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ORIGINAL
FILE COPY

June 24, 1996

HAND DELIVERED

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

Re: Fuel and Purchased Power Cost Recovery Clause
with Generating Performance Incentive Factor;
FPSC Docket No. 960001-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:

1. Petition of Tampa Electric Company.

ACK _____ 2. Prepared Direct Testimony of Mary Jo Pennino and Exhibit
AFA _____ (MJP-2) regarding Tampa Electric's projected Total Fuel
APP _____ and Purchased Power Cost Recovery Factors and Exhibit
CAF _____ (MJP-3) regarding projected Capacity Cost Recovery
Factors for the period October 1996 through March 1997.

CMU _____ 3. Prepared Direct Testimony of William N. Cantrell with
CTR _____ Exhibit (WNC-1) regarding 1995 Transportation and Coal
EAG 5-Bars _____ Benchmark calculations.

LEG 1 4. Prepared Direct Testimony of George A. Keselowsky with
LIT 1 + orig Test _____ Exhibits (GAK-2) and (GAK-3) regarding Tampa Electric
Company's projected performance under the Generating
Performance Incentive Factor for the period October 1996
through March 1997.

SEC 1 5. Prepared Direct Testimony of John B. Ramil relative to
WAS _____ Public Counsel's Generic Issue regarding Off-System
Sales.

| | | | |
|-----|------------------------|------------------------|------------------------|
| OTH | <u>Pennino</u> | <u>Ramil</u> | <u>Keselowsky</u> |
| | DOCUMENT NUMBER-DATE | DOCUMENT NUMBER-DATE | DOCUMENT NUMBER-DATE |
| | 06752 JUN 24 96 | 06753 JUN 24 96 | 06754 JUN 24 96 |
| | FPSC-RECORDS/REPORTING | FPSC-RECORDS/REPORTING | FPSC-RECORDS/REPORTING |

DOCUMENT NUMBER-DATE
06756 JUN 24 96
Cantrell
FPSC-RECORDS/REPORTING

Ms. Blanca S. Bayo
June 24, 1996
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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.)

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 PREPARED DIRECT TESTIMONY

3 OF

4 WILLIAM 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 P.O.
9 Box 111, Tampa, Florida 33601, and my business address is
10 6820 South Tamiami 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

1 of the company. In 1994, I was elected to my current
2 position as Vice President-Energy Supply.
3

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

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

15
16 Q. Please state the purpose of your testimony.
17

18 A. The purpose of my testimony is to report to the Commission
19 the actual 1995 costs of Tampa Electric's affiliated coal
20 and coal transportation transactions compared to the
21 benchmark prices calculated in accordance with Order No.
22 20298 (coal transportation) and Order No. PSC-93-0443-FOF-
23 EI ("Order No. 93-0443") (coal). I conclude that the 1995
24 prices paid by Tampa Electric to its affiliates TECO
25 Transport and Trade Company and Gatliff Coal are reasonable

1 and prudent.

2

3 Q. Have you prepared an exhibit which you sponsor in this
4 proceeding?

5

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

9

10 AFFILIATED COAL AND COAL TRANSPORTATION PRICES

11

12 Q. Were Tampa Electric's actual affiliated coal transportation
13 prices for 1995 at or below the transportation benchmark?

14

15 A. Yes, they were. This is reflected in Document No. 1 of my
16 exhibit.

17

18 Q. Were Tampa Electric's actual 1995 affiliated coal prices at
19 or below the benchmark as established in Order No. 93-0443?

20

21 A. Yes, they were. This is reflected in Document No. 2 of my
22 exhibit.

23

24 Q. Please summarize your testimony.

25

1 A. My testimony justifies the prices paid for coal and coal
2 transportation by Tampa Electric Company in 1995 to its
3 affiliated suppliers, Gatliff Coal and TECO Transport and
4 Trade. I demonstrate that the average prices for the year
5 1995 for all coal and coal waterborne transportation
6 services were at or below the appropriate benchmark
7 calculations as directed by Order No. 20298 and Order No.
8 93-0443 of this Commission. Therefore, Tampa Electric
9 should recover its payments for coal and coal
10 transportation made during 1995.

11

12 Q. Does this conclude your testimony?

13

14 A. Yes, it does.

15

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EXHIBIT NO. _____
DOCKET NO. 960001-EI
TAMPA ELECTRIC COMPANY
(WNC-1)

TAMPA ELECTRIC COMPANY
EXHIBIT OF W. N. CANTRELL

EXHIBIT NO. _____
TAMPA ELECTRIC COMPANY
DOCKET NO. 960001-EI
(WNC-1)

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1995 TRANSPORTATION BENCHMARK CALCULATION

| | | | |
|---|--------------------------|------------|----------|
| Average Rail Mileage to Tampa | 1253 | Miles | (Note 1) |
| x Average of Lowest Two Publicly Available Florida Rail Rates | <u>2.021457</u> 25.33 | ¢/ton mile | (Note 2) |
| + Costs of Privately Owned Rail Cars | 1.75 | | (Note 3) |
| Transportation Benchmark for the Year Ended 12/31/94 | 27.08 | | (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 | 1.9507 | ¢* |
| Orlando | 2.0922 | ¢* |
| Lakeland | 2.1949 | ¢ |
| Gainesville | 2.1658 | ¢ |

* Average of Lowest Two 2.021457 ¢

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.

1995 TRANSPORTATION MARKET PRICE APPLICATION

| | |
|---|-------------------|
| Tampa Electric Weighted Average per ton Water Transportation Price from All Tampa Electric Coal Sources ($\$$ [REDACTED] divided by 5,385,447.19) | \$ [REDACTED] |
| Transportation Benchmark | <u>\$ 27.08</u> |
| Over/(Under) Benchmark | [REDACTED] |
| Total Tons Transported in 1995 | 5,385,447.19 |
| Total Transportation Cost in 1995 | \$ [REDACTED] |
| Total Amount Allowable for Recovery Using Benchmark ($\$27.08 \times 5,385,447.19$) | \$ 145,106,749.90 |
| Total Cost Over/(Under) Benchmark - 1995 | \$ [REDACTED] |
| Prior Year's Cumulative Benefit (1988-1994) | \$ [REDACTED] |
| Net Benefit for 1988-1995 | \$ [REDACTED] |

EXHIBIT NO.
DOCKET NO. 960001-EI
TAMPA ELECTRIC COMPANY
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DOCUMENT NO. 2
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MARKET BASED COAL CALCULATION - 1995

| | |
|--|----------|
| 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 12/31/95 | 153.5 |
| Percent Change in CPI-U From 12/31/92 to 12/31/95 | 8.28 |
| 1995 Gatliff Coal Price Benchmark (38.00 x (1 + 0.082)) | \$ 41.12 |

EXHIBIT NO. _____
DOCKET NO. 960001-EI
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COAL MARKET PRICE APPLICATION - 1995

| | |
|--|------------------------|
| Tampa Electric Weighted Average per Ton Price of Coal Purchased | \$ [REDACTED] |
| Coal Price Benchmark | \$ <u>41.12</u> |
| Over/(Under) Benchmark | \$ [REDACTED] |
| Total Tons Purchased in 1995 | 1,546,426.52 |
| Total Cost in 1995 | \$ [REDACTED] |
| Total Amount Allowable for Recovery Using Benchmark (41.12 x 1,546,426.52) | <u>\$63,589,058.50</u> |
| Total Cost Over/(Under) Benchmark - 1995 | \$ [REDACTED] |