

ORIGINAL  
AUSLEY & McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

227 SOUTH CALHOUN STREET  
P.O. BOX 391 (ZIP 32302)  
TALLAHASSEE, FLORIDA 32301  
(850) 224-9115 FAX (850) 222-7560

May 15, 2003

HAND DELIVERED

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

RECEIVED-FPSC  
03 MAY 15 PM 3:03  
COMMISSION  
CLERK

Re: Petition by Cargill Fertilizer, Inc. to engage in a pilot project for self service wheeling to, from, and between points within Tampa Electric Company's service area; FPSC Docket No. 001048-EQ 1020898-EQ

Dear Ms. Bayo:

Pursuant to Order No. PSC-00-1596-TRF-EQ issued in the above docket on September 6, 2000, and pursuant to discussions with the Commission Staff regarding the confidential nature of certain of the information contained in this filing, we enclose for filing two redacted copies of Tampa Electric Company's Quarterly Report identifying the costs and revenues associated with the approved experimental self-service wheeling program. The enclosed redacted Quarterly Reports is for the first quarter of 2003.

A single confidential version of the Quarterly Report is being filed under a separate cover letter. Attached hereto as Exhibit "A" is a justification for the confidential classification of the information contained in the redacted portions of this filing, which portions are circled in yellow on the confidential version of this Quarterly Report. That information is the "Avoided Incremental Fuel and Purchased Power Expense" for each month and each quarter as reflected in the second component under Item (7) of each quarterly report entitled "Fuel & Purchased Power Cost Recovery." As explained in Exhibit "A" additional information needs to be treated confidentially in order to prevent Tampa Electric's competitors from arithmetically backing into the "Avoided Incremental Fuel and Purchased Power Expense" using the following information:

Under Item (7) in each report the values shown for "Lost Retail Tariff Time-of-Use Fuel Revenues" and "Net Impact to Fuel Recovery Clause."

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning same to this writer.

AUS  
CAF  
CMP  
COM  
CTR  
ECR  
GCL  
OPC  
MMS  
SEC  
OTH

RECEIVED & FILED

DOCUMENT NUMBER-DATE

04361 MAY 15 03

FPSC-BUREAU OF RECORDS FPSC-COMMISSION CLERK

Ms. Blanca S. Bayo  
May 15, 2003  
Page Two

Thank you for your assistance in connection with this matter.

Sincerely,



James D. Beasley

JDB/pp  
Enclosures

cc: Angela Llewellyn (w/enc.)

**Justification for Confidential Treatment of Values Shown for  
“Net Impact to Fuel Recovery Clause” Under Item (7) in Each Quarterly Report**

Tampa Electric actively participates in the wholesale power market. In that market Tampa Electric has many competitors. Any entity competing against Tampa Electric which will make wholesale sales to third parties would derive a significant competitive advantage by knowing information reflecting on the probable price or price range Tampa Electric is willing to charge for a particular sale. Disclosing the company's avoided incremental fuel and purchased power expense would disclose to Tampa Electric's wholesale competitors valuable information regarding the cost Tampa Electric could be expected to incur in making a particular sale. Armed with this cost information, Tampa Electric's competitors can more accurately project the price at which Tampa Electric would offer to sell wholesale power. This would enable competitors to structure their own offers to undercut Tampa Electric's price and thereby secure a sale at the expense of Tampa Electric and its general body of ratepayers who benefit from such sales. In addition, disclosing Tampa Electric's avoided incremental fuel and purchased power expense would arm potential purchasers of Tampa Electric's wholesale power with valuable cost information and enable them to offer to buy power from Tampa Electric at slightly above the company's incremental fuel and purchased power cost. This would reduce the gains Tampa Electric might otherwise obtain from wholesale power sale to the ultimate detriment of Tampa Electric and its general body of ratepayers. As such, the avoided incremental fuel and purchased power expense is "information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information" and, thus, entitled to confidential treatment pursuant to Section 366.093(3)(e), Florida Statutes.

**Justification for Confidential Treatment of the Values Shown for  
“Lost Retail Tariff Time-of-Use Fuel Revenues” and  
“Net Impact Fuel Recovery Clause” Under Item (7) in Each Report**

The values in question are not proprietary per se, but can be used to arithmetically derive the highly proprietary values shown under Item (7) of each quarterly report in the line entitled “Avoided Incremental Fuel and Purchased Power Expense.” As a consequence, these values need to be treated confidentially as well in order to protect against inadvertent disclosure of the “Avoided Incremental Fuel and Purchased Power Expense.” This has been approved by the Commission on numerous occasions in the fuel adjustment proceeding to protect against the inadvertent disclosure of proprietary confidential business information.

