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September 11, 2003

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

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

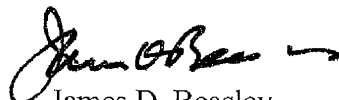
Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and fifteen (15) copies of Tampa Electric Company's Request for Confidential Classification.

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

JDB/pp
Enclosure

cc: All Parties of Record (w/enc.)

DOCUMENT NUMBER-DATE

08598 SEP 11 03

FPSC-COMMISSION CLERK

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: September 11, 2003
heat cogenerated power to, from and)	
between points within Tampa Electric)	
Company's service territory.)	
_____)	

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 certain highlighted information contained in the prepared direct testimonies of Cargill Fertilizer, Inc.'s ("Cargill's") witnesses Gerard J. Kordecki and Roger F. Fernandez, and in the Exhibits (GJK-1) through (GJK-4) that accompany Mr. Kordecki's prepared direct testimony (the "Confidential Information"), which documents were filed in this proceeding on September 3, 2003 on behalf of Cargill and pursuant to a Notice of Intent to Request Specified Confidential Classification. A single copy of each of the referenced pages is being filed under a separate transmittal marked "Confidential" with the confidential information highlighted in yellow. All of the confidential information consists of numeric values. Attached hereto as Exhibit "A" are two redacted versions of the confidential pages listed above. In support of this request, Tampa Electric states:

1. Subsection 366.093(1), Florida Statutes, 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]." The 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. (Section 366.093(3)(d), Florida Statutes)

2. Proprietary confidential business information also includes:

(e) Information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information. (Section 366.093(3)(e), Florida Statutes)

3. The Confidential Information falls within the above statutory categories and, thus, constitutes proprietary confidential business information entitled to protection under Section 366.093 and Rule 25-22.006.

4. Attached hereto as Exhibit "B" is a detailed justification for designating the Confidential Information proprietary confidential business information under the above-referenced statute and rule.

5. 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.

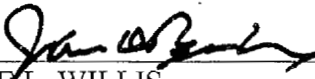
WHEREFORE, Tampa Electric respectfully requests that the highlighted Confidential Information set forth in the prepared direct testimonies of Cargill witnesses Kordecki and Fernandez, and in Mr. Kordecki's Exhibits (GJK-1), (GJK-2), (GJK-3) and (GJK-4) be accorded confidential classification for the reasons set forth above.

DATED this 11th day of September 2003.

Respectfully submitted,

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

And



LEE L. WILLIS
JAMES D. BEASLEY
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ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Request for Confidential Classification, filed on behalf of Tampa Electric Company, has been furnished by hand delivery (*) or U. S. Mail on this 11th day of September 2003 to the following:

Ms. Rosanne Gervasi*
Staff Counsel
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Mr. John W. McWhirter, Jr.
McWhirter, Reeves, McGlothlin,
Davidson, Decker, Kaufman & Arnold
400 North Tampa Street, Suite 2450
Tampa, FL 33601-3350

Ms. Vicki Gordon Kaufman*
Mr. Joseph A. McGlothlin
Mr. Timothy J. Perry
McWhirter, Reeves, McGlothlin,
Davidson, Decker, Kaufman & Arnold
117 South Gadsden Street
Tallahassee, FL 32301



ATTORNEY

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: September 3, 2003

DIRECT TESTIMONY AND EXHIBITS

OF

GERARD J. KORDECKI

ON BEHALF OF

CARGILL FERTILIZER, INC.

1 A. My testimony makes the following points:

2 1. The Cargill industrial waste heat cogeneration is the type of program that
3 Congress and the Florida Legislature encourage by law and the Commission
4 encourages by implementing rules. It is the type of program that TECo
5 charges its customers to promote.

6 2. Cargill's cogeneration, without any conservation payments or other
7 incentives from TECo, conserves expensive and finite fossil fuels and
8 reduces environmental impacts. Cargill's SSW program improves the
9 efficiency of the cogeneration operation.

10 3. Using the incomplete information TECo supplied, I find that Cargill's SSW
11 program benefited TECo's customers during the two-year pilot study by
12 [REDACTED] under the TECo Rate Impact Measure (RIM) test and by \$1,081,000
13 under the TECo Total Resource Cost (TRC) Test, without considering the
14 other factors the Cost Effectiveness Manual says the Commission will study.

15 4. The study TECo submitted in response to the Commission's order to assist in
16 the findings it must make when it evaluates SSW does not conform to the
17 minimum requirements of the Commission's Cost Effectiveness Manual.

