



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: April 18, 1997

TO: Mr. Lee Willis, Ausley & McMullen
Ms. Angela Llewellyn, Tampa Electric Company
Ms. Vicki Gordon Kaufman, Florida Industrial Power Users Group
Mr. John Roger Howe, Office of Public Counsel
Mr. Gary Lawrence, City of Lakeland
Mr. Robert Williams, Florida Municipal Power Agency

FROM: Leslie J. Paugh, Senior Attorney, Division Of Legal Services *JJP*

RE: Docket No. 970171-EU - Determination of appropriate cost allocation and regulatory treatment of total revenues associated with wholesale sales to Florida Municipal Power Agency and City of Lakeland by Tampa Electric Company.

Via Facsimile

Staff proposes the following restatement of the issues to be addressed in the above-referenced proceedings:

1. Does the off-system sale agreement to the Florida Municipal Power Agency provide net benefits to Tampa Electric Company's general body of rate payers?
2. How should the non-fuel revenues and costs associated with Tampa Electric Company's wholesale schedule D sales to the Florida Municipal Power Agency be treated for retail regulatory purposes?
3. How should the fuel revenues and costs associated with Tampa Electric Company's wholesale schedule D sales to the Florida Municipal Power Agency be treated for retail regulatory purposes?
4. Does the off-system sale agreement to the City of Lakeland provide net benefits to Tampa Electric Company's general body of rate payers?
5. How should the non-fuel revenues and costs associated with Tampa Electric Company's wholesale schedule D sales to the City of Lakeland be treated for retail regulatory purposes?
6. How should the fuel revenues and costs associated with Tampa Electric Company's wholesale schedule D sales to the City of Lakeland be treated for retail regulatory purposes?

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7. How should the transmission revenues and costs associated with Tampa Electric Company's wholesale sales to the Florida Municipal Power Agency and the City of Lakeland be treated for retail regulatory purposes?
8. Will the Commission's treatment of the City of Lakeland and Florida Municipal Power Agency wholesale sales have an impact on Tampa Electric Company's refund obligation under the stipulation in Docket No. 950379-EI, Order No. PSC 96-0670-S-EI, approved by the Commission?
9. Would the Commission exceed its jurisdiction if it were to allow Tampa Electric Company to earn a return through retail rates for its wholesale sales to the Florida Municipal Power Agency and to the City of Lakeland?

The hearing requested in Tampa Electric Company's Motion To Set Issue Identification Conference has been scheduled before the Prehearing Officer, Commissioner Deason, for Wednesday, April 23, 1997 at 3:00 p.m. in room 152 of the Betty Easley Conference Center, 4075 Esplanade Way, Tallahassee, Florida. In the event that the foregoing restatement of the issues addresses the matters proposed to be raised by Tampa Electric Company at the Issue Identification Conference, the Conference may be canceled. Please contact me at (904) 413-6199 at your earliest convenience so that we may ascertain the necessity of going forward with the Conference