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November 16, 1998

HAND DELIVERED

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

Re: FPSC Staff Audit Workpapers for Affiliate Transaction Audit for Calendar Year
1997 (Audit Control No. 98-082-2-1); FPSC Docket No. 981462-E1

Dear Ms. Bayo:

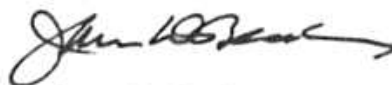
Enclosed for filing in the above matter are the original and fifteen (15) copies of Tampa Electric Company's Request for Specified Confidential Treatment of FPSC Staff Audit workpapers. This request is accompanied by a detailed justification for the confidential treatment requested. The confidential documents in question are being filed under a separate cover letter.

Also enclosed are two copies of a public version of the subject documents, with the sensitive information blacked out rather than highlighted.

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
Enclosures

X-10 11433-98 + 12109-98

DOCUMENT NUMBER-DATE

12844 NOV 16 98

REC'D - RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: FPSC Staff Audit Workpapers)
For Affiliate Transaction Audit for)
Calendar Year 1997)
(Audit Control No. 98-082-2-1))
_____)

DOCKET NO. 981462-EI
FILED: November 16, 1998

**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 two Staff audit findings prepared by Staff in connection with the above Audit and, as grounds therefor, says:

1. Tampa Electric has reviewed certain Commission Staff Audit findings which the company received by mail on or about October 26, 1998. Attached hereto as Exhibit "A" is a detailed justification for the requested confidential treatment of the highlighted portions of the two findings in question.

Duration of Requested Confidential Treatment

2. Tampa Electric requests that the information for which the company seeks confidential classification not be declassified for 24 months from the date of confidential classification. The confidential information in question pertains to the cost of doing business of Tampa Electric's unregulated affiliates. The need for two or more years of confidentiality is vital not only to Tampa Electric and its ratepayers, but to Tampa Electric's non-regulated competitive affiliates as well. Disclosure of this sensitive cost information prior to the expiration of the requested 24 month period could adversely affect Tampa Electric and Tampa Electric's

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REG. ELECTRIC REPORTING

unregulated affiliate. Disclosure would also adversely affect the non-regulated affiliates in their ability to negotiate contracts with parties other than Tampa Electric. The need for two years of protection has been recognized on a number of occasions. See, for example, Order No. PSC-98-1312-CFO-EI, issued October 9, 1998 in Docket No. 980001-EI, granting a two year period of confidentiality with regard to various cost information pertaining to Tampa Electric's non-regulated affiliates.

3. The material for which classification is sought is intended to be and is treated by Tampa Electric and its affiliates as private and has not been publicly disclosed.

WHEREFORE, Tampa Electric submits the foregoing as its Request for Specified Confidential Treatment of the information identified in Exhibit "A" as confidential proprietary business information.

DATED this 16th day of November, 1998.

Respectfully submitted,



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ATTORNEYS FOR TAMPA ELECTRIC COMPANY

TAMPA ELECTRIC COMPANY

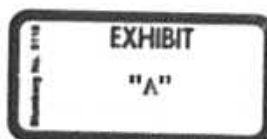
Undocketed AFA 98-082-2-1

Justification for Confidentiality of Audit Report
for the Twelve Months Ended December 31, 1997

<u>Audit Report Page No.</u>	<u>Line</u>	<u>Rationale</u>
Page 6	3	(1)

Rationale for Confidentiality:

- (1) This item represents the amount that Tampa Electric would have exceeded the 1997 Coal Price Benchmark had BTU adjustments been included in the Weighted Average per Ton Price of Coal Purchased. This information can be used in conjunction with the BTU adjustment itemized on lines 1 and 2, and with other publicly available information as to the Total Amount Allowable for Recovery Using Benchmark to derive total cost of tons purchased from Gatliff Coal Company. Total cost can be used in conjunction with total tons purchased from Gatliff, which is also publicly available, to compute the weighted average per ton price of coal purchased from Gatliff. The weighted average per ton price of coal purchased is contractual data, the disclosure of which would adversely affect the ability of Tampa Electric and Gatliff to contract for the purchase and sale, respectively, of goods (coal) on favorable terms. As such, this information is protected under Section 366.093 (3) (d) and (e), Fla. Stat. If the contractual price charged by Gatliff Coal Company to Tampa Electric for coal supplied under the parties' current contract is made public, it will adversely affect Gatliff's ability to negotiate higher prices with other purchasers. If other potential purchasers know how low Gatliff was willing to price coal to Tampa Electric, that price may be viewed by the other potential purchasers as a ceiling on the amount they are willing to pay for Gatliff coal. This would place Gatliff coal at a competitive disadvantage in the negotiating process. Disclosure of the weighted average price per ton of Gatliff coal, or any information which would enable one to derive that price, would also enable one to derive the segmented transportation prices using other publicly available information. This same document was an exhibit in Docket No. 980001-EI. In that same docket, the weighted average per ton price of coal purchased was granted confidential treatment in Order No. PSC-98-1351-CFO-EI issued October 12, 1998.



<u>Audit Report Page No.</u>	<u>Lines</u>	<u>Rationale</u>
Page 15	1, 2	(1)

Rationale for Confidentiality:

- (1) Lines 1 and 2 disclose 1997 revenues and operating income for a non-regulated subsidiary of TECO Energy, Inc. Disclosure of these operating results for our non-regulated companies will put them at a competitive disadvantage since their non-regulated competitors are not required to publish the type of operating financial information contained in this audit report. The material for which classification is sought is intended to be and is treated by TECO Energy, Inc. as confidential private information and has not been disclosed on an individual company by company basis. As such, this information warrants protection under Section 366.093 (d) and (e) Fla. Stat.

<u>Audit Report Page No.</u>	<u>Line</u>	<u>Rationale</u>
Page 16	1	(1)

Rationale for Confidentiality:

- (1) Line 1 discloses 1997 revenues and operating income for a non-regulated subsidiary of TECO Energy, Inc. Disclosure of these operating results for our non-regulated companies will put them at a competitive disadvantage since their non-regulated competitors are not required to publish the type of operating financial information contained in this audit report. The material for which classification is sought is intended to be and is treated by TECO Energy, Inc. as confidential private information and has not been disclosed on an individual company by company basis. As such, this information warrants protection under Section 366.093 (d) and (e) Fla. Stat.

The following workpapers can be declassified as confidential:

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