

# AUSLEY & McMULLEN

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July 10, 2008

HAND DELIVERED

RECEIVED-FPSC  
08 JUL 10 PM 2:39  
COMMISSION  
CLERK

Ms. Ann Cole, Director  
Division of Commission Clerk  
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. 080001-EI

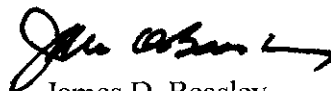
Dear Ms. Cole:

Enclosed for filing in the above docket are the original and seven (7) copies of Tampa  
Electric Company's Request for Confidential Classification and Motion for a Temporary  
Protective Order of portions of its answer to the Florida Public Service Commission Staff's  
Second Set of Interrogatories No. 13.

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  
Enclosure

cc: All Parties of Record (w/enc.)

1 copy  
records

DOCUMENT NUMBER-DATE

05964 JUL 10 8

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost Recovery )  
Clause with Generating Performance Incentive ) DOCKET NO. 080001-EI  
Factor. ) FILED: July 10, 2008  
\_\_\_\_\_ )

**REQUEST FOR CONFIDENTIAL CLASSIFICATION  
AND MOTION FOR A TEMPORARY PROTECTIVE ORDER**

Tampa Electric Company ("Tampa Electric" or "the company"), pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, hereby requests confidential classification of certain highlighted information contained in portions of its answers to the Florida Public Service Commission Staff's Second Set of Interrogatories (No. 13) and as grounds therefore, says:

1. The confidential information in question appears on Bates stamp pages 5 and 6 of the company's answer to Staff's Second Set of Interrogatories (No. 13) (referred to as the "Confidential Information"). A single yellow highlighted copy of Bates stamp pages 5 and 6 containing the Confidential Information is being separately filed with the Commission this date. Attached hereto as Exhibit "A" are two public redacted versions of the pages in question with the Confidential Information removed.

2. This request is also intended to serve as a request for a temporary protective order within the contemplation of Rule 25-22.006(6)(b), Florida Administrative Code, such that it will protect the confidential information from public disclosure while it is in the possession of the Office of Public Counsel.

DOCUMENT NUMBER-DATE

05964 JUL 10 g

FPSC-COMMISSION CLERK

3. Attached hereto as Exhibit "B" is a justification for designating the confidential information proprietary confidential business information under the above-referenced statute and rule.

4. Subsection 366.093(1), Florida Statutes, provides that any records "found by the Commission to be proprietary confidential business information shall be kept confidential and shall be exempt from s.119.07(1) [requiring disclosure under the Public Records Act]." The proprietary confidential business information includes, but is not limited to:

(d) Information concerning bids or other contractual data, the disclosure of which would impair the efforts of the public utility or its affiliates to contract for goods or services on favorable terms. (Section 366.093(3)(d), Florida Statutes)

5. Proprietary confidential business information also includes:

(e) Information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information. (Section 366.093(3)(e), Florida Statutes)

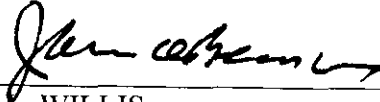
6. The Confidential Information falls within the above statutory categories and, thus, constitutes proprietary confidential business information entitled to protection under Section 366.093 and Rule 25-22.006.

7. The material for which confidential classification is sought is intended to be and is treated by Tampa Electric as private and has not been disclosed.

WHEREFORE, Tampa Electric respectfully requests that the highlighted Confidential Information set forth in its Answer to Staff's Second Set of Interrogatories (No. 13) be accorded confidential classification and protection from public disclosure and the subject of a temporary protective order for the reasons set forth above.

DATED this 10<sup>th</sup> day of July 2008.

Respectfully submitted,



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LEE L. WILLIS  
JAMES D. BEASLEY  
Ausley & McMullen  
Post Office Box 391  
Tallahassee, Florida 32302  
(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Request for Confidential Classification and Motion for Temporary Protective Order, filed on behalf of Tampa Electric Company, has been furnished by U. S. Mail or hand delivery (\*) on this 10<sup>th</sup> day of July 2008 to the following:

Ms. Lisa Bennett\*  
Senior Attorney  
Office of the General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Mr. John T. Burnett  
Associate General Counsel  
Progress Energy Service Co., LLC  
Post Office Box 14042  
St. Petersburg, FL 33733-4042

Mr. Paul Lewis, Jr.  
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Suite 800  
Tallahassee, FL 32301-7740

Mr. John W. McWhirter, Jr.  
McWhirter & Davidson, P.A.  
400 North Tampa Street, Suite 2450  
Tampa, FL 33601-5126

Ms. Patricia A. Christensen  
Associate Public Counsel  
Office of Public Counsel  
111 West Madison Street – Room 812  
Tallahassee, FL 32399-1400