## Overview of Self-Service Wheeling Experimental Program

Pursuant to Florida Public Service Commission Order No. PSC-00-1596-TRF-EQ, dated September 6, 2000, Tampa Electric Company (TECO) and Cargill Fertilizer, Inc. (Cargill) are participating in an experimental program in which TECO provides Cargill with self-service wheeling (SSW) to, from and between Cargill's three locations identified as "New Millpoint", "Ridgewood Master" (fertilizer plants) and "Hooker's Prairie Mine".

According to the Order, transmission wheeling of self-service energy will be supplied under TECO's Open Access Transmission Tariff (OATT) on file at the Federal Energy Regulatory Commission (FERC). Any applicable charges for under-delivery of scheduled energy will be collected under TECO's Open Access Generation-to-Schedule Imbalance (GSI) Service. For the duration of this pilot program (initially limited to two years), TECO will submit quarterly reports, such as the attached, that identify the costs and revenues associated with this program.

The first section of the quarterly report is a summary page designed to provide information regarding Cargill's actual energy (MWH) reduction attributable to SSW<sup>1</sup>, the basis for the GSI service charge and the net revenue gains or losses for other TECO ratepayers. This page also includes TECO's monthly peak information. When SSW occurs, TECO's incremental fuel expense for serving this energy is avoided (except when Cargill under-delivers and TECO serves the energy shortfall via the GSI service). Ratepayers lose fuel revenue when the avoided incremental fuel expense is less than the otherwise applicable tariff fuel rate. Conversely, ratepayers benefit if the reverse is true. Cargill's self-service energy is assumed to be an incremental increase to TECO's energy supply. Therefore, any SSW MWs in hours that are coincident with hourly spot sales of energy are assumed to have contributed to the sales.

The second section shows the impact of SSW on Cargill's electric bills for each of the three Cargill locations. It provides the billing components before and after the SSW energy reduction adjustment. Cargill's SSW is non-firm and therefore assumed to have no impact on the billing demand used to calculate demand charges for retail electric service. Although all billing components are shown, only the energy-related components are impacted.

The third section provides a graphical presentation of the hours of SSW (including whether on-peak or off-peak); the hours of optional provision purchases; the hours of overlap of SSW and optional provision purchases, and the actual peak hour for each day. Over time these charts may assist in the assessment of reliability impacts to both TECO and Cargill.

On August 16, 2002, Cargill filed a petition with the Florida Public Service Commission ("Commission") seeking permanent approval of SSW and a motion requesting that the current SSW program be continued during the petition resolution period (Docket No.

---

<sup>1</sup> SSW energy occurring during hours of optional provision purchase is excluded from the actual energy reduction amount in the Ratepayer Impact Section of this report. Lost revenues and avoided fuel expense are not applicable to this energy as it would have otherwise been served through optional provision purchases and not by Tampa Electric.

020898). On October 1, the Commission granted the latter request (Order No. PSC-02-1451-PCO-EQ) with the Cargill's commitment to make ratepayers whole for any impacts associated with SSW during the program's extended period, and set the docket for hearing on the question of permanent approval. On October 9, 2002, in response to the Commission's decision and with Commission support, Tampa Electric filed with FERC a transaction-specific transmission service agreement between Tampa Electric and Cargill intended specifically to accommodate the request that the current SSW be continued (Docket No. ER03-27-000). At the request of Tampa Electric, and with the agreement of Cargill, an order was issued November 5 by the Commission (Order No. PSC-02-1518-PCO-EQ) holding all activity related to Docket No. 020898 in abeyance until FERC ruled on Tampa Electric's SSW filing. The FERC issued a letter on November 14, 2002, accepting Tampa Electric's transaction specific non-firm point-to-point service agreement with Cargill for self-service wheeling effective October 1, 2002. The companies began negotiations to resolve self-service issues in December.

TECO has shared the information in this report with Cargill

**Section 1**

**Impact of Self-Service Wheeling on Other Tampa Electric Ratepayers**





## **Section 2**

### **Impact of Self-Service Wheeling on Cargill's Electric Bills**

CONFIDENTIAL



CONFIDENTIAL

**Section 3**  
**Hourly Summary**

CONFIDENTIAL



CONFIDENTIAL