

STATE OF FLORIDA PUBLIC SERVICE COMMISSION

STATEMENT CENTER
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CUTRALE CITRUS JUICES USA, INC.,

PSC Complaint No.: 694187E
Docket No. 0707833-EI

Petitioner,

070733-EI
em

vs.

TAMPA ELECTRIC COMPANY,

Respondent.

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COMMISSION
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Cutrale's Response to PSC Data Request Dated April 16, 2008

Petitioner, CUTRALE CITRUS JUICES USA, INC. ("Cutrale") hereby responds to the additional data requests served by the Public Service Commission on April 16, 2008 as follows:

1. **Data Request:** Based on the straight line diagram you provided, it appears that Cutrale owns the two generators, generating electricity at 13 KV each (output voltage). Is that correct? If not, what is the output voltage (KV) of each generator?

Cutrale's Response: Cutrale owns both generators, and the output voltage of the generators is 13 kV.

2. **Data Request:** Based on the straight line diagram you provided, it appears that Cutrale also owns and operates a steam generator that generates at 2.4 KV (output voltage). Is that correct? What is the output voltage (KV) of the steam generator?

Cutrale's Response: The steam generator in the diagram has been out of service since Cutrale purchased the facilities from the Coca Cola Company in 1996. The generator is scheduled for removal, and is expected to be removed from the plant by the end of April, 2008.

3. **Data Request:** How much of the power generated at the Auburndale facility does Cutrale use? How often and approximately how much per day does Cutrale provide to the grid (TECO) for resale?

Cutrale's Response: Cutrale uses 100% of the power generated by its Auburndale facility; 0 % is provided to the grid for resale.

4. **Data Request:** According to the straight line diagram, there does not appear to be any 13 KV to 4 KV transformers served by the Minute Maid Substation. It appears that all transformation is to 2.4 KV and lower. Is that correct?

Cutrale's Response: Yes, that is correct.

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5. **Data Request:** According to the straight line diagram there does not appear to be any interconnection with the Arianna 13279 distribution system and the distribution system represented in the straight line diagram. Is that correct?

Cutrale's Response: Yes, that is correct.

6. **Data Request:** Do any of Cutrale's bills reflect a transformer ownership discount received from TECO for service from its Arianna 13279 distribution system? Is so, please provide a copy of that bill.

Cutrale's Response: Yes, Cutrale receives the transformer ownership discount on the 13 kV service it receives from the Arianna 13279 switch, which services Cutrale's wastewater treatment plant. A copy of Cutrale's February 2008 TECO bill for that service is attached as Exhibit "A."

7. **Data Request:** The straight line diagram provided by Cutrale states that it may not be copied without permission. Will your client grant permission for the Commission staff to make color copies of the straight line diagram for use by the Commission at the Agenda Conference?

Cutrale's Response: Cutrale hereby grants permission for the Commission staff to make color copies of the diagram for use at the Agenda Conference. Cutrale requests that Commission staff take appropriate measures to ensure that the document remains confidential.

Cutrale's Supplemental Memorandum

At the informal teleconference on March 26, 2008, the critical flaw in the PSC Process Review Team's denial of Cutrale's eligibility for the transformer ownership discount became clear. That rationale was expressed in Martha Carter Brown's November 28, 2007 letter, which stated:

The facts indicate that *Cutrale contracts for electric service from TECO's Minute Maid substation at a 13 kV voltage level.* TECO owns, operates and maintains the substation, which transforms 69 kV transmission voltage to 13 kV voltage and serves only the Cutrale facility. TECO's rates for the electric service provided to Cutrale reflect the *costs that TECO incurs to provide service to Cutrale at the 13 kV level.* Any further transformation from 13 kV to 4 kV that Cutrale performs on the customer side of the substation meter is Cutrale's responsibility, *because Cutrale has not contracted for service at the lower voltage level.* (emphasis added).

The flaw in the Process Review Team's analysis is its plainly incorrect assumption, as expressed in the quoted section above, that Cutrale "contracts" for electric service from TECO *at a particular*

voltage, and that the cost of energy varies according to the voltage at which service is received.¹ This is simply not the case. Neither Cutrale's Interconnection Agreement, nor its Tariff Agreement, nor the Tariff itself, reflects that the charges which Cutrale – or any TECO customer, for that matter – pays for electric service are in any way based upon the voltage at which such service is delivered by TECO.² Indeed, and to the contrary, under the applicable Tariff (as incorporated into Cutrale's Tariff Agreement with TECO), the charges Cutrale pays for electric service are based solely on the Tariff's rate schedule, and have nothing whatsoever to do with the voltage at which such service is delivered.³

¹ The Team was obviously under the mistaken impression that if Cutrale "contracted" for service at 4 kV, it would be charged a different price for energy by TECO than if Cutrale "contracted" for service at 13 kV. Moreover, the Team obviously – and equally incorrectly – concluded that, since Cutrale "contracts" for energy at 13 kV, and receives electric service at 13 kV, Cutrale is not entitled to the discount, whereas if Cutrale had "contracted for service at 4 kV," but received service at 13 kV, the discount would apply. The flaw in this analysis is the Team's mistaken assumption that, under the Tariff, Cutrale could somehow "contract for service at 4 kV," and that by doing so, Cutrale would pay a different – and obviously higher – rate than the rate it has been paying for service at 13 kV.