Mr. Norman Horton  
Messer Caparello & Self, P.A.  
Post Office Box 15579  
Tallahassee, FL 32317

Mr. Mehrdad Khojasteh  
Florida Public Utilities Company  
P. O. Box 3395  
West Palm Beach, FL 33402-3395

Mr. John T. Butler  
Senior Attorney  
Florida Power & Light Company  
700 Universe Boulevard  
Juno Beach, FL 33408-0420

Mr. Wade Litchfield  
Florida Power & Light Company  
215 South Monroe Street, Suite 810  
Tallahassee, FL 32301-1859

Ms. Susan Ritenour  
Secretary and Treasurer  
Gulf Power Company  
One Energy Place  
Pensacola, FL 32520-0780

Mr. Jeffrey A. Stone  
Mr. Russell A. Badders  
Mr. Steven R. Griffin  
Beggs & Lane  
Post Office Box 12950  
Pensacola, FL 32591-2950

Mr. Robert Scheffel Wright  
Mr. John T. LaVia, III  
Young van Assenderp, P.A.  
225 South Adams Street, Suite 200  
Tallahassee, FL 32301

Mr. Michael B. Twomey  
Post Office Box 5256  
Tallahassee, FL 32314-5256

Karen S. White, Lt Col, USAF  
Damund E. Williams, Capt., USAF  
AFLSA/JACL-ULT  
139 Barnes Drive, Suite 1  
Tyndall Air Force Base, FL 32403-5319

Ms. Cecilia Bradley  
Senior Assistant Attorney General  
Office of the Attorney General  
The Capitol – PL01  
Tallahassee, FL 32399-1050

Mr. James W. Brew  
Brickfield, Burchette, Ritts & Stone, P.C.  
1025 Thomas Jefferson Street, NW  
Eighth Floor, West Tower  
Washington, D.C. 20007-5201

  
\_\_\_\_\_  
ATTORNEY

REDACTED

TAMPA ELECTRIC COMPANY  
DOCKET NO. 080001-EI  
STAFF'S SECOND SET OF  
INTERROGATORIES  
INTERROGATORY NO. 13  
PAGE 1 OF 3  
FILED: JULY 10, 2008

13. Please refer to Audit Finding 1 in the TECO fuel audit report by Commission Staff, Document 02555-08, page 5, dated April 7, 2008.
- A. For the petcoke sold back to SSM Petcoke in January and March of 2007, what was the tonnage for each sale, the net carrying cost of the petcoke at the time of the sales (including any transloading costs), and the net revenue from the sales?
  - B. Was the loss on these petcoke sales primarily due to transloading fees and carrying cost?
  - C. Why did TECO purchase this petcoke?
  - D. Why did TECO decide to sell the petcoke back?
- A. A. Tampa Electric purchased this product delivered to the terminal for \$41.85 per ton plus the handling fee of [REDACTED] per ton. The company sold it to SSM Petcoke for [REDACTED] per ton. On a transactional level this results in a profit of \$1.06 per ton. The tons, carrying cost and net revenue for the petcoke sold back to SSM Petcoke in January and March 2007 are shown below.

Exhibit "A"

REDACTED

TAMPA ELECTRIC COMPANY  
DOCKET NO. 080001-EI  
STAFF'S SECOND SET OF  
INTERROGATORIES  
INTERROGATORY NO. 13  
PAGE 2 OF 3  
FILED: JULY 10, 2008

Petcoke Purchase	Tons	Cost (\$)	\$/Ton
Delivered Petcoke 2006	67,652	2,831,546.17	41.85

Petcoke Carrying Cost	Tons	Carrying Value (\$)	Weighted Avg Cost (\$/Ton)
Net Carrying Cost 7/31/06 <sup>(1)</sup>	10,802	433,140.27	42.00
Net Carrying Cost 8/3/06 <sup>(2)</sup>	17,003	1,006,049.64	59.16
Net Carrying Cost 1/1/07	41,904	2,042,066.42	48.73
Net Carrying Cost 3/1/07	33,873	1,697,449.71	50.11

Petcoke Sales	Tons	Revenue (\$)	\$/Ton
January 2007 Sale	8,031		
Net Revenue <sup>(3)</sup>			
Transaction Profit <sup>(4)</sup>		8,512.86	1.06
March 2007 Sale	10,229		
Net Revenue <sup>(3)</sup>			
Transaction Profit <sup>(4)</sup>		10,842.74	1.06

(1) Before the aerial survey.

(2) The aerial survey adjustment was for 7,443 tons and \$0, resulting in a change in the weighted average cost of the pile. Tampa Electric purchased 15,783 tons at [REDACTED] per ton. The purchase price before and after the aerial survey was [REDACTED] per ton.

(3) Difference between sales revenue and carrying cost on sale transaction.

(4) Difference between purchase cost and sales revenue on sale transaction.