18 III.

19 LEGISLATIVE MANDATES REGARDING COGENERATION AND SSW

20 Q. What are the legislative goals delegated to the Commission that are pertinent to this
21 case?

22 A. The Florida Legislature has directed that cogeneration be encouraged. Section
23 366.81, *Florida Statutes*, provides:

1 using SSW. There is no data available to predict TECo's incremental fuel costs for
2 those SSW periods.

3 Q. After your data corrections and adjustments, what is your conclusion about the cost
4 effectiveness of the Cargill SSW experiment?

5 A. Cargill's SSW has a net benefit of [REDACTED]. There is a current benefit of [REDACTED].

6 Q. What do you mean by current benefit?

7 A. A current benefit excludes any costs or benefits that may be dealt with in a future
8 rate/revenue proceeding. TECo would have to be successful in prosecuting a full rate
9 case and receiving an increase before these "lost revenues" would have any
10 relevance. The current benefit is the reduced costs that customers enjoy due to the
11 SSW. In fact, using TECO's August 8th analyses, during the experiment period, the
12 customers benefited by [REDACTED] without including any third party optional purchase
13 reductions. (See Exhibit No. _____ GJK-4).

14 Q. Did TECo perform a TRC test?

15 A. Yes, but only after the Commission ordered them to do so.

16 Q. Do you agree with TECo's analysis?

17 A. No, I do not agree with some of the inputs nor TECo's conclusion that the TRC is
18 negative for the Cargill SSW.

19 Q. What are the points of agreement?

20 A. TECo's estimate of Cargill's incremental O&M to schedule transactions appears
21 reasonable since Cargill uses a marketer whose charges are incremental. The
22 estimates of variable production O&M savings are acceptable as a benefit but not as
23 a cost.

1 A. Yes. Even if the Commission disagrees with my cost-effectiveness analysis, the
2 criteria set out in Order No. 24745, and described earlier in my testimony, provide
3 the basis on which this Commission should approve permanent SSW for Cargill.

4 Q. Please explain.

5 A. First, the revenue effect of the SSW program, even under TECo's calculation, is de
6 minimus (TECo submissions show it to be ██████████ over the two-year period).
7 Further, there are other Commission criteria, which should be used in the approval
8 process. The criteria, which are applicable to Cargill's situation, are:

9 • Type of fuel: The fuel Cargill uses is waste heat gathered from its
10 processes. Fossil fuel is not used nor are there any adverse
11 environmental effects. In fact, Cargill's use of waste heat reduces the
12 pollution emitted from TECo's generators.

13 • Fuel efficiency: Cargill's generators are rated based on process
14 needs, not generation needs. The most important aspect of the
15 generation is the use of waste heat which is "free" fuel. Since no fuel
16 is needed to fuel Cargill's generation and or SSW, fossil fuels are
17 being conserved and cogeneration is encouraged.

18 • Materiality: The materiality of any lost revenues, as indicated by the
19 RIM test TECo performed, is negligible. TECo's RIM test shows a
20 negative ██████████. My analysis shows a positive ██████████. Either way
21 the amount is not material. The negative impact of the TECo study is
22 ██████████. The positive impact of my study is ██████████.

23 TECO's annual revenues during the 24 months of the SSW experiment averaged

IMPACT OF CARGILL SELF-SERVICE WHEELING PILOT PROGRAM (2000 - 2002)

TECO CALCULATION OF COSTS (-)
 AND BENEFITS (+)

CALCULATION WITHOUT
 NON-RECURRING COSTS AND
 BENEFITS

<u>Line</u>		<u>Col. 1</u>	<u>Col. 2</u>
1	Implementation costs	(\$ 16,922)	\$ 0
2	Base Energy	(\$ 94,428)	(\$ 94,428)
3	Environmental Clause	(\$ 14,004)	(\$ 14,004)
4	Conservation Clause	(\$ 2,572)	(\$ 2,572)
5	Capacity Clause	(\$ 1,555)	(\$ 1,555)
6	Retail Fuel Clause	(\$262,632)	(\$262,632)
7	Avoided Fuel Charges	██████████	██████████
8	Avoided Var. O&M	\$ 15,768	\$ 15,768
9	Transmission Revenue	\$ 23,452	\$ 23,452
10	Net GSI Charges	\$ 6,547	\$ 6,547
	Customer Savings— Avoided 3 rd Party		
11	Purchases	\$ 0	\$ 0
12	Refund	\$ 7,111	\$ 0
13	TOTAL	██████████	██████████

IMPACT OF CARGILL SELF-SERVICE WHEELING PILOT PROGRAM (2000 - 2002)

TECO CALCULATION OF COSTS (-)
 AND BENEFITS (+)

