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> > June 30, 2000

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Ms. Blanca S. Bayo, Director Division of Records and Reporting Florida Public Service Commission 2540 Shumard Oak Boulevard Betty Easley Conference Center, Room 110 Tallahassee, Florida 32399-0850

Re: Docket No. 000061-EI

Dear Ms. Bayo:

Enclosed herewith for filing in the above-referenced docket on behalf of Allied Universal Corporation ("Allied") and Chemical Formulators, Inc. ("CFI") are the following documents:

1. Original and fifteen copies of Allied/CFI's Prehearing Statement; and

2. A disk in Word Perfect 6.0 containing a copy of the document.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the copy to me.

Thank you for your assistance with this filing.

RECEIVED & FILED

APP CAF

CMP

SEC

SER

PSC-BUREAU OF RECORDS

Sincerely,

John R. Ellis

JRE/rl Enclosures

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

| In re: Complaint of Allied Universal |) | |
|--|----|----------------------|
| Corporation and Chemical Formulators, |) | |
| Inc. against Tampa Electric Company |) | |
| for violation of Sections 366.03, |) | Docket No. 000061-EI |
| 366.06(2) and 366.07, Florida Statutes, |) | |
| with respect to rates offered under |) | |
| Commercial/Industrial Service Rider tariff; |) | |
| petition to examine and inspect confidential |) | Filed: June 30, 2000 |
| information; and request for expedited |) | |
| relief. |) | |
| | _) | |
| | • | |

ALLIED/CFI'S PREHEARING STATEMENT

Allied Universal Corporation ("Allied") and Chemical Formulators, Inc. ("CFI"), hereinafter referred to collectively as "Allied/CFI," by and through their undersigned counsel, submit the following Prehearing Statement pursuant to Rule 28-106.209, Florida Administrative Code, and Order No. PSC-00-0392-PCO-EI, issued February 23, 2000, as revised by Order No. PSC-00-0584-PCO-EI, issued March 23, 2000, and the first revised Case Assignment and Scheduling Record, issued May 1, 2000.

A. Witnesses

Allied/CFI will present the direct and rebuttal testimony of Robert M. Namoff. Mr. Namoff's direct testimony addresses Issues 1, 2, 3 and 4 and sets forth the grounds supporting Allied/CFI's position: (1) that TECO's response to Allied/CFI's request for CISR tariff rates was in violation of Sections 366.03, 366.06(2), and 366.07, Florida Statutes, and was in violation of TECO's duty of good faith under Order No. PSC-98-1081A-FOF-EI; (2) that it appears that Odyssey did not comply with the requirements of the CISR tariff and consequently that Odyssey's CISR tariff rates should be suspended; and (3) that TECO should be ordered to offer appropriate CISR tariff rates to

DOCUMENT NUMBER-DATE

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Allied/CFI. Mr. Namoff's rebuttal testimony will address Issues 1, 2, 3 and 4 in response to the prefiled direct testimony of Odyssey's witness, Stephen W. Sidelko, and it is expected that Mr. Namoff's rebuttal testimony will address issues 1, 2, 3 and 4 in response to the prefiled direct testimony of TECO's witnesses William R. Ashburn, Lawrence W. Rodriguez, C. David Sweat, and Victoria L. Westra, pending receipt of unredacted copies of their testimony.

Allied/CFI will present the rebuttal testimony of Charles F. Phillips, Jr., Ph.D. Dr. Phillips' rebuttal testimony will address Issues 2, 3 and 4 in response to the prefiled direct testimony of TECO witnesses William R. Ashburn and Victoria L. Westra, concerning TECO's obligation to avoid undue discrimination in the implementation of its CISR tariff.

Allied/CFI reserves the right to amend this list of witnesses and statement of the subject matter of their testimony, in response to issues which may be developed when Allied/CFI receives unredacted copies of TECO's and Odyssey's prefiled direct testimony and is permitted to conduct further discovery pursuant to Order No. PSC-00-1171-CFO-EI, issued June 27, 2000.