- B. On a transactional level, there is no loss on this sale. As previously stated, on a transactional level there was a profit of \$1.06 per ton. Additionally, although there appears to be a book loss as a result of the aerial survey adjustment, customers were not affected. Aerial survey adjustments are made to reflect tons that have been burned but not yet reflected in fuel expense due to calibration errors in the conveyor scales that measure the fuel entering the station's boilers. Therefore, the book loss is solely a timing difference.
- C. This petcoke was intended for use at Big Bend Station.
- D. Tampa Electric agreed to sell the fuel when SSM Petcoke requested to buy it back at the current market value, [REDACTED] per ton, which was higher than Tampa Electric's purchase price.



REDACTED

TAMPA ELECTRIC COMPANY  
DOCKET NO. 080001-EI  
STAFF'S SECOND SET OF  
INTERROGATORIES  
INTERROGATORY NO. 13  
PAGE 1 OF 3  
FILED: JULY 10, 2008

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- A. A. Tampa Electric purchased this product delivered to the terminal for \$41.85 per ton plus the handling fee of [REDACTED] per ton. The company sold it to SSM Petcoke for [REDACTED] per ton. On a transactional level this results in a profit of \$1.06 per ton. The tons, carrying cost and net revenue for the petcoke sold back to SSM Petcoke in January and March 2007 are shown below.

Exhibit "A"

REDACTED

TAMPA ELECTRIC COMPANY  
DOCKET NO. 080001-EI  
STAFF'S SECOND SET OF  
INTERROGATORIES  
INTERROGATORY NO. 13  
PAGE 2 OF 3  
FILED: JULY 10, 2008

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- C. This petcoke was intended for use at Big Bend Station.
- D. Tampa Electric agreed to sell the fuel when SSM Petcoke requested to buy it back at the current market value, [REDACTED] per ton, which was higher than Tampa Electric's purchase price.

**JUSTIFICATION FOR CONFIDENTIAL TREATMENT OF HIGHLIGHTED  
PORTIONS OF TAMPA ELECTRIC'S RESPONSE TO STAFF'S SECOND  
SET OF INTERROGATORIES (NOS. 11-13) (FILED JUNE 10, 2008)**

<u>Interrogatory No.</u>	<u>Bates Page Nos.</u>	<u>Detailed Description</u>	<u>Rationale</u>
13	5 and 6	All Highlighted Values	(1)

- 
- (1) The highlighted information discloses actual fuel prices per ton negotiated by Tampa Electric on a competitive basis with a fuel supplier or suppliers, or information that can be used in conjunction with other publicly available information to derive negotiated per ton prices. Public disclosure of this information would disclose to competitive fuel suppliers the price Tampa Electric is willing to pay for fuel purchased in a competitive market. This information could be used by fuel suppliers who currently are, or soon may be, bidding to supply Tampa Electric with similar fuel supplies. This would give the current or potential bidder a competitive advantage over Tampa Electric in the bidding process by arming them with information enabling them to bid a higher per ton fuel price than they might otherwise bid if they lacked this information. It could also "chill" the willingness of competitive fuel suppliers to bid on supplying fuel to Tampa Electric, for fear that their negotiated price per ton might be made public. This clearly would negatively impact Tampa Electric's ability to negotiate for needed fuel supplies on favorable terms, and adversely affect the company's competitive interests in contravention of the protection the Legislature expressly provided in Section 366.093(d) and (e), Florida Statutes. The Commission has recognized the need for this type of confidential protection on numerous occasions, as reflected in its orders protecting this type of information contained in the utilities' Form 423 filings.

Exhibit "B"

DOCUMENT NUMBER - DATE  
05964 JUL 10 08  
FPSC-COMMISSION CLERK

COMMISSIONERS:  
MATTHEW M. CARTER II, CHAIRMAN  
LISA POLAK EDGAR  
KATRINA J. McMURRIAN  
NANCY ARGENZIANO  
NATHAN A. SKOP

STATE OF FLORIDA



OFFICE OF COMMISSION CLERK  
ANN COLE  
COMMISSION CLERK  
(850) 413-6770

**Public Service Commission**

**ACKNOWLEDGEMENT**

**DATE:** July 10, 2008

**TO:** James D. Beasley, Esquire/Ausley & McMullen

**FROM:** Marguerite H. McLean, Office of Commission Clerk

**RE:** Acknowledgement of Receipt of Confidential Filing

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**This will acknowledge receipt of a CONFIDENTIAL DOCUMENT filed in Docket Number 080001-EI (DN 05965-08) or, if filed in an undocketed matter, concerning portions of answer to staff's 2nd set of interrogatories (No. 13), and filed on behalf of Tampa Electric Company. The document will be maintained in locked storage.**

**If you have any questions regarding this document, please contact Marguerite McLean, Deputy Clerk, at (850) 413-6770.**