

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 20180127-EI
ORDER NO. PSC-2018-0427-PAA-EI
ISSUED: August 27, 2018

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman
JULIE I. BROWN
DONALD J. POLMANN
GARY F. CLARK
ANDREW GILES FAY

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING TEMPORARY TERRITORIAL VARIANCE

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service 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 (F.A.C.).

Background

On June 1, 2018, Tampa Electric Company (TECO) filed a petition for approval of a temporary territorial variance. The variance will enable TECO to provide temporary electric service to Mosaic Fertilizer, LLC's (Mosaic) Four Corners South mining facility outside TECO's approved service territory. TECO is an investor-owned public utility subject to the jurisdiction of this Commission 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 this Commission approved between Duke Energy Florida, LLC¹ (Duke) and Peace River Electric Cooperative (PRECO), the Four Corners South facility is served by Duke.² This 1994 territorial agreement approved Duke's right to serve transmission level customers, such as Mosaic, in PRECO's service territory because PRECO did

¹ In 1994, Duke 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.

not have the appropriate facilities to meet Mosaic's transmission level electric needs. The instant petition requests that TECO, instead of Duke, provide temporary service to Mosaic's Four Corners South facility until Duke completes construction of a new transmission line in the region.

TECO and Duke responded to Commission staff's first data request on July 16, 2018. The map and legal description of the Four Corners South facility were attached to TECO's petition in Exhibits A and B. Florida Power & Light Company (FPL), Duke, and PRECO's consent to the approval of the proposed variance are shown in Exhibit C of that petition. FPL also has the ability to serve Mosaic; however, FPL does not have transmission facilities that can serve the Four Corners South facility and would need to invest in system upgrades. Therefore, FPL provided their consent to the proposed variance.

In 2017, we approved a similar temporary territory variance allowing TECO to provide electric service to Mosaic's Peacock mining facility in Manatee County while Duke constructs a new transmission line to accommodate Mosaic's mining operations and eliminate voltage issues in the area.³ This Commission has jurisdiction pursuant to Section 366.04, F.S.

Decision

TECO's petition for a temporary territorial variance

The proposed variance addresses the supply of electric service to Mosaic's Four Corners South facility located in rural northern Hardee County, Florida. The Four Corners South facility is an industrial phosphate mining operation and an associated pump operation. The facility takes service at the 69 kV transmission level. Once the mining has been completed in a particular area, the facility moves to another mining location.

The Four Corners South facility will be adding approximately 70 megawatts of load. Duke expects that such an increase in load would cause adverse voltage effects on Duke and on PRECO's facilities. Both Duke and PRECO are served from the same transmission line that serves the Four Corners South facility. Mosaic expects the mining activity to cause the adverse voltage beginning October 1, 2018. Duke states that it will be able to serve this additional mining load, without adverse voltage effects, once the new 230 kV line and substation are completed in May 2019.

TECO asserts in the petition that it can provide immediate electric service to the Four Corners South facility from an existing meter located within TECO's electric service territory just over the Manatee/Hillsborough County border in Hillsborough County. TECO also stated that it has sufficient capacity to serve the load. The Four Corners South facility is located 10 miles from TECO's facilities, and Mosaic will reimburse TECO for any upgrades needed to provide temporary power service to Mosaic's mining operations. Mosaic owns transmission facilities behind TECO's meter.

³ Order No. PSC-2017-0385-PAA-EI, issued October 9, 2017, in Docket No. 20170181-EI, In re: Petition for expedited approval of temporary territorial variance, by Tampa Electric Company.

TECO states that it is prepared to serve this load beyond May 2019 if Duke is not finished with constructing the 230 kV line. TECO shall file a final status report with this Commission to indicate when TECO is no longer providing service to the Four Corners facility.

Conclusion

Based on the assertions made in the petition, we find that the proposed variance will not cause a decrease in reliability of electric service to TECO and the adjacent utilities (FPL, PRECO, and Duke). We find that TECO's petition for a temporary territorial variance is in the public interest and is approved. During the period of its retail electric service to the Four Corners South 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 August 2019, or sooner if TECO concludes such temporary service.

Based on the foregoing, it is

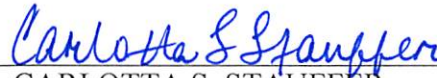
ORDERED by the Florida Public Service Commission that Tampa Electric Company's petition for the approval of a temporary territorial variance is in the public interest and is approved. During the period of its retail electric service to the Four Corners South facility in Hardee County, TECO shall report 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 August 2019, or sooner if TECO concludes such temporary service. It is further

ORDERED that if no protest is filed by a person whose substantial interests are affected within 21 days of the issuance of this Order, this docket shall be closed upon the issuance of a Consummating Order. 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 27th day of August, 2018.



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.

KMS

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 September 17, 2018.

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.