

WINDERWEEDLE, HAINES,
WARD & WOODMAN, P.A.

ATTORNEYS AT LAW

MAIN TELEPHONE (407) 423-4246
WWW.WHWW.COM

Please Reply To:
Orlando Office

Elizabeth G. Akridge
Litigation Paralegal
Direct Dial: (407) 246-8697
E-mail: eakridge@whww.com

December 17, 2007

Via Federal Express

Office of Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

070733-EI

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11011 DEC 18 2007

Re: *Cutrale Citrus Juices USA, Inc. v. Tampa Electric Company*
PSC Complaint No. 694187E

Dear Clerk:

Enclosed for filing, please find the original of a Formal Petition for Relief to be filed on behalf of Petitioner, Cutrale Citrus Juices USA, Inc.

Thank you for your attention to the foregoing. If you have any questions regarding this matter, please do not hesitate to contact our office.

Sincerely,



Elizabeth G. Akridge
Litigation Paralegal

/ega
Enclosure

DOCUMENT NUMBER-DATE
11011 DEC 18 2007
FPSC-COMMISSION CLERK

STATE OF FLORIDA PUBLIC SERVICE COMMISSION

CUTRALE CITRUS JUICES USA, INC.,

PSC Complaint No.: 694187E

Petitioner,

vs.

TAMPA ELECTRIC COMPANY,

Respondent.

FORMAL PETITION FOR RELIEF

Petitioner, CUTRALE CITRUS JUICES USA, INC. (“Cutrale”) requests that the State of Florida Public Service Commission (the “Commission”) grant it the relief sought herein against Respondent, TAMPA ELECTRIC COMPANY (“TECO”), and alleges as follows:

The Parties

1. Cutrale is a manufacturer of orange juice and producer of various other fruit and vegetable juice products, headquartered in Auburndale, Florida, whose mailing address is 602 McKean Street, Auburndale, Florida 33843, and whose phone number is (863) 965-500. Cutrale is a customer of TECO.

2. TECO is an electric utility company located in Tampa, Florida, servicing the Tampa Bay area, and whose mailing address is P.O. Box 31318, Tampa, Florida 33631-3318. TECO’s West Central Florida service area covers 2,000 square miles, including all of Hillsborough County and parts of Polk, Pasco, and Pinellas counties.

3. The Commission is a Florida regulatory agency, located at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, whose goal is to expedite resolution of disputes between consumers and utilities.

DOCUMENT NUMBER-DATE

11011 DEC 18 5

FPSC-COMMISSION CLERK

The Informal Complaint

4. On January 26, 2006 representatives of Cutrale met with representatives of TECO in Tampa, Florida to discuss Cutrale's claim of entitlement to the Transformer Ownership Discount ("TOD"), contained in the Standby and Supplemental Service (SBFT) rate schedule (the "Tariff") which governs TECO's contracts with its customers, including Cutrale. At that meeting, representatives of TECO agreed that Cutrale qualified for the TOD, and agreed to credit Cutrale's account accordingly. Following this meeting, TECO sent a bill to Cutrale which reflected the application of the TOD for electric service provided to Cutrale through the Minute Maid substation. TECO, however, subsequently changed its mind and refused to provide the TOD to Cutrale for electrical service provided through the Minute Maid substation.

5. On or about early April, 2006, Edward R. Hart ("Hart"), energy consultant for Cutrale, contacted the Commission to request a staff meeting to address Cutrale's complaint that TECO had refused, after previously agreeing, to grant to Cutrale the Transformer Ownership Discount. The pertinent TOD language is found on Sheet Numbers 6.605-6.609 of the Tariff. A true and correct copy of the Tariff is attached hereto as Exhibit "A." The Commission agreed to meet, and did meet, with Cutrale's representatives regarding its complaint later in April, 2006 (the "Meeting").

Resolution of the Informal Complaint

6. On April 21, 2006, following – and in response to – the Meeting, Elisabeth Draper, on behalf of the Commission, wrote to Mr. Hart and informed him that the Commission staff did not believe that Cutrale was entitled to the TOD under the Tariff (the "Draper Letter"). A true and correct copy of the Draper Letter is attached hereto as Exhibit "B."

7. On July 18, 2006, in response to the Draper Letter, undersigned counsel on behalf of Cutrale wrote to Ms. Draper, refuted the arguments and assertions she had set forth in her April 21st letter, and requested further review of Cutrale's complaint pursuant to Section 25-22.032(6)(d), Florida Administrative Code (the "Major Letter"). A true and correct copy of the Major Letter is attached hereto as Exhibit "C."

8. On July 24, 2006, Carmen Peña, Regulatory Program Administrator on the Process Review Group, on behalf of the Commission, responded to the Major Letter and informed Cutrale that its Complaint had been assigned to the Commission's Process Review Group, whereby a full review of the Complaint would be made (the "Peña Letter"). A true and correct copy of the Peña Letter is attached hereto as Exhibit "D."

9. Sixteen months later, on November 28, 2007, Martha Carter Brown wrote to Mr. Major on behalf of the Commission to render the Process Review Team's decision concerning Cutrale's complaint (the "Brown Letter"). A true and correct copy of the Brown Letter is attached hereto as Exhibit "E". Ms. Brown stated that it did not appear that TECO violated the Tariff by refusing to provide to Cutrale the TOD. Furthermore, the Brown Letter stated that "the facts in this case indicate that TECO has not violated any applicable statutes, rules, company Tariffs, or orders of the Commission," and, as such, "the staff cannot provide any additional assistance in this matter under the Commission's informal complaint resolution process."

Standing

10. As more fully described below, in its refusal to provide to Cutrale the TOD, TECO has violated the terms of the Tariff, which Tariff was approved by the Commission.

11. Pursuant to Section 366.03, Florida Statutes, "[e]ach public utility shall furnish to

each person applying therefor reasonably sufficient, adequate, and efficient service upon terms as required by the commission.” Furthermore, pursuant to Section 366.04, Florida Statutes, “the commission shall have jurisdiction to regulate and supervise each public utility with respect to its rates and service;” As such, the Commission is charged with determining whether Cutrale is entitled to the TOD under the Tariff.

12. Cutrale’s substantial interests will be affected by the Commission’s November 28, 2007 determination of this matter, as a result of which Cutrale will be forced to continue paying a higher rate for electric service than is required under the Tariff. Cutrale will suffer injury in fact that is of sufficient immediacy to entitle it to an agency hearing, and Cutrale’s substantial injury is of a type or nature that the proceeding is designed to protect. *See Ybor III, Ltd. v. Florida Housing Finance Corp.*, 843 So. 2d 344 (Fla. 1st DCA 2003).

Ultimate Facts Alleged

13. Cutrale contracts for electric service from, *inter alia*, TECO’s Minute Maid substation (the “Substation”), which transforms 69 kV transmission voltage to 13 kV primary voltage. TECO owns, operates, and maintains the substation, which serves only Cutrale. Cutrale-owned transformers then further transform the 13 kV primary voltage to 4 kV secondary voltage.

14. TECO’s service to Cutrale is governed by the Tariff. Specifically, with respect to TODs, the Tariff states:

TRANSFORMER OWNERSHIP DISCOUNT: When a customer furnishes and installs all primary voltage to secondary voltage line transformation from a primary voltage distribution feeder, a discount of 36¢ per KW of Supplemental Demand and 32¢ per KW of Standby Demand will apply.

15. Based on defined terms in the Tariff and other industry publications, the Substation constitutes a “primary voltage distribution feeder.” Because Cutrale furnishes transformers which provide “primary voltage to secondary voltage line transformation from a primary voltage distribution feeder,” Cutrale is entitled to the TOD under the plain language of the Tariff.

Disputed Issues of Material Fact

16. In the Draper Letter, which responded on behalf of the Commission to Cutrale’s initial Complaint, the Commission offered various explanations as to why, in the Commission staff’s view, Cutrale was not entitled to the TOD under the Tariff:

A. First, the Commission argued that, because the Minute Maid substation does not serve multiple customers, the substation is not a “primary voltage distribution feeder” within the meaning of the Tariff. The Draper Letter, citing no authority, defined the term “primary voltage distribution feeder” as “*a feeder line serving multiple customers.*” There is, however, nothing in the Tariff, nor in standard industry literature, which requires that “multiple customers” be served by a “primary voltage distribution feeder.” The Tariff offers no such definition of that term. Rather, and to the contrary, industry definitions – including definitions supplied by the Tariff itself¹ – of the words contained in that term compel the conclusion that the term merely refers to the type of electrical equipment used by TECO to provide electric service to the customer at “primary voltage” (*i.e.*, at 13kV), and has nothing whatever to do with whether “multiple customers ” are served by such equipment. Cutrale’s entitlement to the TOD turns on the meaning or correct definition of the

¹ The Tariff defines “primary service voltage” at Third Revised Sheet No. 4.010 as: “The voltage level in a local geographic area which is available after the company has provided one transformation from the transmission system. For service taken at primary voltage all additional transformations shall be customer owned.”

