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November 15, 1989

HAND DELIVERED

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DuBose Ausley
James D. Beasley
C. Graham Carothers
Robert H. Clarke, Jr.
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Stephan C. Emmanuel
John P. Foss
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Jenn Johnson Hart
Kenneth R. Hart
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H. Palmer Proctor
H. Julian Proctor, Jr.
Steven P. Seymore
William M. Smith
Emily S. Weigh
C. Gary Williams
Lee L. Willis
E. Bryan Wilson, III

**ORIGINAL
FILE COPY**

Mr. Steve C. Tribble, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32301

Re: Petition of Tampa Electric Company for
Approval of Settlement Agreement;
FPSC Docket No. 890646-E

Dear Mr. Tribble:

Enclosed for filing in the above docket on behalf of Agrico Chemical Company and Tampa Electric Company are the original and fifteen (15) copies of Joint Motion for Continuance and for Approval of Settlement Agreement.

- ACK _____
- AAA _____
- APP _____
- CAF _____
- CMH _____
- CTH _____
- EAG _____
- LEA 1 w/memo
- LVJ 6
- OPC _____
- RCH _____
- SEC 1
- WAS _____
- GMH _____

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
encs.

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

RECEIVED & FILED


FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE
11179 NOV 15 1989
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Tampa Electric
Company for resolution of territorial
dispute with Florida Power Corporation.)

DOCKET NO. 890646-EI
Submitted for Filing 11/15/89

**JOINT MOTION FOR CONTINUANCE AND FOR
APPROVAL OF SETTLEMENT AGREEMENT**

Agrico Chemical Company, a division of Freeport-McMoRan Resources Partners Limited Partnership ("Agrico") and Tampa Electric Company ("Tampa Electric") which are two of the parties to the above-styled proceeding hereby move the Commission to continue the present schedule in the above-styled proceeding pending Commission consideration and approval of the Settlement Agreement entered into by and between the above parties. Movants further request the issuance of a Commission order approving the Settlement Agreement effective on the date of approval of Tampa Electric's proposed MFI rider. In support of this Motion, the Movants say:

Continuance

1. Tampa Electric and Agrico have entered into a Settlement Agreement, subject to Commission approval, which would resolve their differences regarding the provision of electric service to Agrico's facilities. A copy of that Settlement Agreement is attached hereto as Exhibit "A". Tampa Electric, Agrico and Florida Power Corporation ("Florida Power") have entered into a separate Settlement Agreement wherein Florida Power has indicated that it will not oppose the dismissal of this proceeding provided Tampa Electric and Agrico resolve their differences with respect to Agrico's consumption of electricity delivered to it by Florida Power within Florida Power's service territory on a sufficiently

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agreeable basis to induce Agrico and Tampa Electric to mutually seek the dismissal of this proceeding. A copy of that Agreement is attached hereto as Exhibit "B".

2. Tampa Electric and Agrico are seeking Commission approval of the Settlement Agreement attached hereto as Exhibit "A". Upon approval of the Agreement and the MFI rider, the issues raised in Tampa Electric's Petition will have been rendered moot and this proceeding may then be properly dismissed. Considerable time and expense both to the Commission and to the parties can be saved if the schedule in this docket is continued pending Commission review and approval of the Settlement Agreement and the MFI rider.

3. Florida Power has advised Tampa Electric and Agrico that it does not object to the requested continuance.

Approval of the Settlement Agreement

4. Tampa Electric and Agrico hereby request Commission approval of the Settlement Agreement attached hereto as Exhibit "A". The Staff of the Commission scheduled and conducted a settlement conference in the offices of the Commission on October 23, 1989 and met individually and collectively with Tampa Electric, Florida Power and Agrico for the purpose of encouraging a settlement of the issues involved in this docket. Through ensuing discussions, Agrico and Tampa Electric were able to fashion a Settlement Agreement which accommodates Agrico's concerns and which recognizes the propriety of having a separate rate classification for mobile facilities used in phosphate mining operations.