CALCULATION WITHOUT
 NON-RECURRING COSTS AND
 BENEFITS WITH CUSTOMER
 SAVINGS ADDED

<u>Line</u>		<u>Col. 1</u>	<u>Col. 2</u>
1	Implementation costs	(\$ 16,922)	\$ 0
2	Base Energy	(\$ 94,428)	(\$ 94,428)
3	Environmental Clause	(\$ 14,004)	\$ 14,004
4	Conservation Clause	(\$ 2,572)	(\$ 2,572)
5	Capacity Clause	(\$ 1,555)	(\$ 1,555)
6	Retail Fuel Clause	(\$262,632)	(\$262,632)
7	Avoided Fuel Charges	██████████	██████████
8	Avoided Var. O&M	\$ 15,768	\$ 15,768
9	Transmission Revenue	\$ 23,452	\$ 23,452
10	Net GSI Charges	\$ 6,547	\$ 6,547
	Customer Savings— Avoided 3 rd Party		
11	Purchases	\$ 0	\$ 137,412
12	Refund	\$ 7,111	\$ 0
13	TOTAL	██████████	██████████

IMPACT OF CARGILL SELF-SERVICE WHEELING PILOT PROGRAM (2000 - 2002)

TECO CALCULATION OF COSTS (-)
 AND BENEFITS (+)

CALCULATION WITHOUT
 NON-RECURRING COSTS AND
 BENEFITS WITH CUSTOMER
 SAVINGS ADDED, CURRENT DATA

<u>line no.</u>		<u>Col. 1</u>	<u>Col. 2</u>
1	Implementation costs	(\$ 16,922)	\$ 0
2	Base Energy	(\$ 94,428)	(\$ 94,428)
3	Environmental Clause	(\$ 14,004)	\$ 14,004
4	Conservation Clause	(\$ 2,572)	(\$ 1,856)
5	Capacity Clause	(\$ 1,555)	(\$ 1,578)
6	Retail Fuel Clause	(\$262,632)	(\$ 262,632)
7	Avoided Fuel Charges	██████████	██████████
8	Avoided Var. O&M	\$ 15,768	\$ 15,768*
9	Transmission Revenue	\$ 23,452	\$ 53,182
10	Net GSI Charges	\$ 6,547	\$ 6,547
11	Customer Savings— Avoided 3 rd Party Purchases	\$ 0	\$ 137,412
12	Refund	\$ 7,111	\$ 0
13	TOTAL	██████████	██████████

*Current Credit not calculated due to unresolved applicable MWH

Current Clause Charges Exclusive of Fuel Clause ¹		Transmission Rate ²	
Environmental Clause	\$1.27/MWH	On-Peak	Off-Peak
Conservation Clause	\$0.20/MWH	Schedule 1	0.06136
Capacity Clause	\$0.17/MWH	Schedule 2	0.10187
		Schedule Transmission	
		Non-Firm	\$3.49 rounded
		Total	\$1.66 rounded
			\$3.77 rounded
			\$1.82 rounded

¹ Data taken from TECo SSW Quarterly Report, 2d Quarter 2003

IMPACT OF CARGILL SELF-SERVICE WHEELING PILOT PROGRAM (2000 - 2002)
 SAVINGS TO CUSTOMERS DURING PILOT

TECO CALCULATION OF COSTS (-)
 AND BENEFITS (+)

CUSTOMER SAVINGS

<u>Line No.</u>		<u>Col. 1</u>	<u>Col. 2</u>
1	Implementation costs	(\$ 16,922)	\$ 0
2	Base Energy	(\$ 94,428)	\$ 0
3	Environmental Clause	(\$ 14,004)	(\$ 14,004)
4	Conservation Clause	(\$ 2,572)	(\$ 2,572)
5	Capacity Clause	(\$ 1,555)	(\$ 1,555)
6	Retail Fuel Clause	(\$262,632)	(\$262,632)
7	Avoided Fuel Charges	██████████	██████████
8	Avoided Var. O&M	\$ 15,768	\$ 0
9	Transmission Revenue	\$ 23,452	\$ 23,452
10	Net GSI Charges	\$ 6,547	\$ 6,547
	Customer Savings—		
11	Avoided 3 rd Party Purchases	\$ 0	\$ 0
12	Refund	\$ 7,111	\$ 7,111
13	TOTAL	██████████	██████████

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: September 3, 2003

DIRECT TESTIMONY AND EXHIBITS

OF

ROGER F. FERNANDEZ

ON BEHALF OF

CARGILL FERTILIZER, INC.

1 are the same in each case, the only additional input required is capital---Cargill
2 capital.