Tariff's undefined term "primary voltage distribution feeder," and the meaning of that term is a disputed issue of material fact in this proceeding.

B. Second, in formulating its initial response to Cutrale's complaint, the Commission relied on verbiage contained in a TECO memorandum dated May 18, 1987, authored by a person named W. Meyer (the "Memorandum"). For the reasons stated in the Major Letter attached hereto as Exhibit "C", the Commission's reliance on the Memorandum in denying the TOD to Cutrale was erroneous. A true and correct copy of the Memorandum is attached hereto as Exhibit "F."

C. Third, general industry practice in Florida concerning the application of transformer ownership discounts is contrary to TECO's refusal to provide to Cutrale the TOD. Specifically, neither Florida Power & Light nor Gulf Power attempt to limit transformer ownership discounts in the manner which TECO seeks to do here.² True and correct copies of the Florida Power & Light and Gulf Power transformer ownership discounts are attached here to as Exhibit "G."

D. Fourth, TECO's responses to questions posed by the Commission to TECO appear to have been accepted uncritically by the Commission staff as accurate and correct, when, in fact, TECO's responses were neither (the "TECO Responses"). A true and correct copy of the TECO Responses is attached hereto as Exhibit "H." For example, TECO has invented a definition for the term "primary voltage distribution feeder" which conveniently serves its own interest, in that it imposes a "multiple customer" qualification which automatically excludes the Minute Maid Substation, since that substation serves only Cutrale. This "multiple customer" definition, which

² For Florida Power & Light and Gulf Power policies on transfer ownership discounts refer to the Major Letter attached hereto as Exhibit "C."

TECO has simply made up, is not supported by the technical definitions of the words within that term which are supplied by the Tariff itself, by OSHA, and by generally accepted defined terms within the industry. Moreover, and contrary to TECO's claim that there is documentary evidence of an "agreement" between TECO and Coke (Cutrale's predecessor in interest) for TECO not to provide the TOD to Coke, the document on which TECO relies for this claim does not support the contention that Coke agreed to waive the TOD.³

E. Fifth, the Commission's argument that the TOD is only available where TECO has "achieved the avoidance of transformation costs" is nowhere stated in the Tariff. To the contrary, the Tariff simply provides that the customer will be eligible for the TOD when the customer furnishes and installs all "primary voltage to secondary voltage line transformation," where such primary voltage comes to the customer from a "primary voltage distribution feeder," and imposes no additional conditions. Cutrale has satisfied the conditions, and is entitled to the TOD.

17. In her November 28, 2007 letter, which set forth the Commission's Process Review Team's explanation for its denial of the TOD to Cutrale, Martha Brown relied on none of the arguments previously asserted by Commission staff in the April 21, 2006 Draper Letter. Instead, according to Ms. Brown, the Process Review Team decided that this matter "is resolved most clearly as a rate issue." The Process Review Team concluded that the rate which TECO charges Cutrale for 13kV service from the Minute Maid substation "reflects the costs that TECO incurs to provide service to Cutrale at the 13kV level," therefore Cutrale, according to the Process Review Team, is not entitled to the TOD. This conclusion, however, completely ignores the language of the Tariff,

³ For a more detailed explanation, refer to the Major Letter attached hereto as Exhibit "C."

which expressly requires that TECO provide a TOD to any customer “when the customer furnishes and installs all primary voltage to secondary voltage line transformation from a primary voltage distribution feeder,” as Cutrale has done here. In addition, TECO presently applies the TOD on its bills to Cutrale for electric service which Cutrale receives at 13kV primary voltage from TECO substations *other than* the Minute Maid substation, thus the Process Review Team’s “rate issue” rationale is also contradicted by TECO’s current billing practices for Cutrale itself.

Modification of the Commission’s Proposed Action

18. As outlined above, the Commission has wrongly closed Cutrale’s Customer Complaint No. 69187E under the Commission’s informal complaint resolution process by finding, erroneously, that Cutrale is not entitled to the TOD. Accordingly, Cutrale seeks a formal review of its Complaint.

Relief Sought By Cutrale

19. Cutrale respectfully requests that the Commission grant the following relief: (a) Find that Cutrale, including its predecessor in interest Coca-Cola Foods/Minute Maid, is, and at all material times has been, entitled to the TOD for electric service received through the Minute Maid Substation, pursuant to the terms of the Tariff; (b) Order that TECO, in the future, apply the TOD to Cutrale’s bills for electricity provided through the Substation; and (c) Order that TECO furnish a credit or refund to Cutrale in the amount which Cutrale (and its predecessor in interest, Coca-Cola Foods’ Minute Maid division), has overpaid TECO due to TECO’s refusal to apply the TOD, plus interest from the date such charges were paid by Cutrale and its predecessor to TECO.

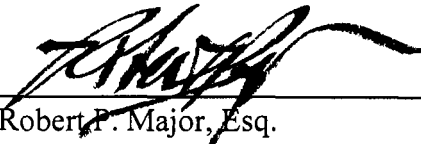
DATED this 17th day of December, 2007

Respectfully submitted,

**WINDERWEEDLE, HAINES, WARD
& WOODMAN, P.A.**

390 N. Orange Avenue, Suite 1500
Post Office Box 1391
Orlando, FL 32802-1391
(407) 423-4246
(407) 423-7014 (Fax)
Attorneys for Cutrale

By: _____


Robert P. Major, Esq.
Florida Bar No. 0501115
E-mail: rmajor@whww.com

**TIME-OF-DAY
FIRM STANDBY AND SUPPLEMENTAL SERVICE
(OPTIONAL)**

SCHEDULE: SBFT

RATE CODE: 358

AVAILABLE: Entire service area.

APPLICABLE: Required for all self-generating Customers whose generating capacity in kilowatts (exclusive of emergency generation equipment) exceeds 20% of their site load in kilowatts and who take firm service from the utility. Also available to self-generating Customers whose generating capacity in kilowatts does not exceed 20% of their site load in kilowatts, but who agree to all the terms and conditions of this rate schedule. Resale not permitted.

CHARACTER OF SERVICE: A-C; 60 cycles; 3 phase; at any standard company voltage.

LIMITATION OF SERVICE: A Customer taking service under this tariff must sign a Tariff Agreement for the Purchase of Firm Standby and Supplemental Service. (See Sheet No. 7.600)

MONTHLY RATE:

Customer Facilities Charge:
\$ 280.00

CHARGES FOR STANDBY SERVICE:

Demand Charge:
\$ 2.66 per KW-Month of Standby Demand
(Local Facilities Reservation Charge)

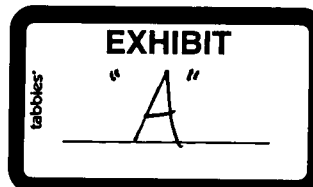
plus the greater of:
\$.87 per KW-Month of Standby Demand
(Power Supply Reservation Charge) or

\$.34 per KW-Day of Actual Standby Billing Demand
(Power Supply Demand Charge)

Energy Charge:
0.984¢ per Standby KWH

Continued to Sheet No. 6.606

ISSUED BY: J. B. Ramil, President



DATE EFFECTIVE
JAN 1 1999

Continued from Sheet No. 6.605

CHARGES FOR SUPPLEMENTAL SERVICE**Demand Charge:**

\$ 2.36 per KW-Month of Supplemental Demand (Supplemental Billing Demand Charge), plus
\$ 5.08 per KW-Month of Supplemental Peak Demand (Supplemental Peak Billing Demand Charge)

Energy Charge:

2.198¢ per Supplemental KWH during peak hours
1.008¢ per Supplemental KWH during off-peak hours

DEFINITIONS OF THE USE PERIODS: All time periods stated in clock time. (Meters are programmed to automatically adjust for changes from standard to daylight saving time and vice-versa.)

	<u>April 1 - October 31</u>	<u>November 1 - March 31</u>
<u>Peak Hours:</u> (Monday-Friday)	12:00 Noon - 9:00 PM	6:00 AM - 10:00 AM and 6:00 PM - 10:00 PM

Off-Peak Hours: All other weekday hours, and all hours on Saturdays, Sundays, New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day shall be off-peak.

BILLING UNITS:

Demand Units: Metered Demand - The highest measured 30-minute interval KW demand served by the Company during the month.

Metered Peak Demand - The highest measured 30-minute interval KW demand served by the Company during the peak hours.