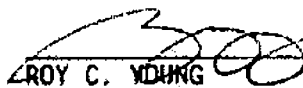
5. Tampa Electric is simultaneously petitioning the Commission to approve the MFI rider which is an integral part of the Settlement Agreement. A copy of the MFI rider is attached to the Settlement Agreement.

as Exhibit "A". Approval of such proposed rider will resolve the controversy in this action. In addition, the settlement with Agrico and the implementation of the MFI rider will enable Tampa Electric to avoid the threat of loss of significant phosphate mining load from its system. This avoidance of risk is of significant benefit to all customers of Tampa Electric.

WHEREFORE Agrico and Tampa Electric move the Commission for a continuance of the schedule in the above-styled proceeding pending Commission review and final approval of the Settlement Agreement and the MFI rider which is the subject of a separate Petition simultaneously filed herewith. Agrico and Tampa Electric further request that upon final approval of the Settlement Agreement and the MFI rider, this proceeding be dismissed.

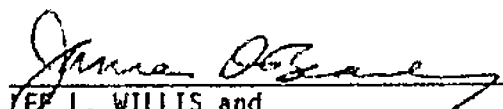
DATED this 14th day of November, 1989.

Respectfully submitted,



ROY C. YOUNG
Young, van Assenderp, Varnadoe,
& Benton, P.A.
225 South Adams Street
Tallahassee, Florida 32302

ATTORNEY FOR AGRICO CHEMICAL COMPANY



LEE L. WILLIS and
JAMES D. BEASLEY
Ausley, McMullen, McGehee,
Carothers and Proctor
Post Office Box 391
Tallahassee, Florida 32302
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ATTORNEYS FOR TAMPA ELECTRIC COMPANY

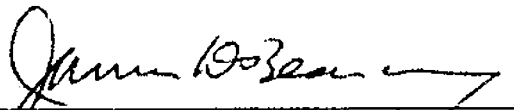
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Joint Motion for Continuance has been furnished by U. S. Mail this 15th day of November, 1989 to the following parties of record:

Mr. Albert H. Stephens
Office of the General Counsel
Florida Power Corporation
Post Office Box 14042
St. Petersburg, Florida 33733

Ms. Sylvia H. Walbolt
Carlton, Fields, Ward, Emmanuel
Smith and Cutler, P.A.
Post Office Box 3239
Tampa, Florida 33601

Mr. Michael A. Palecki*
Division of Legal Services
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32301



ATTORNEY

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into by and between AGRICO CHEMICAL COMPANY, a division of Freeport-McMoRan Resource Partners Limited Partnership ("Agrico") and TAMPA ELECTRIC COMPANY ("Tampa Electric"), which are two of the parties to the proceeding currently pending before the Florida Public Service Commission ("FPSC") entitled Tampa Electric Company, Complainant v. Florida Power Corporation, Respondent, Docket No. 890646-EI.

WITNESSETH:

WHEREAS, the Staff of the FPSC scheduled and conducted a settlement conference in the offices of the Commission on October 23, 1989 and met individually and collectively with each of the parties and with FLORIDA POWER CORPORATION ("Florida Power") for the purpose of encouraging a settlement of this matter; and

WHEREAS, the parties wish to amicably resolve the disputed issues involved in the above-referenced complaint proceeding and to avoid the time and expense of further litigation and the uncertainties of the outcome of such litigation; and

WHEREAS, the parties recognize the unique situation involved with providing electric power to dragline/slurry systems and tailings pipelines which are mobile in nature; and

WHEREAS, the parties desire to avoid the unnecessary duplication of electric facilities and the unnecessary impairment of the generation, transmission and distribution processes of Florida Power and Tampa Electric;

NOW, THEREFORE, in consideration of the foregoing, said parties do hereby mutually agree as follows:

1. Definitions. As used in this Settlement Agreement the following terms shall have the following definitions:

1.1. "Tampa Electric's service area" means that area north of the Polk/Hardee County line in the area assigned to Tampa Electric by the Florida Power/Tampa Electric territorial agreement approved by the FPSC.

1.2. "Florida Power's service area" means that area south of the Hardee/Polk County line in the area assigned to Florida Power by the Florida Power/Tampa Electric territorial agreement approved by the FPSC.

1.3. "Mobile facility" means (i) a mobile, integrated phosphate dragline together with the slurry pipeline, electric pumps, telemetry and other associated equipment used to enable phosphate ore to be transported via pipeline from the dragline work site to the washer facility, and (ii) tailings pipelines.

