

ORIGINAL



TAMPA ELECTRIC COMPANY
BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 000061-EI

REDACTED
SUPPLEMENTAL TESTIMONY
AND EXHIBIT OF

WILLIAM R. ASHBURN

DOCUMENT NUMBER-DATE

12554 OCT-38

FPSC-RECORDS/REPORTING

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **PREPARED SUPPLEMENTAL DIRECT TESTIMONY**

3 **OF**

4 **WILLIAM R. ASHBURN**

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

7
8 **A.** My name is William R. Ashburn. My business address is
9 702 North Franklin Street, Tampa, Florida 33602. I am
10 Manager, Pricing for Tampa Electric Company ("Tampa
11 Electric" or "the company").

12
13 **Q.** Are you the same William R. Ashburn who filed prepared
14 direct testimony in this proceeding on June 28, 2000?

15
16 **A.** Yes I am.

17
18 **Q.** What is the purpose of your supplemental testimony in
19 this proceeding?

20
21 **A.** The purpose of my supplemental testimony is to correct
22 the numerical comparison provided as Document No. 2 of
23 Exhibit No. __ (WRA-1) of my direct testimony. I will
24 discuss the implications of those corrections with regard
25 to the rate last discussed with Allied Universal/Chemical

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Formulators, Inc. ("Allied/CFI") compared to the Odyssey Manufacturing Company ("Odyssey") Commercial/Industrial Service Rider ("CISR") tariff Contract Service Agreement ("CSA").

Q. Have you prepared an exhibit supporting your testimony in this proceeding?

A. Yes. My Exhibit No. ___ (WRA-2) consists of three documents.

Q. What correction do you wish to make?

A. During the course of reviewing discovery materials being provided in this proceeding it was discovered that an erroneous assumption was used in determining the overall average rate per MWH resulting from the on-peak and off-peak rates provided to Allied/CFI. This overall average rate, which was intended to represent a weighted average aggregation of the on-peak and off-peak rates discussed with Allied/CFI, was shown as Document No. 2 of Exhibit No. ___ (WRA-1) and described in my direct testimony.

The erroneous assumption was that Allied/CFI would consume [REDACTED] percent of the energy needed at their new

1 facility during on-peak hours and [REDACTED] percent during off-
2 peak hours. Upon closer examination, it became clear that
3 this assumed ratio of on-peak and off-peak energy usage
4 was erroneous, given the high load factor ([REDACTED] percent)
5 projected for Allied/CFI's proposed plant based on
6 information provided by Allied/CFI during negotiations.
7 It was further confirmed by [REDACTED]
8 [REDACTED]
9 [REDACTED]. Use of this erroneous
10 assumption resulted in an overstated overall average rate
11 for Allied/CFI of [REDACTED] per MWH before taxes as shown in
12 Document No. 2 of Exhibit No. __ (WRA-1).