Site Load - The highest KW total of Customer generation plus deliveries by the company less deliveries to the company, occurring in the same 30-minute interval, during the month.

Continued to Sheet No. 6.607

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE:

JAN 1 1999

Continued from Sheet No. 6.606

Peak Site Load - The highest 30-minute customer generation plus deliveries by the Company less deliveries to the Company during the peak hours.

Normal Generation - The generation level equaled or exceeded by the customer's generation 10% of the metered intervals during the previous twelve months.

Supplemental Billing Demand - The amount, if any, by which the highest Site Load during any 30-minute interval in the month exceeds Normal Generation, but no greater than Metered Demand.

Supplemental Peak Billing Demand - The amount, if any, by which the highest Peak Site Load during any 30-minute interval in the peak hours exceeds Normal Generation, but no greater than Metered Peak Demand.

Contract Standby Demand - As established pursuant to the Tariff Agreement for the Purchase of Firm Standby and Supplemental Service. Anytime a customer registers a Standby Demand that is higher than the existing Contract Standby Demand, that Standby Demand will become the new Contract Standby Demand, beginning with the following period.

Standby Demand - The greater of Contract Standby Demand or the amount by which Metered Demand exceeds Supplemental Billing Demand, but no greater than Normal Generation.

Actual Standby Billing Demand - The summation of the daily amounts by which the highest on-peak measured 30-minute interval KW demands served by the Company exceed the monthly Supplemental Peak Billing Demand.

Energy Units:

Energy provided by the Company during each 30-minute period up to the Supplemental Demand level shall be billed as Supplemental KWH. The remaining energy shall be billed as Standby KWH.

MINIMUM CHARGE: The Customer Facilities Charge, Local Facilities Reservation Charge, and Power Supply Reservation Charge.

Continued to Sheet No. 6.608

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE:

JAN 1 1999

Continued from Sheet No. 6.607

TERM OF SERVICE: Any customer receiving service under this schedule will be required to give the Company written notice at least 60 months prior to transferring to a firm non-standby schedule. Such notice shall be irrevocable unless the Company and the customer should mutually agree to void the notice.

TEMPORARY DISCONTINUANCE OF SERVICE: Where the use of energy is seasonal or intermittent, no adjustments will be made for a temporary discontinuance of service. Any customer prior to resuming service within 12 months after such service was discontinued will be required to pay all charges which would have been billed if service had not been discontinued.

POWER FACTOR: When the average power factor during the month is less than 85%, the monthly bill will be increased \$0.002 for each kVARh by which the reactive energy numerically exceeds 0.619744 times the billing energy. When the average power factor during the month is greater than 90%, the monthly bill will be decreased \$0.001 for each kVARh by which the reactive energy is numerically less than 0.484322 times the billing energy.

METERING LEVEL DISCOUNT: When the customer takes energy metered at primary voltage, a discount of 1% of the energy and demand charges will apply.

When the customer takes energy metered at subtransmission or higher voltage, a discount of 2% of the energy and demand charges will apply.

TRANSFORMER OWNERSHIP DISCOUNT: When the customer furnishes and installs all primary voltage to secondary voltage line transformation from a primary voltage distribution feeder, a discount of 36¢ per KW of Supplemental Demand and 32¢ per KW of Standby Demand will apply.

When the customer furnishes and installs all subtransmission or higher voltage to utilization voltage substation transformation, a discount of 59¢ per KW of Supplemental Demand and 52¢ per KW of Standby Demand will apply.

EMERGENCY RELAY POWER SUPPLY CHARGE: The monthly charge for emergency relay power supply service shall be 60¢ per KW of Supplemental Demand and Standby Demand. This charge is in addition to the compensation the customer must make to the Company as a contribution-in-aid of construction.

FUEL CHARGE: See Sheet Nos. 6.020 and 6.021.

ENERGY CONSERVATION CHARGE: See Sheet Nos. 6.020 and 6.021.

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE:

JAN 1 1999

Continued from Sheet No. 6.608

FUEL CHARGE: See Sheet Nos. 6.020 and 6.021.

ENERGY CONSERVATION CHARGE: See Sheet Nos. 6.020 and 6.021.

CAPACITY CHARGE: See Sheet Nos. 6.020 and 6.021.

ENVIRONMENTAL COST RECOVERY CHARGE: See Sheet Nos. 6.020 and 6.021.

FLORIDA GROSS RECEIPTS TAX: See Sheet No. 6.021.

FRANCHISE FEE CHARGE: See Sheet No. 6.021.

PAYMENT OF BILLS: See Sheet No. 6.022.

ISSUED BY: J. B. Ramil, President

DATE EFFECTIVE:

JAN 1 1999

COMMISSIONERS:
LISA POLAK EDGAR, CHAIRMAN
J. TERRY DEASON
ISILIO ARRIAGA
MATTHEW M. CARTER II
KATRINA J. TEW

STATE OF FLORIDA



TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

April 21, 2006

Edward Hart
Encore Energy Solutions
P.O. Box 271737
Tampa, FL 33688-1727

RE: Cutrale Citrus Juices, Complaint No. 694187E

Dear Mr. Hart:

This letter is in response to our recent meeting with Cutrale Citrus Juices (Cutrale) to discuss Tampa Electric Company's (TECO) Standby and Supplemental Service (SBFT) rate schedule. Specifically, Cutrale believes that it is entitled to a transformer ownership discount specified in the standby tariff.

Based on the information provided by you and TECO, staff does not believe that Cutrale is entitled to a transformer ownership discount. As shown in the interconnection diagram (Exhibit B of the Interconnection Agreement between Coca Cola Foods and TECO) Cutrale takes service at primary voltage (13 kV). That service is provided by TECO through the Minute Maid substation that transforms electric service from transmission voltage (69 kV) to the 13 kV primary voltage required by Cutrale. TECO installed and owns this substation to exclusively serve Coca Cola Foods, now Cutrale. Cutrale's wastewater account is not served from the dedicated Minute Maid substation and therefore may be eligible for the transformation discount.

As the diagram shows, the primary meter is installed after the Minute Maid substation, indicating that TECO owns the substation. The diagram further shows that Cutrale owns all facilities, including transformation equipment to further reduce the 13 kV voltage, behind the ownership line.

TECO's SBFT rate schedule states:

When the customer furnishes and installs all primary voltage to secondary voltage line transformation from a primary voltage distribution feeder, a discount of 36 cents per KW of Supplemental Demand and 32 cents per KW of Standby Demand will apply.

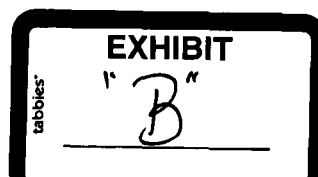
As stated above, in order to receive a transformation credit, the customer must be served from a primary voltage distribution feeder, i.e., a feeder line serving multiple customers. If a customer contracts for service at secondary voltage from a primary feeder, TECO has the obligation to provide service at secondary voltage. It may do so either through a utility-owned transformer, or through a customer-owned transformer. If the customer chooses to install the transformer, the customer

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PSC Website: <http://www.floridapsc.com>

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Internet E-mail: contact@psc.state.fl.us



Edward Hart
Page 2
April 21, 2006

receives a transformation credit for providing a transformer that the utility would otherwise be required to install to provide the voltage contracted for by the customer.

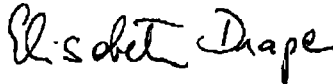
Cutrale, however, is served by a dedicated substation and a dedicated line, which TECO installed, not a primary feeder which serves other customers. The substation transforms voltage from 69 kV to 13 kV, which is the level of service requested by the customer. Since TECO did not avoid the transformation cost to provide Cutrale the requested 13 kV level of service, and Cutrale contracted for service at 13 kV, Cutrale is not eligible for credit for further transformation to voltages below 13 kV behind the customer's meter.

With respect to the costs incurred by Coca Cola to modify the substation noted in the 1987 interconnection agreement, TECO clarified that modifications were made to allow for the installation of cogeneration metering and protection devices. Customers who plan to cogenerate power are required to pay for all costs of interconnection with the utility's system. Those changes did not affect the transformation arrangement from 69 kV to 13 kV established several years earlier when the substation was first constructed.

During our meeting, you indicated that TECO did not provide sufficient documentation showing TECO's agreement with Coca Cola Foods to discontinue the transformation discount, which TECO erroneously applied until 1987. TECO provided to staff a memorandum from Mr. Meyer to Mr. Mangione, dated May 18, 1978, which is attached. I do not believe this memorandum was included in the documentation you provided. In addition to explaining why Coca Cola Foods does not qualify for the transformation credit, Mr. Meyer also stated that in order to receive the credit, Coca Cola Foods would have to buy or lease the Minute Maid substation.

