

AUSLEY & McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

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

RECEIVED-FPSC

11 OCT 17 PM 3:09

COMMISSION
CLERK

October 17, 2011

HAND DELIVERED

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

Re: Fuel and Purchased Power Cost Recovery Clause with Generating
Performance Incentive Factor; FPSC Docket No. 110001-EI

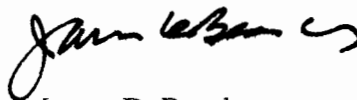
Dear Ms. Cole:

Enclosed for filing in the above docket are the original and fifteen (15) copies of Tampa Electric Company's Motion for Approval of Proposed Stipulation and Substitution of Revised Testimony and Exhibit Pages.

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
Enclosure

cc: All parties of record (w/enc.)

COM	5
APA	1
ECR	6
GCL	1
RAD	1
SRC	1
ADM	1
OPC	1
CLK	C.F. RPP

DOCUMENT NUMBER-DATE

07600 OCT 17 =

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost Recovery)
Clause with Generating Performance Incentive)
Factor.)
_____)

DOCKET NO. 110001-EI
FILED: October 17, 2011

**TAMPA ELECTRIC COMPANY'S
MOTION FOR APPROVAL OF PROPOSED STIPULATION AND
SUBSTITUTION OF REVISED TESTIMONY AND EXHIBIT PAGES**

Tampa Electric Company ("Tampa Electric" or "the company") moves the Commission for entry of an order approving a proposed stipulation on Issue 26A in this proceeding and the substitution of revised pages of testimony and exhibits as detailed below:

1. On October 11, 2011 Tampa Electric circulated among all parties to this proceeding a proposed stipulation on Issue 26A together with revised pages of testimony and exhibits of Tampa Electric's witnesses implementing the proposed stipulation. A copy of the proposed stipulation, the revised testimony and exhibit pages and the effect of same on Tampa Electric's position on the issues in this proceeding are attached hereto.

2. The effect of the stipulation is Tampa Electric's withdrawal of a proposed charge of incremental cyber security costs in the amount of \$295,465 (the full amount previously requested) from the capacity cost recovery charges to be collected during 2012.

3. The revised testimony and exhibit pages which accompanied the proposed stipulation implement the withdrawal of the proposed cyber security costs.

4. All parties to this proceeding have indicated their agreement with or no opposition to the proposed stipulation.

DOCUMENT NUMBER-DATE


07600 OCT 17 =

FPSC-COMMISSION CLERK

WHEREFORE, Tampa Electric Company requests that the Commission approve the company's proposed stipulation on Issue 26A and the substitution of the testimony and exhibit pages that accompany the stipulation.

DATED this 17th day of October 2011.

Respectfully submitted,



JAMES D. BEASLEY
J. JEFFRY WAHLEN
Ausley & McMullen
Post Office Box 391
Tallahassee, Florida 32302
(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Motion for Approval of Proposed Stipulation and Substitution of Revised Testimony and Exhibit Pages, filed on behalf of Tampa Electric Company, has been furnished by U. S. Mail or hand delivery (*) on this 17th day of October 2011 to the following:

Ms. Lisa C. Bennett*
Senior Attorney
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Mr. John T. Burnett
Associate General Counsel
Progress Energy Service Co., LLC
Post Office Box 14042
St. Petersburg, FL 33733-4042

Mr. Paul Lewis, Jr.
Progress Energy Service Co., LLC
106 East College Avenue, Suite 800
Tallahassee, FL 32301-7740

Ms. Vicki Kaufman
Mr. Jon C Moyle
Keefe Anchors Gordon & Moyle, PA
118 N. Gadsden Street
Tallahassee, FL 32301

Ms. Patricia A. Christensen
Associate Public Counsel
Office of Public Counsel
111 West Madison Street – Room 812
Tallahassee, FL 32399-1400

Ms. Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 S. Monroe St., Suite 618
Tallahassee, FL 32301

Karen S. White, Staff Attorney
c/o AFCESA-ULFSC
139 Barnes Drive, Suite 1
Tyndall AFB, FL 32403-5319

Mr. Tom Geoffroy
Florida Public Utilities Company
P. O. Box 3395
West Palm Beach, FL 33402-3395

Mr. John T. Butler
Managing Attorney - Regulatory
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420

