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REDACTED

October 22, 2007

HAND DELIVERED

RECEIVED FPSC
07 OCT 22 PM 3:17
COMMISSION
CLERK

Ms. Ann Cole, Director
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Environmental Cost Recovery Clause – 2007
FPSC Docket No. 070007-EI

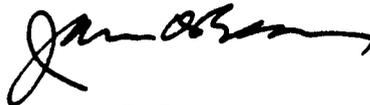
Dear Ms. Cole:

Enclosed for filing in the above docket are the original and fifteen (15) copies of Tampa Electric Company's Request for Confidential Classification and Motion for a Temporary Protective Order of Answers to the Florida Public Service Commission Staff's Second Set of Interrogatories (Nos. 2-8) and Second Production of Documents (No. 2).

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

CMP _____

COM _____

CTR _____

ECR 13

GCL 1 JDB/pp
Enclosure

OPC _____

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

SCR _____

SGA _____

SEC _____

OTH 1 conf
records

DOCUMENT NUMBER - DATE

09630 OCT 22 06

FPSC-COMMISSION CLERK

REDACTED

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost)
Recovery Clause.)
_____)

DOCKET NO. 070007-EI
FILED: October 22, 2007

**TAMPA ELECTRIC COMPANY'S REQUEST FOR
CONFIDENTIAL CLASSIFICATION AND
MOTION FOR A TEMPORARY PROTECTIVE ORDER**

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 its answers to the Florida Public Service Commission Staff's Second Set of Interrogatories (Nos. 2-8) and Staff's Second Request for Production of Documents (No. 2) and, as grounds therefore, says:

1. The confidential information in question appears on Bates stamp page 6 of Tampa Electric Company's answers to Staff's Second Set of Interrogatories Nos. 2-8 and on Bates stamp page 2 of the company's answer to Staff's Second Request for Production of Documents (Request No. 2). A single yellow highlighted copy each of Bates stamp page 6 of the company's answers to Staff's Second Set of Interrogatories (Nos. 2-8) and Bates stamp page 2 of the company's answer to Staff's Second Request for Production of Documents (Request No. 2) is being separately filed with the Commission this date. Attached hereto as Exhibit "A" are two public redacted versions of the pages in question with the confidential information removed.

2. This request is also intended to serve as a request for temporary protective order within the contemplation of Rule 25-22.006(6)(b), Florida Administrative Code, such that it will protect the confidential information from public disclosure while in the possession of the Office of Public Counsel.

DOCUMENT NUMBER-DATE

09630 OCT 22 07

FPSC-COMMISSION CLERK

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

4. 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)

5. 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)

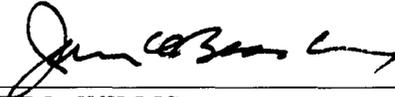
6. The Confidential Information falls within the above statutory categories and, thus, constitutes proprietary confidential business information entitled to protection under Section 366.093 and Rule 25-22.006.

7. 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 on Bates stamp page 6 of its Answers to Staff's Second Set of Interrogatories (Nos. 2-8) and Bates stamp page 2 of its Answers to Staff's Second Request for Production of Documents (No. 2) be accorded confidential classification and protection from public disclosure and the subject of a temporary protective order for the reasons set forth above.

DATED this 22nd day of October 2007.

Respectfully submitted,



LEE L. WILLIS
JAMES D. BEASLEY
Ausley & McMullen
Post Office Box 391
Tallahassee, Florida 32302
(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Request for Confidential Classification and Motion for Temporary Protective Order of Staff's Second Set of Interrogatories (Nos. 2-8) and Second Request for Production of Documents (No. 2), filed on behalf of Tampa Electric Company, has been furnished by hand delivery (*) on this 22nd day of October 2007 to the following

Ms. Martha Carter Brown*
Senior Attorney
Florida Public Service Commission
Room 370N – Gerald L Gunter Bldg.
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Ms. Patricia Christensen
Office of Public Counsel
111 West Madison Street – Suite 812
Tallahassee, FL 32399-1400

Mr. John W. McWhirter, Jr.
McWhirter, Reeves & Davidson, P.A.
400 North Tampa Street, Suite 2450
Tampa, FL 33601-5126

Mr. John T. Butler
Senior Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420