I hope this discussion is responsive to your concerns. If you have any additional questions or concerns, please do not hesitate to contact me at (850) 413-6706 or edraper@psc.state.fl.us.

Sincerely,



Elisabeth Draper
Economic Analyst
Bureau of Certification, Economics & Tariffs

ED:kb

Enclosure: Memorandum from Mr. Meyer

Cc: Tampa Electric Company

WINDERWEEDLE, HAINES,
WARD & WOODMAN, P.A.

ATTORNEYS AT LAW

MAIN TELEPHONE (407) 428-4248
WWW.WHWW.COM

Please Reply To:

Orlando Office

Robert P. Major
Direct Dial: (407) 246-8661
E-mail: rmajor@whww.com

July 18, 2006

Ms. Elisabeth Draper
Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Via Certified Mail

Re: Our Client: Cutrale Citrus Juices USA, Inc.
PSC Complaint: No. 694187E

Dear Ms. Draper:

This firm is counsel to Cutrale Citrus Juices USA, Inc. ("Cutrale"), which has filed the above Complaint with the Commission, arising out of the refusal by Tampa Electric Company ("TECO") to provide to Cutrale the Transformer Ownership Discount ("TOD") to which Cutrale is entitled under the terms of TECO's Standby and Supplemental Service (SBFT) rate schedule ("the tariff"). This letter responds, on behalf of Cutrale, to your letter dated April 21, 2006 to Edward Hart – Cutrale's energy consultant – which set forth your view that Cutrale is not entitled to the TOD. Please consider this letter Cutrale's request, pursuant to FAC §25-22.032 (6)(d), for further review of Cutrale's complaint by Commission staff, in light of the following considerations.

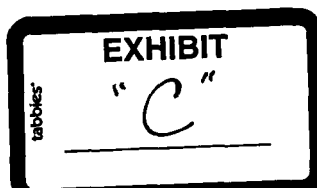
1. Definition of "Primary Voltage Distribution Feeder"

As you point out in your letter, TECO's SBFT rate schedule states:

When the customer furnishes and installs all primary voltage to secondary voltage line transformation from a **primary voltage distribution feeder**, a discount of 36 cents per KW of Supplemental Demand and 32 cents per KW of Standby Demand will apply. (emphasis added).

The explanation offered by TECO, and adopted by you in your letter, for why Cutrale has been determined to be ineligible for the TOD, is that Cutrale is not served from a "primary voltage distribution feeder," which your letter defines as "a feeder line serving multiple customers." There is, however, absolutely nothing in the Tariff, nor in standard industry literature, which provides such a definition of the term "primary voltage distribution feeder." In fact, although the Tariff defines various technical terms, it offers no definition whatsoever of the term "primary voltage distribution feeder." However, the Tariff, as well as other industry publications, do define the

ORLANDO, FLORIDA
1500 BANK OF AMERICA CENTER
390 NORTH ORANGE AVENUE (ZIP 32801)
POST OFFICE BOX 1391 (ZIP 32802-1391)
FAX (407) 423-7014



WINTER PARK, FLORIDA
FIFTH FLOOR, BANK OF AMERICA BUILDING
250 PARK AVENUE, SOUTH (ZIP 32788)
POST OFFICE BOX 880 (ZIP 32780-0880)
FAX (407) 848-3728

Ms. Elisabeth Draper
Re: *Centrale Citrus Juices USA, Inc. adv. TECO*
July 18, 2006
Page 2

various words contained in the undefined term “primary voltage distribution feeder.” These definitions do not in any way support the “multiple customers” interpretation of that term which TECO – and your letter – seeks to apply to it.

For example, the term “primary service voltage” is defined in the tariff, at Third Revised Sheet No. 4.010, as:

The voltage level in a local geographic area which is available after the company has provided one transformation from the transmission system. *For service taken at primary voltage all additional transformations shall be customer owned.* (emphasis added)

The term “distribution system” is defined in the tariff, at Fifth Revised Sheet No. 4.040, as:

Electric service facilities consisting of primary and secondary conductors, service laterals, transformers and necessary accessories and appurtenances for the furnishing of electric power at utilization voltage (13kV and below on the Company’s system).

Although the tariff does not define the term “feeder,” a definition of that term is provided by OSHA:

A circuit, such as conductors in conduit or a busway run, which carries a large block of power from the service equipment to a sub-feeder panel or a branch circuit panel or to some point at which the block power is broken into smaller circuits.

OSHA further defines “distribution feeder circuits” as:

[T]he connections between the output terminals of a distribution substation and the input terminals of primary circuits. The distribution feeder circuit conductors leave the substation from a circuit breaker or circuit recloser via underground cables, called substation exit cables.

It is thus apparent – from the express definitions of the key words contained in the term “primary voltage distribution feeder” supplied by both the Tariff itself and by OSHA – that the term merely describes the technical mechanism for the provision of electric service to the customer at primary voltage (which, in this case, is 13 kV), and *has nothing whatsoever to do with the “number of customers” served by a particular substation.* Indeed, the Tariff’s definition of “primary service voltage” contains within it an express recognition that, when a customer (such as Centrale) takes electrical service at primary voltage (as Centrale does), all additional transformations “shall be customer owned,” which Centrale also does. The implication is clear: Where such customers take service at primary voltage, and also own the “additional transformations” needed for further voltage transformation, such customers are then entitled to the “transformer ownership discount.”

Ms. Elisabeth Draper
Re: *Cutrale Citrus Juices USA, Inc. adv. TECO*
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2. TECO's May 18, 1987 Memorandum.

It appears that your letter, in advancing the unsupported "multiple customers" definition of the term "primary voltage distribution feeder," relies solely on certain verbiage contained in a TECO memorandum dated May 18, 1987, authored by a person named W. Meyer. We have the following observations and criticisms of that memorandum:

- a. Neither TECO's April 19, 2006 Response to PSC Staff Questions, nor your letter, offer any information concerning the identity, authority, or qualifications of the author of the May 18, 1987 memorandum, nor otherwise offer any authentication of it. The memorandum is not part of the Tariff nor of Cutrale's Interconnection Agreement, and cannot take precedence over those documents with respect to Cutrale's rights. There is, moreover, no evidence that the author is qualified to speak on behalf of TECO in regard to the alleged "rationale" or "policy" behind the transformation ownership discount, which discount is not even the stated subject of the memorandum itself. Moreover, the memorandum was never provided by TECO to Coca Cola Foods nor to Cutrale, and we suspect it was never submitted to the Commission in connection with the approval of the Tariff.
- b. Contrary to your assertion that, in the memorandum, Mr. Meyer "stated that in order to receive the credit, Coca Cola Foods would have to buy or lease the Minute Maid substation," the memorandum actually says no such thing. Indeed, it does not even mention Coca Cola Foods, nor does it mention The Minute Maid Company.
- c. The stated subject of the memorandum was "Meter Discounts Without Ownership," and the stated purpose of the memorandum was to "clarify the conditions that allow the primary voltage discount for metering of 1%." Such metering discounts – the express subject of this memorandum – are different than "transformer ownership discounts," and have nothing to do with the present dispute. The mere fact that the memorandum also contains some gratuitous, off-topic discussion concerning what the author believed were eligibility requirements for "transformation ownership discount" does not make this memorandum authoritative on that issue.
- d. The Memorandum contains the statement, "[t]ransformation ownership discount is based on Tampa Electric's avoidance of all identifiable transformation expenses. This means that unless the Customer is served from a distribution feeder (circuit, or lines serving at least two classes of Customers), the Customer is ineligible." While this statement may indeed express the personal opinion of the author of the memorandum, it is not supported by any language in the governing tariff, and is in fact contradicted by the Tariff's and OSHA's definitions of the relevant terms, as

Ms. Elisabeth Draper

Re: *Centrale Citrus Juices USA, Inc. adv. TECO*

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discussed in Section 1 above. Indeed, nothing in the Tariff defines or describes a "distribution feeder" as a "circuit or lines serving at least two classes of Customers." Nor can that definition be found in the industry literature; the author of the memorandum appears to have simply made it up out of whole cloth, in an attempt to limit the availability of the discount by unilaterally imposing eligibility criteria not found in the tariff nor approved by the Public Service Commission.

- e. The last sentence of the summary section of the memorandum, ironically, correctly states Centrale's case: "*Ownership discount of \$.32/kW for primary delivery voltage; and \$.42/kW for 69 kV delivery voltage are available to any Customer owning all the transformation directly identifiable to the service ahead or behind the meter.*" This statement is completely consistent with the Tariff's definition of "primary service voltage" discussed in Section 1 above, which recognizes that, for service taken at primary voltage, all additional transformations shall be Customer owned. Centrale takes service at primary voltage, owns the additional transformers, and is therefore entitled to the discount provided in the Tariff for such transformer ownership.