Mr. Kenneth Hoffman
Florida Power & Light Company
215 South Monroe Street, Suite 810
Tallahassee, FL 32301-1859

Ms. Susan Ritenour
Secretary and Treasurer
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0780

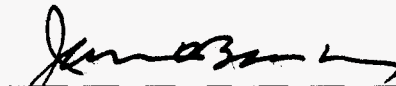
Mr. Jeffrey A. Stone
Mr. Russell A. Badders
Mr. Steven R. Griffin
Beggs & Lane
Post Office Box 12950
Pensacola, FL 32591-2950

Mr. Robert Scheffel Wright
Mr. John T. LaVia, III
Gardner, Bist, Wiener, Wadsworth,
Bowden, Bush, Dee, LaVia & Wright, P.A.
1300 Thomaswood Drive
Tallahassee, FL 32308

Mr. Randy B. Miller
White Springs Agricultural Chemicals, Inc.
Post Office Box 300
White Springs, FL 32096

Ms. Cecilia Bradley
Senior Assistant Attorney General
Office of the Attorney General
The Capitol – PL01
Tallahassee, FL 32399-1050

Mr. James W. Brew
Mr. F. Alvin Taylor
Brickfield, Burchette, Ritts & Stone, P.C.
1025 Thomas Jefferson Street, NW
Eighth Floor, West Tower
Washington, D.C. 20007-5201



ATTORNEY

Proposed Stipulation on Issue 26A

ISSUE 26A: Should the Commission approve Tampa Electric Company's proposal to charge incremental cybersecurity costs to the capacity cost recovery clause?

TECO Proposed Stipulation:

1. Tampa Electric will withdraw its proposal to charge incremental cybersecurity costs in the amount of \$295,465 (the full amount requested). That withdrawal is reflected in the revised testimony and exhibit pages and prehearing statement positions, attached hereto as Exhibit "A", which shall be substituted in place of the corresponding pages and positions originally filed in this proceeding.
2. The effect of this withdrawal of incremental cybersecurity costs is a reduction in Tampa Electric's capacity cost recovery factors for January 2012 through December 2012 as shown in the schedule attached hereto as Exhibit "B".
3. Interrogatories Nos. 56 through 59 in Staff's Eighth Set of Interrogatories are rendered moot and need not be answered.

DOCUMENT NUMBER DATE

07600 OCT 17 =

FPSC-COMMISSION CLERK

Tampa Electric Company

Revised pages 5 and 6 of Carlos Aldazabal's actual/estimated true-up testimony for 2011

Revised Bates stamp pages 34 - 36 of Mr. Aldazabal's Exhibit (CA-2)

Revised pages 4 - 11 of Mr. Aldazabal's projection testimony for 2012

Revised Bates stamp pages 16, 17 and 49 of Mr. Aldazabal's Exhibit (CA-3)

Tampa Electric Company Revised Position on Issues 26A, 28, 29, 31 and 33

1 **Capacity Cost Recovery Clause**

2 **Q.** What has Tampa Electric calculated as the estimated net
3 true-up amount to be applied in the January 2012 through
4 December 2012 capacity cost recovery factors?

5
6 **A.** The estimated net true-up amount applicable for January
7 2012 through December 2012 is an under-recovery of
8 \$429,583 as shown in Exhibit No. ____ (CA-2), Document
9 No. 2, page 2 of 5.

10

11 **Q.** How did Tampa Electric calculate the estimated net true-
12 up amount to be applied in the January 2012 through
13 December 2012 capacity cost recovery factors?

14

15 **A.** The net true-up amount to be recovered in the 2012
16 capacity cost recovery factors is the sum of the final
17 true-up amount for 2010 and the actual/estimated true-up
18 amount for January 2011 through December 2011.

19

20 **Q.** What did Tampa Electric calculate as the final capacity
21 cost recovery true-up amount for 2010?

22

23 **A.** The final 2010 true-up is an under-recovery of \$461,060.
24 The actual capacity cost under-recovery including
25 interest was \$514,151 for the period January 2010 through

1 December 2010. The \$514,151 amount, less the
2 actual/estimated under-recovery amount of \$53,091
3 approved in Order No. PSC-10-0734-FOF-EI issued December
4 20, 2010 in Docket No. 100001-EI results in a net under-
5 recovery amount for the period of \$461,060 as identified
6 in Exhibit No. ____ (CA-2), Document No. 2, page 1 of 5.

