

Overview of Self-Service Wheeling Experimental Program

0 20898 -EQ

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 SSW¹, 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. Beginning with Quarter 2, 2003, this section has been revised to better reflect the impact to ratepayers. Revisions were based on information gained during the pilot period and corrections for omissions and errors in the original analysis (e.g. administration, billing and reporting costs captured; variable O&M and transmission losses included; gain on opportunity sales excluded). A revised analysis was filed with the Commission on August 8, 2003 for each of the eight quarterly reports from the initial pilot period.

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.

¹ 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.

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FPSC-COMMISSION CLERK

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. 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 November 2002. The Docket No. 020898 procedural schedule was re-instated on July 24, 2003 after the Cargill and Tampa Electric reached an impasse in negotiations.

TECO has shared the information in this report with Cargill

Section 1

Impact of Self-Service Wheeling on Other Tampa Electric Ratepayers

Impact of Cargill Self-Service Wheeling (SSW) Pilot - 2nd Quarter 2003

Does Not Include Energy Reduction from Self-Service Wheeling in Hours Coincident with Optional Provision Purchases

	April	May	June	2nd Qtr. 2002
(1) <u>Energy Reduction from SSW - MWH</u>				
Cargill New Millpoint Plant (SBI-3)	0	183	0	183
Cargill Ridgewood Master Plant (SBI-1)	0	1	0	1
<u>Cargill Hooker's Prairie Plant (IST-1)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Cargill SSW	0	184	0	184
(2) <u>Actual SSW Under-delivered - MWH</u>				
Basis for Generator-to-Schedule Imbalance (GSI) Service	0	1	0	1
<u>Cost/Benefit (-/+)</u>				
(3) Administration, Billing and Reporting Expense	\$ (87)	\$ (448)	\$ (323)	\$ (859)
(4) Base Energy	\$ -	\$ (1,769)	\$ -	\$ (1,769)
(5) Environmental Cost Recovery Charges (\$1.37/MWH)	\$ -	\$ (252)	\$ -	\$ (252)
(6) Conservation Cost Recovery Charges (\$0.2/MWH)	\$ -	\$ (37)	\$ -	\$ (37)
(7) Capacity Cost Recovery Charges (\$0.17/MWH)	\$ -	\$ (31)	\$ -	\$ (31)
(8) Lost Retail Tariff Time-Of -Use Fuel Revenues	\$ -	\$ (6,009)	\$ -	\$ (6,009)
(9) Avoided Fuel and Purchased Power Expense				
(10) <u>Avoided Variable Production O&M</u>	\$ -	\$ 373	\$ -	\$ 373
(11) Avoided Energy Cost				
Schedule 8 - Non-Firm Point-to-Point Transmission Service	\$ -	\$ 1,944	\$ 447	\$ 2,391
Schedule 2 - Reactive Supply	\$ -	\$ 119	\$ 27	\$ 147
<u>Schedule 1 - Scheduling</u>	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ 17</u>	<u>\$ 92</u>
(12) Total Transmission Wheeling	\$ -	\$ 2,138	\$ 491	\$ 2,630
(13) Net GSI Service Charges	\$ -	\$ 9	\$ -	\$ 9
(14) Refund	\$ -	\$ -	\$ -	\$ -
Net Impact				
Tampa Electric Monthly Peak:	Date	4/20/03	5/7/03	6/9/03
	Hour	15	17	16
	MW	3,174	3,290	3,665

Notes:

- (1) This report is based on calendar month data. Actual customer bills, which are based on billing cycles, may be different due to billing-driven meter reading dates.
- (2) These values represent the differences between the self-service MWs that Cargill scheduled in each hour and the self-service MWs that were actually delivered to Tampa Electric's transmission system in each corresponding hour. Shortfall energy is supplied via Tampa Electric's GSI service at 110% of Tampa Electric's incremental cost for each hour GSI service is required.
- (3) Represents monthly administration, maintenance, billing, and reporting expense associated with the pilot.
- (4) Revenue losses are calculated by multiplying the IST-1 energy charge (\$10.78/MWH) by the reduced energy for Hooker's Prairie; the SBI-1 supplemental energy charge (\$10.78/MWH) and standby energy charge (\$9.61/MWH) by the reduction in supplemental energy and standby energy, respectively, for Ridgewood Master; and the SBI-3 supplemental energy charge (\$13.27/MWH) and standby energy charge (\$9.61/MWH) by the reduction in supplemental energy and standby energy, respectively, for New Millpoint.
- (5) Environmental Cost Recovery Charge is multiplied by the MWH reduced as a result of SSW.
- (6) Conservation Cost Recovery Charge is multiplied by the MWH reduced as a result of SSW.
- (7) Capacity Cost Recovery Charge is multiplied by the MWH reduced as a result of SSW.
- (8) Represents the loss in tariff time-of-use fuel revenue calculated by multiplying the on-peak and off-peak tariff fuel prices by the energy reduced in on-peak and off-peak hours respectively as a result of SSW.
- (9) The avoided hourly fuel and purchased power expense including SO2 allowances and adjustment for line losses is multiplied by the energy reduction from SSW in each hour.
- (10) Avoided variable O&M \$/MWH, adjusted for line losses, is multiplied by the MWH reduction from SSW in hours that TEC generation is on the market.
- (11) The avoided energy cost is the sum of the avoided fuel and purchased power expense (line 9) and the avoided variable O&M expense (line 10).
- (12) Open Access transmission tariff wheeling charges are multiplied by the scheduled SSW MWs in each hour.
- (13) Calculated by multiplying the 10% gain on the hourly incremental fuel and purchased power expense including SO2 allowances and variable O&M times the GSI MWHs in each hour. The 10% has been treated as a true gain as opposed to a premium designed to cover