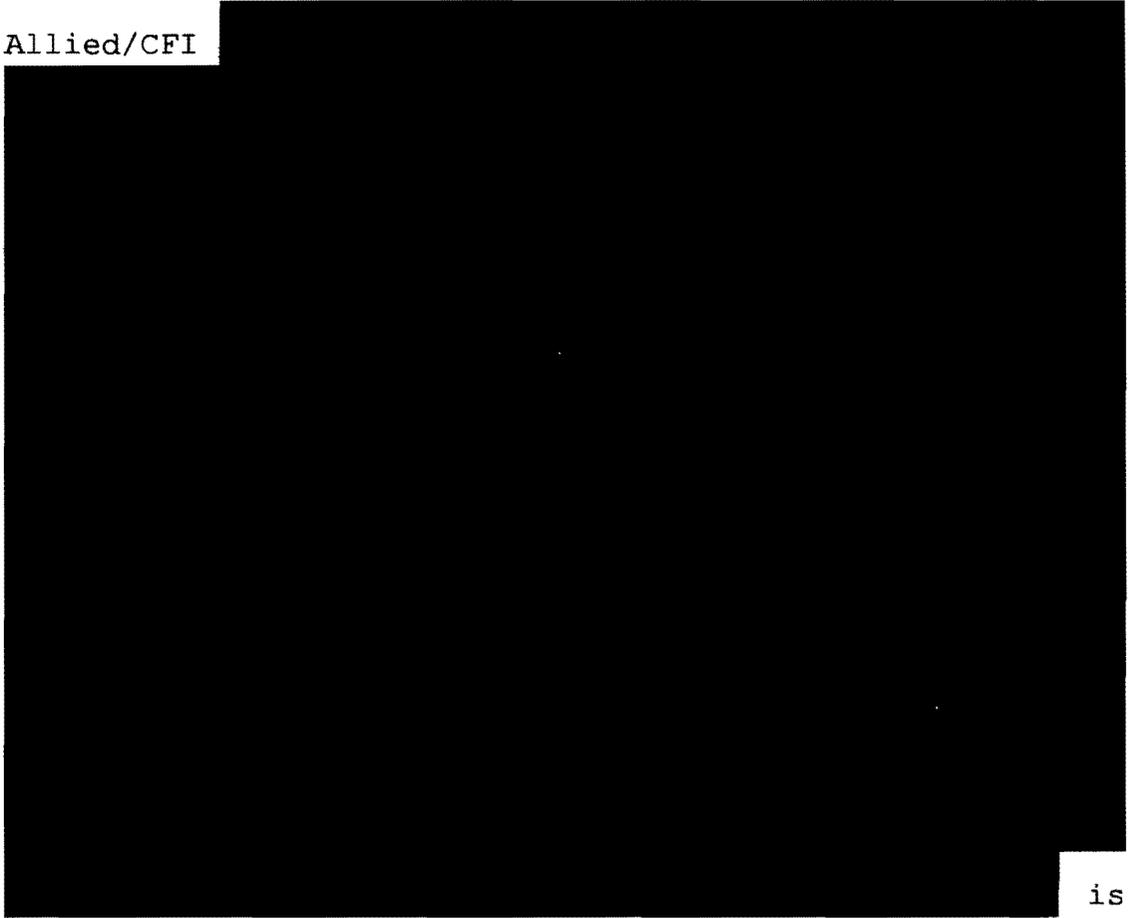
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14 **Q.** What energy consumption ratio should be used and what
15 would be the correct overall average rate for Allied/CFI
16 if it is applied?

17
18 **A.** A more appropriate [REDACTED] percent on-peak and [REDACTED] percent off-
19 peak consumption ratio [REDACTED]
20 should be utilized. When it is, the calculated overall
21 average rate for Allied/CFI is [REDACTED] per MWH before
22 taxes. A revised version of my original Document No. 2 is
23 provided as Document No. 1 of Exhibit No. __ (WRA-2)
24 showing a revised side-by-side comparison of the Odyssey
25 and Allied/CFI rates.

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Q. Why would the assumed ratio between the on-peak/off-peak consumption matter with regard to the Allied/CFI rate calculation?

A. The term sheet prepared by Tampa Electric and provided to Allied/CFI clearly shows that the rate design for Allied/CFI



is provided as Document No. 2 of my Exhibit __ (WRA-2).

The impact of this change in on-peak/off-peak energy consumption on Allied/CFI's average electric rate is

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provided in Document No. 3 of my exhibit which is based on the CISR rate calculation provided as an attachment to the term sheet. The only difference between the two rate calculations shown in Document No. 3 is the change in the on-peak/off-peak energy consumption.

Q. Would Allied/CFI have been able to determine the impact on its average rate of a change in the on-peak/off-peak ratio during the negotiations?

A. Yes. 


Certainly, with this information, Allied/CFI was in a better position to determine what its expected on-peak energy consumption would be at its proposed plant than Tampa Electric. 



1 Q. If the on-peak/off-peak energy usage impacts Allied/CFI's
2 average rate calculation, would it have impacted
3 Odyssey's average rate for the same reason?
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5 A.

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14 Q. Does this change in ratio impact anything else with
15 regard to your analysis of either Odyssey or Allied/CFI?
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17 A. Yes.

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[REDACTED]

Q. If the change in ratio affects the benefit portion of the BCR, would it not also affect the cost portion?

A.