3. General Industry Practice in Florida Concerning Transformer Ownership Discounts

Neither Florida Power & Light Company nor Gulf Power attempt to limit transformer ownership discounts in the manner which TECO seeks to do here. For example, FPL's Tariff provides:

Monthly Credit: The Company, at its option, will either provide and maintain transformation facilities equivalent to the capacity that would be provided if the load were served at a secondary voltage from transformers at one location or, when Customer furnishes transformers, the Company will allow a monthly credit of \$0.36 per kw of Billing Demand...

See FPL Transformer Rider - TR, Seventh Revised Sheet No. 8.820 (attached). Similarly, Gulf Power's tariff provides:

Transformer Ownership Discount and Primary Metering Voltage Discounts: When the Company renders service under this Rate Schedule at the local primary distribution voltage and any transformers required are furnished by the Customer, the monthly rate will be subject to a discount of: twenty-seven (27) cents per month per kilowatt (KW) of the Customer's demand used in the calculation of the Local Facilities Charge for those customers which are billed under the 100 to 499 KW demand range; or forty-one (41) cents per month per kilowatt (KW) of the Customer's demand used in the calculation of the Local Facilities Charge for those customers which are billed under the 500 to 7,499 KW demand range; and an additional discount of one percent (1%) of the Energy Charge and one percent (1%) of the Demand Charge.

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Re: *Cutrale Citrus Juices USA, Inc. adv. TECO*

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See Gulf Power Rate Schedule SBS, Section No. VI, First Revised Sheet No. 6.62 (attached).

4. TECO's Responses to FPSC Staff's Questions

TECO's Responses to the questions posed by Commission staff appear to have been accepted uncritically by PSC staff as correct and accurate, when in fact TECO's responses were neither:

- a. TECO's explanation for why it is not in violation of the Standby Tariff provision regarding transformer credit advances the erroneous argument – in light of the Tariff's own definition of the terms involved – that because Cutrale is served by a dedicated substation owned by TECO, Cutrale therefore, by definition, *is not* served by a "primary voltage distribution feeder." TECO does this by inventing a definition for that term requiring that "multiple customers" be served from the substation, which definition is inconsistent with the actual definitions supplied by the Tariff, by OSHA, and generally accepted within the industry. In actual fact, Cutrale is indeed served by a "primary voltage distribution feeder" as those terms are correctly defined, even though that service comes to Cutrale through a dedicated substation.
- b. TECO's "documentation" to support the existence of an alleged "Agreement" between TECO and Coke not to provide the transformer ownership discount to Coke consisted of: (a) the May 18, 1987 memorandum (described above in Section 2), and (b) an internal TECO memorandum dated June 26, 1987, authored by a TECO employee named Randy Stevens and directed to a TECO employee named Hank Bentranger, which purports to "confirm our joint agreement to cease the transformer ownership discount..." In fact there was no such "joint agreement" between TECO and Coke. The June 26, 1987 memorandum, like the May 18, 1987 memorandum, was not directed to, nor provided to, anyone at Cutrale's predecessor, Coca Cola Foods, but rather was an internal TECO memorandum between two TECO employees, whose authority to speak for TECO on these matters has not been authenticated. Moreover, any "joint agreement" *between two TECO employees* concerning the improper termination of Coke's transformer ownership discount could not affect Coke's rights under the Tariff in any event.

5. The "Avoidance of Identifiable Transformation Expenses" Argument

Finally, your April 21, 2006 letter embraces TECO's argument – which argument is unsupported by any language in the Tariff – that the transformer ownership discount is only available if TECO has achieved the "avoidance of all identifiable transformation expenses." This undocumented requirement for TOD eligibility appears in the May 18, 1987 memorandum previously discussed in Section 2. In the later June 26, 1987 memorandum, that argument took the form of requiring that

Ms. Elisabeth Draper
Re: *Cutrale Citrus Juices USA, Inc. adv. TECO*
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Page 6

TECO "avoid a dedicated substation." A slightly modified version of this same argument was expressed in your letter of April 21, 2006, in which you state, "Since TECO did not avoid the transformation cost to provide Cutrale the requested 13 KV level of service¹, and Cutrale contracted for service at 13 kV, Cutrale is not eligible for credit for further transformation to voltages below 13 kV behind the customer's meter."

This argument, particularly as expressed in your April 21, 2006 letter, is flatly contradicted by the Tariff itself, which provides that the Customer will be eligible for the discount any time the customer furnishes and installs all "primary voltage to secondary voltage line transformation," when that primary voltage comes to the Customer from a "primary voltage distribution feeder." It is undisputed that Cutrale receives electric service from TECO at the 13 kV "primary voltage" level, and that Cutrale's own transformers provide further transformation of that primary voltage to secondary voltage for use in the Cutrale plant. It is also undisputable, in light of the definitions supplied by the tariff and by OSHA, that TECO provides this 13 kV primary voltage to Cutrale from a "primary voltage distribution feeder," *i.e.*, the line to Cutrale from the Minute Maid substation.² Accordingly, Cutrale is eligible for the discount.

Moreover, to the extent that TECO did in fact incur some nominal amount of "identifiable transformation expenses" associated with Minute Maid substation, such expenses have long since been repaid by Coke and Cutrale through their payment of 19 years of demand charges. It defies logic and common sense to suggest that, because TECO incurred a nominal amount of "transformation expense" associated with the Minute Maid substation many years ago, Cutrale will forever be denied the transformer ownership discount, even though Cutrale clearly meets the criteria set forth in the Tariff to be eligible for that discount.

For all the foregoing reasons, we respectfully request that the Commission further review Cutrale's Complaint in this matter.

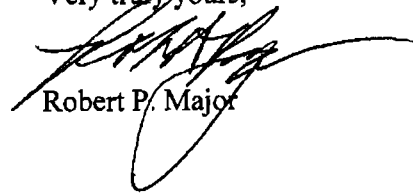
¹ Your statement suggests that, merely because TECO incurred the cost of converting transmission voltage to primary voltage prior to reaching Cutrale, Cutrale is – by that fact alone – somehow ineligible for the transformer ownership discount. This statement is contradicted by the Tariff, and would, if adopted, make the discount unavailable to TECO's customers in almost every case, since at least one instance of voltage transformation (*i.e.*, from transmission voltage to primary voltage) occurs prior to electricity reaching TECO's industrial customers

² As explained previously, both the Tariff and standard industry definitions of the relevant terms contradict TECO's assertion that a substation serving only one customer, "by definition," cannot be a "primary voltage distribution feeder." To the contrary, any substation providing service to a customer at primary voltage – regardless of the number of customers served by that substation – is a "primary voltage distribution feeder."

Ms. Elisabeth Draper
Re: *Cutrale Citrus Juices USA, Inc. adv. TECO*
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Thank you for your kind consideration of this matter. Please contact me if you require any additional information from Cutrale to assist in the requested review.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Major', with a long, sweeping horizontal flourish extending to the right.

Robert P. Major

RPM/et
Enclosures

cc: Alberto Moyano
R. Edward Hart
Hugh Thompson



Section No. VI
First Revised Sheet No. 6.62
Canceling Original Sheet No. 6.62

PAGE 6 of 8	EFFECTIVE DATE June 7, 2002
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(Continued from Rate Schedule SBS, Sheet No. 6.61)

TRANSFORMER OWNERSHIP DISCOUNT AND PRIMARY METERING VOLTAGE DISCOUNTS:

When the Company renders service under this Rate Schedule at the local primary distribution voltage and any transformers required are furnished by the Customer, the monthly rate will be subject to a discount of: twenty-seven (27) cents per month per kilowatt (KW) of the Customer's demand used in the calculation of the Local Facilities Charge for those customers which are billed under the 100 to 499 KW demand range; or forty-one (41) cents per month per kilowatt (KW) of the Customer's demand used in the calculation of the Local Facilities Charge for those customers which are billed under the 500 to 7,499 KW demand range; and an additional discount of one percent (1%) of the Energy Charge and one percent (1%) of the Demand Charge.

TRANSFORMER OWNERSHIP DISCOUNT AND TRANSMISSION METERING VOLTAGE DISCOUNTS:

When the Company renders service under this Rate Schedule from an available transmission line of 46,000 volts or higher and the Customer furnishes, operates, and maintains the complete step-down transformer substation necessary to receive and use such service, the monthly rate will be subject to a discount of forty-eight (48) cents per month per kilowatt (KW) of the Customer's demand used in the calculation of the Local Facilities Charge for those customers which are billed under the 500 to 7,499 KW demand range and an additional discount of two percent (2%) of the Energy Charge and two percent (2%) of the Demand Charge. The monthly rate will be subject to a discount of seven (7) cents per kilowatt (KW) of the demand used in the calculation of the Local Facilities Charge for those customers which are billed under the above 7,499 KW demand range and an additional discount of one percent (1%) of the Energy Charge and one percent (1%) of the Demand Charge.