Section 2

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

Impact of Self-Service Wheeling on Cargill Electric Bill for Hooker's Prairie Mine

Billing Components for 2nd Quarter 2003 Before and After Self-Service Wheeling(1)

Hooker's Prairie (IST-1)	Before SSW			After SSW			Impact of SSW			
	April	May	June	April	May	June	April	May	June	Quarter II
Actual Billing Determinants: (2)										
Demand (kW)										
On-Peak Energy (kWh)	No	No	No							
Off-Peak Energy (kWh)	SSW	SSW	SSW							
Power Factor %	in April	in May	in June							
Applicable Tariff Rate/Charge:										
Customer Facilities (\$/bill)										
Demand (\$/kW-mo)										
Energy (\$/kWh)										
Metering Level Discount (% of D&E charges)										
Transformer Ownership Discount (\$/kW-mo)										
On-Peak Fuel Charge (\$/kWh)										
Off-Peak Fuel Charge (\$/kWh)										
Energy Conservation Charge (\$/kWh)										
Capacity Charge (\$/kWh)										
Environmental Cost Recovery Charge (\$/kWh)										
Refund (\$/kWh)										
Florida Gross Receipts Tax (%)										
Actual Charges: (3)										
Customer Facilities Charge										
Demand										
Energy										
On-Peak Fuel										
Off-Peak Fuel										
Energy Conservation Charge										
Capacity Charge										
Environmental Cost Recovery Charge										
Transformer Discount										
Meter Level Discount										
Purchased Energy										
Power Factor Adjustment +/- (4)										
Refund										
<u>Florida Gross Receipts Tax</u>										
Total Electric Charges										
Percent of Total Bill										

(1) All billing components are shown; however, only the energy related components are impacted by self-service wheeling.

(2) Actual billing determinants based on billing cycle meter reading date. Energy consumption in the corresponding calendar month may be different.

(3) Excludes optional provision purchases and county taxes.

(4) The power factor adjustment is positive for monthly power factors below 85%, negative for power factors above 90%. No adjustment is made for power factors 85 % to 90%.

Cargill Hourly Self-Service Wheeling Summary (Includes All Plant-to-Plant Transactions)

April 2003
Hour Ending

DATE	1:00	2:00	3:00	4:00	5:00	6:00	7:00	8:00	9:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00	23:00	24:00	Sum	
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2	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	0	0	0	0	0	0	0	0	0																	0
16	0	0	0	0	0	0	0	0	0																	0
17	0	0	0	0	0	0	0	0	0																	0
18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

No Self-Service Wheeling Occurred in April

0.0% Off-Peak Wheeling

0.0% On-Peak Wheeling

Total MWH = 0

Hours of Self-Service Wheeling

Hours of Optional Provision Purchases

Overlap of SSW and OP Purchase

Actual Peak Hour of Day

Tariff-Defined Peak Hours

Cargill Hourly Self-Service Wheeling Summary (Includes All Plant-to-Plant Transactions)

May 2003

Hour Ending

DATE	1:00	2:00	3:00	4:00	5:00	6:00	7:00	8:00	9:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00	23:00	24:00	Sum
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3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	0	0	0	0	0	0	0	0	0	0	0	0	0	15	0	0	0	0	0	0	0	0	0	0	0
7	0	0	0	0	0	0	0	0	0	0	0	0	20	16	15	10	5	8	8	7	6	0	0	0	0
8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	8	8	8	8	8	8	0	
9	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	2	4	4	5	4	6	0	0	0	
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13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
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17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
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21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
27	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
31	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

65.3% Off-Peak Wheeling

34.7% On-Peak Wheeling

Total MWH = 404

Cargill Hourly Self-Service Wheeling Summary (Includes All Plant-to-Plant Transactions)


June 2003
Hour Ending


DATE	1:00	2:00	3:00	4:00	5:00	6:00	7:00	8:00	9:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00	23:00	24:00	Sum	
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4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0	0	0	0	0	0	0	0	
11	0	0	0	0	0	0	0	0	0	0	0	0	0	0				0	0	0	0	0	0	0	0	
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17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
25	0	0	0	0	0	0	0	0	0	0	0	0	0	0				0	0	0	0	0	0	0	0	
26	0	0	0	0	0	0	0	0	0	0	0	0		4	6	8	7								25	
27	0	0	0	0	0	0	0	0	0	0	0	0													0	
28	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	
29	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	
30	0	0	0	0	0	0	0	0	0	0	0	0													0	

72.8% Off-Peak Wheeling


27.2% On-Peak Wheeling

Total MWH = 81

 Hours of Self-Service Wheeling

 Hours of Optional Provision Purchases

Overlap of SSW and OP Purchase

 Actual Peak Hour of Day

Tariff-Defined Peak Hours