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COMMISSION CLERK

October 3, 2011

HAND DELIVERED

Ms. Ann Cole, Director Division of Commission Clerk Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

Re:

Environmental Cost Recovery Clause

FPSC Docket No. 110007-EI

Dear Ms. Cole:

Enclosed for filing in the above docket are the original and seven (7) copies of Tampa Electric Company's Prehearing Statement.

Also enclosed is a CD containing the above-referenced Prehearing Statement generated on a Windows 98 operating system and using Word 2000 as the word processing software.

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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COM	Enclosures
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost)	DOCKET NO. 110007-EI
Recovery Clause.	FILED: October 3, 2011
)	·

TAMPA ELECTRIC COMPANY'S PREHEARING STATEMENT

A. APPEARANCES:

JAMES D. BEASLEY
J. JEFFRY WAHLEN
Ausley & McMullen
Post Office Box 391
Tallahassee, Florida 32302

On behalf of Tampa Electric Company

B. WITNESSES:

Witness		Subject Matte	<u>r</u>	<u>Issues</u>
(Direct)				
1. Howard T. Bryant (TECO)		Final true-up for period ending December 31, 2010, estimated true-up for period January 2011 through December 2011; projections for period January 2012 through December 2012		1, 2, 3, 4, 5, 6, 7, 8
2. Paul L. Carpinone (TECO)		Qualification of environmental activities for ECRC recovery		3
C. EXHIBIT	<u>'S:</u>			
<u>Exhibit</u>	Witness		Description	
(HTB-1)	Bryant		Final Environmental Cost R Commission Forms 42-1A period January 2010 throug	A through 42-8A for the

DOCUMENT NUMBER - DATE

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Bryant Environmental Cost Recovery Commission
Forms 42-1E through 42-9E for the Period January
2011 through December 2011

Bryant Forms 42-1P through 42-8P Forms for the
January 2012 through December 2012

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 Bryant and Carpinone. The Commission should also approve Tampa Electric's calculation of its environmental cost recovery final true-up for the period January 2010 through December 2010, the actual/estimated environmental cost recovery true-up for the current period January 2011 through December 2011, and the company's projected ECRC revenue requirement and the company's proposed ECRC factors for the period January 2012 through December 2012.

E. STATEMENT OF ISSUES AND POSITIONS

Bryant; Carpinone)

GENERIC ISSUES

ISSUE 1: What are the final environmental cost recovery true-up amounts for the period ending December 31, 2010? TECO: The appropriate final environmental cost recovery true-up amount for this period is an under-recovery of \$2,616,798. (Witness: Bryant) What are the estimated environmental cost recovery true-up amounts for the ISSUE 2: period January 2011 through December 2011? The estimated environmental cost recovery true-up amount for the period is an **TECO:** under-recovery of \$464,090. (Witness: Bryant) ISSUE 3: What are the projected environmental cost recovery amounts for the period January 2012 through December 2012? TECO: The appropriate amount of environmental costs projected to be recovered for the

period January 2012 through December 2012 is \$84,067,581.

(Witnesses:

ISSUE 4: What are the environmental cost recovery amounts, including true-up amounts, for the period January 2012 through December 2012?

TECO: The total environmental cost recovery amount, including true-up amounts, for the period January 2012 through December 2012 is \$87,211,216 after the adjustment for taxes. (Witness: Bryant)

<u>ISSUE 5</u>: What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery amounts for the period January 2012 through December 2012?

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: Bryant)

What are the appropriate jurisdictional separation factors for the projected period January 2012 through December 2012?

TECO: The demand jurisdictional separation factor is 99.58152%. The energy jurisdictional separation factors are calculated for each month based on projected retail kWh sales as a percentage of projected total system kWh sales. These are shown on the schedules sponsored by witness Bryant. (Witness: Bryant)

<u>ISSUE 7</u>: What are the appropriate environmental cost recovery factors for the period January 2012 through December 2012, for each rate group?

TECO: The appropriate environmental cost recovery factors are as follows:

Rate Class		Factor at Secondary Voltage (\$\(\frac{\(\frac{1}{2}\)}{\(\frac{1}{2}\)}\)
RS		0.460
GS, TS		0.460
GSD, SBF		
	Secondary	0.458
	Primary	0.453
	Transmission	0.449
IS		
	Secondary	0.450

Primary 0.446

Transmission 0.441

LS1 0.456

Average Factor 0.459

(Witness: Bryant)

ISSUE 8: 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 environment cost

recovery cycle and thereafter for the period January 2012 through December 2012. Billing cycles may start before January 1, 2012, and the last cycle may be read after December 31, 2012, so that each customer is billed for 12 months regardless of when the adjustment factors became effective. (Witness: Bryant)

COMPANY-SPECIFIC ISSUES

Tampa Electric Company (TECO)

TECO: None at this time.

F. STIPULATED ISSUES

TECO: None at this time.

G. MOTIONS

TECO: None at this time.

H. PENDING REQUEST OR CLAIMS FOR CONFIDENTIALITY

TECO: None at this time.

I. OTHER MATTERS

TECO: None at this time.

DATED this ______day of October 2011.

Respectfully submitted,

JAMES D. BEASLEY

J. JEFFRY WAHLEN

Ausley & McMullen

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Tallahassee, Florida 32302

(850) 224-9115

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 _____ day of October 2011 to the following:

Ms. Martha Carter Brown*
Senior Attorney
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AZTORNEY