7

8 **Q.** What did Tampa Electric calculate as the actual/estimated
9 capacity cost recovery true-up amount for the period
10 January 2011 through December 2011?

11

12 **A.** The actual/estimated true-up amount is an over-recovery
13 of \$31,477 as shown on Exhibit No. ____ (CA-2), Document
14 No. 2, page 1 of 5.

15

16 **Q.** Does this conclude your testimony?

17

18 **A.** Yes, it does.

19

20

21

22

23

24

25

TAMPA ELECTRIC COMPANY
CAPACITY COST RECOVERY
CALCULATION OF THE CURRENT (ACTUAL/ESTIMATED) PERIOD TRUE-UP
JANUARY 2012 THROUGH DECEMBER 2012

1.	FINAL OVER/(UNDER) RECOVERY FOR JANUARY 2010 THROUGH DECEMBER 2010	(\$461,060)
2.	ACTUAL/ESTIMATED OVER/(UNDER) RECOVERY FOR THE CURRENT PERIOD JANUARY 2011 THROUGH DECEMBER 2011	<u>31,477</u>
3.	CURRENT PERIOD TRUE-UP AMOUNT TO BE REFUNDED/(RECOVERED) IN THE PROJECTION PERIOD JANUARY 2012 THROUGH DECEMBER 2012	<u>(\$429,583)</u>

TAMPA ELECTRIC COMPANY
CAPACITY COST RECOVERY CLAUSE
CALCULATION OF ACTUAL/ESTIMATED TRUE-UP AMOUNT

	Actual Jan-11	Actual Feb-11	Actual Mar-11	Actual Apr-11	Actual May-11	Actual Jun-11	Estimated Jul-11	Estimated Aug-11	Estimated Sep-11	Estimated Oct-11	Estimated Nov-11	Estimated Dec-11	Total
1 UNIT POWER CAPACITY CHARGES	4,027,703	4,011,136	4,045,417	4,056,882	3,871,889	3,590,038	3,527,580	3,527,580	3,527,580	3,381,330	3,381,320	3,381,330	44,329,785
2 CAPACITY PAYMENTS TO COGENERATORS	1,281,595	1,281,595	1,281,595	1,291,325	1,281,595	1,291,325	1,308,470	1,308,470	986,010	986,010	986,010	986,010	14,270,010
3 (UNIT POWER CAPACITY REVENUES)	(28,694)	(92,407)	(296,044)	(939,466)	508,578	(106,053)	(158,681)	(158,681)	(158,681)	(158,681)	(158,681)	(158,681)	(1,904,172)
4 TOTAL CAPACITY DOLLARS	5,282,604	5,200,324	5,030,968	4,408,741	5,662,062	4,775,310	4,677,369	4,677,369	4,354,909	4,208,659	4,208,649	4,208,659	56,695,623
5 SEPARATION FACTOR	0.9674819	0.9674819	0.9674819	0.9674819	0.9674819	0.9674819	0.9674819	0.9674819	0.9674819	0.9674819	0.9674819	0.9674819	
6 JURISDICTIONAL CAPACITY DOLLARS	5,110,823	5,031,219	4,867,370	4,265,376	5,477,943	4,620,026	4,525,270	4,525,270	4,213,296	4,071,801	4,071,792	4,071,801	54,851,987
7 CAPACITY COST RECOVERY REVENUES (Net of Revenue Taxes)	4,737,684	3,966,518	3,614,085	3,901,687	4,556,738	5,044,232	5,295,217	5,351,098	5,356,897	4,836,402	4,183,880	4,096,636	54,941,074
8 PRIOR PERIOD TRUE-UP PROVISION	(4,424)	(4,424)	(4,424)	(4,424)	(4,424)	(4,424)	(4,424)	(4,424)	(4,424)	(4,424)	(4,424)	(4,427)	(53,091)
9 CAPACITY COST RECOVERY REVENUES APPLICABLE TO CURRENT PERIOD (Net of Revenue Taxes)	4,733,260	3,962,094	3,609,661	3,897,263	4,552,314	5,039,808	5,290,793	5,346,674	5,352,473	4,831,978	4,179,456	4,092,209	54,887,983
10 TRUE-UP PROVISION FOR MONTH OVER/(UNDER) RECOVERY (Line 9 - Line 6)	(377,563)	(1,069,125)	(1,257,709)	(368,113)	(925,629)	419,782	765,523	821,404	1,139,177	760,177	107,664	20,408	35,996
11 INTEREST PROVISION FOR MONTH	(147)	(298)	(490)	(542)	(605)	(556)	(516)	(548)	(437)	(199)	(97)	(84)	(4,519)
12 ADJUSTMENT	0	0	0	0	0	0	0	0	0	0	0	0	0
13 TRUE-UP AND INT. PROVISION BEGINNING OF MONTH - OVER/(UNDER) RECOVERY	(514,151)	(887,437)	(1,952,436)	(3,206,211)	(3,570,442)	(4,492,252)	(4,068,602)	(3,299,171)	(2,473,891)	(1,330,727)	(566,325)	(454,334)	(514,151)
14 PRIOR PERIOD TRUE-UP PROVISION COLLECTED/(REFUNDED) THIS MONTH	4,424	4,424	4,424	4,424	4,424	4,424	4,424	4,424	4,424	4,424	4,424	4,427	53,091
15 END OF PERIOD TRUE-UP - OVER/(UNDER) RECOVERY (SUM OF LINES 10 - 14)	(887,437)	(1,952,436)	(3,206,211)	(3,570,442)	(4,492,252)	(4,068,602)	(3,299,171)	(2,473,891)	(1,330,727)	(566,325)	(454,334)	(429,583)	(429,583)