Mr. R. Wade Litchfield
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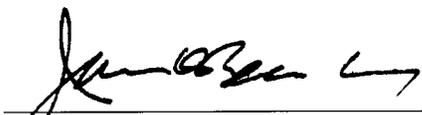
Mr. Gary V. Perko
Ms. Carolyn S. Raepple
Ms. Virginia C. Dailey
Hopping Green & Sams, P.A.
Post Office Box 6526
Tallahassee, FL 32314

Mr. John T. Burnett
Associate General Counsel
Progress Energy Service Co., LLC
P. O. Box 14042
St. Petersburg, FL 33733-4042

Mr. Paul Lewis, Jr.
Progress Energy Florida, Inc.
106 East College Avenue, Suite 800
Tallahassee, FL 32301-7740

Ms. Susan Ritenour
Secretary and Treasurer
Gulf Power Company
One Energy Place
Pensacola, FL 32520

Mr. Jeffrey A. Stone
Mr. Russell A. Badders
Beggs and Lane
Post Office Box 12950
Pensacola, FL 32591-2950



ATTORNEY

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In re: Environmental Cost
Recovery Factors.

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)
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DOCKET NO. 070007-EI
FILED: OCTOBER 22, 2007

REDACTED VERSION

**TAMPA ELECTRIC COMPANY'S
ANSWERS TO SECOND SET OF INTERROGATORIES (NOS. 2 - 8)
OF THE
FLORIDA PUBLIC SERVICE COMMISSION**

Tampa Electric files its Answers to Interrogatories (Nos. 2-8) propounded and served on October 2, 2007, by the Florida Public Service Commission.

Exhibit "A"

DOCUMENT NUMBER-DATE

09630 OCT 22 5

FPSC-COMMISSION CLERK

**TAMPA ELECTRIC COMPANY
DOCKET NO. 070007-EI
INDEX TO STAFF'S SECOND SET OF INTERROGATORIES (NOS. 2-8)**

<u>Number</u>	<u>Witness</u>	<u>Subject</u>	<u>Bates Stamped Page</u>
2	Carpinone	What is the nature of the dispute between TECO and the EPA regarding the feasibility of the first PM continuous emissions monitoring system installed in 2002, as referenced on Page 5 of Paul Carpinone's Direct Testimony of August 31, 2007?	1
3	Bryant	What is the actual/expected value of TECO's SO ₂ allowances, by FERC subaccount, for 2006 (actual), 2007 (actual/estimated), and 2008 (projected)?	2
4	Bryant	What is the annual average actual/expected price of allowances purchased and sold by TECO in 2006, 2007, and 2008?	3
5	Bryant	What are the calculations TECO used to generate the \$29,413,430 in 2008 projected sales of SO ₂ surplus allowances shown in EXH HTB-3, Document 2 of Witness Howard Bryant's Direct Testimony of August 31, 2007?	4
6	Carpinone	What are TECO's 2006, 2007, and 2008 sales/purchases of seasonal and annual SO ₂ allowances, TECO's annual balance of SO ₂ allowances, and TECO's annual SO ₂ allocations.	6
7	Carpinone	What SO ₂ allowances did TECO purchase and sell in 2006, 2007, and 2008 by mandatory market transactions and voluntary market transactions?	7
8	Carpinone	What are TECO's 2006, 2007, and 2008 sales/purchases of seasonal and annual NO _x allowances, annual balance of NO _x allowances, and annual NO _x allocations?	8

Howard T. Bryant
Manager, Rates

Paul Carpinone
Director, Environmental

Tampa Electric Company
702 N. Franklin Street
Tampa, Florida 33602

TAMPA ELECTRIC COMPANY
DOCKET NO. 070007-EI
STAFF'S SECOND SET OF
INTERROGATORIES
INTERROGATORY NO. 2
PAGE 1 OF 1
FILED: OCTOBER 22, 2007

2. What is the nature of the dispute between TECO and the EPA regarding the feasibility of the first PM continuous emissions monitoring system installed in 2002, as referenced on Page 5 of Paul Carpinone's Direct Testimony of August 31, 2007?
 - A. Tampa Electric evaluated the first particulate matter continuous emission monitoring system ("PM CEMS") and submitted a report to EPA supporting the conclusion that it was not feasible for the intended purpose. EPA disagreed with Tampa Electric's conclusion; however, both parties have now agreed to an alternative approach to meeting the intent of the Consent Decree whereby Tampa Electric will install PM CEMS using a different technology. This alternate technology has been successfully demonstrated on stack configurations comparable to the Big Bend Station configuration and, as a result, the dispute has been resolved.

