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April 18, 1997

BY HAND DELIVERY

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

Re: Determination of appropriate cost allocation and regulatory treatment of total revenues associated with wholesale sales to Florida Municipal Agency and City of Lakeland by Tampa Electric Company; Docket No. 970171-EU

Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and fifteen (15) copies of Motion to Set Issue Identification Conference on behalf of Tampa Electric Company.

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

Thank you for your assistance in this matter.

Sincerely

Willis

LLW/pp

Arclosures

cc: All Parties of Record

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Determination of appropriate cost allocation and regulatory treatment of total revenues associated with wholesale sales to Florida Municipal Power Agency and City of Lakeland by Tampa Electric Company

DOCKET NO. 970171-EU

FILED: April 18, 1997

MOTION TO SET ISSUE IDENTIFICATION CONFERENCE

Tampa Electric Company ("Tampa Electric" or "the Company") files this its Motion to Set an Issue Identification Conference before the Prehearing Officer on Wednesday, April 23, 1997, and says:

- 1. Tampa Electric has identified two issues, the inclusion of which it asserts to be absolutely critical as separately stated issues in this case. Although consensus was reached on several issues, the Staff and the parties were unable to reach consensus with regard to the inclusion of the following four issues:
 - a. Does the Off-System Sale Agreement to the City of Lakeland provide net benefits to Tampa Electric's general body of ratepayers? (Tampa Electric)
 - b. Does the Off-System Sale Agreement to the Florida Municipal Power Agency ("FMPA") provide net benefits to Tampa Electric's general body of ratepayers. (Tampa Electric)
 - c. Will the Commission's treatment of the Lakeland and FMPA wholesale sales have an impact on TECO's

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refund obligation under the stipulation approved by the Commission? (FIPUG)

- d. Would the Commission exceed its jurisdiction if it were to allow Tampa Electric to earn a return through retail rates for its wholesale sales to the Florida Municipal Power Agency (FMPA) and to the City of Lakeland? (OPC)
- 2. Tampa Electric submits that Issues 1 and 2 set forth above must be separately stated so that the Commission can make the finding required under Commission Order No. 97-0262.

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- 3. The Commission in its Order No. 97-0262 issued just last month on March 11, 1997 held:
 - . . . a utility shall credit average system fuel revenues through the fuel adjustment clause unless it demonstrates, on a case-by-case basis, that each new sale does in fact provide overall benefits to the retail ratepayers. (Emphasis supplied.)
- 4. In view of this holding, it is crystal clear that the Commission must first decide the question of whether "each new sale [here Lakeland and FMPA] does, in fact, provide overall benefits to the retail ratepayers."
- 5. In light of the fact that Tampa Electric's direct testimony in this proceeding must be filed on April 25, 1997, pursuant to the established procedural schedule, it is imperative that the Commission and the parties arrive at a final determination of the issues to be addressed.
- 6. FIPUG and OPC do not object to a conference scheduled before the Prehearing Officer on Wednesday, April 23, 1997 for the

sole purpose of determining whether the above-stated issues should be identified as issues in this case.

WHEREFORE, Tampa Electric urges the Prehearing Officer to immediately set an issue identification conference to decide upon the inclusion of the issues set forth above.

DATED this 19th day of April, 1997.

LEE W. WILLIS and JAMES D. BEASLEY Ausley & McMullen Post Office Box 391

Tallahassee, Florida 32301

904/224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE DOCKET NO. 970171-EU

I HEREBY CERTIFY that a true and correct copy of Motion to Set Issue Identification Conference has been furnished by hand delivery(*) or U. S. Mail and by fax this 18th day of April, 1997 to the following:

Ms. Leslie Paugh*
Staff Counsel
Division of Legal Services
Florida Public Service
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llw/tec/970171.mic

APTORNEY