35

TAMPA ELECTRIC COMPANY
CAPACITY COST RECOVERY CLAUSE
CALCULATION OF ACTUAL/ESTIMATED TRUE-UP AMOUNT

	Actual Jan-11	Actual Feb-11	Actual Mar-11	Actual Apr-11	Actual May-11	Actual Jun-11	Estimated Jul-11	Estimated Aug-11	Estimated Sep-11	Estimated Oct-11	Estimated Nov-11	Estimated Dec-11	Total
1 BEGINNING TRUE-UP AMOUNT	(514,151)	(887,437)	(1,952,436)	(3,206,211)	(3,570,442)	(4,492,252)	(4,068,602)	(3,299,171)	(2,473,891)	(1,330,727)	(566,325)	(454,334)	(514,151)
2 ENDING TRUE-UP AMOUNT BEFORE INTEREST	(887,290)	(1,952,138)	(3,205,721)	(3,589,900)	(4,491,647)	(4,068,046)	(3,298,655)	(2,473,343)	(1,330,290)	(566,126)	(454,237)	(429,499)	(425,064)
3 TOTAL BEGINNING & ENDING TRUE-UP AMT. (LINE 1 + LINE 2)	(1,401,441)	(2,839,575)	(5,158,157)	(6,776,111)	(8,062,089)	(8,560,298)	(7,367,257)	(5,772,514)	(3,804,181)	(1,896,853)	(1,020,562)	(883,833)	(939,215)
4 AVERAGE TRUE-UP AMOUNT (50% OF LINE 3)	(700,721)	(1,419,788)	(2,579,079)	(3,388,056)	(4,031,045)	(4,280,149)	(3,683,629)	(2,886,257)	(1,902,091)	(948,427)	(510,281)	(441,917)	(469,608)
5 INTEREST RATE % - 1ST DAY OF MONTH	0.250	0.250	0.250	0.200	0.190	0.160	0.160	0.180	0.280	0.280	0.230	0.230	NA
6 INTEREST RATE % - 1ST DAY OF NEXT MONTH	0.250	0.250	0.200	0.190	0.160	0.160	0.180	0.280	0.280	0.230	0.230	0.230	NA
7 TOTAL (LINE 5 + LINE 6)	0.500	0.500	0.450	0.390	0.350	0.320	0.340	0.460	0.560	0.510	0.460	0.460	NA
8 AVERAGE INTEREST RATE % (50% OF LINE 7)	0.250	0.250	0.225	0.195	0.175	0.160	0.170	0.230	0.280	0.255	0.230	0.230	NA
9 MONTHLY AVERAGE INTEREST RATE % (LINE 8/12)	0.021	0.021	0.019	0.016	0.015	0.013	0.014	0.019	0.023	0.021	0.019	0.019	NA
10 INTEREST PROVISION (LINE 4 X LINE 9)	(147)	(298)	(490)	(542)	(605)	(556)	(516)	(548)	(437)	(199)	(97)	(84)	(4,519)

1 **Capacity Cost Recovery**

2 **Q.** Are you requesting Commission approval of the projected
3 capacity cost recovery factors for the company's various
4 rate schedules?

