

MACFARLANE AUSLEY FERGUSON

ATTORNEYS AND COUNSELORS AT

227 SOUTH CALHOUN STREET  
P.O. BOX 391 (ZIP 32301)  
TALLAHASSEE, FLORIDA 32301  
(904) 224-9115 FAX (904) 222-7560

111 MADISON STREET SUITE 2300  
P.O. BOX 1531 (ZIP 33601)  
TAMPA, FLORIDA 33602  
(813) 273-4200 FAX (813) 273-4396

*file w/psc*

January 17, 1995

HAND DELIVERED

Tallahassee

ORIGINAL  
FILE COPY

Ms. Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, Florida 32301

Re: Fuel and Purchased Power Cost Recovery Clause  
and Generating Performance Incentive Factor  
FPSC Docket No. 950001-EI

Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and ten (10) copies of Tampa Electric Company's Request for Specified Confidential Treatment of portions of Forms 423-1(a), 423-2, 423-2(a), 423-2(b) and 423-2(c) for the month of November 1994.

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*  
James D. Beasley

JDB/pp  
encls.

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

- ACK \_\_\_\_\_
- AEA \_\_\_\_\_
- AMB \_\_\_\_\_
- CHE \_\_\_\_\_
- COM \_\_\_\_\_
- CIE \_\_\_\_\_
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00573 JAN 17 95  
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power )  
Cost Recovery Clause and ) DOCKET NO. 950001-EI  
Generating Performance Incentive ) FILED: January 17, 1995  
Factor. )  
\_\_\_\_\_ )

**TAMPA ELECTRIC COMPANY'S  
REQUEST FOR SPECIFIED CONFIDENTIAL TREATMENT**

Pursuant to §366.093, Fla. Stat., Tampa Electric Company ("Tampa Electric" or "the company") submits the following Request for Specified Confidential Treatment of the company's Forms 423-1(a), 423-2, 423-2(a), 423-2(b) and 423-2(c) for the month of November 1994:

1. Attached hereto as Exhibit "A" is a detailed justification for the requested confidential treatment of the highlighted portions of Tampa Electric's 423 Forms for the month of November 1994.

2. Tampa Electric requests that the information for which Tampa Electric seeks confidential classification not be declassified until the dates specified in Exhibit "B" to this request. The time periods requested are necessary to allow Tampa Electric's affiliated companies to negotiate future contracts without their competitors (and other Customers) having access to information which would adversely affect the ability of these affiliates to negotiate future contracts. The period of time requested will ultimately protect Tampa Electric and its Customers.

3. The material for which classification is sought is intended to be and is treated by Tampa Electric and its affiliates

DOCUMENT NUMBER-DATE

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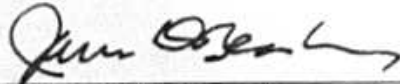
FPSC-RECORDS/REPORTING

as private and has not been disclosed.

WHEREFORE, Tampa Electric submits the foregoing as its request for confidential treatment of the information identified as Exhibit "A".

DATED this 17<sup>th</sup> day of January, 1995.

Respectfully submitted,



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LEE L. WILLIS and  
JAMES D. BEASLEY  
Macfarlane Ausley Ferguson & McMullen  
Post Office Box 391  
Tallahassee, Florida 32302  
(904) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Request for Specified Confidential Treatment, filed on behalf of Tampa Electric Company, has been furnished by U. S. Mail on this 17<sup>th</sup> day of January 1995 to the following individuals:

Ms. Martha C. Brown\*  
Ms. Donna L. Canzano  
Division of Legal Services  
Florida Public Service  
Commission  
101 East Gaines Street  
Tallahassee, FL 32399-0863

Mr. James A. McGee  
Senior Counsel  
Florida Power Corporation  
Post Office Box 14042  
St. Petersburg, FL 33733

Mr. Joseph A. McGlothlin  
Ms. Vicki Gordon Kaufman  
McWhirter, Reeves, McGlothlin,  
Davidson & Bakas  
315 S. Calhoun St., Suite 716  
Tallahassee, FL 32301

Mr. Jack Shreve  
Office of Public Counsel  
Room 812  
111 West Madison Street  
Tallahassee, FL 32399-1400

Mr. Matthew M. Childs  
Steel Hector & Davis  
Suite 601  
215 South Monroe Street  
Tallahassee, FL 32301

Mr. John W. McWhirter  
McWhirter, Reeves, McGlothlin,  
Davidson & Bakas  
Post Office Box 3350  
Tampa, FL 33601

Ms. Suzanne Brownless  
Suzanne Brownless P.A.  
1546 Blairstone Pines Drive  
Tallahassee, FL 32301

Mr. Floyd R. Self  
Messer, Vickers, Caparello,  
Madsen, Lewis, Goldman & Metz  
Post Office Box 1876  
Tallahassee, FL 32301-1876

Mr. G. Edison Holland, Jr.  
Beggs & Lane  
Post Office Box 12950  
Pensacola, FL 32576

Mr. Mr. Eugene M. Trisko  
Post Office Box 596  
Berkeley Springs, WV 25411

Mr. H. G. Wells  
Energy Consultant  
276 Spring Run Circle  
Longwood, FL 32779

  
\_\_\_\_\_  
ATTORNEY

TAMPA ELECTRIC COMPANY

Docket No. 950001-EI  
January, 1995

Justification for Confidentiality of November, 1994 Report:  
Tampa Electric Company

