# AUSLEY & MCMULLEN

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October 2, 2008

# HAND DELIVERED

OEWED-FPSU

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

> Re: Petition for Rate Increase by Tampa Electric Company FPSC Docket No. 080317-EI

Dear Ms. Cole:

Enclosed for filing in the above docket are the original and fifteen (15) copies of Tampa Electric Company's Preliminary Response and Objections to Florida Industrial Power Users Group's First Request Production of Documents (Nos. 1-37) and First Set of Interrogatories (Nos. 1-37).

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

Thank you for your assistance in connection with this matter.

Sincerely,

James D. Beasley

JDB/pp Enclosure OPC All Parties of Record (w/enc.) cc: RCP SSC SGA ADM CLK

DOCUMENT NUMBER-DATE

#### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Rate Increase by Tampa Electric Company.

DOCKET NO. 080317-EI

FILED: October 2, 2008

# TAMPA ELECTRIC COMPANY'S PRELIMINARY RESPONSE AND OBJECTIONS TO FLORIDA INDUSTRIAL POWER USERS GROUP'S FIRST REQUEST PRODUCTION OF DOCUMENTS (NOS. 1-37) <u>AND FIRST SET OF INTERROGATORIES (NOS. 1-37)</u>

Tampa Electric Company ("Tampa Electric" or the "company") submits the following Objections and Preliminary Response to FIPUG's First Requests for the Production of Documents (Nos. 1-37) and First Set of Interrogatories (Nos. 1-37).

### I. Introduction

#### I. General Objections.

Tampa Electric asserts the following general objections to FIPUG's First Request for Production of Documents (Nos. 1-37) and First Set of Interrogatories (Nos. 1-37):

1. Tampa Electric objects to each and every individual discovery request, to the extent it calls for information protected by the attorney-client privilege, the work product doctrine, the accountant-client privilege, the trade secret privilege, or any other applicable privilege or protection afforded by law, whether such privilege or protection appears at the time response is first made or is later determined to be applicable for any reason. Tampa Electric in no way intends to waive any such privilege or protection. The nature of any such document(s) will be described in a privilege log filed/prepared by Tampa Electric.

2. Tampa Electric objects to each individual request to the extent it requires production of information that is proprietary, confidential business information without

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provisions in place to protect the confidentiality of the information. Tampa Electric in no way intends to waive claims of confidentiality and will only produce such information subject to protective order and the Commission's rule on confidentiality. In order to facilitate FIPUG's review, Tampa Electric will produce confidential documents subject to the execution of a mutually agreeable non-disclosure agreement between Tampa Electric and FIPUG (and its consultants, attorneys and members who will have access to information claimed by Tampa Electric to be confidential). Documents and interrogatory answers that are confidential will be identified and separated for review by FIPUG.

3. Tampa Electric objects to any definitions or instructions accompanying the discovery requests to the extent that they are inconsistent with and expand the scope of discovery specified in the Florida Rules of Civil Procedure that are incorporated into the Model Rules of Procedure or the Commission's rules on discovery. If some question arises as to Tampa Electric's discovery obligations, Tampa Electric will comply with applicable rules and not with any of the definitions or instructions accompanying the discovery requests that are inconsistent with or exceed the requirements of those rules. Furthermore, Tampa Electric objects to any discovery request that calls for Tampa Electric to create data or information that it otherwise does not have because there is no such requirement under the applicable rules and law.

4. Tampa Electric objects to any definition or instruction in any discovery request that seeks production of documents or interrogatory answers containing information from persons or entities who are not parties to this proceeding or that are not subject to discovery under applicable rules.

5. Tampa Electric is a large corporation with employees located in many different locations. In the course of its business, Tampa Electric creates numerous documents that are not

subject to the Florida Public Service Commission or other governmental record retention requirements. These documents are kept in numerous locations and frequently are moved from site to site as employees change jobs or as business is reorganized. Therefore, it is possible that not every relevant document may have been reviewed or considered in developing Tampa Electric's responses to the discovery requests. Rather, Tampa Electric will provide all the information that Tampa Electric obtained after a good faith, reasonable and diligent search conducted in connection with these discovery requests. To the extent that the discovery requests propose to require more, Tampa Electric objects to the requests individually and collectively on the grounds that compliance would impose an undue burden or expense on Tampa Electric.

6. Tampa Electric objects to each discovery request to the extent that it seeks information that is not relevant to the subject matter of this docket and is not reasonably calculated to lead to the discovery of admissible evidence.

7. Tampa Electric objects to each and every discovery request to the extent it is vague, ambiguous, overly broad, burdensome, imprecise, or utilizes terms that are subject to multiple interpretations but are not properly defined or explained for purposes of such discovery requests.

