

# AUSLEY & McMULLEN

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April 2, 2008

HAND DELIVERED

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COMMISSION  
CLERK

Ms. Ann Cole, Director  
Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: Petition of Tampa Electric Company for approval of three  
Performance Guaranty Agreements; FPSC Docket No. 070729-EI

Dear Ms. Cole:

Tampa Electric Company has determined the need to make further revisions to the tariff sheets attached to the company's petition in this proceeding. The revisions impact Tariff Sheet No. 7.930 of the Performance Guaranty Agreement and Tariff Sheet Nos. 7.890 and 7.895 of the Performance Guaranty Agreement for Mining Facilities. In Sections 3.1, 3.3 and 3.4 of each agreement, the term "Base Revenue" has been replaced with "Incremental Base Revenue" to clarify the portion of the collected base revenue that is subtracted from the Performance Guaranty Amount when calculating PGA reductions, refunds or payments.

Enclosed are the original and fifteen (15) copies each of Original Sheet No. 7.890, 7.895 and 7.930 reflecting the above modifications. We would appreciate your distributing copies of these revised original tariff sheets to recipients of the company's petition so that the revised pages may be substituted in place of those which accompanied the petition.

CMP \_\_\_\_\_

COM \_\_\_\_\_

CTR \_\_\_\_\_

ECR \_\_\_\_\_

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OPC \_\_\_\_\_

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SEC \_\_\_\_\_

OTH \_\_\_\_\_

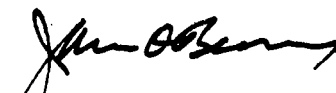
By copy of this letter, we are providing Staff with five copies of the revised tariff sheets referenced above marked in legislative format to show the material that is new.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning same to this writer.

Thank you for your assistance in connection with this matter.

\* All copies of tariffs  
forwarded to ECR.

Sincerely,

  
James D. Beasley

JDB/pp  
Enclosure

DOCUMENT NUMBER-DATE

02536 APR-2 8

FPSC-COMMISSION CLERK



Calculation of Performance Guaranty Amount	
A. Cost of Facilities	
B. Customer CIAC	
C. Remaining Cost (A - B)	
D. Present Value Factor	1.53
E. Performance Guaranty Amount (C * D)	

- 2.3 The Performance Guaranty Amount does not constitute or serve in lieu of CIAC. Nothing in this Agreement shall be construed as relieving the Customer from the obligation to pay or prohibiting the Company from collecting from Customer a CIAC for underground service pursuant to the Company's applicable tariff.
- 2.4 The Customer shall provide the above-specified Performance Guaranty Amount to Company prior to Company beginning construction of the Facilities.
- 2.5 The facilities to be installed to serve the Premises, together with their estimated costs, are shown on Exhibit A of this Agreement.

**ARTICLE III - PAYMENT and REFUND**

- 3.1 If the Incremental Base Revenue collected from the Customer by the end of the Performance Guaranty Period, or upon default of this Agreement, is less than the Performance Guaranty Amount, Customer shall pay to Company the Performance Guaranty Amount, less the amount of Incremental Base Revenue previously collected from the Customer.
- 3.2 At the Customer's option, the Performance Guaranty Amount may be posted with Company in cash, or may be secured either by a surety bond or irrevocable bank letter of credit in a form acceptable to Company.



- 3.3** If at the end or at any time during the Performance Guaranty Period, Incremental Base Revenue collected equals or exceeds the Performance Guaranty Amount and Customer secured the Performance Guaranty Amount through a surety bond, or irrevocable letter of credit, such bond or letter of credit shall be released or exonerated from all past, present, and future liabilities associated with this Agreement. Customer shall have the right to reduce the face value of the surety bond or letter of credit on an annual basis to reflect the difference between the Performance Guaranty Amount and the Incremental Base Revenue collected in the previous 12-month period. If at the end of the Performance Guaranty Period the Incremental Base Revenue does not equal or exceed the Performance Guaranty Amount, the Company shall have the right to draw down the surety bond or letter of credit by the difference between the Incremental Base Revenue and the Performance Guaranty Amount. The Company will accept payment for any such difference in cash from Customer in lieu of drawing down the surety bond or letter of credit provided that Customer pays within sixty days of the Performance Guaranty ending or upon default of this Agreement.
- 3.4** If the Customer elects to post the Performance Guaranty Amount in cash, the Company agrees to reduce the Performance Guaranty Amount cash balance by the amount of the previous twelve-month's Incremental Base Revenue collected and provide an annual bill credit or refund check to the Customer in an amount equal to such prior twelve months of Incremental Base Revenue collections, until such time as the Performance Guaranty cash balance is depleted. If at the end of the Performance Guaranty Period the Incremental Base Revenue previously collected from the Customer does not equal or exceed the Performance Guaranty Amount, the Company shall have the right to permanently retain the remaining cash balance of the Performance Guaranty Amount.
- 3.5** In the event that Company's construction of the Facilities shown on Exhibit "A" commences but is not completed due to a change in Customer's plans or other circumstances related to the Premises that are not within Company's control, or if twelve months following the effective date of this Agreement Company has been unable to complete the requested installation and commence service due to changes or delays in Customer's schedule or plans or as the result of a lack of cooperation by the Customer, the Company shall be immediately entitled to an amount of the Performance Guaranty equal to Company's construction expenditures incurred in connection with this Agreement. Thereafter, the Company may elect to terminate this Agreement and, in the event of such termination by the Company, the balance, if any, of the Performance Guaranty not required to cover the Company's expenditures incurred in connection with this Agreement will be refunded if Customer posted a cash Performance Guaranty.

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