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June 23, 1995

HAND DELIVERED

IN REPLY REFER TO:

Tallahassee

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

ORIGINAL
FILE COPY

Re: Fuel and Purchased Power Cost Recovery Clause
with Generating Performance Incentive Factor;
FPSC Docket No. 950001-EI

Dear Ms. Bayo:

Enclosed for filing in the above docket, on behalf of Tampa Electric Company, are fifteen (15) copies of each of the following:

- 05925-95. Petition of Tampa Electric Company.
- 05926-95². Prepared Direct Testimony of Mary Jo Pennino and Exhibit (MJP-2) regarding Tampa Electric's projected Total Fuel and Purchased Power Cost Recovery Factors and Exhibit (MJP-3) regarding projected Capacity Cost Recovery Factors for the period October 1995 through March 1996.
- ACK 05927-95
3. Prepared Direct Testimony of William N. Cantrell with Exhibit (WNC-1) regarding 1994 Transportation and Coal Benchmark calculations.
- 05-928-95
4. Prepared Direct Testimony of George A. Keselowsky with Exhibits (GAK-2) and (GAK-3) regarding Tampa Electric Company's projected performance under the Generating Performance Incentive Factor for the period October 1995 through March 1996.
- Dudley
1
3
5. Prepared Direct Testimony of E. A. Townes and W. N. Cantrell with Exhibit (WNC/EAT-2) regarding Schedules Supporting the Oil Backout Cost Recovery Factor for the period October 1995 through December 1995 and Exhibit (WNC/EAT-3) regarding the Gannon Conversion Project Comparison of Projected Payoff with Original Estimate as of May 1995.

RECEIVED & FILED

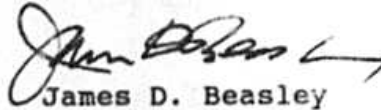
Ms
FPSC-BUREAU OF RECORDS

Ms. Blanca S. Bayo
June 23, 1995
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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
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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 23rd day of June, 1995 to the following:

Ms. Martha C. Brown*
Ms. Mary Elizabeth Culpepper
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Ms. Blanca S. Bayo
June 23, 1995
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Mr. Peter J. P. Brickfield
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Minneapolis, MN 55402



ATTORNEY

ORIGINAL
FILE COPY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

WILLIAM N. CANTRELL

1
2
3
4
5
6 Q. Please state your name, address and occupation.

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

12
13 Q. Please furnish a brief outline of your educational
14 background and business experience.

15
16 A. I was educated in the public schools of Tampa, Florida and
17 received a Bachelor of Science degree in Electrical
18 Engineering from the Georgia Institute of Technology in
19 1974. I am a registered Professional Engineer licensed in
20 the State of Florida. I also received a Master of Business
21 Administration degree in 1979 from the University of Tampa.
22 I have been employed at Tampa Electric Company since June
23 1975. Since that time, I have served as Manager of
24 Generation Planning, Assistant Director, Budgets and
25 Director of Fuels. In 1987, I was elected Vice President
26 of the company. In 1994, I was elected to my current

DOCUMENT NUMBER DATE
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1 position as Vice President-Energy Supply.

2

3 Q. Will you describe some of the responsibilities of your
4 present position?

5

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

13

14

15 Q. Please state the purpose of your testimony.

16

17 A. The purpose of my testimony is to report to the Commission
18 the actual 1994 costs of Tampa Electric's affiliated coal
19 and coal transportation transactions compared to the
20 benchmark prices calculated in accordance with Order No.
21 20298 (coal transportation) and Order No. PSC-93-0443-FOF-
22 EI ("Order No. 93-0443") (coal). I conclude that the 1994
23 prices paid by Tampa Electric to its affiliates TECO
24 Transport and Trade Company and Gatliff Coal are reasonable
25 and prudent.

1 Q. Have you prepared an exhibit which you sponsor in this
2 proceeding?

3
4 A. Yes. Exhibit No. (WNC-1) titled "Exhibit of William N.
5 Cantrell", consisting of 2 documents, was prepared under my
6 direction and supervision.

7
8 AFFILIATED COAL TRANSPORTATION PRICES

9
10 Q. Were Tampa Electric's actual affiliated coal transportation
11 prices for 1994 at or below the transportation benchmark?

12
13 A. Yes, they were. This is reflected in Document No. 1 of my
14 exhibit.

