



Public Service Commission

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

DATE: May 24, 2000
TO: All Parties
FROM: Cochran Keating, Senior Attorney, Division of Legal Services
RE: 000001-EI - Fuel and purchased power cost recovery clause and generating performance incentive factor.

WCK RVE

Via Facsimile

Please note that an informal meeting in the above-referenced docket has been scheduled for the following time and place:

2:00 p.m., Friday, May 26, 2000
 Gerald L. Gunter Building
 2540 Shumard Oak Boulevard, Room 309
 Tallahassee, Florida

The purpose of this meeting is to discuss Florida Industrial Power Users Group's Motion for Mid-Course Protection. The parties should be prepared to address the questions listed on the page following this memorandum. If there are any questions regarding this meeting, please contact Todd Bohrmann at (850) 413-6445 or Cochran Keating at (850) 413-6193.

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FPSC-RECORDS/REPORTING

QUESTIONS CONCERNING FIPUG'S "MOTION FOR MID-COURSE PROTECTION"

1. How did FIPUG calculate that \$35 million of the \$70 million in payments made to Tampa Electric by FIPUG members are attributable to the carrying costs of Tampa Electric's generation plants and transmission lines?
2. Discuss how capacity costs are allocated to Tampa Electric's interruptible customers.
3. Provide examples in which FIPUG believes that Tampa Electric either interrupted interruptible customers or "bought through" on behalf of these interruptible customers for economic, not reliability, reasons.
4. Elaborate on how the ruling in Northern States Power Co. v. Federal Energy Regulatory Commission, 176 F.3d 1090 (8th Cir. 1999) is applicable to the actions described in FIPUG's petition.
5. Explain more completely the following relief requested in FIPUG's petition: direct Tampa Electric to reduce the buy-through power rate by the amount included in base rates for generating capacity.
6. Discuss more completely the Commission's authority to grant the relief requested by FIPUG, in particular the following:
 - a. Require Tampa Electric to curtail any wholesale sale if such sale would occur during the same hour in which Tampa Electric plans to interrupt interruptible customers;
 - b. Enable Tampa Electric to avoid peak period emergency power purchases and other costly short-term purchases by adding a rider to the tariffs which contain buy-through provisions authorizing Tampa Electric's industrial customers receiving service under such tariffs to be relieved of the obligation to use Tampa Electric as their exclusive agent for buying power; and
 - c. Authorize customers which produce power from self-generation in Florida, outside of Tampa Electric's service area, to wheel the power to their own sites within Tampa Electric's service area.