5
6 **A.** Yes. The capacity cost recovery factors, prepared under
7 my direction and supervision, are provided in Exhibit No.
8 ____ (CA-3), Document No. 1, page 3 of 4. The capacity
9 factors reflect the company's approved rate design from
10 Order No. PSC-09-0283-FOF-EI in Docket No. 080317-EI,
11 issued April 30, 2009.

12
13 **Q.** What payments are included in Tampa Electric's capacity
14 cost recovery factors?

15
16 **A.** Tampa Electric is requesting recovery of capacity
17 payments for power purchased for retail customers,
18 excluding optional provision purchases for interruptible
19 customers, through the capacity cost recovery factors.
20 As shown in Exhibit No. ____ (CA-3), Document No. 1,
21 Tampa Electric requests recovery of \$44,995,474 after
22 jurisdictional separation and prior year true-up, for
23 estimated expenses in 2012.

24
25 **Q.** Please summarize the proposed capacity cost recovery

1 factors by metering voltage level for January 2012
 2 through December 2012.

4	A. Rate Class and	Capacity Cost	Recovery Factor
5	<u>Metering Voltage</u>	<u>Cents per kWh</u>	<u>\$ per kW</u>
6	RS Secondary	0.276	
7	GS and TS Secondary	0.256	
8	GSD, SBF Standard		
9	Secondary		0.86
10	Primary		0.85
11	Transmission		0.84
12	IS, IST, SBI		
13	Primary		0.68
14	Transmission		0.68
15	GSD Optional		
16	Secondary	0.203	
17	Primary	0.201	
18	LS1 Secondary	0.064	

19
 20 These factors are shown in Exhibit No. _____ (CA-3),
 21 Document No. 1, page 3 of 4.

22
 23 **Q.** How does Tampa Electric's proposed average capacity cost
 24 recovery factor of 0.237 cents per kWh compare to the
 25 factor for January 2011 through December 2011?

1 **A.** The proposed capacity cost recovery factor is 0.054 cents
2 per kWh (or \$0.54 per 1,000 kWh) lower than the average
3 capacity cost recovery factor of 0.291 cents per kWh for
4 the January 2011 through December 2011 period.
5

6 **Fuel and Purchased Power Cost Recovery Factor**

7 **Q.** What is the appropriate amount of the levelized fuel and
8 purchased power cost recovery factor for the year 2012?
9

10 **A.** The appropriate amount for the 2012 period is 4.190 cents
11 per kWh before the application of time of use multipliers
12 for on-peak or off-peak usage. Schedule E1-E of Exhibit
13 No. ____ (CA-3), Document No. 2, shows the appropriate
14 value for the total fuel and purchased power cost
15 recovery factor for each metering voltage level as
16 projected for the period January 2012 through December
17 2012.
18

19 **Q.** Please describe the information provided on Schedule E1-C.
20

21 **A.** The Generating Performance Incentive Factor ("GPIF") and
22 true-up factors are provided on Schedule E1-C. Tampa
23 Electric has calculated a GPIF reward of \$2,054,696,
24 which is included in the calculation of the total fuel
25 and purchased power cost recovery factors. Additionally,

1 E1-C indicates the net true-up amount for the January
2 2011 through December 2011 period. The net true-up
3 amount for this period is an over-recovery of
4 \$47,813,410.

5
6 **Q.** Please describe the information provided on Schedule E1-D.

7
8 **A.** Schedule E1-D presents Tampa Electric's on-peak and off-
9 peak fuel adjustment factors for January 2012 through
10 December 2012. The schedule also presents Tampa
11 Electric's levelized fuel cost factors at each metering
12 voltage level.

13
14 **Q.** Please describe the information provided on Schedule E1-E.

15
16 **A.** Schedule E1-E presents the standard, tiered, on-peak and
17 off-peak fuel adjustment factors at each metering voltage
18 to be applied to customer bills.

19
20 **Q.** Please describe the information provided in Document No.
21 3.

22
23 **A.** Exhibit No. ____ (CA-3), Document No. 3 demonstrates that
24 the tiered rate structure is designed to be revenue
25 neutral so that the company will recover the same fuel

1 costs as it would under the traditional levelized fuel
 2 approach.

