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ORIGINAL

February 14, 2003

HAND DELIVERED

Ms. Blanca S. Bayo, Director
Division of Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RECEIVED-FPSC
FEB 14 PM 3:53
COMMISSION
CLERK

020898-3Q

Re: Petition by Cargill Fertilizer, Inc. to engage in a pilot project for self service wheeling to, from, and between points within Tampa Electric Company's service area; FPSC Docket No. 001048-EQ

TRANSMITTAL OF CONFIDENTIAL INFORMATION

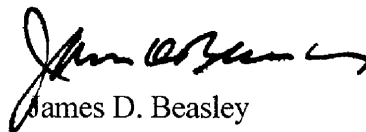
Dear Ms. Bayo:

Enclosed for filing on a confidential basis is one copy of Tampa Electric Company's Quarterly Report (Quarter IV 2002) identifying the costs and revenues associated with the approved experimental self-service wheeling program. We would appreciate your protecting the enclosed filing from public disclosure pursuant to Section 366.093, Florida Statutes, and the Commission's Rule 25-22.006, Florida Administrative Code.

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

DOCUMENT NUMBER - DATE
01540 FEB 14 03
FPSC-COMMISSION CLERK

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FPSC-BUREAU OF RECORDS

Overview of Self-Service Wheeling Experimental Program

Pursuant to Florida Public Service Commission Order No. PSC-00-1596-TRF-EQ, dated September 6, 2000, Tampa Electric Company (TECO) and Cargill Fertilizer, Inc. (Cargill) are participating in an experimental program in which TECO provides Cargill with self-service wheeling (SSW) to, from and between Cargill's three locations identified as "New Millpoint", "Ridgewood Master" (fertilizer plants) and "Hooker's Prairie Mine".

According to the Order, transmission wheeling of self-service energy will be supplied under TECO's Open Access Transmission Tariff (OATT) on file at the Federal Energy Regulatory Commission (FERC). Any applicable charges for under-delivery of scheduled energy will be collected under TECO's Open Access Generation-to-Schedule Imbalance (GSI) Service. For the duration of this pilot program (initially limited to two years), TECO will submit quarterly reports, such as the attached, that identify the costs and revenues associated with this program.

The first section of the quarterly report is a summary page designed to provide information regarding Cargill's actual energy (MWH) reduction attributable to SSW¹, the basis for the GSI service charge and the net revenue gains or losses for other TECO ratepayers. This page also includes TECO's monthly peak information. When SSW occurs, TECO's incremental fuel expense for serving this energy is avoided (except when Cargill under-delivers and TECO serves the energy shortfall via the GSI service). Ratepayers lose fuel revenue when the avoided incremental fuel expense is less than the otherwise applicable tariff fuel rate. Conversely, ratepayers benefit if the reverse is true. Cargill's self-service energy is assumed to be an incremental increase to TECO's energy supply. Therefore, any SSW MWs in hours that are coincident with hourly spot sales of energy are assumed to have contributed to the sales.

The second section shows the impact of SSW on Cargill's electric bills for each of the three Cargill locations. It provides the billing components before and after the SSW energy reduction adjustment. Cargill's SSW is non-firm and therefore assumed to have no impact on the billing demand used to calculate demand charges for retail electric service. Although all billing components are shown, only the energy-related components are impacted.

The third section provides a graphical presentation of the hours of SSW (including whether on-peak or off-peak); the hours of optional provision purchases; the hours of overlap of SSW and optional provision purchases, and the actual peak hour for each day. Over time these charts may assist in the assessment of reliability impacts to both TECO and Cargill.

On August 16, 2002, Cargill filed a petition with the Florida Public Service Commission ("Commission") seeking permanent approval of SSW and a motion requesting that the current SSW program be continued during the petition resolution period (Docket No.

¹ SSW energy occurring during hours of optional provision purchase is excluded from the actual energy reduction amount in the Ratepayer Impact Section of this report. Lost revenues and avoided fuel expense are not applicable to this energy as it would have otherwise been served through optional provision purchases and not by Tampa Electric.

020898). On October 1, the Commission granted the latter request (Order No. PSC-02-1451-PCO-EQ) with the Cargill's commitment to make ratepayers whole for any impacts associated with SSW during the program's extended period, and set the docket for hearing on the question of permanent approval. On October 9, 2002, in response to the Commission's decision and with Commission support, Tampa Electric filed with FERC a transaction-specific transmission service agreement between Tampa Electric and Cargill intended specifically to accommodate the request that the current SSW be continued (Docket No. ER03-27-000). At the request of Tampa Electric, and with the agreement of Cargill, an order was issued November 5 by the Commission (Order No. PSC-02-1518-PCO-EQ) holding all activity related to Docket No. 020898 in abeyance until FERC ruled on Tampa Electric's SSW filing. The FERC issued a letter on November 14, 2002, accepting Tampa Electric's transaction specific non-firm point-to-point service agreement with Cargill for self-service wheeling effective October 1, 2002. The companies began negotiations to resolve self-service issues in December.

TECO has shared the information in this report with Cargill

Section 1

Impact of Self-Service Wheeling on Other Tampa Electric Ratepayers