TAMPA ELECTRIC COMPANY
DOCKET NO. 070007-EI
STAFF'S SECOND SET OF
INTERROGATORIES
INTERROGATORY NO. 3
PAGE 1 OF 1
FILED: OCTOBER 22, 2007

3. What is the actual/expected value of TECO's SO₂ allowances, by FERC subaccount, for 2006 (actual), 2007 (actual/estimated), and 2008 (projected)?
- A. The accounting for Tampa Electric's SO₂ allowances is managed in FERC account 254.01 - Regulatory Liabilities. The value of an allowance for 2006, 2007 and 2008 is summarized in the table below.

Unit Value of SO₂ Allowances (\$)

	2006	2007	2008
	Actual	Actual / Estimated	Projected
January	(6.29)	(3.84)	(1.10)
February	(6.29)	(3.84)	(1.10)
March	(6.29)	(3.84)	(1.10)
April	(6.29)	(3.84)	(1.10)
May	(6.29)	(3.84)	(1.10)
June	(6.29)	(3.84)	(1.10)
July	(6.29)	(3.84)	(1.10)
August	(6.29)	(3.84)	(1.11)
September	(6.29)	(3.84)	(1.10)
October	(6.29)	(3.84)	(1.11)
November	(6.29)	(3.83)	(1.11)
December	(6.29)	(3.84)	(1.10)

TAMPA ELECTRIC COMPANY
DOCKET NO. 070007-EI
STAFF'S SECOND SET OF
INTERROGATORIES
INTERROGATORY NO. 4
PAGE 1 OF 1
FILED: OCTOBER 22, 2007

4. What is the annual average actual/expected price of allowances purchased and sold by TECO in 2006, 2007, and 2008?
 - A. Tampa Electric did not purchase allowances during 2006 and does not anticipate purchases for 2007 or 2008. For 2006, the average price per allowance sold was \$975. For 2007, the actual/estimated average price is \$508 and for the 2008 projection period, it is \$400.

TAMPA ELECTRIC COMPANY
DOCKET NO. 070007-EI
STAFF'S SECOND SET OF
INTERROGATORIES
INTERROGATORY NO. 5
PAGE 1 OF 2
FILED: OCTOBER 22, 2007

5. What are the calculations TECO used to generate the \$29,413,430 in 2008 projected sales of SO₂ surplus allowances shown in EXH HTB-3, Document 2 of Witness Howard Bryant's Direct Testimony of August 31, 2007?

A. The annual net expense of \$29,413,430 for SO₂ allowances projected for 2008 is the sum of the monthly expenses.

The attached schedule summarizes the component expenses used in completing EXH HTB-3 Document 2 of Witness Howard Bryant's Direct Testimony file on August 31, 2007.

2008 SO₂ Emissions Allowance Expenses

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Emissions Expense per General Ledger													
Consumption (Big Bend & Polk)	\$ (1,561)	\$ (1,348)	\$ (1,514)	\$ (1,978)	\$ (2,159)	\$ (2,118)	\$ (2,206)	\$ (2,230)	\$ (1,992)	\$ (2,142)	\$ (1,968)	\$ (1,728)	(22,942)
Co-gen	57,600	52,200	57,600	57,700	59,600	57,700	59,600	59,600	57,700	59,600	55,700	57,600	692,200
Cost of Monthly Sales of Allowances	(6,875)	(6,875)	(6,875)	(6,875)	(6,875)	(6,875)	(6,875)	(6,875)	(6,938)	(6,875)	(6,938)	(6,938)	(82,688)
Gains on Sales of Allowances	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(30,000,000)
Total Emission Expenses	\$ (2,450,836)	\$ (2,456,023)	\$ (2,450,789)	\$ (2,451,153)	\$ (2,449,434)	\$ (2,451,293)	\$ (2,449,481)	\$ (2,449,505)	\$ (2,451,230)	\$ (2,449,417)	\$ (2,453,206)	\$ (2,451,066)	\$ (29,413,430)

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TAMPA ELECTRIC COMPANY
 DOCKET NO. 070007-EI
 STAFF'S SECOND SET OF
 INTERROGATORIES
 INTERROGATORY NO. 5
 PAGE 2 OF 2
 FILED: OCTOBER 22, 2007

6. What are TECO's 2006, 2007, and 2008 sales/purchases of seasonal and annual SO₂ allowances, TECO's annual balance of SO₂ allowances, and TECO's annual SO₂ allocations?
- A. EPA does not have a seasonal SO₂ allowance program. Tampa Electric's annual allocation, purchases, sales and year-end balance of allowances for the years 2006, 2007 and 2008 are summarized below.