B. Exhibits

Allied/CFI intends to present the following exhibits included in the prefiled direct testimony of Mr. Namoff:

| Exhibit No. | Witness | <u>Description</u> |
|-------------|------------------|--|
| RMN-1 | Robert M. Namoff | July 30, 1999 Kvaerner Chemetics proposal to Allied |
| RMN-2 | Robert M. Namoff | July 12, 1999 NORAM proposal to Allied |

| Exhibit No. | Witness | Description |
|-------------|------------------|--|
| RMN-3 | Robert M. Namoff | May 19, 1999 Georgia Power letter to Allied re: Power Requirements |
| RMN-4 | Robert M. Namoff | May 25, 1999 Georgia Power pricing offer to Allied |
| RMN-5 | Robert M. Namoff | June 2, 1999 letter to Ashburn from Namoff |
| RMN-6 | Robert M. Namoff | June 15, 1999 memo from Rodriguez to Namoff |
| RMN-7 | Robert M. Namoff | June 21, 1999 letter from Namoff to Rodriguez |
| RMN-8 | Robert M. Namoff | July 15, 1999 letter from Namoff to Rodriguez |
| RMN-9 | Robert M. Namoff | August 11, 1999 memo from Namoff to Rodriguez |
| RMN-10 | Robert M. Namoff | August 11, 199 letter from Namoff to Rodriguez |
| RMN-11 | Robert M. Namoff | August 19, 1999 letter from Namoff to Rodriguez |
| RMN-12 | Robert M. Namoff | August 25, 1999 Affidavit of Robert Namoff |
| RMN-13 | Robert M. Namoff | October 18, 1999 letter from Rodriguez to Namoff |
| RMN-14 | Robert M. Namoff | November 6, 1999 letter from Alliance to Davis Supply |

Allied/CFI has not yet received any documents from TECO in response to Allied/CFI's first request for production of documents other than the return of Allied/CFI's own documents given to

TECO in 1999. Allied/CFI expects that it will identify and present additional exhibits when it is permitted to continue its discovery efforts pursuant to Order No. PSC-00-1171-CFO-EI. Allied/CFI reserves the right to utilize additional exhibits accordingly, and reserves the right to utilize additional exhibits for cross-examination.

C. Basic Position

TECO's disparate treatment of Allied/CFI's and Odyssey's requests for CISR tariff rates was in violation of the prohibitions stated in Sections 366.03, 366.06(2) and 366.07, Florida Statutes, against giving any undue or unreasonable preference or advantage to any person, and against subjecting any person to any undue or unreasonable prejudice or disadvantage, with respect to rates, terms and conditions for electric service. TECO's conduct also was in violation of its obligation of good faith under Order No. PSC-98-1081A-FOF-EI in the exercise of its discretion in offering CISR tariff rates to customers who comply with the conditions of the tariff.

It appears that Odyssey may not have complied with the conditions of the CISR tariff. The Commission should find that the rates agreed to between TECO and Odyssey are unjust, unreasonable, unjustly discriminatory or preferential, and should suspend these rates pending investigation and determination of appropriate rates for the provision of electric service by TECO to Odyssey.

The Commission has recognized the goods of economic development and job growth in Florida as a policy objective in approving CISR tariffs for TECO and for Gulf Power Company. TECO's implementation of its CISR tariff is contrary to the achievement of the Commission's stated policy objective, and the Commission should amend the terms of TECO's CISR tariff accordingly.

D.-F. Issues and Positions

<u>ISSUE 1</u>: Has TECO acted in violation of its CISR tariff,

Commission Order No. PSC-98-1081A-FOF-EI or relevant sections of the Florida Statutes in its response

to Odyssey's request for CISR tariff rates?