1.4. "Beneficiation plant" means Agrico's Fort Green mine phosphate processing plant located approximately 1.5 miles north of the Hardee County line within Tampa Electric's service area.

1.5. "Washer facility" means the phosphate washing facility and equipment located at the beneficiation plant.

1.6. "Fixed facilities" means all facilities which utilize electric power but which are not mobile facilities.

1.7. "Tailings pipelines" means sand and clay slurry pipelines, electric pumps, telemetry and other associated equipment used to transport sand, clay and other waste material from a washer facility or beneficiation plant to the mining site.

2. Basic Considerations. The parties hereby acknowledge receipt of good and valuable considerations from each other, including the mutual covenants hereinafter set forth.

3. Provision of Electric Power

3.1 Tampa Electric asserts that it has the continuing right and obligation under the Florida Statutes and independent of this Settlement Agreement to provide exclusive electric service to all of the fixed facilities of Agrico located in Polk County and other areas within Tampa Electric's service area, including but not limited to Agrico's Fort Green beneficiation plant and washer facility, Payne Creek beneficiation plant and washer facility, South Pierce chemical plant, Pierce plant and Agrico's Big Bend Terminal. Agrico has disagreed with Tampa Electric's position on this issue. However, for purposes of settlement, Tampa Electric and Agrico agree that during the term of this Agreement Tampa Electric shall have the continuing right and obligation under Florida Statutes to provide exclusive electric service to all of the above mentioned fixed facilities of Agrico. Agrico agrees that during the term hereof, all of its fixed facilities located in Tampa Electric's service area, including but not limited to the beneficiation plant and washer facility, will continue purchasing all of their electrical requirements from Tampa Electric, exclusive of any such requirements which Agrico meets with on-site cogeneration. Service to the fixed facilities shall be provided at the applicable Tampa Electric rate schedule.

3.2. Any Agrico mobile facility which has its dragline located within Tampa Electric's service area shall take service from Tampa Electric pursuant to the Mobile Facility Adjustment Rider-Interruptible ("MFI") which Tampa Electric will propose for approval by the FPSC in connection with its Rate Schedule IS-1, IST-1, IS-3, or IST-3. A copy of the proposed MFI rider is attached hereto as Exhibit "A" and incorporated herein by reference. It is the intent of the parties that the effect of the MFI rider shall be to allow Agrico and any other qualifying Customer to pay no more for electricity supplied by Tampa Electric and utilized to power a mobile facility where the dragline of said mobile facility is located within Tampa Electric's service area than the Customer would pay had Florida Power actually supplied the electricity and billed the Customer. Tampa Electric will submit the MFI for approval by the FPSC and the parties agree that the same should be approved by the FPSC. This Settlement Agreement is specifically conditioned on FPSC final approval of the MFI. The MFI shall expire two years after the effective date of FPSC final approval, or on the effective date of new rates approved by the FPSC in any full revenue requirements rate case order of Florida Power or Tampa Electric, whichever first occurs.

3.3. Any Agrico mobile facility having its dragline located within Florida Power's service area shall take service from Florida Power pursuant to the applicable Florida Power rate schedule, notwithstanding the fact that a portion of such mobile facility may be physically located in Tampa Electric's service area.

3.4. No Agrico mobile facility shall be required to take electric service simultaneously from Florida Power and Tampa Electric.

3.5. Agrico will promptly inform Florida Power and Tampa Electric prior to the time an Agrico dragline crosses the Polk/Hardee County line which separates the service areas of Florida Power and Tampa Electric.

4. General Provisions

4.1 Agrico agrees not to pursue any antitrust, rate discrimination claim or other legal action, either in a judicial or administrative forum, against Tampa Electric or its affiliates where the basis for such claim or action involves Tampa Electric's providing electric service to Agrico and such claim or action accrued or occurred prior to FPSC approval of this Settlement Agreement. Agrico releases Tampa Electric and its affiliates from any and all liability relating to any such claim or action with such release effective as of the date of FPSC approval of this Agreement.

4.2. The settlement reached in this docket is based on the unique factual circumstances of this case and shall have no precedential value in any other proceeding before the Commission.

4.3. The parties reserve the right to assert different positions in this docket on these matters if this proposed settlement is not accepted by the Commission in its entirety.