Summary of Annual SO₂ Allowances

	Allocation	Purchases	Sales	Year-End Balance
2006 (Actual)	84,635	0	44,500	132,370
2007 (Act/Est)	84,635	0	154,640	
2008 (Projected)	84,635	0	75,000	

TAMPA ELECTRIC COMPANY
DOCKET NO. 070007-EI
STAFF'S SECOND SET OF
INTERROGATORIES
INTERROGATORY NO. 7
PAGE 1 OF 1
FILED: OCTOBER 22, 2007

7. What SO₂ allowances did TECO purchase and sell in 2006, 2007, and 2008 by mandatory market transactions and voluntary market transactions?

A. As previously stated, Tampa Electric did not purchase allowances during 2006 nor does the company anticipate purchases for 2007 or 2008.

Concerning the sale of allowances, the only mandatory market transaction for Tampa Electric is the annual auction of utility allowances withheld by EPA. For Tampa Electric, the proceeds from this auction are passed along as savings to customers through the Environmental Cost Recovery Clause.

Voluntary market transactions are the discretionary sales of allowances by the company. As provided in Interrogatory No. 6, the quantity of allowances sold for 2006 was 44,500. The actual and estimated quantity for 2007 is 154,640 and the projected quantity for 2008 is 75,000.

TAMPA ELECTRIC COMPANY
DOCKET NO. 070007-EI
STAFF'S SECOND SET OF
INTERROGATORIES
INTERROGATORY NO. 8
PAGE 1 OF 1
FILED: OCTOBER 22, 2007

8. What are TECO's 2006, 2007, and 2008 sales/purchases of seasonal and annual NO_x allowances, annual balance of NO_x allowances, and annual NO_x allocations?
 - A. The EPA NO_x allowance program does not begin until 2009. Therefore, Tampa Electric has not engaged in the purchase or sale of NO_x allowances.

A F F I D A V I T

STATE OF FLORIDA)
)
COUNTY OF HILLSBOROUGH)

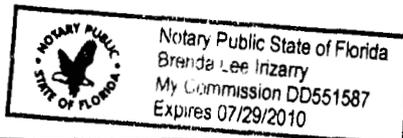
Before me the undersigned authority personally appeared Cynthia R. Kyle who deposed and said that she is Coordinator, Tampa Electric Company, and that the individuals listed in Tampa Electric Company's response to Staff's Second Set of Interrogatories, (Nos. 2 - 8) prepared or assisted with the responses to these interrogatories to the best of her information and belief.

Dated at Tampa, Florida this 19th day of October, 2007.

Cynthia R. Kyle

Sworn to and subscribed before me this 19th day of October, 2007.

Brenda Lee Inzary



My Commission expires _____

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In re: Environmental Cost
Recovery Factors.

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DOCKET NO. 070007-EI
FILED: OCTOBER 22, 2007

REDACTED VERSION

**TAMPA ELECTRIC COMPANY'S
ANSWERS TO SECONDS REQUEST
FOR PRODUCTION OF DOCUMENTS (NO. 2)
OF THE
FLORIDA PUBLIC SERVICE COMMISSION**

Tampa Electric files its Answers to Production of Documents (No. 2) propounded and served on October 2, 2007, by the Florida Public Service Commission.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 070007-EI
STAFF'S SECOND REQUEST FOR
PRODUCTION OF DOCUMENTS
DOCUMENT NO. 2
PAGE 1 OF 2
FILED: OCTOBER 22, 2007**

2. Provide the documentation showing that TECO will have adequate remaining allowance inventory to meet the Company's needs for the next 20 years as discussed on Page 18 of Witness Carpinone's August 31, 2007 testimony.

- A. Attached is the summary of Tampa Electric's annual EPA SO₂ allowance allocation, projected emissions, projected allowances required to be surrendered by the Clean Air Interstate Rule ("CAIR"), projected allowances restricted by the Consent Decree and projected allowances available to sell or reserve.

