

Declassified

8/5/99

970171-EU

MEMORANDUM

July 2, 1997

TO: _____ DIVISION OF APPEALS
_____ DIVISION OF AUDITING AND FINANCIAL ANALYSIS
_____ DIVISION OF COMMUNICATIONS
XX _____ DIVISION OF ELECTRIC AND GAS
_____ DIVISION OF RESEARCH
_____ DIVISION OF WATER AND WASTEWATER
_____ DIVISION OF LEGAL SERVICES

FROM: DIVISION OF RECORDS AND REPORTING (SANDERS)

RE: CONFIDENTIALITY OF CERTAIN INFORMATION

DOCUMENT NO: 06717-97

DESCRIPTION: Late-filed hearing exhibit No. 6 in response
to staff's amended Interrogatory No. 5

SOURCE: Tampa Electric Company

DOCKET NO. 970171-EU

The above material was received with a request for confidentiality (attached). Please prepare a recommendation for the attorney assigned to the case by completing the section below and forwarding a copy of this memorandum, together with a brief memorandum supporting your recommendation, to the attorney. Copies of your recommendation should also be provided to the Division of Records and Reporting and to the Division of Appeals.

Please read each of the following and check if applicable.

- _____ The document(s) is (are), in fact, what the utility asserts it (them) to be.
- _____ The utility has provided enough details to perform a reasoned analysis of its request.

48-1620
168277

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July 2, 1997

HAND DELIVERED

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

Re: 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;
FPSC Docket No. 970171-EU

CONFIDENTIAL DOCUMENT ATTACHED

Dear Ms. Bayo:

Enclosed with this letter is Tampa Electric Company's Late-Filed Exhibit No. 6 requested during the hearing held in this docket on June 11, 1997 and referred to in Tampa Electric Company's Notice of Intent to Request Confidential Treatment, which Notice was filed on this date with the Division of Records and Reporting. Please keep this document confidential pending receipt and action on the company's request for confidential classification relating to this document.

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/o enc.)


DIVISION OF RECORDS

DOCUMENT
06717 JUL-26

**TAMPA ELECTRIC COMPANY
DOCKET NO. 970171-EU
LATE-FILED EXHIBIT NO. 6
SPONSOR: RAMIL**

5. Please provide the monthly incremental fuel costs separated by F.O.B. mine price, transportation costs and net profit to affiliates of TECO for the FMPA and Lakeland sales from the inception of the sales through 2/28/97. Use the same definition of incremental used by John Ramil in his prefiled testimony.
- A. Tampa Electric has reviewed its fuel usage during the specified period and has requested the cost and margin information for these sales from its affiliates, TECO Transport & Trade (TT&T) and TECO Coal. Although the contracts were signed in November 1996, Tampa Electric did not serve FMPA and Lakeland any power in November. Therefore, the relevant time period is December 1996 through February 1997. FMPA began taking energy on December 16, 1996 and Lakeland on December 4, 1996.

Tampa Electric did not purchase or burn any spot coal from TECO Coal during the relevant period, thus no incremental mine mouth fuel costs from TECO Coal were incurred. Therefore, it is not necessary to provide incremental fuel costs separated by F.O.B. mine price in this response.

The following is a summary of the transportation costs and margin for the FMPA and Lakeland sales during the relevant period. These costs are based on the calculated volumes of coal burned on the margin to serve these sales and the average heat rate for the system.

- Incremental transportation costs paid by Tampa Electric to TT&T for the coal that was estimated to have been burned associated with these sales was:

	Thousands (\$000)
• December, 1996:	\$ 58
• January, 1997:	177
• February, 1997:	151
• Total:	\$ 386

- TT&T's margin (which represents the net profit to TT&T) associated with these sales was:

	Thousands (\$000)
• December, 1996:	\$.2
• January, 1997:	21.1
• February, 1997:	3.7
• Total:	\$ 25.0

DOCUMENT NUMBER-DATE

06717 JUL-25

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