4.4. The parties agree that this Settlement Agreement, along with the MFI rider, will be submitted to the FPSC for approval and that the agreement is enforceable only upon the approval by the FPSC. If the proposed settlement and MFI rider are not both accepted by the FPSC, they shall be null and void and of no binding effect on the parties.

4.5. The term of this Agreement shall be coextensive with the term of the MFI as provided in paragraph 3.2 above.

4.6. Upon final execution of this Agreement, the parties will jointly move the FPSC to stay the proceedings in Docket No. 890646-EI pending FPSC review and approval of this Agreement and the MFI to be submitted by Tampa Electric.

4.7 This Agreement shall be executed in duplicate with a duplicate original being provided to each of the parties hereto.

DATED this 14 day of November, 1989.

AGRICO CHEMICAL COMPANY

TAMPA ELECTRIC COMPANY

By: Don A. Morrison
Its Senior Vice President,
Florida Operations

By: Jim R. Allen
Its President

MOBILE FACILITY ADJUSTMENT RIDER - INTERRUPTIBLE

SCHEDULE: MFI

AVAILABLE: Entire Tampa Electric Company service area for mobile facilities. The term "mobile facility" means (i) mobile integrated phosphate dragline together with the slurry pipeline, electric pumps, telemetry and other associated equipment used to enable phosphate ore to be transported via pipeline from the dragline work site to a washer facility or beneficiation plant, and (ii) sand and clay slurry pipelines, electric pumps, telemetry and other associated equipment used to transport sand, clay and other waste material from a washer facility or beneficiation plant to the mining site. "Fixed facility" means all facilities which utilize electric power which are not mobile facilities. The rider will be available initially for a period of two years after its effective date, or until the effective date of new rates approved by the Florida Public Service Commission in any full revenue requirements rate case of Florida Power Corporation or the company, whichever first occurs.

APPLICABLE: To any mobile facility on a voluntary basis and upon application by the mobile facility provided it meets all of the following criteria:

- (a) The mobile facility is served pursuant to Rate Schedule IS-1, IST-1, IS-3 or IST-3 by Tampa Electric and its dragline is located within Tampa Electric's service area;
- (b) The mobile facility is not served by Tampa Electric pursuant to rate schedule SSI; and
- (c) The entity which owns the mobile facility takes electric service only from Tampa Electric to serve all of the entity's fixed facilities located in Tampa Electric's service area and each of the entity's mobile facilities when the dragline of such mobile facility is located in Tampa Electric's service area.

Resale not permitted.

CHARACTER OF SERVICE: This rider is offered in conjunction with the rates, terms, and conditions of the interruptible tariff the Customer is billed under for regular service and only affects the total amount due in the event of credits made in accordance with this rider.

MONTHLY CREDITS: The Customer bill for any mobile facility meeting the criteria for this MFI Schedule will be computed using Florida Power Corporation's billing charges. This computation would duplicate the amount of the bill the Customer would actually pay if the Customer were on Florida Power Corporation's system.

Exhibit "A"

SETTLEMENT AGREEMENT

This Settlement Agreement, made and entered into this 14th day of November, 1989, by and between AGRICO CHEMICAL COMPANY, a division of Freeport-McMoRan Resource Partners Limited Partnership ("Agrico"), FLORIDA POWER CORPORATION ("Florida Power") and TAMPA ELECTRIC COMPANY ("Tampa Electric");

W I T N E S S E T H:

That Florida Power hereby agrees that if Agrico and Tampa Electric resolve their differences with respect to Agrico's consumption of electricity delivered to it by Florida Power within Florida Power's service territory on a sufficiently agreeable basis to induce Agrico and Tampa Electric to mutually seek the dismissal of that certain territorial dispute entitled Tampa Electric Company, Complainant v. Florida Power Corporation, Respondent, now pending before the Florida Public Service Commission (FPSC), in Docket No. 890646-EI, then Florida Power will not oppose such dismissal. Subject to the approval of such dismissal by the FPSC, Agrico hereby releases Florida Power from any anti-trust, rate discrimination, or other legal or equitable claim or action whatsoever, without regard to whether the same might properly be brought in an administrative forum or in a judicial forum, at law or in equity, where the basis for such claim or action relates directly or indirectly to the provision of electric service or rates or changes for such service, and such claim or action arose, accrued or occurred prior to the date of this Agreement.