The allowance allocation information is available from the EPA website whereas the other information was calculated by Tampa Electric using the company's resource planning modeling software program, "ProMod," taking into consideration the requirements of CAIR and the Consent Decree. The calculations assume higher than anticipated projected SO₂ emissions therefore creating an adequate reserve of allowances for Tampa Electric's future use.

CAIR requires allowances for 2010 through 2014 to be surrendered at approximately two allowances for every ton of emissions and for 2015 and later to be surrendered at approximately three allowances for every ton of emissions.

Summary of Tampa Electric's SO₂ Allowance Inventory

Year	Allocated Allowances	Projected SO ₂ Emissions	Required CAIR Allowances	Projected Restricted Allowances	Projected Allowances Available for Sale or Reserve
2007	84,635				
2008	84,635				
2009	84,635				
2010	83,944				
2011	83,944				
2012	83,944				
2013	83,944				
2014	83,944				
2015	83,944				
2016	83,944				
2017	83,944				
2018	83,944				
2019	83,944				
2020	83,944				
2021	83,944				
2022	83,944				
2023	83,944				
2024	83,944				
2025	83,944				
2026	83,944				

**JUSTIFICATION OF CONFIDENTIAL TREATMENT
OF CONFIDENTIAL INFORMATION CONTAINED
IN TAMPA ELECTRIC'S RESPONSES TO STAFF'S
SECOND SET OF INTERROGATORIES AND SECOND
REQUEST FOR PRODUCTION OF DOCUMENTS
(FILED OCTOBER 22, 2007)**

<u>Interrogatory No.</u>	<u>Description</u>	<u>Rationale</u>
4	The Highlighted Information	(1)
6	The Highlighted Information	(2)
7	The Highlighted Information	(2)
<u>Production of Documents</u>		
2	The Highlighted Information	(2)

-
- (1) Disclosure of the highlighted information would provide allowance market participants knowledge as to the average price Tampa Electric believes it will be able to secure for allowances it may sell during the balance of 2007 and during 2008. Disclosure of this information would enable potential purchasers of allowances to pay a lower price for Tampa Electric's allowances than they might otherwise be willing to pay if they did not have the information regarding Tampa Electric's projected price for allowance sales. This competitive information is precisely the type of information sought to be protected by Section 366.093(d) and (e), Florida Statutes, in that disclosure of it would adversely affect Tampa Electric's ability to secure the highest market price possible for allowances it may have available for sale. This would adversely affect Tampa Electric and its customers and, thus, the information should be protected from public disclosure.
 - (2) The highlighted information in question, like the projected average prices described in Rationale (1), would similarly adversely affect Tampa Electric and its customers in that it would disclose to market participants the allowance quantities Tampa Electric projects it will have available for sale during the balance of 2007 and all of 2008. Armed with this information regarding the availability of Tampa Electric's supply of allowances would enable potential purchasers to adjust their demand accordingly to secure the lowest possible price for allowances purchased from Tampa Electric. This would adversely affect Tampa Electric and its customers. As such, the information is entitled to protection under Section 366.093(d) and (e), Florida Statutes.

COMMISSIONERS:
LISA POLAK EDGAR, CHAIRMAN
MATTHEW M. CARTER II
KATRINA J. MCMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

STATE OF FLORIDA



OFFICE OF COMMISSION CLERK
ANN COLE
COMMISSION CLERK
(850) 413-6770

CONFIDENTIAL

Public Service Commission

ACKNOWLEDGEMENT

DATE: October 22, 2007

TO: J. Beasley/Ausley Law Firm

FROM: Ruth Nettles, Office of Commission Clerk

RE: Acknowledgement of Receipt of Confidential Filing

This will acknowledge receipt of a **CONFIDENTIAL DOCUMENT** filed in Docket Number 070007-EI or, if filed in an undocketed matter, concerning Answers to FPSC Staff's 2nd set of Interrogatories, Nos. 2-8, and 2nd Production of Documents, No. 2, and filed on behalf of Tampa Electric Company. The document will be maintained in locked storage.

If you have any questions regarding this document, please contact Marguerite Lockard, Deputy Clerk, at (850) 413-6770.

DOCUMENT NUMBER-DATE
09631 OCT 22 07
FPSC-COMMISSION CLERK

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD • TALLAHASSEE, FL 32399-0850
An Affirmative Action/Equal Opportunity Employer

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