TERM OF CONTRACT:

Service under this rate schedule shall be for a minimum period of five (5) years and shall continue thereafter from year to year until terminated by either party upon twenty-four (24) months written notice to the other.

DEPOSIT:

A deposit amounting to twice the estimated average monthly bill may be required before service is connected at designated premises. The deposit may be applied to any final bills against the Customer for service.

ISSUED BY: Travis Bowden

TRANSFORMATION RIDER - TR

AVAILABLE:

In all territory served.

APPLICATION:

In conjunction with any commercial or industrial rate schedule specifying delivery of service at any available standard voltage when Customer takes service from available primary lines of 2400 volts or higher at a single point of delivery.

MONTHLY CREDIT:

The Company, at its option, will either provide and maintain transformation facilities equivalent to the capacity that would be provided if the load were served at a secondary voltage from transformers at one location or, when Customer furnishes transformers, the Company will allow a monthly credit of \$0.36 per kw of Billing Demand. Any transformer capacity required by the Customer in excess of that provided by the Company hereunder may be rented by the Customer at the Company's standard rental charge.

The credit will be deducted from the monthly bill as computed in accordance with the provisions of the Monthly Rate section of the applicable Rate Schedule before application of any discounts or adjustments. No monthly bill will be rendered for an amount less than the minimum monthly bill called for by the Agreement for Service.

SPECIAL CONDITIONS:

The Company may change its primary voltage at any time after reasonable advance notice to any Customer receiving credit hereunder and affected by such change, and the Customer then has the option of changing its system so as to receive service at the new line voltage or of accepting service (without the benefit of this rider) through transformers supplied by the Company.

RULES AND REGULATIONS:

Service under this schedule is subject to orders of governmental bodies having jurisdiction and to the currently effective "General Rules and Regulations for Electric Service" on file with the Florida Public Service Commission. In case of conflict between any provision of this schedule and said "General Rules and Regulations for Electric Service" the provision of this schedule shall apply.

COMMISSIONERS:
LISA POLAK EDGAR, CHAIRMAN
J. TERRY DEASON
ISILIO ARRIAGA
MATTHEW M. CARTER II
KATRINA J. TEW

STATE OF FLORIDA



DIVISION OF REGULATORY
COMPLIANCE AND CONSUMER
ASSISTANCE
DANIEL M. HOPPE, DIRECTOR
(850) 413-6480

Public Service Commission

July 24, 2006

Robert P. Major, Esquire
Winderweedel, Haines, Ward & Woodman
Attorneys at Law
1500 Bank of America Center
P. O. Box 1391
390 North Orange Avenue
Orlando, FL 32802-1391

Re: FPSC Inquiry No. 694187E

Dear Mr. Major:

Thank you for contacting the Florida Public Service Commission (PSC) about Tampa Electric Company. We appreciate the opportunity to help you.

Your complaint has been escalated to the Process Review Group. Ms. Kate Smith has been assigned to perform a full review of your complaint. During our investigation, we may request additional information or documentation from you. If you fail to respond to our request within 15 calendar days, your complaint may be closed without resolution.

I hope this information is helpful. If you have any concerns or questions, please contact Ms. Smith at (850) 413-6105, by fax at (850) 413-6106, or by e-mail at ksmith@psc.state.fl.us.

Sincerely,

*Kate Smith
for*

Carmen Peña
Regulatory Program Administrator
Process Review Group
BCR/RCCA

CP:kes



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STATE OF FLORIDA

COMMISSIONERS:
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NANCY ARGENZIANO
NATHAN A. SKOP



GENERAL COUNSEL
MICHAEL G. COOKE
(850) 413-6248

Public Service Commission

November 28, 2007

Robert P. Major, Esq.
1500 Bank of America Center
390 North Orange Avenue
Orlando, FL 32801

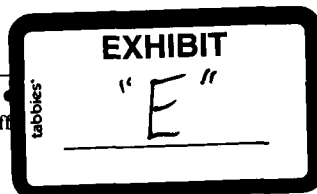
Re: Complaint No. 694187E - Cutrale Citrus Juices USA, Inc.

Dear Mr. Major:

This letter is in reference to your objection to the Commission staff's proposed resolution of Cutrale Citrus Juices' (Cutrale) complaint against Tampa Electric Company (TECO) for failure to comply with its tariff governing "Transformer Ownership Discounts." The Commission's customer complaint rules are designed to provide a process for informal staff resolution of complaints that cannot be resolved by the company and the customer. Rule 25-22.032(7), Florida Administrative Code, provides that a staff Process Review Team will review a complaint to determine further handling if there is an objection to the staff's proposed resolution.

In accordance with the rule, a Process Review Team reviewed your complaint and all information provided by you and TECO. Based on that review, we believe that, as Ms. Draper explained in her April 21, 2006 letter to you, it does not appear that TECO violated its tariff by refusing to provide your client a transformer ownership discount for electric service provided to its citrus processing and cogeneration plant from TECO's Minute Maid substation. Our analysis is based upon our belief that this matter is resolved most clearly as a rate issue.

The facts indicate that Cutrale contracts for electric service from TECO's Minute Maid substation at a 13 kV voltage level. TECO owns, operates and maintains the substation, which transforms 69 kV transmission voltage to the 13 kV voltage and serves only the Cutrale facility. TECO's rates for the electric service provided to Cutrale reflect the costs that TECO incurs to provide service to Cutrale at the 13kV level. Any further transformation from 13 kV to 4kV that Cutrale performs on the customer side of the substation meter is Cutrale's responsibility, because Cutrale has not contracted for service at the lower voltage level. If TECO were obligated to provide electric service at the lower voltage to Cutrale, thereby requiring an additional step-down transformer on the 13 kV line, and Cutrale owned, operated and maintained the additional transformer, Cutrale would be



November 28, 2007

Page two of two

entitled to receive TECO's tariffed transformer discount because TECO's rates for the lower voltage service would include the costs of the additional transformer that Cutrale was actually incurring. Here, however, Cutrale's contract for service is at the 13 kV level provided by TECO from its dedicated Minute Maid substation, and any further transformation is not reflected in the rates TECO charges for service to the Cutrale facility. For these reasons, the staff believes that TECO is properly complying with its tariff, and Cutrale is not entitled to a transformer discount.

Because the facts in this case indicate that TECO has not violated any applicable statutes, rules, company tariffs, or orders of the Commission, the staff cannot provide any additional assistance in this matter under the Commission's informal complaint resolution process. Therefore, your Customer Complaint No. 694187E will be closed.

We would point out that this is the staff's informal opinion only. If you disagree with this resolution of the complaint, you may file a formal petition for relief against TECO with the Office of the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850. The formal petition must be filed pursuant to the provisions of Chapter 120, Florida Statutes, the Uniform Rules of Administrative Procedure found in Chapter 28-106, Florida Administrative Code, and the Commission's procedural rules, in particular, Rule 25-22.036, Florida Administrative Code. TECO will have the opportunity to respond to your petition, which would be addressed by the Commission pursuant to the statutes and rules cited above.

If you have any questions regarding this letter, please call me at (850) 413-6187.