8. Tampa Electric objects on grounds of relevancy to each discovery request seeking information relating to transactions or other business activity of Tampa Electric's non-regulated sister companies where Tampa Electric was not a party to the transaction or a participant in the business activity.

9. Tampa Electric expressly reserves and does not waive any objections it may have to the admissibility, authenticity or relevancy of the information provided in its responses to the subject discovery requests.

10. Tampa Electric objects to any attempt by the party seeking discovery to evade any numerical limitations set on interrogatories or requests for production of documents by asking multiple independent discovery requests within single individual discovery requests and subparts thereof. By making these general objections at this time, Tampa Electric does not waive or relinquish its right to assert additional general and specific objections to the subject discovery at the time Tampa Electric's response is due.

11. Tampa Electric objects to the time and place designated for production on grounds that producing documents that may be responsive to the requests at the specified time and place would require the company to copy and ship voluminous documents, which would be burdensome not only on Tampa Electric, but also on FIPUG as well. In general, and subject to the specific objections presented below, the company will produce documents that may be responsive to the requests in one of three ways: (1) by delivering at the date and place specified a CD with pdf images of documents requested by and produced to other parties, (2) by delivering at the date and place specified paper copies and electronic files of certain non-confidential and confidential documents or (3) making certain sensitive confidential documents available for review at the offices of Ausley & McMullen Law Firm in Tallahassee, Florida at a mutually agreeable date and time. With respect to paper copies, the company will copy and ship specific documents identified by FIPUG upon payment of reasonable copying and shipping charges. The company will initiate a dialog on the appropriate amount of charges for copying and shipping.

# **II.** Specific Objections – First Request for Production.

In addition to the general objections set forth above, which are hereby asserted and incorporated by reference as to each individual request, Tampa Electric asserts the following specific objections:

1. Provide complete copies of all documents, data and other information requested by other Parties to this proceeding, including the Commission Staff, identifying material by reference to the original request from the Party (including Commission Staff).

**Objections and Response:** In addition to its general objections above, which are incorporated herein by reference, the company re-asserts each of the general and specific objections it raised in response to the discovery requests propounded to Tampa Electric by the other Parties.

2. With reference to Schedule F-2, page 197 of 506, provide a copy of the "Proxy Statement" referenced in Item 11.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

3. With reference to Schedule C-6, provide a copy of the comparison of budgeted 2008 expenses to actual 2008 expenses to date.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

4. Provide a copy of the FERC Rate Schedule pursuant to which TECO purchases power from the Hardee Power Partners plant.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

5. Provide a copy of the Purchase and Sales Agreement between Hardee Power Partners and TECO, dated approximately August 26, 2003, including all exhibits and amendments thereto.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

6. If not provided elsewhere, provide a working version of the jurisdictional and class cost-of service studies filed by the Company in this proceeding in EXCEL or EXCEL compatible format.

**Objections and Response:** In addition to its general objections, the company objects to this request on grounds that it seeks information that is beyond the scope of discovery and would require the company to produce its protected trade secrets and intellectual property. Without waiving these objections, the company agrees to make its cost of service model available to FIPUG's consultants who have signed a non-disclosure agreement on a computer in Tampa Electric's offices in Tampa and will also make

available a representative of the company who is familiar with the functions and capabilities of the model to facilitate FIPUG's consultant(s) review of the model.

7. Provide hourly load data for TECO in EXCEL or EXCEL compatible format for the years 2006, 2007, and the Test Year.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

8. Provide the following information coincident with TECO's monthly system peak for the years 2003 through 2007, and the Test Year:

- a. Date and time;
- b. System peak demand;
- c. Firm system peak demand;
- d. Installed generation capacity;
- e. Capacity from firm purchased power agreements;
- f. Generation capacity unavailable due to schedule outages;
- g. Firm purchased power capacity unavailable due scheduled outages.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

9. Provide a copy of all documents comprising the "Success Sharing" incentive pay program identified on page 10 of the direct testimony of Dianne Merrill.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

Provide a copy of all documents referenced in the direct testimony of Susan D.
Abbott not otherwise provided as a separate exhibit to the filing or testimony.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

Provide a copy of all documents referenced in the direct testimony of Gordon L.
Gillette not otherwise provided as a separate exhibit to the filing or testimony.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

12. Provide a copy of each Contractual Service Agreement referenced on page 23 of the direct testimony of Mark J. Hornick.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

13. For the years 2006-2009, provide a copy of the business goals at the company level, at the department level, and at the team level referenced on pages 26 and 27 of Mr. Hornick's direct testimony.

**Objections and Response:** The company hereby incorporates its general objections by **•** reference and will produce documents in response to this request consistent with its general objections.

