

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application of Tampa Electric )	DOCKET NO. 900723-EI
Company for authority to issue and sell )	ORDER NO. 23610
up to \$200 million in long-term debt )	ISSUED: 10-12-90
and preferred equity securities and have)	
outstanding a maximum of \$200 million )	
in short-term unsecured promissory notes)	
during the 12 months ending November )	
30, 1991. )	
)	

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD  
 BETTY EASLEY  
 GERALD L. GUNTER  
 FRANK S. MESSERSMITH

ORDER AUTHORIZING TAMPA ELECTRIC  
 COMPANY'S SECURITY TRANSACTIONS

BY THE COMMISSION:

On August 27, 1990, Tampa Electric Company (TECO or utility) filed a petition seeking Commission approval to issue and sell up to \$200 million in long-term debt and preferred equity securities and have outstanding a maximum of \$200 million in short-term unsecured promissory notes during the 12 months ending November 30, 1991.

TECO represents that this authorization will provide assurance of adequate flexibility in its financial planning. The net proceeds of these transactions, with the exception of pollution control revenue bonds, will be added to TECO's general funds to be used for working capital requirements and other general business purposes, including the financing of TECO's construction program. TECO states that it may also use the net proceeds received from any sale of these securities to repay short-term unsecured promissory notes or for the purchase of securities of the utility or affiliated corporations.

The equity securities may take the form of preferred stock or preference stock or options or rights relating to the foregoing stocks, with such par values, terms and conditions, and conversion and relative rights and preferences as may be permitted by the utility's Restated Articles of Incorporation, while the long-term debt securities may take the form of first mortgage bonds, debentures, notes, convertible securities, installment contracts and/or other obligations underlying pollution control revenue

DOCUMENT NUMBER-DATE

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FSC-RECORDS/REPORTING

ORDER NO. 23610  
DOCKET NO. 900723-EI  
PAGE 2

bonds, or options or rights relating to the foregoing with maturities ranging from one to forty years and issued in both domestic and international markets. The issuance and sale of equity securities and long-term debt may be through either negotiated underwritten public offering, public offering at competitive bidding, direct public or private sale, or sale through agents or distributions to security holders of TECO or affiliated companies, and the proceeds of which would be used for regulated operations only.

The short-term unsecured promissory notes may be sold to commercial banks, both directly and through their trust departments, and through the commercial paper market. A note sold directly to a commercial bank may bear an interest rate at a negotiated formula in effect at the time of issuance or may bear an interest rate to be negotiated at the time of issuance. Under current agreements, those notes sold through trust departments may bear interest at the rate in effect from time to time for 180-day direct issue commercial paper as published daily in The Wall Street Journal. Notes sold in the commercial paper market may bear an interest rate as determined by the market price at the date of issuance, including discount and any broker-dealer commissions. The short-term unsecured promissory notes sold directly to banks or through their trust departments will mature not more than one year from the date of issuance, and those sold through the commercial paper market will mature not more than nine months from the date of issuance. The issuance of short-term notes may include the issuance of short-term tax-exempt notes. TECO's investor sources of funds as of July, 1990, consisted of 38.7% long-term debt, and 53.4% common equity, and 3.8% preferred stock.

Having reviewed the application, it is the finding of this Commission that the issuance and sale of the above-discussed securities, within the limits described, will not impair TECO's ability to perform its services as a public utility, are for lawful purposes within TECO's corporate powers, and that the application should be granted subject to the conditions stated herein. Insofar as TECO has indicated that it may use a portion of the net proceeds received from the sale of securities for the purchase of securities of the utility or of affiliated corporations, TECO will be required to clearly demonstrate a benefit and the appropriateness to its utility operations. It is therefore,

ORDERED by the Florida Public Service Commission that the application of Tampa Electric Company for approval to issue and

ORDER NO. 23610  
DOCKET NO. 900723-EI  
PAGE 3

sell up to and including \$200 million in long-term debt and preferred equity securities and have outstanding a maximum of \$200 million in short-term unsecured, promissory notes during the 12 months ending November 30, 1991, is approved. It is further

ORDERED that Tampa Electric Company is restricted from issuing instruments of guaranty or collateralization in connection with debt obligations or other securities to be issued by one or more of its subsidiaries or affiliates, absent an ability to clearly demonstrate benefits and appropriateness to its utility operations. It is further

ORDERED that Tampa Electric Company file a consummation report in compliance with Rule 25-8.009, Florida Administrative Code, within 90 days after the issuance of any securities authorized by this Order. It is further

ORDERED that the foregoing authorization is without prejudice to the authority to this Commission with respect to rates, costs, or any other matter whatsoever now pending or which may come before this Commission, as provided in Section 366.04, Florida Statutes.

By ORDER of the Florida Public Service Commission, this 12th day of OCTOBER, 1990.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )  
MRC:bmi  
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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, 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 or judicial review will be granted or result in the relief sought.

ORDER NO. 23610  
DOCKET NO. 900723-EI  
PAGE 4

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.