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February 26, 2004

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

Re: Review of Tampa Electric Company's waterborne transportation contract with
TECO Transport and associated benchmark; FPSC Docket No. 031033-EI

Dear Ms. Bayo:

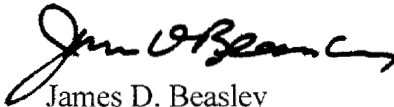
Enclosed for filing in the above docket are the original and fifteen (15) copies of each of
the following:

1. Tampa Electric Company's Objections to Portions of Staff's Second Set of
Interrogatories to Tampa Electric Company (Nos. 8-42).
2. Tampa Electric Company's Objections to Portions of Staff's First Request for
Production of Documents to Tampa Electric Company (Nos. 1-15).

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
Enclosures

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

DOCUMENT NUMBER-DATE

02872 FEB 26 2004

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of Tampa Electric Company's)
Waterborne transportation contract with) DOCKET NO. 031033-EI
TECO Transport and associated benchmark.) FILED: February 26, 2004
_____)

**TAMPA ELECTRIC COMPANY'S OBJECTIONS TO PORTIONS
OF STAFF'S SECOND SET OF INTERROGATORIES
TO TAMPA ELECTRIC COMPANY (NOS. 8-42)**

Tampa Electric Company ("Tampa Electric" or "the company") hereby states its objections to Staff's Interrogatories Nos. 9, 11, 31-34, 39 and 41-42 and as grounds therefor, says:

1. Staff's Interrogatory No. 9 requests the following:

9. Please explain the significance of each cell formula, for purposes of calculating a rate, that appears in each sheet in TECO witness Brent Dibner's computer model to calculate the market price for the inland river segment.

Tampa Electric objects to this interrogatory in that it is vague and overbroad and, therefore, any attempt to respond would constitute an undue burden. Mr. Dibner has expressed concern that any public disclosure of the workings of his inland and ocean models would destroy the professional value Mr. Dibner has developed over time and incorporated into the models. Tampa Electric and Mr. Dibner were able to protect that value and at the same time accommodate the needs of Staff and intervenors through a confidential tutorial session with follow-up opportunities for the parties to view the models and to vary inputs into those models. Staff's Interrogatory No. 9 seeks elaborations as to details of the model which, if provided, would harm Mr. Dibner's professional capital by disclosing the workings of his model for others to see and to confiscate for their own purposes. Tampa Electric submits that this harm to Mr. Dibner's career

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would be an unreasonable result that should be avoided. If Staff were to pose any specific questions concerning a particular cell formula, that might be manageable. However, the overbroad request for an explanation of the significance of each cell formula leaves Tampa Electric at a loss as to how to respond. Any effort in that regard, given the vagueness of the request, would be shooting in the dark.

2. Tampa Electric objects to Staff's Interrogatory No. 11, which reads as follows:

11. Please explain the significance of each cell formula, for purposes of calculating a rate, that appears in each sheet in TECO witness Brent Dibner's computer model to calculate the market price for the ocean barge segment.

Tampa Electric objects to Interrogatory No. 11 on the same ground as stated in its objections to Interrogatory No. 9, only as it relates to Mr. Dibner's computer model to calculate the market price for the ocean barge segment.

3. Tampa Electric objects to Staff's Interrogatory No. 31, which reads as follows:

31. Please provide the common equity ratio for Tampa Electric Company, TECO Wholesale Generation, TECO Transport, TECO Coal, other unregulated TECO companies, and TECO Energy, Inc., for fiscal years 2001, 2002, and through the third quarter of 2003. For purposes of this response, please calculate the equity ratio by dividing total common equity by the sum of total common equity, preferred stock, long-term debt, and short-term debt. (The sum of the total equity for the subsidiaries should reconcile with the total equity for TECO Energy on a consolidated basis.) Please show all amounts used in your calculations, and explain any necessary reconciling entries.

Tampa Electric objects to being called upon to provide common equity ratio information relative to its parent corporation or any of its unregulated affiliates. Tampa Electric does not have possession or control of the requested information and, therefore, cannot be expected to provide that information to the Staff.

4. On February 20, 2004 Tampa Electric filed a Motion for Reconsideration of an Order Granting in Part and Denying in Part a Motion to Compel responses to certain discovery put forth by the Florida Industrial Power Users Group (“FIPUG”). In that pleading Tampa Electric pointed out that Tampa Electric is a direct subsidiary of TECO Energy, whereas TECO Transport is a subsidiary of TECO Diversified, which is a direct subsidiary of TECO Energy. TECO Transport has no common directors of either Tampa Electric or TECO Energy. Moreover, Tampa Electric and TECO Transport have only one common officer (treasurer). The corporate structures of Tampa Electric and TECO Energy are not intertwined at all. Instead, they are completely stand-alone entities.

