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ORIGINAL

August 30, 2002

HAND DELIVERED

Ms. Blanca S. Bayo, Director Division of Commission Clerk and Administrative Services Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850 DECEIVED FPSO DE AUG 30 PH 3: 01 COMMISSION CLERK

Re: Application of Cargill Fertilizer, Inc. to engage in self-service wheeling of waste heat cogenerated power to, from and between points within Tampa Electric Company's Service Territory; FPSC Docket No. 020898-EQ

Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and fifteen (15) copies of each of the following:

- 1. Response of Tampa Electric Company to the Motion of Cargill Fertilizer, Inc. to Continue Self-Service Wheeling of Waste Heat Cogenerated Power During Resolution of Petition for Permanent Approval.
- 2. Response of Tampa Electric Company to the Petition of Cargill Fertizlizer, Inc. for Permanent Approval of Self-Service Wheeling Program and Request for Expedited Treatment.

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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.

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CON	Process and an experience of	RECEIVED & FILED	Jan Ban	
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application of Cargill Fertilizer, Inc.)	Docket No. 020898-EQ
to engage in self-service wheeling of waste)	Filed: August 30, 2002
heat cogenerated power to, from and)	
between points within Tampa Electric)	
Company's service territory.)	
)	

RESPONSE OF TAMPA ELECTRIC COMPANY TO THE MOTION OF CARGILL FERTILIZER, INC. TO CONTINUE SELF-SERVICE WHEELING OF WASTE HEAT COGENERATED POWER DURING RESOLUTION OF PETITION FOR PERMANENT APPROVAL

Pursuant to Rule 28-106.204, Florida Administrative Code, Tampa Electric Company ("Tampa Electric") hereby responds to the August 16, 2002 Motion filed by Cargill Fertilizer, Inc. ("Cargill"), requesting continuation of self-service wheeling pending Florida Public Service Commission ("Commission") resolution of its Petition for permanent approval of self-service wheeling. Based on the experience gained during the two-year self-service wheeling experiment authorized by this Commission, Tampa Electric respectfully suggests that self-service wheeling by Cargill has not been cost-effective and, therefore, that it is not in the best interests of the general body of ratepayers to continue this service. In addition, continuation of self-service wheeling by Cargill, even on an interim basis, in a manner recognizing Cargill's status as a retail customer whose bundled retail electric service is subject to the jurisdiction of this Commission would require certain waivers and/or approvals by the Federal Energy Regulatory Commission ("FERC"). In support whereof, Tampa Electric says:

1. On August 16, 2002, Cargill filed with this Commission a Petition For Permanent Approval Of Self-Service Wheeling Program And Request For Expedited

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Treatment and a Motion To Continue Self-Service Wheeling Of Waste Heat Cogenerated Power During Resolution Of Petition For Permanent Approval.

- 2. On August 23, 2002, Tampa Electric filed a Motion requesting an extension of the time to August 30 within which to respond to Cargill's Motion.
- 3. For the reasons discussed below and in Tampa Electric's separate response to the above-mentioned Petition, the Company respectfully submits that both Cargill's Petition and its Motion should be denied.
- 4. As discussed in Tampa Electric's response to Cargill's Petition, the benefit-to-cost ratio ("BCR") calculated on the results of the quarterly analyses of the current self-service wheeling experiment period-to-date is 0.85, strongly indicating that the service is not cost effective.
- 5. Cargill's Motion for continuation of self-service wheeling during the period that the Commission is considering its Petition for permanent self-service wheeling is based on Cargill's assertion that it will be irreparably harmed if the requested interim relief is not granted. However, Tampa Electric respectfully submits that Cargill has failed to identify any harm or damage that would justify granting the interim relief requested or any other relief, especially in light of the fact that the data collected indicates that the service in question is not cost-effective.
- 6. In its capacity as a cogenerator, Cargill will suffer no detriment due to the absence of self-service wheeling. Neither the market nor the price paid for its as-available energy would be affected by the unavailability of self-service wheeling. In its capacity as a retail electric customer, Cargill has voluntarily selected interruptible electric service, presumably due to the savings achieved over subscribing to firm service. Having

accepted and enjoyed the relative savings associated with interruptible service, Cargill cannot now reasonably argue to this Commission that enduring the occasional interruptions that justify the savings in question or exercising the option to have Tampa Electric attempt to buy power in an effort to avoid interruption constitute adverse impacts that entitle Cargill to any particular or immediate relief in the form of self-service wheeling or otherwise. Even if one were to assume that occasional service interruption or the obligation to pay for optional provision purchases was an adverse impact entitling Cargill to relief, experience indicates that self-service wheeling would not be an especially useful remedy. Thus far during the experiment period, only 13 percent of Cargill's self-wheeled energy has been scheduled and delivered during periods when optional provision purchases were being made on behalf of interruptible customers on Tampa Electric's system.

7. As discussed in more detail in Tampa Electric's response to Cargill's Petition, Tampa Electric has come to realize that some departures from the provisions of the FERC jurisdictional Open Access Transmission Tariff ("OATT") would be necessary in order to continue self-service wheeling, even on an interim basis, in a manner that recognizes that retail competition is not permitted under Florida law and that this Commission will retain full jurisdiction over the bundled retail service currently provided to Cargill. These deviations from the OATT would have to be effectuated through a transaction-specific Transmission Service Agreement to be filed with the FERC for approval, with uncertain outcome. Tampa Electric respectfully submits that it would be a waste of time and resources to initiate the FERC filing process unless this Commission determines that self-service wheeling should continue.

8. Tampa Electric has worked diligently with Cargill in an effort to develop a cost-effective means of continuing self-service wheeling. However, the valuable insights gained as a result of the two-year experiment authorized by this Commission suggest that a continuation of self-service wheeling, in this instance, is not in the best interests of retail ratepayers. Furthermore, Cargill has not demonstrated that it will suffer any irreparable harm that would warrant continuation of self-service wheeling on an interim basis. As the moving Party, Cargill has the burden of proving otherwise. Tampa Electric respectfully submits that Cargill, on the strength of its pleadings thus far, has failed to carry that evidentiary burden.

WHEREFORE, Tampa Electric respectfully requests that the Commission issue an order denying Cargill's request for interim relief in this proceeding.

DATED this 30 day of August 2002.

Respectfully submitted,

HARRY W. LONG, JR. Assistant General Counsel Tampa Electric Company Post Office Box 111 Tampa, Florida 33601 (813) 228-1702

and

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ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Motion, filed on behalf of Tampa Electric Company, has been served by hand delivery (*) or U. S. Mail on this day of August 2002 to the following:

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