<u>FORM</u>	<u>LINE(S)</u>	<u>COLUMN</u>	<u>RATIONALE</u>
423-1(a)	1 - 2	H	(1)
423-1(a)	1 - 2	I	(2)
423-1(a)	1 - 2	J	(2)
423-1(a)	1 - 2	K	(2)
423-1(a)	1 - 2	L	(2)
423-1(a)	1 - 2	M	(2), (3)
423-1(a)	1 - 2	N	(2), (4)
423-1(a)	1 - 2	O	(2)

Rationale for Confidentiality:

- (1) This information is contractual information which, if made public, "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat. The information shows the price which Tampa Electric has paid for No. 2 fuel oil per barrel for specific shipments from specific suppliers. This information would allow suppliers to compare an individual supplier's price with the market "for that date of delivery" and thereby determine the contract pricing formula between Tampa Electric and that supplier.

Disclosure of the invoice price would allow suppliers to determine the contract price formula of their competitors. The knowledge of each other's prices would give suppliers information with which to actually control the pricing in No. 2 oil by either all quoting a particular price or adhering to a price offered by a major supplier. This could reduce or eliminate any opportunity for a major buyer, like Tampa Electric, to use its market presence to gain price concessions from any individual supplier. The end result is reasonably likely to be increased No. 2 fuel oil prices and, therefore, increased electric rates.

Exhibit "A"

- (2) The contract data found in Columns I through O are algebraic functions of Column H. Thus, the publication of these columns together, or independently, could allow a supplier to derive the invoice price of No. 2 oil paid by Tampa Electric.
- (3) For fuel that does not meet contract requirements, Tampa Electric may reject the shipment, or accept the shipment and apply a quality adjustment. This is, in effect, a pricing term which is as important as the price itself and is therefore confidential for the reasons stated in paragraph (1) relative to price concessions.
- (4) This column is as important as H from a confidentiality standpoint because of the relatively few times that there are quality or discount adjustments. That is, Column N will equal Column H most of the time. Consequently, it needs to be protected for the same reason as set forth in paragraph (1).

of transportation costs must be treated confidentially. In addition, F.O.B. mine prices for coal is proprietary in nature as is the price of fuel oil. Disclosure of separate transportation or F.O.B. mine prices would have a direct impact on a utility's future fuel and transportation contracts by informing potential bidders of current prices paid for services. Disclosure of fuel oil prices would have an indirect effect upon bidding suppliers. Suppliers would be reluctant to provide significant price concessions to an individual utility if prices were disclosed because other purchasers would seek similar concessions.

The vigorous competition discussed in Mr. Rowe's earlier testimony, as recognized by the Commission, justifies proprietary confidential treatment of the information in Column G.

- (2) The disclosure of this information "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat. As was stated in (1), Columns G and H both need confidential protection because disclosure of either column will enable competitors to determine the segmented transportation charges. Accordingly, the same reasons discussed in (1) likewise apply with regard to Column H.
- (3) Disclosure of this information "would impair the efforts of Tampa Electric to contract for goods and services on favorable terms." Section 366.093(3)(d), Fla. Stat. This information would inform other potential suppliers as to the price Tampa Electric is willing to pay for coal. This would give present and potential coal suppliers information which could be harmful to Tampa Electric's interests in negotiating coal supply agreements. This is much the same as paragraph (1) under Form 423-1(a) regarding No. 2 oil suppliers.

**Justification for Confidentiality of November, 1994 Report:  
Electro-Coal Transfer Facility - Big Bend Station**

<u>FORM</u>	<u>LINE(S)</u>	<u>COLUMN</u>	<u>RATIONALE</u>
423-2(a)	1 - 12	H	(1)
423-2(a)	1 - 12	J	(2)
423-2(a)	1 - 12	L	(3)

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**Rationale for Confidentiality:**

- (1) If the original invoice price is made public, one can subtract the original invoice price from the publicly disclosed delivered price at the Electro-Coal Transfer Facility and thereby determine the segmented river transportation cost. Disclosure of the river transportation cost "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat. Additional justification appears in Exhibit "A" and in paragraph (1) of the rationale for confidentiality of Column G of Form 423-2 (Electro-Coal Transfer Facility - Big Bend Station).
- (2) This information, like that contained in Column H, would enable a competitor to "back into" the segmented transportation cost using the publicly disclosed delivered price at the Electro-Coal Transfer Facility. This would be done by subtracting the base price per ton from the delivered price at Electro-Coal, thereby revealing the river barge rate. Such disclosure "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat. Additional justification appears in Exhibit "A" and in paragraph (1) of the rationale for confidentiality of Column G of Form 423-2 (Electro-Coal Transfer Facility - Big Bend Station).
- (3) This information, if publicly disclosed, would enable a competitor to back into the segmented waterborne transportation costs using the already publicly disclosed delivered price of coal at the Electro-Coal Transfer Facility. Such disclosure "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat. Additional justification appears in Exhibit "A" and in paragraph (1) of the rationale for confidentiality of Column G of Form 423-2 (Electro-Coal Transfer Facility - Big Bend Station).