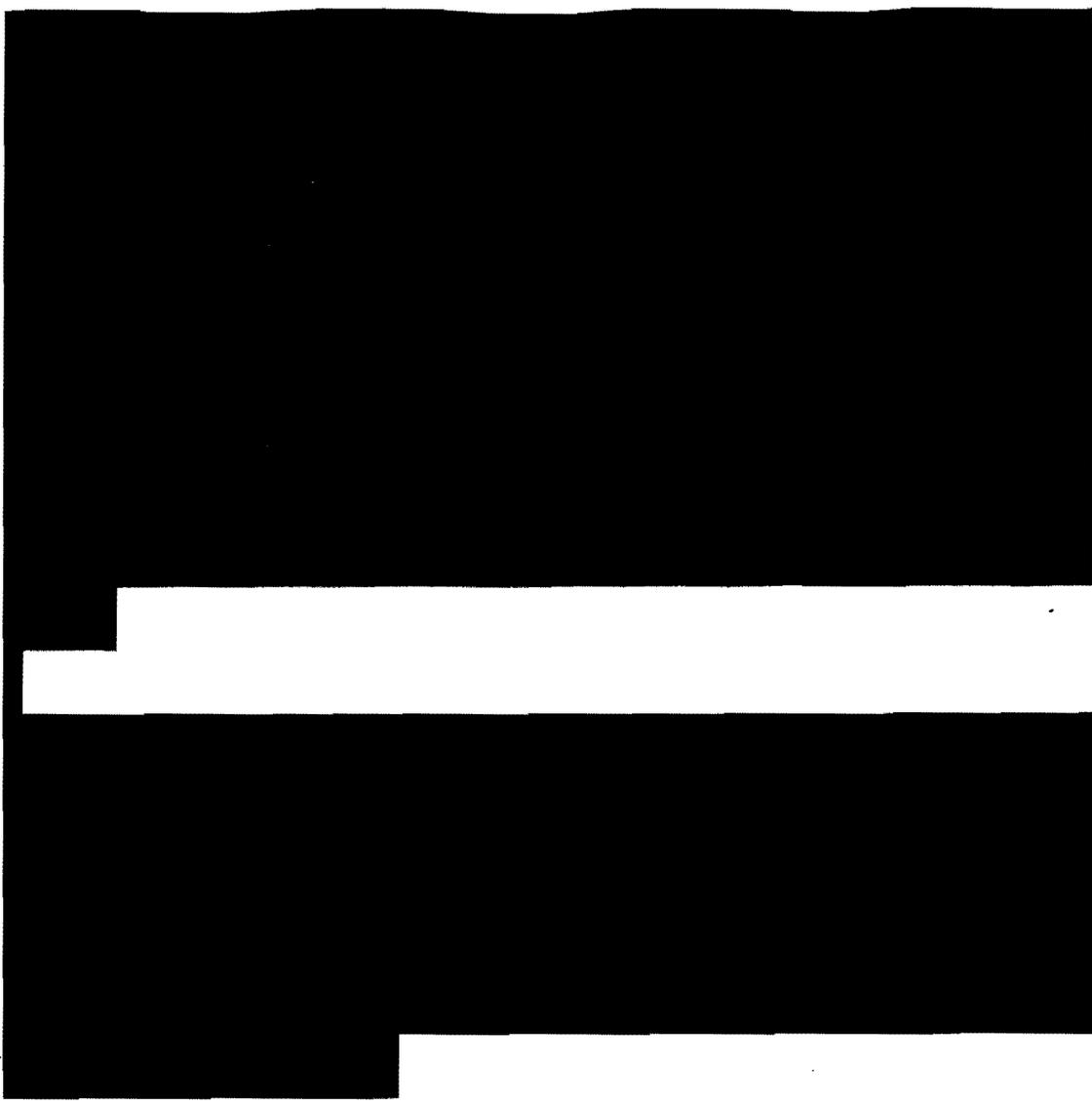
[REDACTED]

Q. Are there any other changes you would make to your analysis?

A. Yes.

[REDACTED]

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Q. What are the impacts of the actual values that result from this change?

A. As discussed earlier, Document No. 1 of my Exhibit No. __ (WRA-2) reflects an updated rate comparison between Odyssey and Allied/CFI.



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Q. Does this conclude your testimony?