3
 4 **Q.** Please summarize the proposed fuel and purchased power
 5 cost recovery factors by metering voltage level for
 6 January 2012 through December 2012.

7
 8 **A.**

<u>Metering Voltage Level</u>	<u>Fuel Charge</u> <u>Factor (cents per kWh)</u>
Secondary	4.190
Tier I (Up to 1,000 kWh)	3.840
Tier II (Over 1,000 kWh)	4.840
Distribution Primary	4.148
Transmission	4.106
Lighting Service	4.129
Distribution Secondary	4.580 (on-peak)
	4.036 (off-peak)
Distribution Primary	4.534 (on-peak)
	3.996 (off-peak)
Transmission	4.488 (on-peak)
	3.955 (off-peak)

9
 10
 11
 12
 13
 14
 15
 16
 17
 18
 19
 20
 21
 22
 23 **Q.** How does Tampa Electric's proposed levelized fuel
 24 adjustment factor of 4.190 cents per kWh compare to the
 25 levelized fuel adjustment factor for the January 2011

1 through December 2011 period?

2

3 **A.** The proposed fuel charge factor is 0.035 cents per kWh
4 (or \$0.35 per 1,000 kWh) lower than the average fuel
5 charge factor of 4.225 cents per kWh for the January 2011
6 through December 2011 period.

7

8 **Events Affecting the Projection Filing**

9 **Q.** Are there any significant events reflected in the
10 calculation of the 2012 fuel and purchased power and
11 capacity cost recovery projections?

12

13 **A.** Yes. There is a significant event reflected in the 2012
14 projections: stabilization of natural gas prices after
15 several years of steady price declines and related hedge
16 results.

17

18 **Q.** Please describe the results of this natural gas pricing
19 event.

20

21 **A.** With the addition of Bayside Station in 2004 and more
22 recently the combustion turbines ("CT's") at Polk,
23 Bayside and Big Bend Stations, Tampa Electric increased
24 its reliance on natural gas as a fuel source. The
25 prolonged economic downturn resulted in a decline in fuel

1 commodity prices, particularly natural gas, which
2 translated into a significant decrease in fuel and
3 purchased power costs over the period. However, more
4 recently fuel commodity prices started to stabilize and
5 in some cases increase compared to prior periods. To
6 mitigate fuel price volatility and comply with the
7 company's Commission-approved Risk Management Plan,
8 financial hedges have been entered into for natural gas
9 in 2011 and 2012. Tampa Electric witness J. Brent
10 Caldwell's direct testimony describes existing and
11 forecasted natural gas costs and associated hedge results
12 in more detail.

13
14 **Wholesale Incentive Benchmark Mechanism**

15 **Q.** What is Tampa Electric's projected wholesale incentive
16 benchmark for 2012?

17
18 **A.** The company's projected 2012 benchmark is \$2,482,588,
19 which is the three-year average of \$3,533,488, \$2,948,964
20 and \$965,313 in gains on the company's non-separated
21 wholesale sales, excluding emergency sales, for 2009,
22 2010 and 2011 (estimated/actual), respectively.

23
24 **Q.** Does Tampa Electric expect gains in 2012 from non-
25 separated wholesale sales to exceed its 2012 wholesale

1 incentive benchmark?

2

3 **A.** No. Tampa Electric anticipates that sales will not
4 exceed the projected benchmark for 2012. Therefore, all
5 sales margins will flow back to customers.

6

7 **Cost Recovery Factors**

8 **Q.** What is the composite effect of Tampa Electric's proposed
9 changes in its capacity, fuel and purchased power,
10 environmental and energy conservation cost recovery
11 factors on a 1,000 kWh residential customer's bill?

12

13 **A.** The composite effect on a residential bill for 1,000 kWh
14 is a decrease of \$0.12 beginning January 2012. These
15 charges are shown in Exhibit No. ____ (CA-3), Document
16 No. 2, on Schedule E10.

17

18 **Q.** When should the new rates go into effect?

19

20 **A.** The new rates should go into effect concurrent with meter
21 reads for the first billing cycle for January 2012.

22

23 **Q.** Does this conclude your testimony?

24

25 **A.** Yes, it does.