Justification for Confidentiality of November, 1994 Report:  
Electro-Coal Transfer Facility - Big Bend Station

<u>FORM</u>	<u>LINE(S)</u>	<u>COLUMN</u>	<u>RATIONALE</u>
423-2(b)	1 - 12	G	(1)
423-2(b)	1 - 12	I	(2)
423-2(b)	1 - 12	K	(3)
423-2(b)	1 - 12	L	(3)
423-2(b)	1 - 12	M	(3)
423-2(b)	1 - 12	N	(3)
423-2(b)	1 - 12	O	(3)
423-2(b)	1 - 12	P	(3)

**Rationale for Confidentiality:**

- (1) Disclosure of the effective purchase price in Column G "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat. Such disclosure would enable a competitor to "back into" the segmented transportation cost using the publicly disclosed delivered price for coal at the Electro-Coal Transfer Facility. This would be done by subtracting the effective purchase price per ton from the price per ton delivered at Electro-Coal, thereby revealing the river barge rate. Additional justification appears in Exhibit "A" and in paragraph (1) of the rationale for confidentiality of Column G of Form 423-2 (Electro-Coal Transfer Facility - Big Bend Station). Such disclosure would also adversely affect Tampa Electric's ability to negotiate future coal supply contracts.
- (2) Disclosure of the rail rate per ton would adversely affect the ability of Tampa Electric affiliate, Gatliff Coal, to negotiate favorable rail rates. Disclosure of the rail rates paid would effectively eliminate any negotiating leverage and could lead to higher rail rates. This would work to the ultimate detriment of Tampa Electric and its Customers. Accordingly, disclosure of this information "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat.
- (3) These columns contained information the disclosure of which "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d),

Fla. Stat. Each of these columns provides specific information on segmented transportation costs which are the primary objects of this request. Additional justification appears in Exhibit "A" and in paragraph (1) of the rationale for confidentiality for Column G on 423-2 (Electro-Coal Transfer Facility - Big Bend Station).

**Justification for Confidentiality of November, 1994 Report:  
Electro-Coal Transfer Facility - Gannon Station**

<u>FORM</u>	<u>LINE(S)</u>	<u>COLUMN</u>	<u>RATIONALE</u>
423-2	1 - 3	G	(1), (3)
423-2	1 - 3	H	(2), (3)

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**Rationale for Confidentiality:**

- (1) This information is the same as reported on the earlier Form 423-2 with the exception that this form pertains to Gannon Station as opposed to Big Bend Station. Disclosure of the effective purchase price "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat., for the same reasons as are set forth under the rationale for protecting Column G in Form 423-2 (Electro-Coal Transfer Facility - Big Bend Station).
- (2) The disclosure of this information "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat., for the same reasons asserted under (2) of the Rationale for Confidentiality for the Form 423-2 pertaining to Big Bend Station. Essentially, both Columns G & H both need confidential protection to prevent a competitor from "backing into" the segmented transportation charges.
- (3) Disclosure of the effective purchase price of Gatliff coal "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat.

**Justification for Confidentiality of November, 1994 Report:  
Electro-Coal Transfer Facility - Gannon Station**

<u>FORM</u>	<u>LINE(S)</u>	<u>COLUMN</u>	<u>RATIONALE</u>
423-2(a)	1 - 3	H	(1)
423-2(a)	1 - 3	J	(2)
423-2(a)	1 - 3	L	(3)

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**Rationale for Confidentiality:**

- (1) If the original invoice price is made public, one can subtract the original invoice price from the publicly disclosed delivered price at the Electro-Coal Transfer Facility and thereby determine the segmented river transportation cost. Disclosure of the river transportation cost "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat. Additional justification appears in Exhibit "A" and in paragraph (1) of the rationale for confidentiality of Column G of Form 423-2 (Electro-Coal Transfer Facility - Big Bend Station).
- (2) This information, like that contained in Column H, would enable a competitor to "back into" the segmented transportation cost using the publicly disclosed delivered price at the Electro-Coal Transfer Facility. This would be done by subtracting the base price per ton from the delivered price at Electro-Coal, thereby revealing the river barge rate. Such disclosure "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat. Additional justification appears in Exhibit "A" and in paragraph (1) of the rationale for confidentiality of Column G of Form 423-2 (Electro-Coal Transfer Facility - Big Bend Station).
- (3) This information, if publicly disclosed, would enable a competitor to back into the segmented waterborne transportation costs using the already publicly disclosed delivered price of coal at the Electro-Coal Transfer Facility. Such disclosure "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat. Additional justification appears in Exhibit "A" and in paragraph (1) of the rationale for confidentiality of Column G of Form 423-2 (Electro-Coal Transfer Facility - Big Bend Station).

**Justification for Confidentiality of November, 1994 Report:  
Electro-Coal Transfer Facility - Gannon Station**

<u>FORM</u>	<u>LINE(S)</u>	<u>COLUMN</u>	<u>RATIONALE</u>
423-2(b)	1 - 3	G	(1)
423-2(b)	1 - 3	I	(2)
423-2(b)	1 - 3	K	(3)
423-2(b)	1 - 3	L	(3)
423-2(b)	1 - 3	M	(3)
423-2(b)	1 - 3	N	(3)
423-2(b)	1 - 3	O	(3)
423-2(b)	1 - 3	P	(3)

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**Rationale for Confidentiality:**

- (1) Disclosure of the effective purchase price in Column G "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat. Disclosure of the original invoice price per ton would enable a competitor to "back into" the segmented transportation cost using the publicly disclosed delivered price for coal at the Electro-Coal Transfer Facility. This would be done by subtracting the original invoice price per ton from the price per ton delivered at Electro-Coal, thereby revealing the river barge rate. Additional justification appears in Exhibit "A" and in paragraph (1) of the rationale for confidentiality of Column G of Form 423-2 (Electro-Coal Transfer Facility - Big Bend Station).
- (2) Disclosure of the rail rate per ton would adversely affect the ability of Tampa Electric and its affiliates to negotiate favorable rail rates with the various railroads serving areas in the vicinity of the river terminals used by Tampa Electric's affiliate, Gatliff Coal Company. This coal is shipped from different terminals which affords Gatliff some leverage in negotiating with the railroads. Disclosure of the rail rates paid would effectively eliminate this leverage and lead to higher rail rates. This would work to the ultimate detriment of Tampa Electric and its Customers. Accordingly, disclosure of this information "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat.