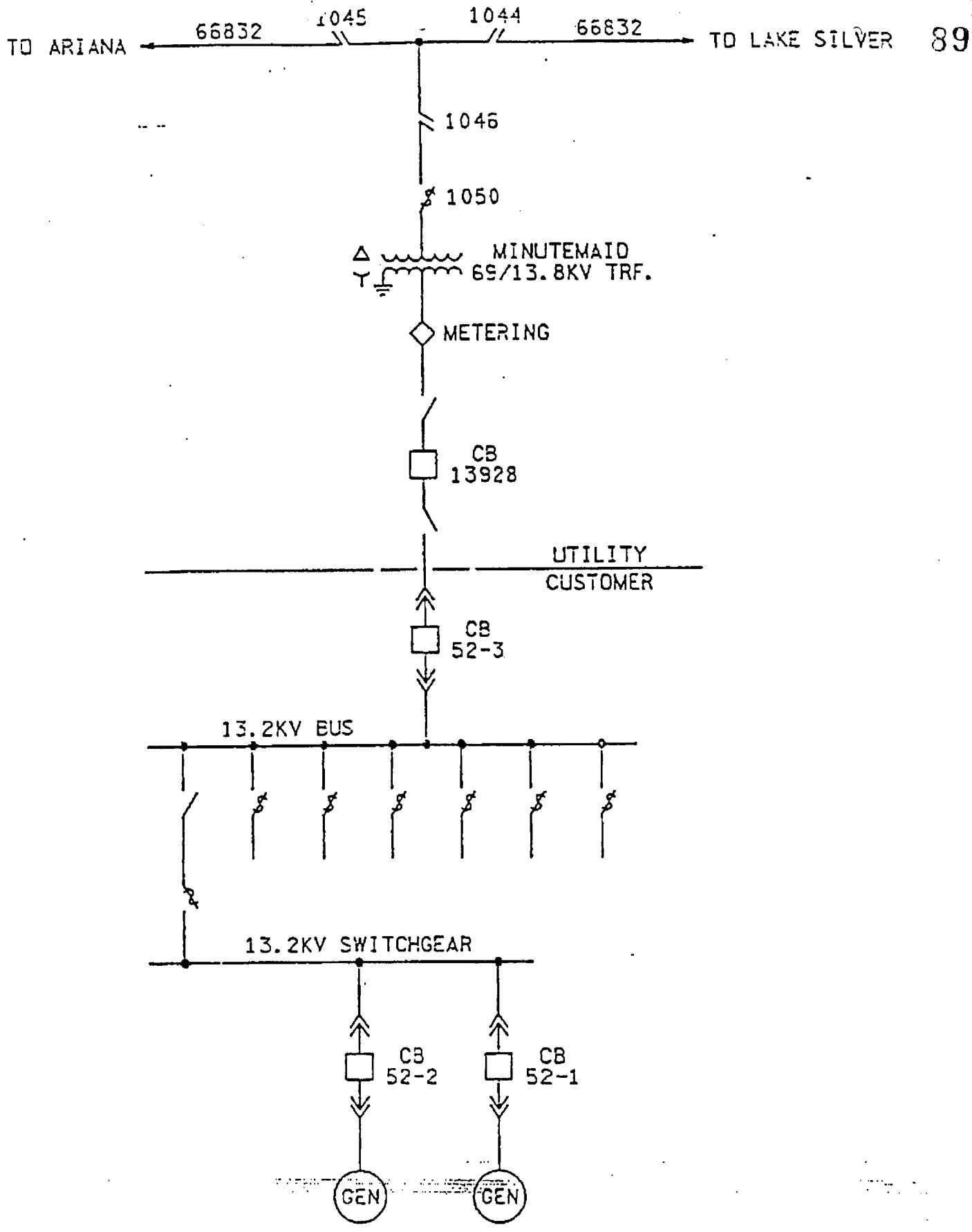
Sincerely,



Martha Carter Brown
Senior Attorney

MCB/tfw
Attachment

Cc: Barbara Benton, Tampa Electric Company
James Beasley, Ausley Law Firm
Bureau of Complaint Resolution (Hicks)
Connie Kummer, ECR



MEMORANDUM

TO: A. Mangione
FROM: W. Mayer *W. Mayer*
DATE: May 18, 1987
SUBJECT: Meter Discount Without Ownership

The purpose of this memo is to clarify the conditions that allow the primary voltage discount for metering of 1%.

In all firm-demand Customer applications a primary voltage discount is awarded for loss avoidance when the primary meter voltage is at any one of the standard output voltages of a distribution substation, which are currently 13 kV, 8 kV, 4 kV and 2 kV. A 1% discount is awarded when the meter is at any one of these voltages, and there are no exceptions.

However, transformation ownership discount is based on Tampa Electric's avoidance of all identifiable transformation expenses. This means that unless the Customer is served from a distribution feeder (circuits, or lines serving at least two classes of Customers), the Customer is ineligible. When dedicated substation plant is directly attributed to an individual Customer, Tampa Electric has not avoided all the transformation costs. In such cases, the Customer has considerable incentive to purchase the dedicated substation as such purchase would allow an additional 1% discount on both energy and demand, plus a \$.42/kW discount for ownership (69 kV delivery). Incentive also exists for the Customer to purchase a dedicated substation with a primary distribution input voltage of 13 kV, as such purchase would allow a \$.32/kW discount for ownership in addition to the 1% primary voltage discount already received.

Summary

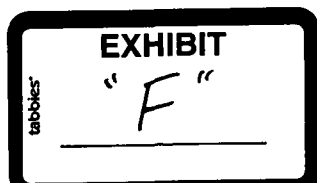
The primary voltage discount of 1% energy and demand is available to any Customer with meter voltage of 13 kV, 8 kV, 4 kV and 2 kV.

Ownership discount of \$.32/kW for primary delivery voltage; and \$.42/kW for 69 kV delivery voltage are available to any Customer owning all the transformation directly identifiable to the service ahead or behind the meter.

drl

cc: W. J. Campbell
L. R. Smith
W. R. Ashburn
J. E. Mulder
D. L. Wilkes

K. Burbridge
C. J. Parrish
G. M. Garrett
L. C. Zyki





Section No. VI
First Revised Sheet No. 6.62
Canceling Original Sheet No. 6.62

PAGE 6 of 8	EFFECTIVE DATE June 7, 2002
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(Continued from Rate Schedule SBS, Sheet No. 6.61)

TRANSFORMER OWNERSHIP DISCOUNT AND PRIMARY METERING VOLTAGE DISCOUNTS:

When the Company renders service under this Rate Schedule at the local primary distribution voltage and any transformers required are furnished by the Customer, the monthly rate will be subject to a discount of: twenty-seven (27) cents per month per kilowatt (KW) of the Customer's demand used in the calculation of the Local Facilities Charge for those customers which are billed under the 100 to 499 KW demand range; or forty-one (41) cents per month per kilowatt (KW) of the Customer's demand used in the calculation of the Local Facilities Charge for those customers which are billed under the 500 to 7,499 KW demand range; and an additional discount of one percent (1%) of the Energy Charge and one percent (1%) of the Demand Charge.

TRANSFORMER OWNERSHIP DISCOUNT AND TRANSMISSION METERING VOLTAGE DISCOUNTS:

When the Company renders service under this Rate Schedule from an available transmission line of 46,000 volts or higher and the Customer furnishes, operates, and maintains the complete step-down transformer substation necessary to receive and use such service, the monthly rate will be subject to a discount of forty-eight (48) cents per month per kilowatt (KW) of the Customer's demand used in the calculation of the Local Facilities Charge for those customers which are billed under the 500 to 7,499 KW demand range and an additional discount of two percent (2%) of the Energy Charge and two percent (2%) of the Demand Charge. The monthly rate will be subject to a discount of seven (7) cents per kilowatt (KW) of the demand used in the calculation of the Local Facilities Charge for those customers which are billed under the above 7,499 KW demand range and an additional discount of one percent (1%) of the Energy Charge and one percent (1%) of the Demand Charge.

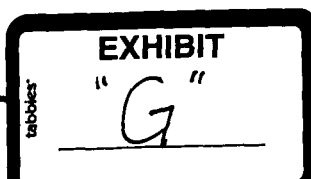
TERM OF CONTRACT:

Service under this rate schedule shall be for a minimum period of five (5) years and shall continue thereafter from year to year until terminated by either party upon twenty-four (24) months written notice to the other.

DEPOSIT:

A deposit amounting to twice the estimated average monthly bill may be required before service is connected at designated premises. The deposit may be applied to any final bills against the Customer for service.

ISSUED BY: Travis Bowden



TRANSFORMATION RIDER - TR

AVAILABLE:

In all territory served.

APPLICATION:

In conjunction with any commercial or industrial rate schedule specifying delivery of service at any available standard voltage when Customer takes service from available primary lines of 2400 volts or higher at a single point of delivery.

MONTHLY CREDIT:

The Company, at its option, will either provide and maintain transformation facilities equivalent to the capacity that would be provided if the load were served at a secondary voltage from transformers at one location or, when Customer furnishes transformers, the Company will allow a monthly credit of \$0.36 per kw of Billing Demand. Any transformer capacity required by the Customer in excess of that provided by the Company hereunder may be rented by the Customer at the Company's standard rental charge.

The credit will be deducted from the monthly bill as computed in accordance with the provisions of the Monthly Rate section of the applicable Rate Schedule before application of any discounts or adjustments. No monthly bill will be rendered for an amount less than the minimum monthly bill called for by the Agreement for Service.

SPECIAL CONDITIONS:

The Company may change its primary voltage at any time after reasonable advance notice to any Customer receiving credit hereunder and affected by such change, and the Customer then has the option of changing its system so as to receive service at the new line voltage or of accepting service (without the benefit of this rider) through transformers supplied by the Company.

RULES AND REGULATIONS:

Service under this schedule is subject to orders of governmental bodies having jurisdiction and to the currently effective "General Rules and Regulations for Electric Service" on file with the Florida Public Service Commission. In case of conflict between any provision of this schedule and said "General Rules and Regulations for Electric Service" the provision of this schedule shall apply.