TAMPA ELECTRIC COMPANY
CAPACITY COST RECOVERY CLAUSE
CALCULATION OF ENERGY & DEMAND ALLOCATION BY RATE CLASS
JANUARY 2012 THROUGH DECEMBER 2012
PROJECTED

	January	February	March	April	May	June	July	August	September	October	November	December	Total
1 UNIT POWER CAPACITY CHARGES	3,384,790	3,384,790	3,384,790	3,384,780	3,384,790	2,452,900	2,452,910	2,452,910	2,452,900	2,452,910	2,452,910	2,397,860	34,039,240
2 CAPACITY PAYMENTS TO COGENERATORS	1,048,800	1,048,800	1,048,800	1,048,800	1,048,800	1,048,800	1,048,800	1,048,800	1,048,800	1,048,800	1,048,800	1,048,800	12,585,600
3 (UNIT POWER CAPACITY REVENUES)	(158,681)	(158,681)	(158,681)	(158,681)	(158,681)	(158,681)	(158,681)	(158,681)	(158,681)	(158,681)	(158,681)	(158,681)	(1,904,172)
4 TOTAL CAPACITY DOLLARS	\$4,274,909	\$4,274,909	\$4,274,909	\$4,274,899	\$4,274,909	\$3,343,019	\$3,343,029	\$3,343,029	\$3,343,019	\$3,343,029	\$3,343,029	\$3,287,979	\$44,720,668
5 SEPARATION FACTOR	0.9958152	0.9958152	0.9958152	0.9958152	0.9958152	0.9958152	0.9958152	0.9958152	0.9958152	0.9958152	0.9958152	0.9958152	
6 JURISDICTIONAL CAPACITY DOLLARS	\$4,257,019	\$4,257,019	\$4,257,019	\$4,257,009	\$4,257,019	\$3,329,029	\$3,329,039	\$3,329,039	\$3,329,029	\$3,329,039	\$3,329,039	\$3,274,219	\$44,533,518
7 ACTUAL/ESTIMATED TRUE-UP FOR THE PERIOD JAN. 2011 - DEC. 2011													429,583
8 TOTAL													\$44,963,101
9 REVENUE TAX FACTOR													1.00072
10 TOTAL RECOVERABLE CAPACITY DOLLARS													<u>\$44,995,474</u>

**TAMPA ELECTRIC COMPANY
CAPACITY COST RECOVERY CLAUSE
CALCULATION OF ENERGY & DEMAND ALLOCATION BY RATE CLASS
JANUARY 2012 THROUGH DECEMBER 2012
PROJECTED**

RATE CLASS	(1) PERCENTAGE OF SALES AT GENERATION (%)	(2) PERCENTAGE OF DEMAND AT GENERATION (%)	(3) ENERGY RELATED COSTS (\$)	(4) DEMAND RELATED COSTS (\$)	(5) TOTAL CAPACITY COSTS (\$)	(6) PROJECTED SALES AT METER (MWH)	(7) EFFECTIVE AT SECONDARY LEVEL (MWH)	(8) BILLING KW LOAD FACTOR (%)	(9) PROJECTED BILLED KW AT METER (kw)	(10) CAPACITY RECOVERY FACTOR (\$/kw)	(11) CAPACITY RECOVERY FACTOR (\$/kwh)
RS	46.82%	57.08%	5,266,720	19,262,562	24,529,282	8,889,736	8,889,736				0.00276
GS, TS	5.49%	6.08%	617,563	2,051,794	2,669,357	1,041,638	1,041,638				0.00256
GSD, SBF Secondary						6,144,603	6,144,603			0.86	
Primary						1,269,911	1,257,212			0.85	
Transmission						2,215	2,171			0.84	
GSD, SBF - Standard	38.94%	31.54%	4,380,310	10,643,680	15,023,990	7,416,729	7,403,986	57.87%	17,526,343		
GSD - Optional Secondary	2.41%	1.96%	271,098	661,433	932,531	447,736	447,736				0.00203
Primary						10,754	10,646				0.00201
IS, SBI Primary						279,351	276,557				0.68
Transmission						744,398	729,510				0.68
Total IS, SBI	5.21%	3.31%	586,066	1,117,013	1,703,079	1,023,749	1,006,067	56.05%	2,459,026		
LS1	1.13%	0.03%	127,112	10,124	137,236	213,911	213,911				0.00064
TOTAL	100.00%	100.00%	11,248,869	33,746,606	44,995,475	19,044,253	19,013,720				0.00237