- (3) These columns contained information the disclosure of which "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat. Each of these columns provides specific information on segmented transportation costs which are the primary objects of this request. Additional justification appears in Exhibit "A" and in paragraph (1) of the rationale for confidentiality for Column G on 423-2 (Electro-Coal Transfer Facility - Big Bend Station).

Justification for Confidentiality of November, 1994 Report:  
Big Bend Station

<u>FORM</u>	<u>LINE(S)</u>	<u>COLUMN</u>	<u>RATIONALE</u>
423-2	1	G	(1)
423-2	1	H	(2)

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**Rationale for Confidentiality:**

- (1) Disclosure of the effective purchase price "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat. One can subtract the information in this column from the figure in Column I and obtain the segmented transportation cost including transloading and ocean barging.
- (2) The disclosure of this information "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat. Essentially, both Columns G & H both need confidential protection to prevent a competitor from determining the segmented transportation charges.

Justification for Confidentiality of November, 1994 Report:  
Big Bend Station

<u>FORM</u>	<u>LINE(S)</u>	<u>COLUMN</u>	<u>RATIONALE</u>
423-2(a)	1	H	(1)
423-2(a)	1	J	(2)
423-2(a)	1	L	(3)

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**Rationale for Confidentiality:**

- (1) If the original invoice price is made public, one can subtract the original invoice price from the publicly disclosed F.O.B. plant price at the Electro-Coal Transfer Facility and thereby determine the segmented terminating and ocean barge transportation cost. Disclosure of the terminating and ocean barge costs "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat. Additional justification appears in Exhibit "A" and in paragraph (1) of the rationale for confidentiality of Column G of Form 423-2 (Big Bend Station).
- (2) This information, like that contained in Column H, would enable a competitor to "back into" the segmented transportation cost using the publicly disclosed F.O.B. plant price. This would be done by subtracting the base price per ton from the F.O.B. plant price at Big Bend Station, thereby revealing the terminating and ocean barge rate. Such disclosure "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat. Additional justification appears in Exhibit "A" and in paragraph (1) of the rationale for confidentiality of Column G of Form 423-2 (Big Bend Station).
- (3) This information, if publicly disclosed, would enable a competitor to back into the segmented terminating and ocean barge transportation costs using the already publicly disclosed F.O.B. plant price at Big Bend Station. Such disclosure "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat. Additional justification appears in Exhibit "A" and in paragraph (1) of the rationale for confidentiality of Column G of Form 423-2 (Big Bend Station).



**Justification for Confidentiality of November, 1994 Report:  
Big Bend Station**

<u>FORM</u>	<u>LINE(S)</u>	<u>COLUMN</u>	<u>RATIONALE</u>
423-2(b)	1	G	(1)
423-2(b)	1	I	(2)
423-2(b)	1	K	(3)
423-2(b)	1	L	(3)
423-2(b)	1	M	(3)
423-2(b)	1	N	(3)
423-2(b)	1	O	(3)
423-2(b)	1	P	(3)

**Rationale for Confidentiality:**

- (1) Disclosure of the effective purchase price in Column C "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat. Disclosure of the effective purchase price per ton would enable a competitor to "back into" the segmented transportation cost using the publicly disclosed F.O.B. plant price for coal. This would be done by subtracting the effective purchase price per ton from the F.O.B. plant price per ton at Big Bend Station, thereby revealing the terminating and ocean barge rate. Additional justification appears in Exhibit "A" and in paragraph (1) of the rationale for confidentiality of Column G of Form 423-2 (Big Bend Station).
- (2) Disclosure of the rail rate per ton would adversely affect the ability of Tampa Electric and its affiliates to negotiate favorable rail rates with the various railroads serving areas in the vicinity of Tampa Electric's coal suppliers. Disclosure of the rail rates paid would effectively eliminate any leverage and lead to higher rail rates. This would work to the ultimate detriment of Tampa Electric and its Customers. Accordingly, disclosure of this information "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat.
- (3) These columns contained information the disclosure of which "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat. Each of these columns provides specific information

on segmented transportation costs which are the primary objects of this request. Additional justification appears in Exhibit "A" and in paragraph (1) of the rationale for confidentiality for Column G on 423-2 (Bid Bend Station).

Justification for Confidentiality of November, 1994 Report:  
Gannon Station

<u>FORM</u>	<u>LINE(S)</u>	<u>COLUMN</u>	<u>RATIONALE</u>
423-2	1 - 4	G	(1)
423-2	1 - 4	H	(2)

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**Fationale for Confidentiality:**

- (1) This information is the same as reported on the earlier Form 423-2 with the exception that this form pertains to Gannon Station as opposed to Big Bend Station. Disclosure of the effective purchase price "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat., for the same reasons as are set forth under the rationale for protecting Column G in Form 423-2 (Big Bend Station).
- (2) The disclosure of this information "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat., for the same reasons asserted under (2) of the Rationale for Confidentiality for the Form 423-2 pertaining to Big Bend Station. Essentially, both Columns G & H both need confidential protection to prevent a competitor from determining the segmented transportation charges.