To: Rachel Roman
From: Barbara Benton, Regulatory Affairs
Date: April 19, 2006
Re: FPSC Complaint#694187E Cutrale Citrus

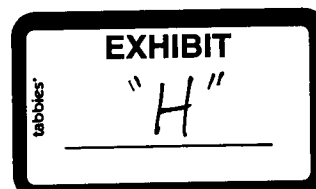
**Tampa Electric Company's Response to
FPSC Staff's Questions Regarding FPSC Complaint # 694187E**

Q. Please explain why TECO is not in violation of the Standby Tariff provision regarding transformer credit to Cutrale?

A. Cutrale is served under Tampa Electric's Tariff Schedule SBFT, which is on Sheet Numbers 6.605 through 6.609. The relevant page for transformer credit is Sheet Number 6.608. The portion of the transformer credit tariff language which applies is for the primary to secondary voltage, which says (emphasis added):

"When the customer furnishes and installs all primary voltage to secondary voltage line transformation from a primary voltage distribution feeder, a discount of 36¢ per kW of Supplemental Demand and 32¢ per kW of Standby Demand will apply."

As shown in the diagram on Attachment B to the Interconnection Agreement (Coke Interconnection. PDF), Cutrale does not take electric service from Tampa Electric through a primary voltage distribution feeder, but takes service through a dedicated substation that transforms that electric service from sub transmission voltage (69 kV) to primary voltage (13 kV). The 69 kV to 13 kV voltage transformers is owned by Tampa Electric, is contained within a dedicated substation owned by Tampa Electric, provides power only to Cutrale and provides that power to one Tampa Electric primary meter for Cutrale. By providing primary service to Cutrale from a dedicated 69 kV to 13 kV substations instead of a primary voltage distribution feeder, Tampa Electric does not avoid all voltage transformation costs which are a condition for receiving the transformer ownership credit.



While there are other meters providing some power to loads within Cutrale's production site, they are served from other distribution feeders originating from another non-dedicated substation in the area.

- Q. Please provide all documentation referred to in the March 2, 2006, memo relating to TECO's agreement with Coke to not provide a credit.**
- A. The "documentation" that is referred to in Rob Jennings' March 2, 2006 e-mail to Lazarro Velloso and Paulo Algave includes two internal TECO memos: a memo authored by Randy Stevens on June 26, 1987 and a memo authored by William Meyer on May 18, 1987. The documents are in PDF format (stevens doc.pdf and meyer doc.pdf). Thee two memoranda are attached to this response.**
- Q. The June 26, 1987, memo states "this is to confirm our joint agreement to cease the transformer ownership discount..." Please explain why prior to this memo TECO did provide a transformer discount to Coca Cola and why TECO did not seek Commission approval to discontinue the transformer credit.**
- A. At about the time of this memo, it was discovered that the service to Coca Cola was incorrectly coded and that Coca Cola had been receiving a transformer credit to which it was not entitled under the tariff. Why Coca Cola had been incorrectly coded and received this credit is not known, and may not have been known at the time of the memo. Since the credit was incorrectly being given, there was no need to seek Commission approval to correct the billing going forward from that time.**
- Q. Explain whether the memo refers to a primary to secondary voltage or transmission to primary voltage credit (standby tariff provides for 2 types of discounts).**
- A. It is referring to a primary to secondary voltage credit.**
- Q. The following questions refer to the Interconnection Agreement between Coca Cola Foods and TECO, dated November 1, 1987, Exhibits B-D. Please state who (TECO, Coca Cola) originally installed the 69/13.8KV substation and explain whether it was installed to exclusively serve Coca Cola.**
- A. TECO engineered, constructed and owned the Minute Maid Substation which now serves Cutrale Citrus Juices. It was constructed to exclusively serve Coca Cola Foods.**
- Q. Does this substation reduce voltage from transmission level to primary level and is this the substation for which Coca Cola received a transformer discount prior to the June 26, 1987, memo?**

- A.** Yes. The TECO-owned portion of Minute Maid Substation transforms 69kV voltage to 13.2kV voltage. The Cutrale-owned portion of the substation transforms the 13.2kV voltage to 4160V and lower voltages. Tampa Electric considers both 13.2kV and 4160V primary voltages.
- Q.** **What modifications were performed to the substation under the Interconnection Agreement?**
- A.** As documented in Exhibit C of the Interconnect Agreement between Tampa Electric and Coca Cola Foods dated November 1, 1987, the following modifications were performed to accommodate Coca Cola's new cogeneration operations at that time:
- Engineering and installation of substation facility addition (i.e., the physical expansion of the substation site to accommodate the additional equipment) and upgrades to the 13.2kV metering equipment
 - Telemetry and supervisory [control] work
 - The installation of metering system measuring and recording equipment at the substation
 - The installation of metering system measuring and recording equipment for the customer-owned generator
 - Relay and control work
- Q.** **Is Cutrale's wastewater plant served from the same 69/13.8KV substation shown in Exhibit B?**
- A.** No. Cutrale's "wastewater account" is not served from Minute Made substation. It is served from Ariana Substation, circuit 13279.
- Q.** **Please explain whether Cutrale's secondary voltage usage (office lights, air conditioning, etc) is metered and billed separately and whether Cutrale or TECO furnished and installed the transformer(s) to reduce voltage from primary to secondary.**
- A.** It is TECO's understanding that Cutrale serves a variety of loads from the Minute Maid Substation; primarily their cogen plant, but other areas as well.

TECO has multiple accounts for Cutrale located throughout or in near proximity to the main plant so it is difficult to determine which of these accounts serves exactly which portion of the plant. These additional accounts include mostly smaller, secondary-metered services which may serve loads such as office lights air conditioning, etc.), and they are served from circuits that do not originate from the Minute Maid substation.

Feb 13 06 05:10p

p. 1



MEMORANDUM
2-17-87

SUBJECT: MINUTE MAID/COKE
TRANSFORMER OWNERSHIP DISCOUNT

DATE: June 26 1987

FROM: Randy Stevens

TO: Hank Bontrager

This is to confirm our joint agreement to cease the transformer ownership discount in the near future as TECO does not avoid a dedicated substation to serve this Customer even though the Customer owns numerous transformations within his property.

Further, I understand you will be discussing this with Coke apart from the cogeneration meetings now going on.

I suggest you write a note to Carol Parrish alerting her to the time when the discount is to stop and she will handle the billing arrangement.

Thanks for your help and interest in this.

/sgh

- xc: D. M. Mestas, Jr.
- C. J. Parrish
- W. H. Meyer
- J. A. Cone

Post-It® Fax Note	7671	Date	2-13-06	# of pages	1
To	GREG McRAEY	From	C. BASS		
Co./Dept.		Co.			
Phone #		Phone #			
Fax #	31640	Fax #			

MEMORANDUM

TO: A. Mangione
FROM: W. Meyer *W. Meyer*
DATE: May 18, 1987
SUBJECT: Meter Discount Without Ownership

The purpose of this memo is to clarify the conditions that allow the primary voltage discount for metering of 1%.

In all firm-demand Customer applications a primary voltage discount is awarded for loss avoidance when the primary meter voltage is at any one of the standard output voltages of a distribution substation, which are currently 13 kV, 8 kV, 4 kV and 2 kV. A 1% discount is awarded when the meter is at any one of these voltages, and there are no exceptions.

However, transformation ownership discount is based on Tampa Electric's avoidance of all identifiable transformation expenses. This means that unless the Customer is served from a distribution feeder (circuits, or lines serving at least two classes of Customers), the Customer is ineligible. When dedicated substation plant is directly attributed to an individual Customer, Tampa Electric has not avoided all the transformation costs. In such cases, the Customer has considerable incentive to purchase the dedicated substation as such purchase would allow an additional 1% discount on both energy and demand, plus a \$.42/kW discount for ownership (69 kV delivery). Incentive also exists for the Customer to purchase a dedicated substation with a primary distribution input voltage of 13 kV, as such purchase would allow a \$.32/kW discount for ownership in addition to the 1% primary voltage discount already received.

Summary

The primary voltage discount of 1% energy and demand is available to any Customer with meter voltage of 13 kV, 8 kV, 4 kV and 2 kV.

Ownership discount of \$.32/kW for primary delivery voltage; and \$.42/kW for 69 kV delivery voltage are available to any Customer owning all the transformation directly identifiable to the service ahead or behind the meter.

dr1

cc: W. J. Campbell
L. R. Smith
W. R. Ashburn
J. E. Mulder
D. L. Wilkes
K. Burbridge
C. J. Parrish
G. M. Garrett
L. C. Zyki