5. In a decision entitled Penwalt Corporation v. Plough, Inc., 85 F.R.D. 257, 263 (D. Del. 1979), the Court refused to order production of the non-party sister corporation’s documents, absent a showing of identical boards of directors or a deeply intertwined corporate structure. Neither of these characteristics exists as between Tampa Electric and its non-regulated affiliate, TECO Transport.

6. In the Penwalt case the Court observed:

Since Schering is a separate legal entity from Plough, possibly having different legal and commercial interests at stake, its rights should not be determined in absentia. (Emphasis supplied)

Clearly the same can be said with respect to the rights of TECO Transport and the different legal and commercial interests of Tampa Electric and its affiliate, particularly given the non-regulated nature of the affiliate and the highly competitive nature of its business.

7. The Court, in Penwalt, went on to hold that Schering need not produce the sales and promotional cost information of its affiliate and that a non-party subpoena would provide a much more appropriate method for seeking access to the documents in question and offer an

opportunity for the affiliate's views on the matter to be considered. Indeed, at least Office of Public Counsel in this proceeding has recognized the appropriate protocol of affording TECO Transport an opportunity to respond in its own behalf to demands for access to TECO Transport's books and records, as evidenced by the fact that OPC has subpoenaed documents directly from TECO Transport. Objections to that discovery have been filed by TECO Transport, and it is the appropriate corporate entity to defend those objections.

8. It is also important that the discovery issue involved here, like that in Penwalt, does not relate to a parent corporation's allocation of costs as between two of its subsidiaries. Instead, the issue is whether to require a corporate subsidiary to produce information completely unique to a wholly separate sister company. Tampa Electric and TECO Transport are not even coequal sister companies, as TECO Transport is a subsidiary of TECO Diversified which, itself, is a corporation wholly separate from Tampa Electric. The Commission should refrain from pursuing courses of action that would disrespect the corporate boundaries of separate corporate affiliates. Information concerning the Commission-regulated operations is available through surveillance reporting.

9. Tampa Electric objects to Interrogatory No. 32, which reads as follows:

32. Please provide the data requested in the above interrogatory for fiscal year 2003 when the financial information necessary to prepare it becomes available.

Tampa Electric objects on the same grounds as stated above with reference to Interrogatory No. 31.

10. Tampa Electric objects to Interrogatory No. 33, which reads as follows:

33. Please provide the common equity for TECO Energy's PSC-regulated operations, TECO Energy's unregulated operations, and TECO Energy on a consolidated basis for fiscal years 2001, 2002, and through the third quarter of 2003. For purposes of this

response, please calculate the equity ratio by dividing total common equity by the sum of total common equity, preferred stock, long-term debt, and short-term debt. (The sum of the total equity for the subsidiaries should reconcile with the total equity for TECO Energy on a consolidated basis.) Please show all amounts used in your calculations, and explain any necessary reconciling entries.

Tampa Electric objects to being called upon to provide common equity ratio information relative to its parent corporation or any of its unregulated affiliates. Tampa Electric does not have possession or control of the requested information and, therefore, cannot be expected to provide that information to the Staff to the extent the Interrogatory pertains to any entity other than Tampa Electric. Information concerning the Commission-regulated operations is available through surveillance reporting.

11. As stated above in support of its objection to Interrogatory No. 9, Tampa Electric and its unregulated affiliates have different legal and commercial interests. They operate as completely separate stand-alone entities with different boards of directors. Their corporate structures are separate and distinct, and are not intertwined. Under these circumstances the Commission should recognize the separate corporate boundaries of the two companies and reject Staff's request to have Tampa Electric respond to discovery requests pertaining to the books and records of a corporation it does not operate or control.

12. Tampa Electric objects to Interrogatory No. 34, which reads as follows:

34. Please provide the data requested in the above interrogatory for fiscal year 2003 when the financial information necessary to prepare it becomes available.

Tampa Electric objects to this Interrogatory on the same grounds as set forth in support of its objections to Interrogatory No. 33.