² The SBFT-358 Tariff applicable to Cutrale – which expressly provides for the transformer ownership discount in question – indicates that the "Character of Service" to which the rate schedule reflected therein applies is "A-C; 60 cycles; 3 phase; *at any standard company voltage*." See Third Revised Sheet No. 6.605 (emphasis supplied). However, while the same energy cost rates apply regardless of the voltage at which service is received, the two separate transformer ownership discounts are only available, respectively, to customers who either (a) receive service at "primary voltage," *i.e.*, 13 kV, such as Cutrale, or (b) receive service at transmission (*i.e.*, 69 kV and above) voltage and provide "all" subtransmission or higher voltage to utilization voltage transformation.

³ Under the rate schedule set out in the Tariff, Cutrale pays demand and energy charges, for both Stand-by Service and Supplemental Service, on the basis of the number of kilowatt hours of energy consumed by Cutrale (or made available by TECO). Those rates are fixed by the Tariff, and they apply "across the board," regardless of whether the energy is delivered to Cutrale at 13 kV, or at some other voltage.

As Cutrale explained in the March 26th teleconference, and as can plainly be seen in the Tariff itself, the “smaller” of the two transformer ownership discounts (and the one for which Cutrale qualifies) applies whenever the customer receives service from TECO at “primary voltage,” *i.e.*, 13 kV, and then accomplishes further voltage transformation using its own transformers. On the other hand, again under the plain language of the tariff, customers who receive service at voltage levels *lower than 13 kV* are simply not eligible for either of the two transformer ownership discounts.

In light of the above, the Process Review Team’s “belief that this matter is resolved most clearly as a rate issue” – as Ms. Brown stated in her November 28, 2007 letter – is plainly shown to be incorrect. The “rate” is clearly established by the Tariff, and thus is not “the issue” here. Rather, the issue is whether Cutrale “furnishes and installs all primary voltage to secondary voltage line transformation from a primary voltage distribution feeder,” which is the sole eligibility requirement for the “smaller” of the two transformer ownership discounts available under Rate Schedule SBFT -358. Accordingly, the question is simply whether the Minute Maid Substation, which furnishes service to Cutrale at “primary voltage” – *i.e.*, at 13 kV – is a “primary voltage distribution feeder” within the meaning of SBFT–358. That term is not defined in SBFT–358, nor indeed in any other TECO Tariff. As Cutrale explained at length in its counsel’s July 18, 2006 letter to Elisabeth Draper, the Minute Maid Substation is a “primary voltage distribution feeder,” and there is no legal, regulatory, or technical basis for grafting a “serves multiple customers” requirement on to the definition of that term.

Respectfully submitted,

**WINDERWEEDLE, HAINES, WARD
& WOODMAN, P.A.**

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Certificate of Service

I hereby certify that a copy of this document and its Exhibit was provided by e-mail and regular mail to James D. Beasley, Esq., Ausley & McMullen, P.O. Box 391, Tallahassee, FL 32302, and to Lisa C. Bennett, Esq., Public Service Commission, Capital Circle Office Center, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850, this 17th day of April, 2008.

Robert P. Major, Esq.

CUTRALE CITRUS
 602 MCKEAN ST PUMPS
 AUBURNDALE FL 33823-4070

STATEMENT DATE
 MAR 10, 2008

PLEASE REFER TO THE BACK OF THIS BILL FOR ADDITIONAL INFORMATION.

AMOUNT NOW DUE
 \$61,732.51

* THIS MONTH'S
 CHARGES ARE PAST
 DUE AFTER APR 01

YOUR ACCOUNT NO.
 0520 2192930

RATE SCHEDULE
 GSLDT 352

NEXT READING DATE
 APR 07

ACTUAL DEMAND
 1172 KW

LOAD FACTOR
 87.59 %

CONSERVATION INFO
 THIS PERIOD:
 24,637 KWH/DAY
 1,172 KW
 YEAR AGO:
 24,516 KWH/DAY
 1,190 KW

METER NUMBER	READING DATES		BILL DAYS	YOUR ACCOUNT IS BILLED USING DATA FROM AN ELECTRONIC RECORDER. TRADITIONAL METER READINGS ARE NOT REQUIRED FOR BILLING.	KWH PURCHASED
	PRESENT	PREVIOUS			
974887	MAR 05	FEB 05	29		714,476
		ON PEAK		24.18%	172,778
		OFF PEAK			541,698

THIS MONTH'S BILLING INFORMATION

CUSTOMER CHARGE		\$ 255.00	
DEMAND CHARGE			
BILLING	1,172 KW @	\$2.36/KW	2,765.92
ON PEAK	1,160 KW @	\$5.08/KW	5,892.80
ENERGY CHARGE			
ON PEAK	172,778 KWH @	2.729¢/KWH	4,715.12
OFF PEAK	541,698 KWH @	1.539¢/KWH	8,336.74
POWER FACTOR ADJUST	80.56%	82,653 KVARH	165.31
TRANSFORMER CREDIT			-421.92
METERING LEVEL DISCOUNT			-179.17
FUEL COST			
ON PEAK	172,778 KWH @	6.320¢/KWH	10,919.57
OFF PEAK	541,698 KWH @	4.650¢/KWH	25,188.96
ELECTRIC SERVICE COST			57,638.33
FLORIDA GROSS RECEIPTS TAX		57,638.33	1,477.90
POLK TAX (EXEMPT	32,953.39)	26,162.84	2,616.28
THIS MONTH'S CHARGES			\$ 61,732.51 *
(PREVIOUS BALANCE	59,166.60)		
UNPAID PREVIOUS BALANCE			59,166.60
TRANSFER OUT			-59,166.60
AMOUNT NOW DUE		PLEASE PAY	\$61,732.51

BILL ON STANDARD RATE \$63,368.89
 SAVINGS ON TIME-OF-DAY RATE \$1,636.38

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