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June 25, 1997

ORIGINAL
FILE COPY

BY HAND DELIVERY

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Fuel and Purchased Power Cost Recovery Factor
and Generating Performance Incentive Factor
FPSC Docket No. 970001-EI

Dear Ms. Bayo:

Enclosed for filing in the above docket on behalf of Tampa Electric Company are fifteen (15) copies of each of the following:

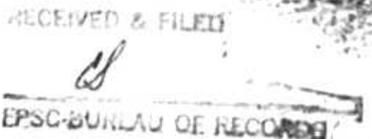
1. Supplement to Petition - 06401-97
 2. Prepared Direct Testimony of Charles R. Black and Exhibit CRB-1 06402-97
 3. Supplemental Testimony of Karen A. Branick and Exhibit KAB-5 06403-97
- 2 AFA Vandrey Prepared Direct Testimony of Gerard J. Kordecki and Exhibit GJK-1 06404-97

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to this writer.

Thank you for your assistance in this matter.

Sincerely,

James D. Beasley
James D. Beasley



ACK _____
2 AFA _____
APP _____
CAF _____
CM _____
C _____
E Base _____
LE _____
LH 3+04 _____
CH _____
RCH _____
SEC _____
WAS _____
OTH _____

JDB/bjm
Enclosures
cc: All Parties of Record (w/encls.)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing, filed on behalf of Tampa Electric Company, has been furnished by U. S. Mail or hand delivery (*) on this 25 day of June, 1997 to the following:

Ms. Vicki D. Johnson*
Staff Counsel
Division of Legal Services
Florida Public Service Comm'n.
101 East Gaines Street
Tallahassee, FL 32399-0863

Mr. James A. McGee
Senior Counsel
Florida Power Corporation
Post Office Box 14042
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Tallahassee, FL 32301

Mr. Jack Shreve
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111 West Madison Street
Tallahassee, FL 32399-1400

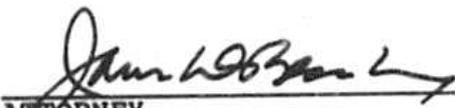
Mr. William B. Willingham
Rutledge, Ecenia, Underwood,
Purnell & Hoffman
Post Office Box 551
Tallahassee, FL 32302-0551

Mr. Matthew M. Childs
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Mr. John W. McWhirter
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Suzanne Brownless P.A.
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Tallahassee, FL 32301

Mr. Jeffrey A. Stone
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Post Office Box 12950
Pensacola, FL 32576



ATTORNEY

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 PREPARED DIRECT TESTIMONY

3 OF

4 CHARLES R. BLACK

5
6 Q. Please state your name, address, occupation and employer.

7
8 A. My name is Charles R. Black. My mailing address is P.O.
9 Box 111, Tampa, Florida 33601, and my business address is
10 702 North Franklin Street, Tampa, Florida 33602. I am Vice
11 President-Energy Supply of Tampa Electric Company.

12
13 Q. Mr. Black, please furnish a brief outline of your
14 educational background and business experience.

15
16 A. I graduated from the University of South Florida in August,
17 1973 with a Bachelor of Science degree in Engineering,
18 majoring in Chemical Engineering. I am a registered
19 Professional Engineer licensed in the State of Florida. I
20 began my career with Tampa Electric Company in September
21 1973 as a staff engineer in the Production Department.
22 Between 1973 and 1989, I held various engineering and
23 management positions in the Production Department, Power
24 Plant Engineering Department, and the Budget Department.
25 In March of 1989, I joined our affiliated company, TECO

DOCUMENT NUMBER-DATE

06402 JUN 25 97

FPSC-RECORDS/REPORTING

1 Power Services as Director of Engineering and Construction.
2 In December of 1990, I was elected Vice President of
3 Engineering and Construction. In December of 1991, I
4 returned to Tampa Electric as Vice President of Project
5 Management. In November of 1996, I was elected to my
6 current position as Vice President-Energy Supply.

7

8 Q. Will you describe some of the responsibilities of your
9 present position?

10

11 A. As Vice President - Energy Supply, I am responsible for the
12 engineering, operation, maintenance, and construction of
13 the power production facilities including safety of
14 personnel and equipment, security, training, control of
15 costs, and various personnel and administrative functions.
16 I am also responsible for environmental matters and fuel
17 procurement.

18

19 Q. Please state the purpose of your testimony.

20

21 A. The purpose of my testimony is to report to the Commission
22 the actual 1996 costs of Tampa Electric's affiliated coal
23 and coal transportation transactions compared to the
24 benchmark prices calculated in accordance with Order No.
25 20298 (coal transportation) and Order No. PSC-93-0443-FOF-

1 EI ("Order No. 93-0443") (coal). I conclude that the 1996
2 prices paid by Tampa Electric to its affiliates TECO
3 Transport and Trade and Gatliff Coal are reasonable and
4 prudent.

5

6 Q. Have you prepared an exhibit which you sponsor in this
7 proceeding?

8

9 A. Yes. Exhibit No. (CRB-1) titled "Exhibit of Charles R.
10 Black", consisting of 2 documents, was prepared under my
11 direction and supervision.

