

RUTLEDGE, ECENIA & PURNELL

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

MICHAEL J. BARRY
STEPHEN A. ECENIA
RICHARD M. ELLIS
DIANA FERGUSON
MARTIN P. McDONNELL
J. STEPHEN MENTON
R. DAVID PRESCOTT

POST OFFICE BOX 551, 32302-0551
119 SOUTH MONROE STREET, SUITE 202
TALLAHASSEE, FLORIDA 32301-1841

TELEPHONE (850) 681-6788
TELECOPIER (850) 681-6515

October 2, 2012

HAROLD F. X. PURNELL
MARSHA E. RULE
GARY R. RUTLEDGE
MAGGIE M. SCHULTZ
GABRIEL F.V. WARREN

GOVERNMENTAL CONSULTANTS
RYAN J. ANDERSON

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HAND DELIVERY

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

Re: Complaint and request for expedited relief of Mosaic Fertilizer LLC against Peace River Electric Cooperative and Tampa Electric Company for single source electric supplier; Docket No. 120225-EU

Dear Ms. Cole:

In response to Commission Staff's request of September 21, 2012, please find the original and five copies of the responses of Peace River Electric Cooperative to the requests.

(no copies provided) M McFean

By way of background, the parties acknowledge that Mosaic is requesting transmission level service at two distinct and separate sites that are at issue in this docket: The F1 Clay Settling Area ("F1") site, which contains about 600 acres in PRECO's service territory and approximately 100 acres in Tampa Electric's territory; and Mining Unit 20E ("20E"), which contains about 600 acres in Tampa Electric's territory and 100 acres in PRECO territory. As stated during the conference September 25, 2012, PRECO and Tampa Electric agree that the most efficient way to serve Mosaic's properties is for PRECO to serve the F1 area and TECO to serve 20E. Contrary to any assertion by Mosaic, PRECO, as discussed during the conference prepared to reliably and safely meet all of the technical service requirements to serve the F1 area in a timely manner.

DATA REQUESTS AND RESPONSES

1. Do you have the necessary transmission and other facilities in place to provide transmission level service to Mosaic by November 2012?

Response: As stated during the conference September 24, PRECO will be serving Mosaic through PRECO's wholesale provider, Seminole Utilities. Seminole currently has facilities in

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place to provide transmission level service to Mosaic at the F1 area. Notably, during the September 25 conference, Mosaic stated that it would not need transmission level service to the F1 area until January 1, 2013. There are no technical barriers to PRECO being able to provide reliable, safe, efficient and cost effective service to the F1 area by January 1, 2013.

Mosaic does not have the necessary facilities currently in place to provide transmission level service to the 20E area. As a result, PRECO and Tampa Electric have agreed to a temporary agreement for a territorial variance as described above to allow Tampa Electric to serve the entire 20E area.

2. If not, how long would it take PRECO to be ready to provide service to Mosaic?

Response: Please see response to question number 1 above. If PRECO is to serve the 20E area (contrary to what PRECO and Tampa Electric believe is in the best interests of all parties as discussed above), PRECO would need to either enter into an open access transmission tariff (OATT) agreement with Tampa Electric for wholesale service to PRECO or install a transmission line from the current Progress Energy meter. The approximate cost of either of those proposals has not yet been determined.

3. How would PRECO recover its costs to install facilities to serve Mosaic?

Response: As stated above, PRECO, through Seminole Utilities necessary facilities to serve the F1 service area at minimal additional cost. If PRECO is to serve the F1 area, its costs would be recovered through rates and/or contributions in aid of construction. If PRECO must recover its costs to install facilities to serve the 20E area, it is likely that it would do so through contributions in aid of construction.

4. Does the territorial agreement between PRECO and TECO allow for a temporary variance to allow Mosaic to be served by TECO, but also cross into PRECO's territory?

Response: The territorial agreement between PRECO and TECO is silent as to any temporary variance to allow TECO or any other utility to cross into PRECO's territory. However, PRECO believes that because the territorial agreement is silent in that regard, PRECO and TECO are authorized to enter into temporary territorial variances to that territorial agreement and have, in fact, done so in the past. PRECO believes that the territorial agreement also allows for a temporary variance for PRECO to serve Mosaic in TECO's territory.

5. Would PRECO have to purchase additional electricity from Seminole Electric to be able to serve Mosaic?

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Response: PRECO currently has an all requirements contract with Seminole Utility to supply all of its generation and transmission needs. It is the responsibility of Seminole Utility to utilize the most economic means to provide that generation and transmission service.

Sincerely,

A handwritten signature in black ink that reads "Martin P. McDonnell". The signature is written in a cursive style with a large, stylized "M" and "D".

Martin P. McDonnell, Esq.

MPM/vp

cc: Pauline E. Robinson, Office of the General Counsel
James D. Beasley, Tampa Electric Company
Jon C. Moyle, Jr./ Vicki Kaufman, Mosaic

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