3 Q. In general terms, why does Cargill want to engage in SSW?

4 A. Cargill wants to get the greatest efficiency from our overall operations, including
5 electrical generation. Frequently our waste heat can produce more electricity at
6 one location than we need at that location while at the same time there is a need at
7 the other location.

8 Q. What happens when you produce surplus electricity at one of the locations?

9 A. The surplus electricity automatically flows onto the TECo transmission lines.
10 This power is accounted for on the meters TECo has at each of our units. TECo
11 has a tariff that lets us sell the surplus electricity to it or to other utilities or
12 transport it to our plants in other states, but without SSW we can't transport it to
13 our own plant that is 40 miles away. We would prefer to use SSW. With SSW,
14 we can put electricity on the transmission system at one point where it is surplus
15 and take a similar amount off at the other location where we need it.

16 RATES AND CHARGES

17 Q. At the end of the first year of the pilot study, TECo Prepared a "Mid-Point
18 Summary." What did that summary show the impact to be on customers?

19 A. It said, "Although there have been positive results for other ratepayers in certain
20 months, the net impact over the period is a cost of \$23,103." However, the Mid-
21 Point Summary further pointed out two very important factors. In a footnote, it
22 acknowledged that "This impact is comprised of immediate (fuel and other
23 recovery clauses) and deferred (base rate) impacts of [REDACTED] and [REDACTED],

1 respectively.” This means that the impact was positive for other customers
2 during the first year of the study because TECo would have kept the other
3 ██████████

4 R. Did TECo say that it deemed the cost impact to be material on other customers?

5 A. No, it said, “Both the customer and company agree that during the first year the
6 dollar impact to other ratepayers has been small and not significant.” (Emphasis
7 added).

8 Q. What result did the TECo pilot study show for the full two years?

9 A. Based on a study that TECo revised on August 8, 2003, changing the approach
10 and some numbers, TECo showed the impact on other customers to be a cost of
11 ██████████ for two years; the immediate benefit to other customers was for the two-
12 year period was ██████████

13 Q. Do you and TECo think the two-year number is material?

14 A. TECo hasn’t shared its view with me, but it would still appear to be an
15 insignificant number. Clearly, it isn’t material.

16 Q. If you were charged to cover this adverse impact, how would it be different from
17 the sum you now pay?

18 A. Under the current pricing program, when Cargill flows electricity onto the TECo
19 transmission system, TECo or other utilities buy it for the wholesale price or
20 TECo pays its as-available price that is based on its fuel cost only. We have one
21 fixed contract with Progress Energy Florida to sell it 15 MWs of power. For the
22 remaining surplus power, we must find a buyer, designate the MWs and Mwbs
23 that will be available each day and schedule the delivery by sending a fax to

**JUSTIFICATION FOR CONFIDENTIAL TREATMENT
OF HIGHLIGHTED PORTIONS OF PREPARED DIRECT TESTIMONY OF
GERARD J. KORDECKI AND ROGER F. FERNANDEZ AND ACCOMPANYING
EXHIBITS (GJK-1) THROUGH (GJK-4) OF WITNESS KORDECKI**

Mr. Kordecki's Direct Testimony

<u>Page</u>	<u>Line</u>	<u>Justification</u>
3	12	(1)
22	5 and 12	(1)
25	6, 20, 22	(1)

Mr. Fernandez's Direct Testimony

<u>Page</u>	<u>Line</u>	<u>Justification</u>
6	23	(1)
7	3	(1)
7	11 and 12	(1)

Mr. Kordecki's Exhibits

<u>Exhibit No.</u>	<u>Column No.</u>	<u>Line No.</u>	<u>Justification</u>
(GJK-1)	1	7 and 13	(1)
(GJK-1)	2	7 and 13	(1)
(GJK-2)	1	7 and 13	(1)
(GJK-2)	2	7 and 13	(1)
(GJK-3)	1	7 and 13	(1)
(GJK-3)	2	7 and 13	(1)
(GJK-4)	1	7 and 13	(1)
(GJK-4)	2	7 and 13	(1)

-
- (1) The amount shown can be used with other publicly available information to derive or "back into" Tampa Electric's incremental fuel cost of generation. Public disclosure of Tampa Electric's incremental fuel cost would harm Tampa Electric's ability to compete in the wholesale power supply market. The same type of information has been afforded confidential treatment by the Commission in the quarterly reports Tampa Electric has filed in connection with the Cargill Self-Service Wheeling Pilot program. Given the proprietary nature of this information it is entitled to confidential classification under Section 366.093, Florida Statutes and Rule 25-22.006, Florida Administrative Code.