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December 22, 2000

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

RE: Complaint of Allied Universal Corporation and Chemical Formulators, Inc.
against Tampa Electric Company;
FPSC Docket No. 000061-EI

Dear Ms. Bayo:

The purpose of this letter is to provide the Commission with a status report regarding efforts to schedule mediation in the above-mentioned docket. Tampa Electric Company has seriously considered the Commission's suggestion that the parties pursue every reasonable means of resolving this proceeding without needlessly adding further to the already significant caseload faced by the Commission and Staff. To this end, Tampa Electric has attempted to bring the matters at issue to mediation as quickly as possible. However, thus far, these efforts have been frustrated.

Over two weeks ago, Tampa Electric and Allied discussed the possibility of mediation. In order to expedite matters, the Company readily accepted Allied/CFI's proposed mediator, Rick Melson, and their proposed mediation date of December 20th. Early during the week of December 11th, counsel for Tampa Electric, Allied/CFI and Odyssey Manufacturing Company participated in a conference call with the proposed mediator in order to finalize the procedures to be followed during the agreed upon December 20th mediation session and to agree upon the materials to be provided in advance of the session.

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Once the arrangements had been established to the satisfaction of all concerned, counsel for Allied/CFI asked counsel for Tampa Electric and Odyssey to remain on the telephone to discuss one final matter that did not require the participation of the mediator. Once the mediator hung up, counsel for Allied/CFI indicated that he had forgotten to mention that Allied/CFI had one final pre-condition to participating in the planned mediation session. This last minute precondition for mediation was that Allied/CFI's antitrust attorney, who is not advising Allied/CFI with regard to matters that are before the Commission in this proceeding, must be given authorization to review the confidential information already made available to Allied/CFI's senior management, outside technical consultants and two sets of outside counsel, pursuant to the non-disclosure agreement approved by the Commission for use in this proceeding.

In response, Tampa Electric renewed its objection to the attempted abuse by Allied/CFI of the Commission's discovery procedures to gather information for use in potential litigation in other forums. However, in an effort to move matters forward, Tampa Electric suggested that the parties proceed with the planned mediation session. The Company offered to reconsider its objection if settlement seemed highly likely after mediation.

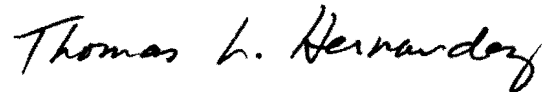
Counsel for Allied/CFI subsequently contacted counsel for Tampa Electric and Odyssey on December 15<sup>th</sup> to advise the parties that Allied/CFI was not going to participate in the planned December 20<sup>th</sup> mediation session due to Tampa Electric's refusal to consent to the disclosure of confidential information to Allied/CFI's antitrust counsel prior to the mediation session. Counsel for Allied/CFI also cited as reasons for canceling the mediation session the proximity of the mediation date to the holidays and the lack of adequate time to prepare. Tampa Electric responded by expressing its sincere disappointment and frustration with Allied/CFI's decision, especially since Allied/CFI had proposed the mediation date. Tampa Electric made it clear that it was ready and willing to participate in the mediation session on December 20<sup>th</sup>, as planned especially given that a hearing for this matter is scheduled in February.

On December 20<sup>th</sup>, counsel for Allied/CFI contacted Tampa Electric with a proposal to hold a mediation session on January 8<sup>th</sup>, 2001, provided the Commission has ruled by that date on Allied/CFI's request that its antitrust counsel be allowed to review confidential information. While Tampa Electric has agreed to the proposed January 8<sup>th</sup> date, the Company is concerned that Allied/CFI's has effectively pushed the mediation date so far out that it now has the potential to interfere with the preparations for the February 19<sup>th</sup> hearing scheduled in this proceeding. Allied/CFI has not attempted to conduct depositions of Tampa Electric's witnesses in this proceeding. Allied/CFI's conduct serves only to underscore its lack of interest in moving this matter to early resolution.

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Tampa Electric remains anxious to have the matters in this docket resolved as soon as possible. The Company believes, although with some hesitation at this point given Allied/CFI's actions, that mediation is a potential means for resolution. Tampa Electric will continue working with all parties to accomplish these means.

Sincerely,



Thomas L. Hernandez  
Vice President - Regulatory Affairs

cc: Mr. Robert V. Elias  
Ms. Marlene K. Stern  
Mr. Kenneth Hoffman  
Mr. Patrick K. Wiggins  
Ms. Noreen Davis  
Ms. Kathy Bedell  
Mr. Wayne Schiefelbein  
Mr. Lee L. Willis  
Mr. James D. Beasley  
Mr. Harry W. Long, Jr.