12

13 AFFILIATED COAL AND COAL TRANSPORTATION PRICES

14 Q. Were Tampa Electric's actual affiliated coal transportation
15 prices for 1996 at or below the transportation benchmark?

16

17 A. Yes, they were. This is reflected in Document No. 1 of my
18 exhibit.

19

20 Q. Were Tampa Electric's actual 1996 affiliated coal prices at
21 or below the benchmark as established in Order No. 93-0443?

22

23 A. Yes, they were. This is reflected in Document No. 2 of my
24 exhibit.

25

1 Q. Please summarize your testimony.
2
3 A. My testimony justifies the prices paid for coal and coal
4 transportation by Tampa Electric Company in 1996 to its
5 affiliated suppliers, Gatliff Coal and TECO Transport and
6 Trade. I demonstrate that the average prices for the year
7 1996 for all coal and coal waterborne transportation
8 services were at or below the appropriate benchmark
9 calculations as directed by Order No. 20298 and Order No.
10 93-0443 of this Commission. Therefore, Tampa Electric
11 should recover its payments for coal and coal
12 transportation made during 1996.
13
14 Q. Does this conclude your testimony?
15
16 A. Yes, it does.
17
18
19
20
21
22
23
24
25

EXHIBIT NO. _____
DOCKET NO. 970001-EI
TAMPA ELECTRIC COMPANY
(CRB-1)

TAMPA ELECTRIC COMPANY
EXHIBIT OF CHARLES R. BLACK

EXHIBIT NO. _____
TAMPA ELECTRIC COMPANY
DOCKET NO. 970001-EI
(CRB-1)

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1996 TRANSPORTATION BENCHMARK CALCULATION

Average Rail Mileage to Tampa	1183	Miles	(Note 1)
x Average of Lowest Two Publicly Available Florida Rail Rates	<u>2.266950</u> 26.82	¢/ton mile	(Note 2)
+ Costs of Privately Owned Rail Cars	1.75		(Note 3)
Transportation Benchmark for the Year Ended 12/31/96	28.57		(Note 4)

Notes

- 1/ Weighted average domestic rail miles from all Tampa Electric waterborne coal supplies to plants. Rail miles for imported coal sources are measured from port of entry.
- 2/ Cents per ton-mile for publicly available Florida utility rail coal transportation rates including discounts for volume and private rail cars. The current publicly available rail rates to Florida utilities on a cents per ton-mile basis for 1996 are as follows:

JEA	2.1929	¢*
Orlando	N/A	¢
Lakeland	N/A	¢
Gainesville	2.341	¢*

* Average of Lowest Two 2.266950 ¢

- 3/ The cost of Private rail cars was approved in the original stipulation as \$2.00 per ton. Subsequent negotiation between Tampa Electric and Public Service Commission Staff resulted in an agreed upon estimated cost of \$1.75 per ton.
- 4/ Calculated by multiplying average domestic rail mileage to Tampa by Florida rail coal market costs (cents per ton-mile), then adding the costs of privately-owned rail cars.

1996 TRANSPORTATION MARKET PRICE APPLICATION

Tampa Electric Weighted Average per ton Water Transportation Price from All Tampa Electric Coal Sources ($\$$ [REDACTED] divided by 6,391,305.11)	\$ [REDACTED]
Transportation Benchmark	\$ 28.57
Over/(Under) Benchmark	[REDACTED]
Total Tons Transported in 1996	6,391,305.11
Total Transportation Cost in 1996	\$ [REDACTED]
Total Amount Allowable for Recovery Using Benchmark ($\$28.57 \times 6,391,305.11$)	\$ 182,586,922.62
Total Cost Over/(Under) Benchmark - 1996	\$ [REDACTED]
Prior Year's Cumulative Benefit (1988-1995)	\$ [REDACTED]
Net Benefit for 1988-1996	\$ [REDACTED]

EXHIBIT NO. _____
DOCKET NO. 970001-EI
TAMPA ELECTRIC COMPANY
(CRB-1)
DOCUMENT NO. 2
PAGE 1 OF 2

MARKET BASED COAL CALCULATION - 1996

Base Price of Coal As of 12/31/92	\$ 38.00
CPI-U Index Value at 12/31/92	141.9
CPI-U Index Value at 12/31/96	158.6
Percent Change in CPI-U From 12/31/92 to 12/31/96	11.8%
1996 Gatliff Coal Price Benchmark (38.00 x (1 + 0.118))	\$ 42.48

EXHIBIT NO. _____
DOCKET NO. 970001-EI
TAMPA ELECTRIC COMPANY
(CRB-1)
DOCUMENT NO. 2
PAGE 2 OF 2

COAL MARKET PRICE APPLICATION - 1996

Tampa Electric Weighted Average per Ton Price of Coal Purchased	\$ [REDACTED]
Coal Price Benchmark	\$ <u>42.48</u>
Over/(Under) Benchmark	\$ [REDACTED]
Total Tons Purchased in 1996	1,223,737.50
Total Cost in 1996	\$ [REDACTED]
Total Amount Allowable for Recovery Using Benchmark (42.48 x 1,223,737.50)	<u>\$51,984,369.00</u>
Total Cost Over/(Under) Benchmark - 1996	\$ [REDACTED]