

ORIGINAL

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October 22, 2002

HAND DELIVERED

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COMMISSION CLERK

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

Re: Fuel and Purchased Power Cost Recovery Clause with Generating Performance  
Incentive Factor; FPSC Docket No. 020001-EI

Dear Ms. Bayo:

Enclosed for filing in the above docket is the original and ten (10) copies of Tampa  
Electric Company's Request for Confidential Classification regarding answers to Staff's Second  
Set of Interrogatories Nos. 31, 35, 43 and 44.

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

- AUS \_\_\_\_\_ JDB/pp
- CAF \_\_\_\_\_ Enclosure
- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_ cc: All Parties of Record (w/enc.)
- EGR \_\_\_\_\_
- GCL \_\_\_\_\_
- OPC \_\_\_\_\_
- MMS \_\_\_\_\_
- SEC \_\_\_\_\_
- OTH \_\_\_\_\_

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost Recovery )  
Clause with Generating Performance Incentive ) DOCKET NO. 020001-EI  
Factor. ) FILED: October 22, 2002  
\_\_\_\_\_ )

**REQUEST FOR CONFIDENTIAL CLASSIFICATION**

Tampa Electric Company (“Tampa Electric” or “the company”), pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, hereby requests confidential classification of the highlighted information contained in Tampa Electric Company’s answers to Staff’s Second Set of Interrogatories Nos. 31, 35, 43 and 44 (the “Confidential Information”) which were filed on a confidential basis in the above docket on October 14, 2002, pursuant to a Notice of Intent to Seek Confidential Classification. Two public copies of the company’s answers to Interrogatories Nos. 31, 35, 43 and 44 with the Confidential Information redacted are also enclosed with this request. In support of its request, Tampa Electric states as follows:

1. Subsection 366.093(1) provides that any records “found by the Commission to be proprietary confidential business information shall be kept confidential and shall be exempt from s. 119.07(1) [requiring disclosure under the Public Records Act].” Proprietary confidential business information includes, but is not limited to “[i]nformation concerning . . . contractual data, the disclosure of which would impair the efforts of the public utility or its affiliates to contract for goods or services on favorable terms.” Subsection 366.093(3)(d). Proprietary confidential business information also includes “[i]nformation relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the

information.” Section 366.093(3)(e). The Confidential Information falls within these statutory categories and, thus, constitutes proprietary confidential business information entitled to protection under Section 366.093 and Rule 25-22.006.

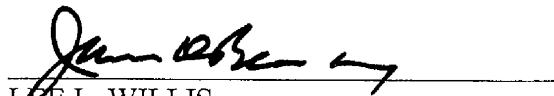
2. Attached hereto as Exhibit “A” is a detailed justification for designating the Confidential Information proprietary confidential business information under the above-referenced statute and rule.

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

WHEREFORE, Tampa Electric Company respectfully requests that the highlighted Confidential Information set forth in the company’s answers to Interrogatories Nos. 31, 35, 43 and 44 be accorded confidential classifications for the reasons set forth above.

DATED this 22<sup>nd</sup> day of October 2002.

Respectfully submitted,



LEE L. WILLIS  
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Ausley & McMullen  
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(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Request for Confidential Classification has been furnished by U. S. Mail or hand delivery (\*) on this 22<sup>nd</sup> day of October 2002 to the following:

Mr. Wm. Cochran Keating, IV\*  
Senior Attorney  
Division of Legal Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
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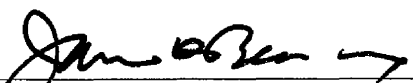
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Mr. R. Wade Litchfield  
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Mr. Russell A. Badders  
Beggs & Lane  
Post Office Box 12950  
Pensacola, FL 32591-2950

  
\_\_\_\_\_  
ATTORNEY

**JUSTIFICATION FOR CONFIDENTIAL TREATMENT  
OF HIGHLIGHTED PORTIONS OF TAMPA ELECTRIC COMPANY'S  
ANSWERS TO STAFF'S INTERROGATORIES NOS. 31, 35, 43 AND 44**

**Interrogatory No. 31**

The four highlighted numbers on Tampa Electric Company's answer to Staff's Interrogatory No. 31 are entitled to confidential treatment pursuant to Section 366.093, Florida Statutes, to protect from public disclosure the amounts paid by Tampa Electric for coal and natural gas transportation services. Tampa Electric's river and coal barge systems are utilized in the transportation of coal to Tampa Electric. Those entities compete in a highly competitive waterborne transportation industry. Disclosure of the transportation amount would enable a competitor of these entities to determine the per unit transportation costs of Tampa Electric's coal transportation affiliates and thereby better compete with those affiliates for business hauling other commodities. This would severely disadvantage Tampa Electric's affiliated transportation companies and ultimately work to the detriment of Tampa Electric and its ratepayers. To the extent the affiliated companies are weakened by their competitors, Tampa Electric's ability to secure services from its affiliated transportation companies will, likewise, be adversely affected. Consequently, the information in question is entitled to confidential treatment pursuant to Section 366.093 which provides that proprietary confidential business information includes, but is not limited to:

(d) Information concerning bids or other contractual data, the disclosure of which would impair the efforts of the public utility or its affiliates to contract for goods or services on favorable terms.