**Justification for Confidentiality of November, 1994 Report:  
Gannon Station**

<u>FORM</u>	<u>LINE(S)</u>	<u>COLUMN</u>	<u>RATIONALE</u>
423-2(a)	1 - 4	H	(1)
423-2(a)	1 - 4	J	(2)
423-2(a)	1 - 4	L	(3)

---

**Rationale for Confidentiality:**

- (1) If the original invoice price is made public, one can subtract the original invoice price from the publicly disclosed F.O.B. price at Gannon Station and thereby determine the segmented terminating and ocean barge transportation cost or rail rate. Disclosure of these transportation costs "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat. Additional justification appears in Exhibit "A" and in paragraph (1) of the rationale for confidentiality of Column G of Form 423-2 (Big Bend Station).
- (2) This information, like that contained in Column H, would enable a competitor to "back into" the segmented transportation cost using the publicly disclosed delivered price at Gannon Station. This would be done by subtracting the base price per ton from the F.O.B. plant price at Gannon Station, thereby revealing the terminating and ocean barge rate or rail rate. Such disclosure "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat. Additional justification appears in Exhibit "A" and in paragraph (1) of the rationale for confidentiality of Column G of Form 423-2 (Big Bend Station).
- (3) This information, if publicly disclosed, would enable a competitor to back into the segmented terminating or ocean barge transportation costs or rail rate using the already publicly disclosed F.O.B. plant price of coal at Gannon Station. Such disclosure "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat. Additional justification appears in Exhibit "A" and in paragraph (1) of the rationale for confidentiality of Column G of Form 423-2 (Gannon Station).

**Justification for Confidentiality of Noember, 1994 Report:  
Gannon Station**

<u>FORM</u>	<u>LINE(S)</u>	<u>COLUMN</u>	<u>RATIONALE</u>
423-2(b)	1 - 4	G	(1)
423-2(b)	1 - 4	I	(2)
423-2(b)	1 - 4	K	(3)
423-2(b)	1 - 4	L	(3)
423-2(b)	1 - 4	M	(3)
423-2(b)	1 - 4	N	(3)
423-2(b)	1 - 4	O	(3)
423-2(b)	1 - 4	P	(3)

---

**Rationale for Confidentiality:**

- (1) Disclosure of the effective purchase price in Column G "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat. Disclosure of the effective purchase price per ton would enable a competitor to "back into" the segmented transportation cost using the publicly disclosed F.O.B. plant price for coal at Gannon Station. This would be done by subtracting the effective purchase price per ton from the price per ton delivered at Gannon Station, thereby revealing the terminating and ocean barge rate or rail rate. Additional justification appears in Exhibit "A" and in paragraph (1) of the rationale for confidentiality of Column G of Form 423-2 (Big Bend Station).
- (2) Disclosure of the rail rate per ton would adversely affect the ability of Tampa Electric affiliate, Gatliff Coal, to negotiate favorable rail rates. Disclosure of the rail rates paid would effectively eliminate any negotiating leverage and could lead to higher rail rates. This would work to the ultimate detriment of Tampa Electric and its Customers. Accordingly, disclosure of this information "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat.
- (3) These columns contained information the disclosure of which "would impair the efforts of Tampa Electric to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat. Each of these columns provides specific information

on segmented transportation costs which are the primary objects of this request. Additional justification appears in Exhibit "A" and in paragraph (1) of the rationale for confidentiality for Column G on 423-2 (Big Bend Station).

**Justification for Confidentiality of November, 1994 Report:  
Tampa Electric Company**

<u>FORM</u>	<u>LINE(S)</u>	<u>COLUMN</u>	<u>RATIONALE</u>
423-2(c) (Page 1 of 5)	4,9	J,K	(1), (2)
423-2(c) (Page 2 of 5)	1,9,15	J,K	(1), (2)
423-2(c) (Page 3 of 5)	5,9	J,K	(1), (2)

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**Rationale for Confidentiality:**

- (1) This information is contractual information which, if made public, "would impair the efforts of Tampa Electric to contract for goods and services on favorable terms." Section 366.093(3)(d), Fla. Stat. The information shows the actual rate paid by Tampa Electric for river barge transportation. It is this segmented transportation cost data which is proprietary and confidential. Disclosure of this information would also enable one to determine the price which Tampa Electric pays the coal supplier. This information should be protected for the same reasons described as the rationale for confidentiality of the information contained in Form 423-2, Column G, lines 1-7.
- (2) This information consists of the direct rail rate which can be subtracted from the total delivered price of coal to obtain the rate paid for Gatliff coal. This is contractual information which, if made public, "would impair the efforts of Tampa Electric to contract for goods and services on favorable terms." Section 366.093(3)(d), Fla. Stat. Disclosure of information enabling one to determine the F.O.B. mine price of Gatliff coal would have a direct impact on Tampa Electric's future fuel contracts by informing potential bidders of current prices paid.