15
16 Q. Were Tampa Electric's actual 1994 affiliated coal prices at
17 or below the benchmark as established in Order No. 93-0443?

18
19 A. Yes, they were. This is reflected in Document No. 2 of my
20 exhibit.

21
22 Q. Please summarize your testimony.

23
24 A. My testimony justifies the prices paid for coal and coal
25 transportation by Tampa Electric Company in 1994 to its

1 affiliated suppliers, Gatliff Coal and TECO Transport and
2 Trade. I demonstrate that the average prices for the year
3 1994 for all coal and coal waterborne transportation
4 services were at or below the appropriate benchmark
5 calculations as directed by Order No. 20298 and Order No.
6 93-0443 of this Commission. Therefore, Tampa Electric
7 should recover its payments for coal and coal
8 transportation made during 1994.

9
10 Q. Does this conclude your testimony?

11
12 A. Yes, it does.
13
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25

EXHIBIT NO. _____
DOCKET NO. 950001-EI
TAMPA ELECTRIC COMPANY
(WNC-1)

TAMPA ELECTRIC COMPANY
EXHIBIT OF W. N. CANTRELL

EXHIBIT NO. _____
DOCKET NO. 950001-EI
TAMPA ELECTRIC COMPANY
(WNC-1)

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1994 TRANSPORTATION BENCHMARK CALCULATION

Average Rail Mileage to Tampa	1,191 Miles	(Note 1)
x Average of Lowest Two Publicly Available Florida Rail Rates	<u>x 2.011</u> ¢/ton mile	(Note 2)
	\$23.95	
+ Costs of Privately Owned Rail Cars	<u>\$ 1.75</u>	(Note 3)
Transportation Benchmark for the Year Ended 12/31/94	\$25.70	(Note 4)

Notes

- 1/ Weighted average domestic rail miles from all Tampa Electric waterborne coal supplies to plants. Rail miles for imported coal sources are measured from port of entry.
- 2/ Cents per ton mile for publicly available Florida utility rail coal transportation rates including discounts for volume and private rail cars. The current publicly available rail rates to Florida utilities on a cents per ton-mile basis for 1994 are as follows:

JEA	2.024 ¢ *
Orlando	1.998 ¢ *
Lakeland	2.161 ¢
Gainesville	2.296 ¢

* Average of Lowest Two 2.011 ¢

- 3/ The cost of Private rail cars was approved in the original stipulation as \$2.00 per ton. Subsequent negotiation between Tampa Electric and Public Service Commission Staff resulted in an agreed upon estimated cost of \$1.75 per ton.
- 4/ Calculated by multiplying average domestic rail milage to Tampa by Florida rail coal market costs (cents per ton-mile), then adding the costs of privately-owned rail cars.

1994 TRANSPORTATION MARKET PRICE APPLICATION

Tampa Electric Weighted Average per ton Water Transportation Price from All Tampa Electric Coal Sources ($\$$ _____ divided by 5,911,253.65)	\$ _____
Transportation Benchmark	<u>\$25.70</u>
Over/(Under) Benchmark	_____
Total Tons Transported in 1994	5,911,254
Total Transportation Cost in 1994	\$ _____
Total Amount Allowable for Recovery Using Benchmark ($\$25.70 \times 5,911,254$)	\$ 151,919,219
Total Cost Over/(Under) Benchmark - 1994	\$ _____
Prior Year's Cumulative Benefit (1988-1993)	\$ _____
Net Benefit for 1988-1994	\$ _____

MARKET BASED COAL CALCULATION - 1994

Base Price of Coal As of 12/31/92	\$ 38.00
CPI-U Index Value at 12/31/92	141.9
CPI-U Index Value at 12/31/94	149.7
Percent Change in CPI-U From 12/31/92 to 12/31/94	5.5%
1994 Gatliff Coal Price Benchmark (38.00 x (1 + 0.055))	\$ 40.08

COAL MARKET PRICE APPLICATION - 1994

Tampa Electric Weighted Average per Ton Price of Coal Purchased	\$ _____
Coal Price Benchmark	\$ <u>40.08</u>
Over/(Under) Benchmark	\$ _____
Total Tons Purchased in 1994	1,913,438.16
Total Cost in 1994	\$ _____
Total Amount Allowable for Recovery Using Benchmark (40.08 x 1,913,438.16)	\$ <u>76,690,601</u>
Total Cost Over/(Under) Benchmark - 1994	\$ _____