IN WITNESSETH WHEREOF, the parties have executed this Agreement acting by and through their duly authorized officers this 14th day of November, 1989.

TAMPA ELECTRIC COMPANY

By:


Its: President

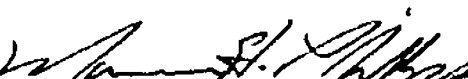
AGRICO CHEMICAL COMPANY

By:


Its: Executive Vice President

FLORIDA POWER CORPORATION

By:


Its: Executive Vice President

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Tampa Electric Company for resolution of territorial dispute with Florida Power Corporation.)
DOCKET NO. 890646-EI
Submitted for Filing 11/15/89

JOINT MOTION FOR CONTINUANCE AND FOR APPROVAL OF SETTLEMENT AGREEMENT

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1. Tampa Electric and Agrico have entered into a Settlement Agreement, subject to Commission approval, which would resolve their differences regarding the provision of electric service to Agrico's facilities. A copy of that Settlement Agreement is attached hereto as Exhibit "A". Tampa Electric, Agrico and Florida Power Corporation ("Florida Power") have entered into a separate Settlement Agreement wherein Florida Power has indicated that it will not oppose the dismissal of this proceeding provided Tampa Electric and Agrico resolve their differences with respect to Agrico's consumption of electricity delivered to it by Florida Power within Florida Power's service territory on a sufficiently

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agreeable basis to induce Agrico and Tampa Electric to mutually seek the dismissal of this proceeding. A copy of that Agreement is attached hereto as Exhibit "B".

2. Tampa Electric and Agrico are seeking Commission approval of the Settlement Agreement attached hereto as Exhibit "A". Upon approval of the Agreement and the MFI rider, the issues raised in Tampa Electric's Petition will have been rendered moot and this proceeding may then be properly dismissed. Considerable time and expense both to the Commission and to the parties can be saved if the schedule in this docket is continued pending Commission review and approval of the Settlement Agreement and the MFI rider.

3. Florida Power has advised Tampa Electric and Agrico that it does not object to the requested continuance.

Approval of the Settlement Agreement

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as Exhibit "A". Approval of such proposed rider will resolve the controversy in this action. In addition, the settlement with Agrico and the implementation of the MFI rider will enable Tampa Electric to avoid the threat of loss of significant phosphate mining load from its system. This avoidance of risk is of significant benefit to all customers of Tampa Electric.

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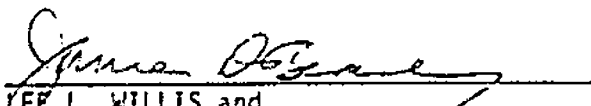
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Respectfully submitted,



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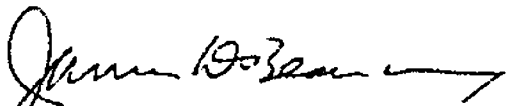
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WHEREAS, the parties wish to amicably resolve the disputed issues involved in the above-referenced complaint proceeding and to avoid the time and expense of further litigation and the uncertainties of the outcome of such litigation; and

WHEREAS, the parties recognize the unique situation involved with providing electric power to dragline/slurry systems and tailings pipelines which are mobile in nature; and

WHEREAS, the parties desire to avoid the unnecessary duplication of electric facilities and the unnecessary impairment of the generation, transmission and distribution processes of Florida Power and Tampa Electric;

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4.2. The settlement reached in this docket is based on the unique factual circumstances of this case and shall have no precedential value in any other proceeding before the Commission.

4.3. The parties reserve the right to assert different positions in this docket on these matters if this proposed settlement is not accepted by the Commission in its entirety.

4.4. The parties agree that this Settlement Agreement, along with the MFI rider, will be submitted to the FPSC for approval and that the agreement is enforceable only upon the approval by the FPSC. If the proposed settlement and MFI rider are not both accepted by the FPSC, they shall be null and void and of no binding effect on the parties.

4.5. The term of this Agreement shall be coextensive with the term of the MFI as provided in paragraph 3.2 above.

4.6. Upon final execution of this Agreement, the parties will jointly move the FPSC to stay the proceedings in Docket No. 890646-EI pending FPSC review and approval of this Agreement and the MFI to be submitted by Tampa Electric.