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BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

-----  
In the Matter of  
Confidentiality of Fuel Cost  
Recovery Data.  
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DOCKET NO. 860001-EI-D

AFTERNOON SESSION  
VOLUME II

Pages 113 through 278

RECEIVED  
DIVISION OF RECORDS & REPORTING

OCT 8 1986

Florida Public Service Commission

FPSC Hearing Room  
Fletcher Building  
101 East Gaines Street  
Tallahassee, Florida 32301

Monday, September 29, 1986

Met pursuant to adjournment at 1:00

BEFORE: CHAIRMAN JOHN R. MARKS, III, Chairman  
COMMISSIONER GERALD L. GUNTER  
COMMISSIONER KATIE NICHOLS  
COMMISSIONER MICHAEL McK. WILSON  
COMMISSIONER JOHN T. HERNDON

APPEARANCES:

(As heretofore noted.)

REPORTED BY:

CAROL C. CAUSSEAU, CSR, RPR  
JANE FAUROT  
JOY KELLY, CSR, RPR  
OFFICIAL COMMISSION REPORTERS

DOCUMENT NO.  
10020-86  
10-8-86



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

PREPARED TESTIMONY

OF

JOHN R. ROWE, JR.

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Q. Will you please state your name, address and occupation.

A. My name is John R. Rowe, Jr. My business address is 702 North Franklin Street, Tampa, Florida 33602. I am Assistant Vice President of Tampa Electric Company.

Q. Please describe your educational background and business experience.

A. I was educated in the public schools of Birmingham, Alabama; Evansville, Indiana; and Mt. Lebanon, Pennsylvania. I was graduated in June, 1962 from the Georgia Institute of Technology with a Bachelor of Science degree in Industrial Management, and from the University of South Florida in March, 1971 with a Master of Business Administration degree. I am a Certified Public Accountant licensed to practice in Florida and a member of the American Institute of CPAs, the Florida Institute of CPAs, and the National Association of Accountants. I joined Tampa Electric Company in July, 1962 and I have served in various capacities in the Personnel, Customer Accounting,

1 Credit, General Accounting and Budget Departments over the  
2 past 23 years. I became Assistant Controller in 1974,  
3 Controller in 1981, and I was elected to my present  
4 position as Assistant Vice President in April, 1984. My  
5 present responsibilities include coordination of  
6 accounting and regulatory matters before this Commission  
7 (FPSC) and the Federal Energy Regulatory Commission  
8 (FERC). I have presented testimony before this Commission  
9 in other proceedings.

10

11 Q. What is the purpose of your testimony?

12

13 A. The purpose of my testimony is to respond to various areas  
14 of Commission and company concern regarding the  
15 confidentiality of certain fuel cost information supplied  
16 to the Commission. I intend to demonstrate why some of  
17 the data which is supplied in regular monthly reports on  
18 fuel costs to this Commission should be excluded from  
19 public disclosure as being "proprietary confidential  
20 business information" as defined by Section 366.093,  
21 Florida Statutes.

22

23 Q. Does Tampa Electric object to providing the Commission  
24 with a report detailing all purchases of fuel,  
25 transportation and fuel handling services?

1 A. No. Tampa Electric does not object to continuing to  
2 furnish to the Commission the information it needs to  
3 review company expenditures for fuel, transportation and  
4 fuel handling services. However, as I will describe  
5 later, it is clearly in the best interests of the  
6 ratepayers and the company for this Commission to continue  
7 to treat certain of this information submitted as  
8 "Specified Confidential."

9  
10 Q. What portion of the report should be confidential?

11  
12 A. The cost of water transportation of coal which is billed  
13 to the regulated company by an affiliated company should  
14 be treated as confidential. Tampa Electric formed a water  
15 transportation system for the transport of coal in the  
16 1950's which not only provides the necessary services for  
17 Tampa Electric but also enjoys additional economies as it  
18 provides competitive services to outside customers. This  
19 system has saved our electric customers many millions of  
20 dollars in transportation costs over the years and these  
21 savings are likely to continue in the future so long as  
22 the affiliated companies are able to maintain their  
23 competitive edge. Through this transportation system Tampa  
24 Electric's affiliated companies are able to move coal by  
25 river barges from sources in Kentucky, Oklahoma and

1 Illinois to a terminal on the east bank of the Mississippi  
2 River south of New Orleans for the purpose of off-loading,  
3 storing and transferring coal to ocean-going barges for  
4 transport to Tampa. These services are performed by TECO  
5 Transport and Trade companies: Mid-South Towing Company,  
6 which handles the coal by river barge; Electro Coal  
7 Transfer Corporation, which operates the storage and  
8 transfer facility and Gulf Coast Transit Company which  
9 provides ocean-going tugs and barges to move coal across  
10 the Gulf of Mexico.

11  
12 Q. Are Tampa Electric affiliates faced with competition?

13  
14 A. Yes, the market for bulk commodity transportation is very  
15 competitive. Aside from the coal transportation services  
16 performed for Tampa Electric, the TECO Transport and Trade  
17 affiliates currently transport coal and other bulk  
18 commodities for other customers as well. The affiliates  
19 anticipate that additional markets for coal will soon  
20 develop in Florida for both industrial and electric power  
21 generation purposes, and hope to capture a portion of the  
22 transportation demand created by those markets. This  
23 market is very competitive.

24 Tampa Electric's transportation affiliates are not engaged  
25 solely in the one-way transportation of coal, however.

1 Mid-South Towing Company has provided, and continues to  
2 provide, both upstream and downstream transportation  
3 services for other bulk commodities, including grain and  
4 phosphate products. Electro-Coal Transfer Corporation is  
5 involved in the direct vessel-to-vessel transfer of grain  
6 and other bulk commodities in addition to the transfer of  
7 coal and coke on diverse routes, including phosphates from  
8 Florida to New Orleans, and grain from New Orleans to  
9 international markets.

