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RECORDS AND REPORTING

June 30, 2000

HAND DELIVERED

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Complaint of Allied Universal Corporation and Chemical Formulators, Inc.
against Tampa Electric Company; FPSC Docket No. 000061-EI

Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and fifteen (15) copies of a redacted version of Tampa Electric Company's Prehearing Statement. This Prehearing Statement contains information that is the subject of several motions for protective orders filed by Tampa Electric in this proceeding. An order that partially responds to the above-mentioned motions was released to the parties at the close of business on June 27, 2000. Tampa Electric is still reviewing this order to determine what material should be redacted in compliance with the order. Therefore, portions of the enclosed Prehearing Statement that Tampa Electric deems to be confidential in the absence of a ruling on its motions has been redacted. An unredacted version of the Prehearing Statement with the confidential information highlighted in yellow is being submitted under a separate cover letter requesting confidential treatment. Tampa Electric will file a revised redacted version of the attached Prehearing Statement which is consistent with the order issued on June 27, 2000 on or before July 7, 2000 or, in the alternative, will file a petition for reconsideration of the June 27 order.

A redacted version of the above-mentioned Prehearing Statement has been served on the parties of record in this proceeding.

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Also enclosed is a diskette containing the above redacted version of Tampa Electric's Prehearing Statement generated in Word and saved in Rich Text format for use with WordPerfect.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning same to this writer.

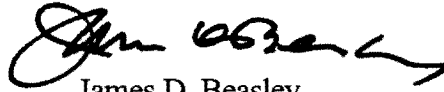
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FPSC-RECORDS/REPORTING

Thank you for your assistance in connection with this matter.

Sincerely,



James D. Beasley

JDB/pp  
Enclosures

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

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of Allied Universal Corporation	)	
Chemical Formulators, Inc. against Tampa Electric	)	DOCKET NO. 000061-EI
Company.	)	FILED: June 30, 2000
	)	

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**TAMPA ELECTRIC COMPANY'S  
PREHEARING STATEMENT**

**A. APPEARANCES**

HARRY W. LONG, JR.  
Tampa Electric Company  
Post Office Box 111  
Tampa, FL 33601

LEE L. WILLIS  
JAMES D. BEASLEY  
Ausley & McMullen  
Post Office Box 391  
Tallahassee, Florida 32302  
On behalf of Tampa Electric Company

**B. WITNESSES:**

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
William R. Ashburn	Tariff and Rate Analysis	1, 2, 3 and 4
C. David Sweat	Distribution System Planning	3
Victoria L. Westra	Marketing and Sales Policy Internal CISR Procedures	1, 2 and 3
Lawrence W. Rodriguez	Allied/CFI Negotiations	2

**C. EXHIBITS:**

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
Exhibit No. __ (WRA-1)	William R. Ashburn	CISR Tariff and Comparison of Negotiated Rates
Exhibit No. __ (VLW-1)	Victoria L. Westra	CISR Negotiation Guidelines- Allied/CFI/Odyssey Negotiation Timelines
Exhibit No. __ (CDS-1)	C. David Sweat	Maps Showing Location of Odyssey and Allied/CFI Bleach Plants

**D. STATEMENT OF BASIC POSITION**

**Tampa Electric Company's Statement of Basic Position:**

Tampa Electric negotiated with Odyssey Manufacturing Company (“Odyssey”) and Allied Universal/Chemical Formulators, Inc. (“Allied/CFI”) for service under Tampa Electric’s Commercial/Industrial Service Rider (“CISR”) tariff in a manner that was unbiased and in accordance with the Commission-approved CISR tariff. In negotiating with both customers, Tampa Electric followed the same set of established procedures. These procedures were put in place to ensure fair, consistent and thorough evaluation of the applicability of the CISR tariff in each case and the prudence of any CISR rate ultimately agreed upon. [REDACTED]

[REDACTED] Under terms and conditions of Tampa Electric’s CISR tariff, the Company is obligated to bargain for the highest possible contribution to fixed cost in each CISR negotiation. Aside from setting the floor and ceiling on prices that can be

negotiated under the CISR tariff, Tampa Electric's costs are not relevant. Within the prescribed negotiating range, it is the prospective CISR customer's costs and ability to create ratepayer value that determine the CISR rate, terms and conditions that are ultimately negotiated. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] In this sense, Allied/CFI and Odyssey were not similarly situated. Under these circumstances, it would not have been prudent for Tampa Electric to offer these two customers the same CISR rate.

