



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: April 10, 1997

TO: Mr. Gary Lawrence, City of Lakeland
 Ms. Vicki Gordon Kaufman, Florida Industrial Power Users Group
 Mr. Robert Williams, Florida Municipal Power Agency
 Mr. Jim McGee, Florida Power Corporation
 Mr. Bill Feaster, Florida Power & Light
 Mr. Jeffrey A. Stone, Beggs & Lane
 Ms. Angela Llewellyn, Tampa Electric Company
 Mr. John Roger Howe, Office of Public Counsel

FROM: Leslie J. Paugh, Senior Attorney, Division Of Legal Services *JSP*

RE: Docket No. 970171-EU - Determination of appropriate cost allocation and regulatory treatment of total revenues associated with wholesale sales to Florida Municipal Power Agency and City of Lakeland by Tampa Electric Company.

Via Facsimile

The Issue Identification Meeting in the above-referenced Docket was held on April 10, 1997. Present at the meeting were representatives of the Public Service Commission Staff, Tampa Electric Company, Florida Industrial Power Users Group and Office of Public Counsel.

It was agreed that the following 5 issues will be addressed in the proceedings:

1. How should the non-fuel revenues and costs associated with Tampa Electric Company's wholesale schedule D sales to the Florida Municipal Power Agency be treated for retail regulatory purposes?
2. How should the non-fuel revenues and costs associated with Tampa Electric Company's wholesale schedule D sales to the City of Lakeland be treated for retail regulatory purposes?
3. How should the fuel revenues and costs associated with Tampa Electric Company's wholesale schedule D sales to the Florida Municipal Power Agency be treated for retail regulatory purposes?
4. How should the fuel revenues and costs associated with Tampa Electric Company's wholesale schedule D sales to the City of Lakeland be treated for retail regulatory purposes?

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5. How should the transmission revenues and costs associated with Tampa Electric Company's wholesale sales to the Florida Municipal Power Agency and the City of Lakeland be treated for retail regulatory purposes?

Agreement could not be reached on whether the following 4 issues should be addressed in the proceedings:

1. Does the off-system sale agreement to the City of Lakeland provide net benefits to Tampa Electric's general body of rate payers?
2. Does the off-system sale agreement to the Florida Municipal Power Agency provide net benefits to Tampa Electric's general body of rate payers?
3. Will the Commission's treatment of the City of Lakeland and Florida Municipal Power Agency wholesale sales have an impact on TECO's refund obligation under the stipulation in Docket No. 950379-EI, Order No. PSC 96-0670-S-EI, approved by the Commission?
4. Would the Commission exceed its jurisdiction if it were to allow Tampa Electric to earn a return through retail rates for its wholesale sales to the Florida Municipal Power Agency and to the City of Lakeland.

All other issues submitted for issue identification have been subsumed under the agreed upon issues or have been removed from consideration. If this is not your understanding of the outcome of the Issue Identification meeting, please contact me at (904) 413-6199 as soon as possible so that we may discuss your concerns.

LJP/anr