



CARGILL FERTILIZER, INC.

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ORIGINAL

April 30, 2002

Mr. Michael Haff
Fla. Public Service Commission
Division of Safety and Electric Reliability
2540 Shomard Oak Boulevard Bldg. G
Tallahassee, Fla.

Re: Docket No 001048 - EQ
Cargill Self Service Wheeling

02 MAY -5 11:19
EQUILIBRIUM REGULATION
REGISTRATION SECTION

Dear Mr. Haff:

Attached you will find some additional data, calculations and comments related to the results of the first year of Cargill's Self Service Wheeling activities within TECO's territory; which we wish be made part of the record on this docket.

We have also shared this information with TECO; and would gladly answer any questions that you or other FPSC staff have regarding the 1st. year's comprehensive results as reported by TECO, and expanded upon in the enclosed attachment.

Sincerely yours,

Roger Fernandez
Utilities Superintendent
Cargill Fertilizer, Inc.

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E mail: roger_fernandez@cargill.com

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docket file.*

*Thanks.
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Attachment A

CARGILL'S SELF-SERVICE WHEELING - - CALCULATIONS AND YEAR END RESULTS

Methodology as Reported is Skewed to negative results and does not value some of the positive aspects of Cargill's operations and transactions as follows:

- 1 Methodology provided 0 credit for times when SSW coincided with Optional Provision Purchases; which is the time at which it is potentially of most benefit to other interruptible customers and TECO's system.

The average paid per MWH for the Opt. Prov. Purchases of Cargill for the year was \$110.56/MWH; if subtracted from TECO's On Peak charges \$50.09 and multiplied by the 901 MWH of coincidental SSW and OPP; an estimate of this value of \$54,383 can be obtained.

- 2 Environmental benefits from waste heat generation, CHP (combined heat and power) are also given no place in the methodology.

Utilizing published estimates of the environmental costs of electricity generation from conventional sources --- 34% of the production cost of electricity—(.34 x \$23.12/mwh) and the 8580 MWH of waste heat generated SSW (and retained in TECO's system area) an estimated value of \$67,446 is obtained

When evaluating the total impact on "Others" then a more complete and fair evaluation would demonstrate that Cargill's SSW activities within TECO's territory for the past year provided net benefits to "Others" of about \$100,000.

It also must be pointed out that total Cargill payments to the host utility for the year of self-service wheeling were over \$4.5 MM, and exceeded those of the year prior to the test SSW period.

Even though it is obvious that in terms of TECO's total system and its revenues this SSW activity results are statistically insignificant; it nevertheless can be concluded that in Cargill's unique set of circumstances SSW is a win/win situation for others, the utility, and Cargill as well.