**E. STATEMENT OF ISSUES AND POSITIONS**

ISSUE 1: Has TECO acted in violation of its CISR tariff, Commission Order No. PSC-98-1081-A-FOF-EI or relevant sections of the Florida Statutes in its response to Odyssey's request for CISR tariff rates?

TECO: No. Tampa Electric negotiated with Odyssey for service under Tampa Electric's CISR tariff in a manner that was unbiased and in accordance with the Commission-approved CISR tariff. In negotiating with both Odyssey and Allied/CFI, Tampa Electric followed the same set of established procedures. These procedures were put in place to ensure fair, consistent and thorough evaluation of the applicability of the CISR tariff in each case and the prudence of any CISR rate ultimately agreed upon. The resulting CISR agreement negotiated with Odyssey is reasonable, prudent and fully justified by the facts.

(Witness: Westra, Ashburn )

ISSUE 2: Has TECO acted in violation of its CISR tariff, Commission Order No. PSC-98-1081-A-FOF-EI or relevant sections of the Florida Statutes in its response to Allied/CFI's request for CISR tariff rates?

TECO: No. Tampa Electric followed both the letter and the spirit of its CISR tariff and other applicable law in its negotiations with Allied/CFI. The Company followed the same guidelines in its discussions with Allied/CFI that had been used in its CISR negotiations with Odyssey one year earlier. Both the Odyssey and the Allied/CFI negotiations proceeded at a comparable pace.

(Witness: Rodriguez, Ashburn, Westra)

ISSUE 3: Do the differences, if any, between the rates, terms and conditions stated in TECO's letter of October 18, 1999 to Allied/CFI and those agreed to between TECO and Odyssey constitute a violation of relevant sections of the Florida Statutes, the requirement of Commission Order No. PSC-98-1081-A-FOF-EI or Tampa Electric's CISR tariff?

TECO: No. Tampa Electric's CISR tariff neither requires nor contemplates that each customer who qualifies for a CISR rate must be given the same rate. The Commission has explicitly authorized Tampa Electric to negotiate a CISR rate with qualified customers between a floor price equal to the incremental cost to serve the customer in question and the otherwise applicable rate. This negotiated rate is based on the customer's alternative cost and the level of benefits that each CISR customer can offer Tampa Electric's general body of ratepayers. Therefore, unless two customers are precisely similarly situated, neither customer can legitimately claim entitlement to the CISR rate negotiated with the other.

(Witness: Ashburn, Sweat, Westra )

ISSUE 4: Based on the resolution of Issues 1-3, what actions, if any, should the PSC take with respect to Odyssey, Allied/CFI and TECO?

TECO: The Commission should deny the relief requested by Allied/CFI and this docket should be closed.

(Witness: Ashburn )

**F. STIPULATED ISSUES**

TECO: None at this time.

**G. MOTIONS**

TECO:

Request For Confidential Classification of Documents (Pending)

**H. OTHER MATTERS**

TECO: None at this time.

DATED this 30th day of June 2000.

Respectfully submitted,

HARRY W. LONG, JR  
Chief Counsel  
TECO Energy, Inc.  
Post Office Box 111  
Tampa, FL 33601  
(813) 228-4111

and



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LEE L. WILLIS  
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Ausley & McMullen  
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(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Prehearing Statement, filed on behalf of Tampa Electric Company, has been furnished by U. S. Mail or hand delivery (\*) on this 30<sup>th</sup> day of June 2000 to the following:

Mr. Robert V. Elias\*  
Staff Counsel  
Division of Legal Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

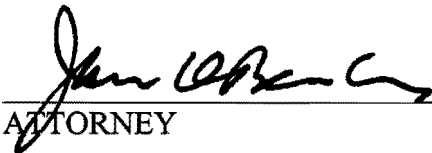
Ms. Marlene K. Stern\*  
Staff Counsel  
Division of Legal Services  
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2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Mr. Kenneth A. Hoffman  
Mr. John R. Ellis  
Rutledge, Ecenia, Purnell & Hoffman, P.A.  
Post Office Box 551  
Tallahassee, FL 32302

Allied Universal Corporation  
8350 N. W. 93rd Street  
Miami, FL 32166-2026

Chemical Formulators, Inc  
5215 West Tyson Avenue  
Tampa, FL 33611-3223

Mr. Patrick K. Wiggins  
Mr. Wayne L. Schiefelbein  
Wiggins & Villacorta, P.A.  
P. O. Drawer 1657  
Tallahassee, FL 32302

  
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ATTORNEY