



Public Service Commission
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RECEIVED-FPSC
MAY - 8 AM 10:00
COMMISSION CLERK

DATE: MAY 8, 2003

TO: DIRECTOR, DIVISION OF THE COMMISSION ADMINISTRATIVE SERVICES (BAYÓ)

FROM: DIVISION OF ECONOMIC REGULATION (HARLOW) OFFICE OF GENERAL COUNSEL (JAEGER) *Handwritten initials: JPH, DJ, RJ, WADJ, W*

RE: DOCKET NO. 030332-EQ - PETITION FOR APPROVAL TO CLOSE STANDARD OFFER CONTRACT FOR PURCHASE OF FIRM CAPACITY AND ENERGY FROM SMALL QUALIFYING FACILITY OR MUNICIPAL SOLID WASTE FACILITY, BY TAMPA ELECTRIC COMPANY.

AGENDA: 05/20/03 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\ECR\WP\030332.RCM

CASE BACKGROUND

On November 25, 2002, the Commission issued Order No. PSC-02-1625-PAA-EQ, in Docket No. 020725-EQ, approving Tampa Electric Company's (TECO) petition to establish a new Standard Offer Contract for qualifying cogeneration and small power production facilities. TECO's approved Standard Offer Contract was based on a 180 megawatt (MW) combustion turbine unit with an in-service date of May 2005. An initial three-week subscription period was held which expired January 7, 2003. No offers were received by TECO from qualifying cogeneration or small power production facilities during the initial subscription period. As stated in the approved Standard Offer Contract, a second three-week subscription period was to be held if the first period did not result in offers totaling the subscription limit. The second subscription period expired on March 31, 2003, with again no subscriptions received by

DOCUMENT NUMBER- DATE

04161 MAY-88

FPSC-COMMISSION CLERK

DOCKET NO. 030332-EQ
DATE: May 8, 2003

TECO. On April 8, 2003, TECO filed a petition requesting approval to close the existing Standard Offer Contract.

DISCUSSION OF ISSUES

ISSUE 1: Should TECO's petition to close its current Standard Offer Contract, based upon a combustion turbine unit with an in-service date of May 2005, be approved?

RECOMMENDATION: Yes. The subscription period for TECO's Standard Offer Contract, as established in the approved Standard Offer Contract, has expired with no offerings presented.

STAFF ANALYSIS: On November 25, 2002, in Docket No. 020725-EQ, the Commission issued Order No. PSC-02-1625-PAA-EQ approving TECO'S current Standard Offer Contract. The contract is based on a 180 MW combustion turbine generating unit with an in-service date of May 1, 2005. In order to meet this in-service date, TECO must commence the design process by late 2003 and construction by early 2004.

TECO held an initial three-week subscription period for accepting Standard Offer Contracts, which expired on January 7, 2003. According to TECO, no offerings were presented within the initial subscription period. As stated in the approved Standard Offer Contract, a second three-week subscription period was to be held if the first period did not result in offers totaling the subscription limit. The second subscription period expired on March 31, 2003, with no subscriptions received by TECO from qualifying cogeneration or small power production facilities.

The tariff called for TECO to petition the Commission to close its Standard Offer Contract after the subscription period expired. TECO has requested that the Standard Offer Contract be closed. TECO expects to file a new Standard Offer Contract prior to December 2003. TECO appears to have met the conditions of its current Standard Offer Contract, as established in the approved tariff. Therefore, staff agrees that the current Standard Offer Contract should be closed.

DOCKET NO. 030332-EQ

DATE: May 8, 2003

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, if no person whose substantial interests are affected by this proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order.

STAFF ANALYSIS: If no person whose substantial interests are affected by this proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon issuance of a consummating order.