

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for expedited approval of
temporary territorial variance, by Tampa
Electric Company.

DOCKET NO. 20170181-EI
ORDER NO. PSC-2017-0385-PAA-EI
ISSUED: October 9, 2017

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman
ART GRAHAM
RONALD A. BRISÉ
DONALD J. POLMANN
GARY F. CLARK

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING TEMPORARY TERRITORIAL VARIANCE

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission (Commission) that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Background

On August 25, 2017, Tampa Electric Company (TECO) filed a petition for an expedited approval of a temporary territorial variance (variance). The variance will enable TECO to provide temporary electric service to Mosaic Fertilizer, LLC's (Mosaic) Peacock mining facility outside TECO's approved service territory. TECO is an investor-owned public utility subject to our jurisdiction under Chapter 366, Florida Statutes (F.S.). Mosaic is in the business of mining and processing phosphate and manufacturing fertilizer.

Pursuant to a territorial agreement we approved between Duke Energy Florida, LLC¹ (DEF) and Peace River Electric Cooperative (PRECO), the Peacock facility is served by DEF.² This 1994 territorial agreement approved DEF's right to serve transmission level customers, such as Mosaic, in PRECO's service territory because PRECO did not have the appropriate facilities

¹ In 1994, DEF was known as Florida Power Corporation. Subsequently, Florida Power Corporation changed its name to Progress Energy Florida, Inc. in 2003, to Duke Energy Florida, Inc. in 2013, and to Duke Energy Florida, LLC in 2015.

² Order No. PSC-94-1522-FOF-EI, issued December 12, 1994, in Docket No. 940376-EU, In re: Joint petition for approval of territorial agreement between Florida Power Corporation and Peace River Electric Cooperative, Inc.

to meet Mosaic's transmission level electric needs. The instant petition requests that TECO, instead of DEF, provide temporary service to Mosaic's Peacock mining facility.

TECO and DEF responded to Commission Staff's First Data Request on September 18, 2017. The map and legal description of the Peacock facility are attached to the petition in Exhibits A and B. Florida Power & Light Company (FPL), DEF, and PRECO's consent to the approval of the variance are shown in Exhibit C of the petition. FPL also has the ability to serve Mosaic; however, FPL does not have substations that are close to the Peacock facility and would need to invest in system upgrades. Therefore, FPL provided its consent to the proposed variance.

In 2007, we approved a similar temporary territorial variance allowing TECO to provide electric service to Mosaic's Altman facility in Manatee County.³ The Altman facility is located in PRECO's service territory; however, PRECO does not have the facilities to serve the Altman facility. We have jurisdiction pursuant to Section 366.04, F.S.

Decision

The variance approved herein, addresses the supply of electric service to Mosaic's Peacock facility located in Manatee County. The Peacock facility is an industrial phosphate mining operation and associated pump operation, and takes service at 69 kilovolt (kV) transmission level. Once the mining has been completed in a particular area, the facility moves to another mining location.

The Peacock facility added 20 to 25 megawatts (MWs) of load within the last year. The increase in load is causing adverse voltage conditions on PRECO's distribution facilities, as both the Peacock mining facility and PRECO distribution system are connected to the same two substations. PRECO contacted DEF in September 2016 and reported the adverse voltage effects on its system. DEF and Mosaic discussed its operations to find ways to reduce the voltage issues to PRECO. DEF stated that no feasible or cost effective solution was identified.

According to TECO's petition, Mosaic has indicated that it needs to continue taking service at the Peacock facility to accommodate its phosphate mining operations. TECO asserts in the petition that it can provide immediate electric service to the Peacock facility from an existing meter just over the Manatee/Hillsborough County border, which is in TECO's service territory. TECO has indicated that it does not need to invest in any additional facilities to serve the Peacock facility and has sufficient capacity to serve the load. TECO also stated that the Peacock facility load will not create voltage issues for TECO. Based on the assertions made in the petition, we find that the variance will not cause a decrease in the reliability of electrical service to the existing or future ratepayers of TECO and the adjacent utilities (FPL, PRECO, and DEF).

It is TECO's intention to serve the Peacock facility until the mining at that facility is complete, at which point, the temporary variance will no longer be necessary. Mosaic's mining plans are subject to change; however, TECO stated that Mosaic expects the mining activity at the

³ Order No. PSC-07-0906-PAA-EI, issued November 8, 2007, in Docket No. 070546-EI, In re: Petition for expedited approval of temporary territorial variance by Tampa Electric Company.

Peacock facility to continue for a period of approximately six months to a year. TECO shall file a final status report to indicate that TECO is no longer providing service to the Peacock facility.

While TECO will serve the Peacock facility to meet the facility's immediate need for electric service, DEF stated that it has started the preliminary work to construct a new substation and eight miles of 230 kV transmission lines. The DEF project will support Mosaic's projected future mining load and also eliminate the voltage issues in the area. DEF stated that additional customers could also benefit in the future with the new substation and transmission line. The DEF project is expected to be completed by May 2019.

Conclusion

Based on the petition and responses to Commission Staff's First Data Request, we find that TECO's petition for a temporary territorial variance in the public interest and is hereby approved. During the period of its retail electric service to the Peacock facility, TECO shall report to this Commission on an annual basis regarding the status of such temporary service through its conclusion. TECO shall file its first status report in the docket file in October 2018, or sooner if concluded prior to that time.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Tampa Electric Company's Petition For An Expedited Approval Of A Temporary Territorial Variance is hereby approved. It is further

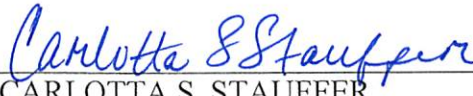
ORDERED that Tampa Electric Company shall report to this Commission on an annual basis regarding the status of such temporary service through its conclusion. Tampa Electric Company shall file its first status report in the docket file in October 2018, or sooner if concluded prior to that time. It is further

ORDERED that Tampa Electric Company shall file a final status report to indicate that it is no longer providing service to Mosaic Fertilizer, LLC's Peacock mining facility. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 9th day of October, 2017.



CARLOTTA S. STAUFFER
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

KRM

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on October 30, 2017.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.