(e) Information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information.

Similarly, the natural gas transportation rate shown in Tampa Electric's answer to Staff Interrogatory No. 31 is entitled to confidential treatment. This transportation amount, coupled with other publicly available information regarding the units of natural gas purchased by Tampa Electric can be used to determine the per unit cost of pipeline transportation. This is a competitively negotiated rate set forth in confidential pipeline service agreements. Public disclosure of this information would be harmful to Tampa Electric's ability to negotiate new natural gas transportation agreements in the future. The coal and natural gas commodity prices reflected in Tampa Electric's answer are in need of confidential protection in order to preclude a would-be supplier or competitor of transportation services from using the total amount shown at the bottom of the answer with the commodity amount to arithmetically determine the transportation amount shown in the second line of the company's answer.

**Interrogatory No. 35**

The highlighted information set forth in Tampa Electric's answers to Staff's Interrogatory No. 35 would disclose details regarding Tampa Electric's negotiated coal and coal transportation commitments going out into the future. By disclosing these details Tampa Electric would hamper its ability to negotiate new coal and coal transportation contracts in the future. The information would provide a road map to other coal suppliers as to the amounts Tampa Electric is willing to pay for coal and coal transportation services. This is exactly the type of information the Commission traditionally has deemed to be entitled to confidential treatment with respect to Tampa Electric Company's Form 423 filings. Disclosure of this information would harm the competitive interests of Tampa Electric and adversely impact the company's ability to secure coal and coal transportation services on favorable terms. As such, the information is entitled to

protection under Section 366.093, which identifies as proprietary confidential business information the following:

(d) Information concerning bids or other contractual data, the disclosure of which would impair the efforts of the public utility or its affiliates to contract for goods or services on favorable terms.

(e) Information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information.

The disclosure of open amounts would, likewise, adversely impact Tampa Electric's ability to cover the open amounts by disclosing to potential suppliers the extent of Tampa Electric's price vulnerability in negotiations to satisfy the company's open requirement.

**Interrogatory No. 43**

The information set forth in Tampa Electric's answer to Interrogatory No. 43, likewise, would disclose Tampa Electric's negotiated transportation rates, thereby adversely affecting the company's ability to negotiate favorable rates in the future and adversely affecting the company affiliated transportation suppliers. As such, this information is entitled to confidential protection pursuant to Section 366.093(3)(d) and (e) as set forth above with respect to earlier references to transportation rates. The coal tonnage amounts for 2001 and 2002 are entitled to confidential treatment because they provide the amounts of coal shipped to the company's stations by different methods—rail transportation or waterborne transportation. This information provides knowledge of Tampa Electric's existing contracts and operations that could damage the company's position in negotiations for future favorably priced supply and transportation agreements. In addition, disclosure of this information would give competitors of Tampa Electric's affiliated transportation company insight into the operations of that company and could damage the affiliate's position in competitive negotiations. As such, this information is entitled

to confidential protection pursuant to Section 366.093.039(3)(d) and (e) as set forth above with respect to earlier references to transportation rates.

**Interrogatory No. 44**

The highlighted portion of Tampa Electric's answers to Staff's Interrogatory No. 44 is entitled to confidential treatment since it discloses various negotiated terms and conditions of Tampa Electric's coal transportation contract. Disclosure of this information would provide other potential coal transportation suppliers with information regarding negotiated price components of the company's existing contracts thereby enabling the other potential suppliers to negotiate a higher transportation rate with Tampa Electric than might otherwise be offered in the absence of such knowledge. As a result, this type of information is entitled to confidential treatment pursuant to Section 366.093, Florida Statutes, under subsections (3)(d) and (e) as described above in connection with the earlier interrogatory.



TAMPA ELECTRIC COMPANY  
DOCKET NO. 020001-EI  
STAFF'S 2<sup>nd</sup> SET OF INTERROGATORIES  
INTERROGATORY NO. 31  
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31. For 2002 total fuel expenses for which Tampa Electric seeks recovery through the fuel and purchased power cost recovery clause, please provide the information necessary to complete the following table:

\$000	Coal	Natural Gas	Residual Oil	Distillate Oil
Commodity				
Transportation				
Other <sup>1</sup>				
Total				

<sup>1</sup> For purposes of this interrogatory, "Other" includes taxes, fees, inspection costs, commissions, port charges, inventory adjustments, and additives blended with fuel.

