

# AUSLEY & MCMULLEN

ATTORNEYS AND COUNSELORS AT LAW

227 SOUTH CALHOUN STREET  
P.O. BOX 391 (ZIP 32302)  
TALLAHASSEE, FLORIDA 32301  
(904) 224-9118 FAX (904) 222-7560

ORIGINAL  
FILE COPY

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

Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and fifteen (15) copies of Tampa Electric Company's Late-Filed Hearing Exhibit No. 6. Portions of this exhibit have been whited out to delete certain confidential proprietary business information which is the subject of a separate Request for Confidential Treatment being simultaneously filed herewith.

A single confidential version of the above-referenced document with the confidential information highlighted in yellow was submitted to your office at the time we filed our Notice of Intent to Request Confidential Treatment on July 2, 1997.

ACK \_\_\_\_\_  
AFA 1 Please acknowledge receipt and filing of the above by stamping  
APP \_\_\_\_\_ the duplicate copy of this letter and returning same to this  
writer.  
CAF \_\_\_\_\_  
CMU \_\_\_\_\_ Thank you for your assistance in connection with this matter.  
CTR \_\_\_\_\_  
EAG \_\_\_\_\_  
LEG 1  
LIN 5  
CPC JDB/pp  
RCH Enclosures  
SEC 1 cc: All Parties of Record (w/enc.)

Sincerely,

  
James D. Beasley

WAS  
OTH RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT

06718 JUL-25

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

5. Please provide the monthly incremental fuel costs separated by FOB 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: | \$                |
| • January, 1997:  |                   |
| • February, 1997: |                   |
| • Total:          | \$                |

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

|                   | Thousands (\$000) |
|-------------------|-------------------|
| • December, 1996: | \$                |
| • January, 1997:  |                   |
| • February, 1997: |                   |
| • Total:          | \$                |

DOCUMENT NO. DATE

06718 JUL -25

FILED IN OFFICE