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July 10, 2003

VIA HAND DELIVERY

Blanca S. Bayo, Director
Division of Records and Reporting
Betty Easley Conference Center
4075 Esplanade Way
Tallahassee, Florida 32399-0870

Re: Docket No.: 020898-EQ

COMMISSION
CLERK
JUL 10 PM 4:03
JUL 10 2003


Dear Ms. Bayo:

On behalf of Cargill Fertilizer, Inc. enclosed for filing and distribution are the original and 15 copies of the following:

- ▶ Cargill Fertilizer, Inc.'s Status Report.

Please acknowledge receipt of the above on the extra copy of each and return the stamped copy to me. Thank you for your assistance.

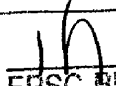
Sincerely,


Timothy J. Perry

TJP/bae
Enclosures

- AUS _____
- CAF _____
- CMP _____
- COM _____
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FPSC-BUREAU OF RECORDS

MCWHIRTER, REEVES, MCGLOTHLIN, DAVIDSON, KAUFMAN & ARNOLD, P.A.

DOCUMENT NUMBER-DATE

06124 JUL 10 8

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In 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 area.

Docket No 020898-EQ

Filed: July 10, 2003

Cargill Fertilizer, Inc.'s Status Report

Pursuant to Order No. PSC-03-0773-PCO-EQ, Cargill Fertilizer, Inc. (Cargill) files this Status Report as directed by the Prehearing Officer.

1. Order PSC-03-0773-PCO-EQ adequately describes the general status of the case. Therefore, this report focuses on the matters over which the parties disagree.

2. Cargill's request to transmit electricity generated from waste heat from one of its locations to another was approved by Order No. PSC-00-1596-TRF-EQ for a two-year pilot study (October 1, 2000 to September 30, 2002). The purpose of the study was to determine the impact of the Cargill self-service wheeling request (SSW) on the general body of ratepayers. In August 2002, Cargill requested that the SSW program be permanently approved. Cargill's position is that the program complies with the requirements of the pertinent Florida statutes and the Commission's rules on the subject. Cargill alleges that the program is beneficial to TECo and its ratepayers and permits Cargill to efficiently utilize its waste heat cogenerated power.

3. In response to the Commission directive to perform a pilot study, TECo filed periodic reports with the Commission. However, TECo's reports did not conform to the format or substance prescribed by the Commission's Cost Effectiveness Manual for determining the cost-effectiveness of self-service wheeling programs. Cargill objected to the form and content of TECo's reports and requested information from TECo to enable Cargill to perform its own study. TECo objected to

Cargill's discovery request, even as to information predating January 2002 (the first fifteen months of the two year study). With limited exceptions, confidential information over eighteen months old is within the public domain under the provisions of §366.093(4) Florida Statutes. The parties' discovery issues remain unresolved.

4. Order No. PSC-03-0773-PCO-EQ emanated from Cargill's request that mediation be convened. The Order directs Cargill to file a status report to advise the Prehearing Officer whether the parties have mutually agreed to mediate this dispute. Further, the Order states, "the parties are strongly encouraged to voluntarily avail themselves of the mediation program offered by this Commission." Order at 5.

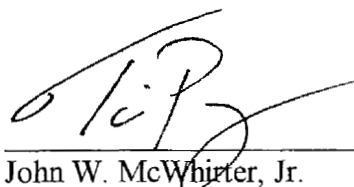
5. Cargill supports the view frequently expressed by the Commission and by TECo, that mediation is an efficient and cost-effective way for parties to resolve disputes short of litigation. Once the parties are at the mediation table, they often can arrive at creative solutions to issues.

6. Generally, one of the first steps in mediation is for the parties to discuss the procedures and issues for mediation. The scope of the issues to be mediated is discussed and decided upon in the mediation itself. Often, the skills of the Commission mediator are very helpful in this regard and would no doubt be useful in this case.

7. The parties have not agreed to the parameters for mediation. Further, there has been no agreement between the parties on the principal issue in the case—whether self-service wheeling will adversely impact the general body of ratepayers—or the other issues specifically identified in Cargill's list of issues for mediation. There has been no agreement on the sum Cargill should pay to transmit self-generated power over the TECo-owned transmission system or the method to determine that sum. To preserve the confidentiality of settlement discussions neither Cargill nor TECo listed the non-essential issues upon which there is agreement.

8. TECo has informed Cargill that it would support mediation only if it alone can set the parameters of the mediation before mediation begins. The issues it agreed to discuss did not include the unresolved issues described above. TECo's approach requires Cargill to waive its rights and to concede the essential disputed issues in the case. Cargill obviously can't accede to TECo's approach.

9. Cargill reiterates its willingness and desire to mediate this dispute. It is hopeful that TECo, with the Commission's "strong encouragement," will come to the table. If mediation does not go forward, Cargill requests, in the alternative, that the stay be lifted and that the case scheduling be reformed to enable discovery issues to be resolved before Cargill is required to file its testimony.



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Attorneys for Cargill Fertilizer, Inc.

CERTIFICATE OF SERVICE

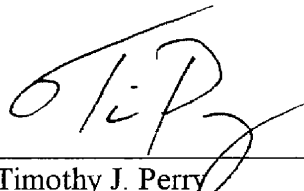
I HERBY CERTIFY that a true and correct copy of the foregoing Status Report has been furnished by (*) hand delivery or U.S. Mail on this 10th day of July 2003, to the following:

(*) Rosanne Gervasi
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