10  
11 As commercial enterprises, the affiliates face significant  
12 competition for each of the other transportation, transfer  
13 and storage services that they perform. Operators on the  
14 inland waterways include approximately 2,000 individual  
15 carriers. In size these carriers range from operators of  
16 single towboats to those operating large fleets of vessels  
17 and barges. Only a very small percentage of inland  
18 waterway traffic is subject to regulation. Exempt  
19 carriers are not required to publish revenues, operating  
20 data rates or financial information.

21  
22 With reference to the river transportation of coal and  
23 other bulk commodities, Mid-South Towing Company's  
24 principal competitors include, among others: the Ohio  
25 River Company; American Commercial Barge Line Company;

1 Dravo Mechling Corporation; and The Valley Line Company.  
2 Mid-South Towing also faces intermodal competition from  
3 the railroads.

4  
5 Electro-Coal Transfer Corporation competes with others for  
6 the performance of transfer and storage services.  
7 Electro-Coal's principal competitors with both shoreside  
8 transfer and ground storage capabilities are:  
9 International Marine Terminal; Burnside Terminals, Inc.;  
10 and New Orleans Bulk Terminal. A portion of the transfer  
11 market is also served by companies whose operations are  
12 mid-stream in the Mississippi River. Principal among  
13 these is Cooper-Smith Company.

14  
15 Finally, Gulfcoast Transit Company competes with many  
16 other companies to provide ocean-going tug and barge  
17 transportation service. Principal among those competitors  
18 are: Dixie Carriers, Inc.; St. Phillips Towing Company;  
19 Sheridan Towing Company; Red Circle Transport Company; and  
20 Beker Industries, Inc.

21  
22 Q. Would the disclosure of cost information expose the  
23 affiliates to substantial competitive harm?

24  
25 A. Yes. The cost of rendering bulk commodity transportation

1 the scarcity of published information concerning the  
2 financial workings of the unregulated segment of the  
3 industry.

4  
5 Tampa Electric's competitors and customers are aware that  
6 Tampa Electric's water transportation expense represents  
7 the affiliates' costs including a return on equity. A  
8 company's cost represents the limit of its vulnerability  
9 in the sense that it cannot long survive in circumstances  
10 where costs exceed revenues. Sustained "underpricing"  
11 below that perceived margin would have a devastating  
12 effect upon the affiliates' business, and would make  
13 retention of market shares impossible. Competitors would  
14 be given access to very valuable information which will  
15 enable those firms to price their service to their  
16 advantage.

17  
18 Q. How does the operation of the competitive business affect  
19 the cost of Tampa Electric's affiliated company  
20 transportation expense?

21  
22 A. The increased volumes allow for economies of scale that  
23 cannot be realized if Tampa Electric were the only  
24 customer of the affiliate. Moreover, since fixed costs  
25 are allocated between services provided to Tampa Electric

1 and others on a per ton basis, the backhaul and transfer  
2 of grain and other bulk commodities reduces the amount of  
3 fixed costs allocated to Tampa Electric. If the  
4 affiliates' backhaul and other outside customer activity  
5 is lost or diminished, or if transfer activity is lost due  
6 to the disclosure of its competitive position, the cost of  
7 coal transportation to Tampa Electric would increase  
8 proportionately. Actions which hurt the affiliates'  
9 competitive position will, therefore, increase the cost of  
10 electricity supplied to Tampa Electric's customers. This  
11 Commission therefore should carefully avoid the disclosure  
12 of the affiliates' costs and prices.

13  
14 Q. Is Tampa Electric satisfied with the Commission's current  
15 reporting requirements?

16  
17 A. No. The company believes that the Commission's current  
18 requirements for public disclosure run an unnecessary risk  
19 of placing Tampa Electric at a disadvantage in its ability  
20 to contract for fuel transportation services on the most  
21 favorable terms. This disclosure can also affect prices  
22 paid by Tampa Electric under existing contracts which  
23 depend on or could benefit further from outside business  
24 to reduce costs to Tampa Electric. Further, I believe  
25 that public disclosure of coal prices paid (without



1 requirements affect the confidentiality of the proprietary  
2 transportation cost information?

3  
4 A. The Commission must be very careful in its requirements  
5 for public disclosure of various segments of fuel cost  
6 information in order to protect the proprietary  
7 transportation cost information. A requirement to  
8 publicly report any one segment of costs could enable  
9 competitors and transportation customers to calculate the  
10 information sought to be protected.

11  
12 Q. Please illustrate how confidential information could be  
13 derived if the Commission's reporting requirements are  
14 changed?

15  
16 A. This was fully discussed in Docket No. 830001-PU. On  
17 April 24, 1984, the Commission considered Tampa Electric's  
18 request for reconsideration of Order No. 12645, entered in  
19 the same docket (Generic Fuels Issues). Tampa Electric  
20 sought reconsideration of that portion of Order No. 12645  
21 pertaining to which cost information should be considered  
22 confidential. Tampa Electric's specific concern was that  
23 disclosure of F.O.B. mine mouth and F.O.B. plant price for  
24 coal, in conjunction with available delivered prices at  
25 terminal facilities, would result in the disclosure of

1 proprietary confidential business information. The  
2 Commission agreed and determined that the F.O.B. mine  
3 mouth and plant prices should be reported on a "specified  
4 confidential" basis. The same circumstances exist today  
5 and the need for confidential treatment is just as  
6 critical now as it was in 1983.