A. Yes, it does.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 000061-EI
WITNESS: WILLIAM R. ASHBURN
EXHIBIT NO. ____ (WRA-2)**

**TAMPA ELECTRIC COMPANY
SUPPLEMENTAL EXHIBIT OF
WILLIAM R. ASHBURN**

INDEX

DOCUMENT NO.	TITLE	PAGE
1	CISR Rates – Comparison of Negotiated Offerings Revised September 25, 2000	1
2	Letter and Proposed Power Purchase Agreement Term Sheet	3
3	Allied / CFI CISR Rate Calculation	10

**TAMPA ELECTRIC COMPANY
DOCKET NO. 000061-EI
WITNESS: WILLIAM R.ASHBURN
EXHIBIT NO. ____ (WRA-2)
DOCUMENT NO. 1**

**DOCUMENT NO. 1
CISR Rates – Comparison of
Negotiated Offerings**

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**TAMPA ELECTRIC COMPANY
DOCKET NO. 000061-EI
WITNESS: WILLIAM R.ASHBURN
EXHIBIT NO.____ (WRA-2)
DOCUMENT NO. 2**

**DOCUMENT NO. 2
Letter and Proposed Power Purchase
Agreement Term Sheet**

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Annual Electric Charge Estimate (CISR)

Allied Billing Determinates:

On-peak Energy (kWh)
 Off-peak Energy (kWh)
 Total Annual Allied Energy (kWh)
 Total Annual Demand (8,164 kW x 12)

2001 2002 2003 2004 2005 2006 2007 2008 2009 2010

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1999 Allied Rates and GSLDT Tariff Charges:

GSLDT Customer Charge (\$/Month)
 Allied On-Peak Energy (¢/kWh)
 Allied Off-Peak Energy (¢/kWh)
 GSLDT Billing Demand (\$/kW)
 Allied Peak Billing Demand (\$/kW)
 Projected GSLDT On-Peak Fuel (¢/kWh)
 Projected GSLDT Off-Peak Fuel (¢/kWh)
 Projected GSLDT Capacity (¢/kWh)
 Projected GSLDT Conservation (¢/kWh)
 Projected GSLDT Environmental (¢/kWh)

255 255 255 255 255 255 255 255 255 255

Allied Annual Electric Charges (\$):

Customer Charge
 On-Peak Energy
 Off-Peak Energy
 Billing Demand
 Peak Billing Demand
 On-Peak Fuel
 Off-Peak Fuel
 Capacity
 Conservation
 Environmental

\$3,060 \$3,060 \$3,060 \$3,060 \$3,060 \$3,060 \$3,060 \$3,060 \$3,060 \$3,060

Subtotal Charges

Billing Credits (if applicable):

Metering Level Discount
 (1% of energy and demand charges as if GSLDT customer)
Transformer Ownership Discount
 (3¢ per kW of billing demand)
Power Factor Adjustments

\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0

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Subtotal Credits

Total Annual Electric Charges w/ Credits (\$)
 (\$/MWH)

Including Gross Receipts Tax (2.5641%)

AAGR

Including City of Tampa Franchise Fees (4.95%)

AAGR

Including City of Tampa Utility Tax

AAGR

AAGR

Annual Electric Charge Estimate (GSLDT)

Allied Billing Determinates:

On-peak Energy (kWh)
 Off-peak Energy (kWh)
 Total Annual Allied Energy (kWh)
 Total Annual Demand (8,164 kW x 12)

1999 GSLDT Tariff Charges:

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
GSLDT Customer Charge (\$/Month)	255	255	255	255	255	255	255	255	255	255
GSLDT On-Peak Energy (¢/kWh)	2.198	2.198	2.198	2.198	2.198	2.198	2.198	2.198	2.198	2.198
GSLDT Off-Peak Energy (¢/kWh)	1.008	1.008	1.008	1.008	1.008	1.008	1.008	1.008	1.008	1.008
GSLDT Billing Demand (\$/kW)	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36
GSLDT Peak Billing Demand (\$/kW)	5.08	5.08	5.08	5.08	5.08	5.08	5.08	5.08	5.08	5.08
Projected GSLDT On-Peak Fuel (¢/kWh)	3.2953									
Projected GSLDT Off-Peak Fuel (¢/kWh)	1.8087									
Projected GSLDT Capacity (¢/kWh)	0.1132									
Projected GSLDT Conservation (¢/kWh)	0.1044									
Projected GSLDT Environmental (¢/kWh)	0.1459									

