$3,684	\$3,789	\$4,074	\$3,638
21	Revenue Taxes													
22	Current Estimate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23	Original Estimate	\$171	\$323	\$481	\$570	\$508	\$444	\$358	\$243	\$0	\$0	\$0	\$0	\$0
24	Variance	\$171	\$323	\$481	\$570	\$508	\$444	\$358	\$243	\$0	\$0	\$0	\$0	\$0
25	Revenue Requirements													
26	Current Estimate	\$1,119	\$9,805	\$15,501	\$20,599	\$17,300	\$17,362	\$17,362	\$15,845	\$14,583	\$13,081	\$11,901	\$12,087	\$10,731
27	Original Estimate	\$10,870	\$20,484	\$30,588	\$35,980	\$32,282	\$22,782	\$22,782	\$15,448	\$0	\$0	\$0	\$0	\$0
28	Variance	\$9,751	\$10,679	\$15,087	\$15,381	\$14,982	\$5,380	\$5,380	\$3,603	\$14,583	\$13,081	\$11,901	\$12,087	\$10,731
29	Fuel Savings													
30	Current Estimate	\$4,050	\$20,142	\$35,339	\$4,292	\$14,193	\$15,868	\$15,868	\$20,198	\$5,027	\$1,307	\$827	\$149	\$7,844
31	Original Estimate	\$3,261	\$20,222	\$40,258	\$65,728	\$65,200	\$21,420	\$81,880	\$90,102	\$104,883	\$102,893	\$112,118	\$106,215	\$0
32	Variance	\$789	\$9,020	\$10,819	\$6,070	\$6,007	\$6,008	\$6,008	\$11,096	\$102,856	\$101,586	\$112,843	\$106,264	\$7,844
33	Additional Depreciation													
34	Current Estimate	\$1,954	\$6,891	\$13,225	\$120	\$27	\$1,877	\$3,359	\$2,517	\$0	\$0	\$0	\$0	\$0
35	Original Estimate	\$0	\$0	\$273	\$2,858	\$11,174	\$19,440	\$18,555	\$18,555	\$0	\$0	\$0	\$0	\$0
36	Variance	\$1,954	\$6,891	\$12,952	\$11,943	\$11,147	\$1,877	\$3,359	\$2,517	\$0	\$0	\$0	\$0	\$0
37	Accumulated Depreciation*													
38	Current Estimate	\$2,571	\$14,903	\$35,878	\$44,347	\$51,350	\$47,064	\$47,064	\$77,468	\$81,908	\$88,982	\$95,997	\$103,013	\$109,595
39	Original Estimate	\$2,820	\$8,098	\$16,897	\$33,282	\$52,301	\$78,588	\$119,322	\$146,722	\$146,722	\$146,722	\$146,722	\$146,722	\$146,722
40	Variance	\$249	\$6,805	\$18,981	\$11,065	\$8,049	\$32,228	\$32,228	\$9,000	\$35,180	\$42,260	\$49,000	\$56,281	\$62,873

\* Includes 15% provision for cost of removal (FPC Order No. 14873, 14874)