Allied/CFI: Yes. Allied/CFI is informed and believes that Odyssey did not comply with

all requirements for obtaining CISR tariff rates from TECO. Mr. Namoff's testimony will address this issue, and additional witnesses may be identified when Allied/CFI is permitted to conduct its discovery pursuant to Order No.

PSC-00-1171-CFO-EI, issued June 27, 2000.

<u>ISSUE 2</u>: Has TECO acted in violation of its CISR tariff,

Commission Order No. PSC-98-1081A-FOF-EI or relevant sections of the Florida Statutes in its response

to Allied/CFI's request for CISR tariff rates?

Allied/CFI: Yes. TECO's representatives, Mr. Rodriguez and Mr. Ashburn, were advised

by Mr. Namoff from the outset of their dealings that Allied/CFI was seeking the same rates for electric service to Allied/CFI's proposed new liquid chlorine bleach manufacturing facility that TECO had offered for service to Odyssey's new liquid chlorine bleach manufacturing facility. TECO's conduct in misrepresenting its willingness and ability to offer the requested rates to Allied/CFI, in delaying any offer of rates to Allied/CFI for six months, and in ultimately offering only discriminatory rates to Allied/CFI, was in violation of the tariff, the Order, and Sections 366.03, 366.06(2), and 366.07, Florida Statutes. The testimony of Mr. Namoff and Dr. Phillips will

address this issue.

<u>ISSUE 3</u>: 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 TECO's CISR tariff, Commission Order No. PSC-98-1081A-FOF-EI or relevant sections of the Florida Statutes in

its response to Odyssey's request for CISR tariff rates?

Allied/CFI: On information and belief, yes. The testimony of Mr. Namoff and Dr.

Phillips will address this issue when Allied/CFI is permitted to examine and inspect the rates, terms and conditions agreed to between TECO and

Odyssey.

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?

Allied/CFI: The Commission should: (1) suspend the rates agreed to between TECO and

Odyssey, pending investigation and determination of the appropriate rates for TECO's provision of electric service to Odyssey; (2) order TECO to offer to Allied/CFI CISR tariff rates which are appropriate to the service requested by Allied/CFI; and (3) amend TECO's CISR tariff to reflect that TECO remains subject to Florida law prohibiting undue discrimination, in TECO's

implementation of its CISR tariff.

G. Stipulations

Allied/CFI is not a party to any executed stipulation at this time. Allied/CFI has offered to stipulate to the terms of an appropriate Protective Agreement with TECO and Odyssey and it is anticipated that a Protective Agreement will be entered into pursuant to the relevant terms of Order No. PSC-00-1171-CFO-EI.

Allied/CFI also has offered to enter into a stipulation with Odyssey concerning Odyssey's request for non-disclosure to Allied/CFI in this proceeding of certain documents and information which Odyssey contends are privileged as trade secrets or are otherwise not required to be disclosed to Allied/CFI in this proceeding, and which are the subject of Odyssey's Motion for Protective Order filed on June 15, 2000.

H. Pending Motions

Odyssey's Motion for Protective Order, filed on June 15, 2000, is the only motion pending at this time. Allied/CFI's response to Odyssey's motion reflects that Allied/CFI does not oppose the relief sought by the motion.

I. Pending Requests for Confidentiality

None.

J. Statement Regarding Compliance with All Terms

Pending execution of an appropriate Protective Agreement, examination and inspection of the documents to be produced by TECO in response to Allied/CFI's first request for production of documents, and the relevant sections of Order No. PSC-00-1171-CFO-EI, and a reasonable opportunity to conduct further discovery, at this time. Allied/CFI cannot identify all exhibits that it may use and cannot identify all witnesses that it may call or provide further information concerning the subject matter of their testimony.

Respectfully submitted,

Kenneth A. Hoffman, Esq.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing Allied/CFI's Prehearing Statement was furnished by facsimile telecopier to the following this 30th day of June, 2000:

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Allied/prehearing