14. Provide a copy of all work papers underlying the direct testimony of witness Cifuentes. Provide such work papers in hard copy and in Excel or Excel compatible format.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

15. For all MFR Schedules sponsored or co-sponsored by witness Cifuentes, provide a copy of all such MFRs in Excel or Excel compatible format.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

16. In reference to page 4 of Ms. Cifuentes' direct testimony, provide a copy of Moody's Economy.com CPI projections and supporting discussions.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

17. Provide a copy of the "alternate sources" used as comparisons for the economic forecasts referred to in Ms. Cifuentes' direct testimony at page 8 lines, 19-20.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

18. Provide a copy of the Economy.com projections of employment and household income and Office of Economic and Demographic Research of the Florida Legislature projections referenced at page 8, lines 21-24 of Ms. Cifuentes' direct testimony.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

19. With reference to the Itron Corporation review referenced on page 11, lines 9-17 of Ms. Cifuentes' direct testimony, provide a copy of the final report of Itron, and any results provided to the Company by Itron.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

20. Provide a copy of all work papers underlying the direct testimony of witness Ashburn in hard copy and in Excel or Excel compatible format.

**Objections and Response:** With respect to the company's cost of service model, in addition to its general objections, the company objects to this request on grounds that it seeks information that is beyond the scope of discovery and would require the company to produce its protected trade secrets and intellectual property. Without waiving these objections, the company agrees to make its cost of service model available to FIPUG's consultants who have signed a non-disclosure agreement on a computer in Tampa Electric's offices in Tampa and will also make available a representative of the company who is familiar with the functions and capabilities of the model to facilitate FIPUG's consultant(s) review of the model. With respect to workpapers other than the company's cost of service model, the company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

21. For all MFR Schedules sponsored or co-sponsored by witness Ashburn, provide a copy of all such MFRs in Excel or Excel compatible format.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

22. Please provide all documents supporting the response to Interrogatory No. 20. **Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

23. Please provide all documents supporting the response to Interrogatory No. 24.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

24. Please provide all documents supporting the response to Interrogatory No. 25.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

25. With reference to Interrogatory No. 26, provide a copy of all documents that witness Ashburn reviewed in reaching the conclusion to propose that the Commission adopt the 12 CP and 25 percent AD methodology.

**Objections and Response:** In addition to its general objections, which are incorporate herein by reference, the company objects to this request on grounds that (1) it cannot respond to the request without disclosing materials prepared in anticipation of litigation and the mental impressions and trial strategies of its attorneys, all of which are privileged and beyond the scope of discovery, (2) the use of the term "all documents" in the request makes the request vague and ambiguous and (3) the use of the term "all documents" makes the request burdensome. Notwithstanding its specific objections, Tampa Electric is providing certain PSC citations relied upon by Mr. Ashburn. In addition to these citations, witness Ashburn has considered literally thousands of documents, treatises, textbooks and other sources of information over the course of his professional career, all of which have in some way shaped Mr. Ashburn's professional knowledge and judgment and could not be identified with specificity. Since identifying all of those sources of information is clearly not possible within the time frame allowed for discovery in this proceeding, Tampa Electric objects to producing such documents on the ground that to do so would unreasonably burdensome.

26. With reference to Interrogatory No. 27, provide a copy of all Commission orders that approve the use of the 12 CP and 25 percent AD methodology for allocating production demand costs.

**Objections and Response:** In addition to its general objections, which are incorporated herein by reference, the company objects to this request on grounds that it cannot respond

to the request without disclosing materials prepared in anticipation of litigation and the mental impressions and trial strategies of its attorneys all of which are privileged and beyond the scope of discovery. Additionally, FIPUG has been a party to virtually every proceeding in which Mr. Ashburn has participated as an expert witness in rate design matters and consequently has access to its own files for purposes of reviewing all documents involved in those proceedings. Tampa Electric also objects to performing legal research at the request of FIPUG.

27. With reference to Interrogatory No. 27, provide a copy of all regulatory decisions approving the 12 CP and 25% Ad methodology.

**Objections and Response:** In addition to its general objections, which are incorporated herein by reference, the company objects to this request on grounds that it cannot respond to the request without disclosing materials prepared in anticipation of litigation and the mental impressions and trial strategies of its attorneys all of which are privileged and beyond the scope of discovery. Tampa Electric also objects to performing legal research at the request of FIPUG.

28. Provide the documents identified in response to Interrogatory No. 28.

**Objections and Response:** In addition to its general objections, which are incorporated herein by reference, the company objects to this request on grounds that it cannot respond to the request without disclosing materials prepared in anticipation of litigation and the mental impressions and trial strategies of its attorneys all of which are privileged and

beyond the scope of discovery. Tampa Electric also objects to performing legal research at the request of FIPUG. .