4.7 This Agreement shall be executed in duplicate with a duplicate original being provided to each of the parties hereto.

DATED this 14 day of November, 1989.

AGRICO CHEMICAL COMPANY

By: Don A. Morrison
Its Senior Vice President,
Florida Operations

TAMPA ELECTRIC COMPANY

By: Gene R. Chilton
Its President

MOBILE FACILITY ADJUSTMENT RIDER - INTERRUPTIBLE

SCHEDULE: MFI

AVAILABLE: Entire Tampa Electric Company service area for mobile facilities. The term "mobile facility" means (i) mobile integrated phosphate dragline together with the slurry pipeline, electric pumps, telemetry and other associated equipment used to enable phosphate ore to be transported via pipeline from the dragline work site to a washer facility or beneficiation plant, and (ii) sand and clay slurry pipelines, electric pumps, telemetry and other associated equipment used to transport sand, clay and other waste material from a washer facility or beneficiation plant to the mining site. "Fixed facility" means all facilities which utilize electric power which are not mobile facilities. The rider will be available initially for a period of two years after its effective date, or until the effective date of new rates approved by the Florida Public Service Commission in any full revenue requirements rate case of Florida Power Corporation or the company, whichever first occurs.

APPLICABLE: To any mobile facility on a voluntary basis and upon application by the mobile facility provided it meets all of the following criteria:

- (a) The mobile facility is served pursuant to Rate Schedule IS-1, IST-1, IS-3 or IST-3 by Tampa Electric and its dragline is located within Tampa Electric's service area;
- (b) The mobile facility is not served by Tampa Electric pursuant to rate schedule SSI; and
- (c) The entity which owns the mobile facility takes electric service only from Tampa Electric to serve all of the entity's fixed facilities located in Tampa Electric's service area and each of the entity's mobile facilities when the dragline of such mobile facility is located in Tampa Electric's service area.

Resale not permitted.

CHARACTER OF SERVICE: This rider is offered in conjunction with the rates, terms, and conditions of the interruptible tariff the Customer is billed under for regular service and only affects the total amount due in the event of credits made in accordance with this rider.

MONTHLY CREDITS: The Customer bill for any mobile facility meeting the criteria for this MFI Schedule will be computed using Florida Power Corporation's billing charges. This computation would duplicate the amount of the bill the Customer would actually pay if the Customer were on Florida Power Corporation's system.

SETTLEMENT AGREEMENT

This Settlement Agreement, made and entered into this 14th day of November, 1989, by and between AGRICO CHEMICAL COMPANY, a division of Freeport-McMoRan Resource Partners Limited Partnership ("Agrico"), FLORIDA POWER CORPORATION ("Florida Power") and TAMPA ELECTRIC COMPANY ("Tampa Electric");

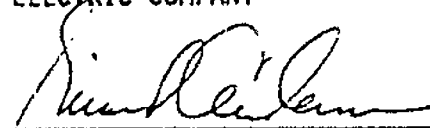
W I T N E S S E T H:

That Florida Power hereby agrees that if Agrico and Tampa Electric resolve their differences with respect to Agrico's consumption of electricity delivered to it by Florida Power within Florida Power's service territory on a sufficiently agreeable basis to induce Agrico and Tampa Electric to mutually seek the dismissal of that certain territorial dispute entitled Tampa Electric Company, Complainant v. Florida Power Corporation, Respondent, now pending before the Florida Public Service Commission (FPSC), in Docket No. 890646-EI, then Florida Power will not oppose such dismissal. Subject to the approval of such dismissal by the FPSC, Agrico hereby releases Florida Power from any anti-trust, rate discrimination, or other legal or equitable claim or action whatsoever, without regard to whether the same might properly be brought in an administrative forum or in a judicial forum, at law or in equity, where the basis for such claim or action relates directly or indirectly to the provision of electric service or rates or changes for such service, and such claim or action arose, accrued or occurred prior to the date of this Agreement.

IN WITNESSETH WHEREOF, the parties have executed this Agreement acting by and through their duly authorized officers this 14th day of November, 1989.

TAMPA ELECTRIC COMPANY

By:


Its: President


AGRICO CHEMICAL COMPANY

By:


Its: Sr. V. P. [Name]

FLORIDA POWER CORPORATION

By:


Its: Executive Vice President