- A. The fuel expense information requested is shown in the following table.

\$000	Coal	Natural Gas	Residual Oil	Distillate Oil
Commodity	██████████	██████████	4,778	12,703
Transportation	██████████	██████████	Note 1	Note 1
Other Note 2	(2,049)	0	0	0
<b>Total</b>	<b>318,113</b>	<b>36,849</b>	<b>4,778</b>	<b>12,703</b>

Note1: The transportation costs are embedded in the invoice price of the commodity.

Note 2: Includes any taxes, fees, inspection costs, commissions, port charges, inventory adjustments and additives blended with fuel

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STAFF'S 2<sup>nd</sup> SET OF INTERROGATORIES  
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35. Please identify Tampa Electric's 2003 coal sources by "A" Coal and "D" Coal, including the total quantities of all contracts for each type of coal; the quantities and type of coal to be delivered under each contract; the supplier in each contract; open amounts for each type of coal; effective dates (month/year of start and end) for each contract; and price per ton (commodity and delivered) under each contract. Describe all quantities that may be contract extensions. Please show Tampa Electric's total "A" coal requirements and "D" coal requirements for 2003.
- A. Based on clarification from Commission Staff, it is Tampa Electric's understanding that "A" and "D" type coals refer to compliance and non-compliance coal, respectively. Tampa Electric's units don't require compliance coal, so it is not regularly used. The following table shows, by sulfur dioxide content, the projected quantities, the supplier, open amounts, effective dates and commodity and delivered price per ton for each of Tampa Electric's 2003 coal contracts.

Supplier	Lbs. SO <sub>2</sub> Per Ton	Type	Effective Dates	Base Tons	2003 Deliveries	Open Amounts	\$/Ton Commodity	Est. \$/Ton Delivered
	2.20	Low Fusion						
	5.20	Standard High						
	5.25	Standard High						
	5.25	Synfuel						
	6.21	Illinois 6						
	5.50	Standard High						
	<5.25	Beneficiated Fuel						
	5.25	Standard High						
	5.25	Standard High						
	4.60	Standard High						
	1.25	Low Sulfur						
	0.80	PRB						
	1.25	Low Sulfur						
<b>Total Commitments</b>								

Notes:

- 1 Deferred tons from 2002 to 2003
- 2 Each ton of synfuel replaces a Sugar Camp ton
- 3 Price escalates quarterly

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TAMPA ELECTRIC COMPANY  
DOCKET NO. 020001-EI  
STAFF'S 2<sup>nd</sup> SET OF INTERROGATORIES  
INTERROGATORY NO. 35  
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FILED: OCTOBER 14, 2002

**TAMPA ELECTRIC COMPANY**  
**DOCKET NO. 020001-EI**  
**STAFF'S 2<sup>nd</sup> SET OF INTERROGATORIES**  
**INTERROGATORY NO. 43**  
**PAGE 1 OF 1**  
**FILED: OCTOBER 14, 2002**

43. Please indicate the amount of coal actually taken by Tampa Electric in 2001, and projected to be taken in 2002, via each coal transportation option identified in the previous interrogatory. Please indicate the average rate paid or projected to be paid for transportation during these periods for each coal transportation option identified in the previous interrogatory.

A. The information requested about Tampa Electric's coal transportation is provided in the following table.

Generating Station	2001 Tons	2001 \$/Ton	2002 Tons	2002 \$/Ton
Big Bend - Waterborne	██████████	██████████	██████████	██████████
Big Bend - Truck	██████████	██████████	██████████	██████████
Gannon - Waterborne	██████████	██████████	██████████	██████████
Gannon - Rail <sup>1</sup>	██████████	██████████	██████████	██████████
Polk - Waterborne	██████████	██████████	██████████	██████████
Polk - Truck	██████████	██████████	██████████	██████████

<sup>1</sup> The Gannon Station rail spur was removed to accommodate the station's conversion from coal to natural gas fired generation.

TAMPA ELECTRIC COMPANY  
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STAFF'S 2<sup>nd</sup> SET OF INTERROGATORIES  
INTERROGATORY NO. 44  
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44. Please describe how the rates currently paid by Tampa Electric for coal transportation are determined.
- A. Tampa Electric has a market-based contract for coal transportation with TECO Transport Company. The contract is an integrated transportation agreement that includes river transportation, terminal transfer and storage, and ocean shipping to the generating stations.