- (1) Obtained from page 1.
(2) Obtained from page 1.
(3) Total capacity costs * .25 * Col (1).
(4) Total capacity costs * .75 * Col (2).
(5) Col (3) + Col (4).
(6) Projected kWh sales for the period January 2012 through December 2012.
(7) Projected kWh sales at secondary for the period January 2012 through December 2012.
(8) Col 7 / (Col 9 * 730)*1000
(9) Projected kw demand for the period January 2012 through December 2012.
(10) Total Col (5) / Total Col (9).
(11) {Col (5) / Total Col (7)} / 1000.

SCHEDULE E10

**TAMPA ELECTRIC COMPANY
 RESIDENTIAL BILL COMPARISON
 FOR MONTHLY USAGE OF 1,000 KWH**

	Current	Projected	Difference	
	Jan 11 - Dec 11	Jan 12 - Dec 12	\$	%
Base Rate Revenue	55.45	55.45	0.00	0%
Fuel Recovery Revenue	38.75	38.40	(0.35)	-1%
Conservation Revenue	2.74	3.02	0.28	10%
Capacity Revenue	3.36	2.76	(0.60)	-18%
Environmental Revenue	4.04	4.60	0.56	14%
Florida Gross Receipts Tax Revenue	2.68	2.67	(0.01)	0%
TOTAL REVENUE	\$107.02	\$106.90	(\$0.12)	0%

Tampa Electric Company
Revised Positions on Issues
26A, 28, 29, 31 and 33

ISSUE 26A: Should the Commission approve Tampa Electric Company's proposal to charge incremental cybersecurity costs to the capacity cost recovery clause?

TECO: Proposed Stipulation. (Witness: Aldazabal)

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 28: What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2011 through December 2011?

TECO: \$31,477 over-recovery. (Witness: Aldazabal)

ISSUE 29: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2012 through December 2012?

TECO: \$429,583 under-recovery. (Witness: Aldazabal)

ISSUE 31: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2012 through December 2012?

TECO: The purchased power capacity cost recovery amount to be included in the recovery factor for the period January 2012 through December 2012, adjusted by the jurisdictional separation factor, is \$44,533,518. The total recoverable capacity cost recovery amount to be collected, including the true-up amount and adjusted for the revenue tax factor, is \$44,995,474. (Witness: Aldazabal, Smith)

ISSUE 33: What are the appropriate capacity cost recovery factors for the period January 2012 through December 2012?

TECO: The appropriate factors for January 2012 through December 2012 are as follows:

<u>Rate Class and Metering Voltage</u>	<u>Capacity Cost Recovery Factor</u>	
	<u>Dollars per kWh</u>	<u>Dollars per kW</u>
RS Secondary	0.00276	
GS and TS Secondary	0.00256	

GSD, SBF Standard		
Secondary		.86
Primary		.85
Transmission		.84
GSD Optional		
Secondary	0.00203	
Primary	0.00201	
IS, SBI		
Primary		.68
Transmission		.68
LS1 Secondary	0.00064	
(Witness: Aldazabal)		

**Side-by-Side Comparison of Capacity
Cost Recovery Factors Reflecting
Removal of Incremental Cybersecurity
Costs in the Amount of \$295,465**

Exhibit "B"

The appropriate factors for January 2012 through December 2012 are as follows:

Factors as of 9/1/11

Rate Class and Capacity Cost Recovery Factor
Metering Voltage Dollars per kWh Dollars per kW

RS Secondary	0.00278	
GS and TS Secondary	0.00258	
GSD, SBF Standard		
Secondary		.86
Primary		.85
Transmission		.84
GSD Optional		
Secondary	0.00205	
Primary	0.00203	
IS, SBI		
Primary		.69
Transmission		.69
LS1 Secondary	0.00065	

Revised 10/11/11

Rate Class and Capacity Cost Recovery Factor
Metering Voltage Dollars per kWh Dollars per kW

RS Secondary	0.00276	
GS and TS Secondary	0.00256	
GSD, SBF Standard		
Secondary		.86
Primary		.85
Transmission		.84
GSD Optional		
Secondary	0.00203	
Primary	0.00201	
IS, SBI		
Primary		.68
Transmission		.68
LS1 Secondary	0.00064	