7  
8 Q. How would you recommend the Commission approach its duty  
9 of implementing Section 366.093, Florida Statutes?

10  
11 A. In the case of Tampa Electric's transportation affiliates,  
12 the test should be: is there a reasonable probability  
13 that disclosure of the information in question will  
14 adversely affect the affiliated company and, ultimately,  
15 Tampa Electric and its Customers? If so, then the  
16 information should be treated as specified confidential  
17 information which is exempt from public disclosure.  
18 Section 366.093, Florida Statutes, does not appear to  
19 require a 100% probability of harm. In the case of bids  
20 or other contractual data, the test is only whether it  
21 would "impair" the efforts of the public utility to  
22 contract for services on favorable terms. If certain  
23 information is disclosed and the disclosure only aids but  
24 does not guarantee a competitor's ability to compete with  
25 Tampa Electric's transportation affiliates, then this

1 information ought to be protected, even though its  
2 disclosure would not guarantee that the competitor will  
3 take business away from the Tampa Electric affiliate. Any  
4 more stringent or absolute a standard for confidentiality  
5 would demand more than is required under the statute.  
6 Stated differently, if the statute is administered in such  
7 a way as to prohibit only the disclosure of a specific  
8 cost, but not a myriad of related information bits or  
9 "hints" which enable a resourceful competitor to pinpoint  
10 or come very close to the specific cost, then the  
11 protection afforded by the statute will indeed be hollow.  
12 In short, we advocate fully disclosing to the Commission  
13 the information it needs to perform its utility oversight  
14 function but because of the extreme sensitivity of the  
15 information, we advocate disclosing as little as possible  
16 to publicly accessible sources. Utility customers are the  
17 ultimate beneficiaries of this protection, and we hope the  
18 Commission will continue to administer the statute in a  
19 manner which maximizes such protection.

20  
21 Q. Does this conclude your testimony?

22  
23 A. Yes, it does.

24  
25 (End of Prefiled Direct Testimony)

1 F L O R I D A )  
2 :  
3 COUNTY OF LEON)

CERTIFICATE OF REPORTERS

4 WE, CAROL C. CAUSSEAU, CSR, RPR, JANE FAUROT and JOY  
5 KELLY, CSR, RPR, Official Commission Reporters,

6 DO HEREBY CERTIFY that the hearing in the matter of  
7 the Confidentiality of Fuel Cost Recovery Data, Docket No.  
8 860001-EI-D, was heard by the Florida Public Service Commission  
9 commencing at 9:35 a.m., Monday, September 29, 1986, in  
10 Tallahassee, Florida.

11 WE FURTHER CERTIFY that we were authorized to and did  
12 report in shorthand and by stenotype the proceedings held at  
13 such time and place; that the same has been reduced to type-  
14 writing under our direct supervision, and that the foregoing  
15 pages numbered 1 through 277, Volumes I and II, inclusive,  
16 constitute a true and accurate transcription of our shorthand  
17 and stenotype notes of said proceedings.

18 IN WITNESS WHEREOF, we have hereunto set our hands at  
19 Tallahassee, Leon County, Florida, this 8th day of October,  
20 1986.

21 Carol C. Causseau  
CAROL C. CAUSSEAU, CSR, RPR

21 Jane Faurot  
JANE FAUROT

22  
23 Joy Kelly  
JOY KELLY, CSR, RPR

24 OFFICIAL COMMISSION REPORTERS  
25 Bureau of Reporting  
26 101 East Gaines Street  
Tallahassee, Florida 32301  
Telephone (904) 488-5980

**Date of Declassification:**

<u>FORM</u>	<u>LINE(S)</u>	<u>COLUMN</u>	<u>DATE</u>
423-1(a)	1 - 2	H - O	1/17/97
423-2	1 - 12	G - H	1/17/97
423-2(a)	1 - 12	H, J, L	1/17/97
423-2(b)	1 - 12	G, I, K, L, M, N, O, P	1/17/97
423-2(c) (Page 1 of 5)	4, 9	J, K	1/17/97
423-2(c) (Page 2 of 5)	1, 9, 15	J, K	1/17/97
423-2(c) (Page 3 of 5)	5, 9	J, K	1/17/97

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**Rationale:**

Fuel Oil Contract Data:

1. Tampa Electric requests that the confidential information relating to fuel oil contract data not be declassified until at least two years after it is classified confidential. Ideally, Tampa Electric's interests would be best protected by adopting a declassification date which is at least 6 months beyond the last day of the contract period under which the goods identified on Form 423-1(a) were purchased.

2. Tampa Electric's ability to negotiate future contracts for No. 2 and No. 6 oil would reasonably likely be impaired if pricing information as described above were disclosed during the contract period or prior to the negotiation of a new contract.

3. Tampa Electric typically renegotiates its No. 2 and No. 6 fuel oil contracts and fuel related services contracts prior to the end of such contracts. On occasion some contracts are renegotiated after the end of the current contract period. In this situation, renegotiations are normally completed within six months. Therefore, it is necessary to maintain the confidentiality of the information identified as confidential on Form 423-1(a) for six months after the end of the individual contract period the information relates to.

4. Tampa Electric's No. 2 contract was renegotiated effective October 1, 1990 and its No. 6 contract was renegotiated effective September 1, 1990.

Exhibit "B"