Allied Annual Electric Charges (\$):

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Customer Charge	\$3,060	\$3,060	\$3,060	\$3,060	\$3,060	\$3,060	\$3,060	\$3,060	\$3,060	\$3,060
On-Peak Energy										
Off-Peak Energy										
Billing Demand										
Peak Billing Demand										
On-Peak Fuel										
Off-Peak Fuel										
Capacity										
Conservation										
Environmental										
Subtotal Charges										

Billing Credits (if applicable):

Metering Level Discount
 (1% of energy and demand charges as if GSLDT customer)

Transformer Ownership Discount
 (3¢ per kW of billing demand)

Power Factor Adjustments

Subtotal Credits

Total Annual Electric Charges w/ Credits (\$)
(\$/MWH)

Including Gross Receipts Tax (2.5641%)

Including City of Tampa Franchise Fees (4.95%)

Including City of Tampa Utility Tax

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**TAMPA ELECTRIC COMPANY
DOCKET NO. 000061-EI
WITNESS: WILLIAM R.ASHBURN
EXHIBIT NO.____ (WRA-2)
DOCUMENT NO. 3**

**DOCUMENT NO. 3
Allied / CFI CISR Rate Calculation**

Allied/CFI CISR Rate Calculation

	<u>With Original On/Off-Peak Energy Assumption</u>	<u>With Revised On/Off-Peak Energy Assumption</u>
Allied/CFI Billing Determinates:		
A On-peak Energy (kWh)		
B Off-peak Energy (kWh)		
C Total Annual Allied Energy (kWh)		
D Total Annual Demand (kWh x 12)		
1999 Allied/CFI Rates and GSLDT Tariff Charges:		
E GSLDT Customer Charge (\$/Month)	255	255
F Allied/CFI On-Peak Energy (¢/kWh)		
G Allied/CFI Off-Peak Energy (¢/kWh)		
H GSLDT Billing Demand (\$/kW)		
I Allied/CFI Peak Billing Demand (\$/kW)		
J Projected GSLDT On-Peak Fuel (¢/kWh)	3.2953	3.2953
K Projected GSLDT Off-Peak Fuel (¢/kWh)	1.8087	1.8087
L Projected GSLDT Capacity (¢/kWh)	0.1132	0.1132
M Projected GSLDT Conservation (¢/kWh)	0.1044	0.1044
N Projected GSLDT Environmental (¢/kWh)	0.1459	0.1459
Allied/CFI Annual Electric Charges (\$):		
O Customer Charge GSLDT (E x 12)	\$3,060	\$3,060
P On-Peak Energy (A x F)		
Q Off-Peak Energy (B x G)		
R Billing Demand (D x H)		
S Peak Billing Demand (D x I)		
T On-Peak Fuel (A x K)		
U Off-Peak Fuel (B x K)		
V Capacity (C x L)		
W Conservation (C x M)		
X Environmental (C x N)		
Y Subtotal Charges		
Billing Credits (if applicable):		
Metering Level Discount ((P+Q+R+S) x -1%)		
Transformer Ownership Discount (D x -\$0.36)		
Power Factor Adjustments (Assumed PF= 85%)	\$0	\$0
Z Subtotal Credits		
Total Charges w/ Credits Before Taxes and Fees:		
AA (\$ (Y + Z) B12)		
(\$/MWH) (Y + Z)/(C/1000)		
Taxes (\$):		
BB Gross Receipts Tax (AA x 2.5641%)		
CC City of Tampa Franchise Fees ((AA+BB) x 4.95%)		
DD City of Tampa Utility Tax ((AA+BB+CC-(C x .00571)-(A x J x 1.025641)-(B x K x 1.025641)) x 10%)		
EE Subtotal Taxes		
Total Charges w/ Credits, Taxes, and Fees:		
(\$ (AA + EE)		
(\$/MWH) (AA + EE)/(C/1000)		