13. Tampa Electric objects to Interrogatory No. 39, which reads as follows:

39. Please refer to Tampa Electric's responses to OPC's Fourth Request for Production of Documents, Number 30, Bates Stamp page numbers 73-76. For each of the following individuals, please identify each person by title, employer, responsibilities, and his/her purpose of sending or receiving the morning report for unloading, burn data, and inventory.
- A) Jeanette Knight
 - B) Michelle Desselle
 - C) Bill Gleaton
 - D) Shannon LeMoine
 - E) Susan Moberg

Tampa Electric objects to this Interrogatory to the extent that it calls for Tampa Electric to provide information about employees of its non-regulated affiliates, which information Tampa Electric does not possess, control or have access to. As stated above, the corporate structures of Tampa Electric and its non-regulated affiliates are not intertwined at all. Instead, they are completely stand-alone entities as observed in the Penwalt decision, supra, given the different legal and commercial interests of Tampa Electric and its unregulated affiliates. The rights of those unregulated affiliates should not be determined in absentia. This is particularly true given the non-regulated nature of the affiliates and the highly competitive nature of their businesses. Non-parties to this proceeding should have an opportunity to respond on their own behalf to any demands for access to information from their own books and records. The information sought in this interrogatory does not relate to a parent corporation's allocation of costs as between two of its subsidiaries. Instead, the issue is whether to require a corporate subsidiary to produce information completely unique to a wholly separate sister company. The Commission should refrain from pursuing courses of action that disrespect the corporate boundaries of separate corporate affiliates.

14. Tampa Electric objects to Interrogatory No. 41, which reads as follows:

41. Please refer to Tampa Electric's responses to OPC's Fourth Request for Production of Documents, Number 49, Bates Stamp

page number 7036. For those individuals who have not been identified in response to the above interrogatories, please identify members of the Vessel Projection Group by title, employer, responsibilities, and reason(s) for inclusion in the Vessel Projection Group.

Tampa Electric objects to this Interrogatory to the extent that it calls for Tampa Electric to provide information about employees of its non-regulated affiliates and about a distribution group which the company did not create, which information Tampa Electric does not possess, control or have access to. As stated above, the corporate structures of Tampa Electric and its non-regulated affiliates are not intertwined at all. Instead, they are completely stand-alone entities as observed in the Penwalt decision, supra, given the different legal and commercial interests of Tampa Electric and its unregulated affiliates. The rights of those unregulated affiliates should not be determined in absentia. This is particularly true given the non-regulated nature of the affiliates and the highly competitive nature of their businesses. Non-parties to this proceeding should have an opportunity to respond on their own behalf to any demands for access to information from their own books and records. The information sought in this interrogatory does not relate to a parent corporation's allocation of costs as between two of its subsidiaries. Instead, the issue is whether to require a corporate subsidiary to produce information completely unique to a wholly separate sister company. The Commission should refrain from pursuing courses of action that disrespect the corporate boundaries of separate corporate affiliates.

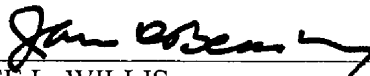
15. Tampa Electric objects to Interrogatory No. 42, which reads as follows:

42. Please identify each individual responsible for coordinating and administrating the Tampa Electric contract for waterborne transportation service on behalf of TECO Transport. Please identify each individual by name, business address, position, responsibilities, employer, and supervisor.

Tampa Electric objects to this Interrogatory to the extent that it calls for Tampa Electric to provide information about employees of its non-regulated affiliates and activities they perform about which Tampa Electric may not even be aware, which information Tampa Electric does not possess, control or have access to. As stated above, the corporate structures of Tampa Electric and its non-regulated affiliates are not intertwined at all. Instead, they are completely stand-alone entities as observed in the Penwalt decision, supra, given the different legal and commercial interests of Tampa Electric and its unregulated affiliates. The rights of those unregulated affiliates should not be determined in absentia. This is particularly true given the non-regulated nature of the affiliates and the highly competitive nature of their businesses. Non-parties to this proceeding should have an opportunity to respond on their own behalf to any demands for access to information from their own books and records. The information sought in this interrogatory does not relate to a parent corporation's allocation of costs as between two of its subsidiaries. Instead, the issue is whether to require a corporate subsidiary to produce information completely unique to a wholly separate sister company. The Commission should refrain from pursuing courses of action that disrespect the corporate boundaries of separate corporate affiliates.

DATED this 26th day of February 2004.

Respectfully submitted,



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ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Objections to Staff's Second Set of Interrogatories, filed on behalf of Tampa Electric Company, has been furnished by U. S. Mail or hand delivery (*) on this 26th day of February 2004 to the following:

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