29. Provide the documents identified in response to Interrogatory No. 29.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

30. Provide all documents supporting the response to Interrogatory No. 31.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

31. Provide all documents supporting the response to Interrogatory No. 32.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

32. Provide all documents supporting the response to Interrogatory No. 33.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

33. Provide all documents supporting the response to Interrogatory No. 34.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

34. Provide all documents supporting the response to Interrogatory No. 35.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

35. If not provided elsewhere, provide the following information for each SBF and SBI customer for the period January 2003 through August 2008:

- a. Standby energy purchases by month;
- b. Demand coincident with TECO's monthly system peaks;
- c. Demand subject to the Facilities Reservation charge;
- d. Demand subject to the Power Supply Reservation charge;
- e. Demand subject to the Power supply Daily Demand charge.

**Objections:** In addition to its general objections, which are incorporated herein by reference, the company objects to this request on the ground that that disclosure of the customer specific information requested by FIPUG would enable SBF and SBI customers (of which there are only approximately 17 meters, some of which are located at the premises of FIPUG members) to glean which accounts belong to their competitors and to profile their competitors' usage patterns, thereby deriving competitively sensitive

information to the detriment of those Tampa Electric customers with whom they compete. Notwithstanding this specific objection, Tampa Electric will produce information relating to the customer class in the aggregate, so as not to disclose the names and billing units of individual customers within the class.

36. For all MFR Schedules sponsored or co-sponsored by witness Chronister, provide a copy of all such MFRs in Excel or Excel compatible format.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

37. With reference to MFR Schedule C-31, page 28 of 29, provide a copy of each of the Service Agreements referenced on that page.

**Objections and Response:** The company hereby incorporates its general objections by reference and will produce documents in response to this request consistent with its general objections.

## **III.** Specific Objections – First Set of Interrogatories

In addition to the general objections set forth above, which are hereby asserted and incorporated by reference as to each individual interrogatory, Tampa Electric asserts the following specific objections:

26. Identify all documents that witness Ashburn reviewed in reaching the conclusion to adopt the 12 CP and 25 percent AD methodology.

In addition to its general objections, which are incorporate herein by **Objection:** reference, the company objects to this interrogatory on grounds that (1) it cannot respond to the request without disclosing materials prepared in anticipation of litigation and the mental impressions and trial strategies of its attorneys, all of which are privileged and beyond the scope of discovery, (2) the use of the term "all documents" in the interrogatory makes the request vague and ambiguous and (3) the use of the term "all documents" in the interrogatory makes the request burdensome. Notwithstanding its specific objections, Tampa Electric will give an answer providing certain PSC citations relied upon by Mr. Ashburn. However, in addition to these citations, witness Ashburn has considered literally thousands of documents, treatises, textbooks and other sources of information over the course of his professional career, all of which have in some way shaped Mr. Ashburn's professional knowledge and judgment and could not be identified with specificity. Since identifying all of those sources of information is clearly not possible within the time frame allowed for discovery in this proceeding, Tampa Electric objects to the interrogatory on grounds that identifying all such documents would unreasonably burdensome.

27. Identify all Commission orders that approve the use of the 12 CP and 25% AD methodology for allocating production demand costs.

**Objection:** In addition to its general objections, which are incorporated herein by reference, the company objects to this interrogatory on grounds that it cannot respond to

the interrogatory without disclosing materials prepared in anticipation of litigation and the mental impressions and trial strategies of its attorneys all of which are privileged and beyond the scope of discovery.

28. Identify all regulatory commission orders approving the 12CP and 25% AD methodology for allocating production demand costs.

**Objection:** In addition to its general objections, which are incorporated herein by reference, the company objects to this interrogatory on grounds that it cannot respond to the interrogatory without disclosing materials prepared in anticipation of litigation and the mental impressions and trial strategies of its attorneys all of which are privileged and beyond the scope of discovery.

DATED this 2<sup>nd</sup> day of October, 2008.

Respectfully submitted,

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

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

## **CERTIFICATE OF SERVICE** DOCKET NO. 080317-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing Objections to FIPUG's First Request for the Production of Documents (Nos. 1-37), filed on behalf of Tampa Electric Company, has been furnished by U. S. Mail or hand delivery (\*) on this 2<sup>nd</sup> day of October, 2008 to

the following:

Keino Young/Martha Brown\* Jennifer Brubaker/Jean Hartman Office of General Counsel Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850

J. R. Kelly/Patricia A. Christensen Office of Public Counsel c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400

Robert Scheffel Wright John T. LaVia, III Young van Assenderp, P.A. 225 South Adams Street, Suite 200 Tallahassee, FL 32301

Vicki Gordon Kaufman (\*) Jon C. Moyle, Jr. Anchors Smith Grimsley 118 North Gadsden Street Tallahassee, FL 32301

John W. McWhirter, Jr. McWhirter, Reeves & Davidson, P.A. Post Office Box 3350 Tampa, FL 33601-3350

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