

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Tampa Electric) DOCKET NO. 890736-EQ
Company for approval of amendment to)
small power agreement with City of) ORDER NO. 21862-A
Tampa.)
_____) ISSUED: 10-3-89

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman
THOMAS M. BEARD
BETTY EASLEY
GERALD L. GUNTER
JOHN T. HERNDON

NOTICE OF PROPOSED AGENCY ACTION

AMENDATORY ORDER APPROVING AMENDMENT TO SMALL POWER
AGREEMENT BETWEEN TAMPA ELECTRIC AND CITY OF TAMPA

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 adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On June 2, 1989, Tampa Electric Company (TECO) filed a petition requesting approval of an amendment to its small power production agreement with the City of Tampa. The original power sales agreement between the City and TECO was approved in September, 1983.

The original agreement was reached prior to our adoption of rules that govern the purchase of cogenerated power. Therefore, the renegotiation of the City and TECO contract was given special consideration when we implemented the 1988 Solid Waste Management Act. The Act allowed utilities which purchased power from solid waste facilities to renegotiate their contracts to incorporate certain provisions unique to solid waste facilities in Florida.

The special circumstances surrounding the agreement between the City and TECO are further described in our Order No. 21053. That Order gave the City and TECO a one time option

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to renegotiate their contract with the price to be based on a 1992 vintage coal unit, using its current (1995) avoided unit cost parameters.

The instant amendment to the small power agreement complies with Order No. 21053 in that the parties have renegotiated their original power sales agreement to include such things as levelized capacity payments, removal of the risk factor, and early O&M payments. The cost parameters used to develop these payments are based on a 1995 coal unit. The vintage or year of in-service of the avoided unit used is 1992. This treatment balances the pre-rule signature date and our most recent findings regarding the avoided unit.

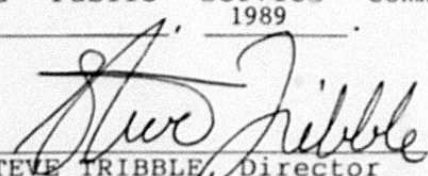
The term of the contract is 20 years with payments beginning on April 1, 1989. There is also a provision to extend the contract an additional 10 years if both parties agree. The levelization and early payments are based on the 20 year contract term and the optional 10 year additional payments are based on a standard value of deferral calculation. The amendment also provides a method for calculation of the City's liability for all early capacity payments received.

The amended power sales agreement between the City of Tampa and TECO conforms with our directives in Order No. 20153.

In consideration of the foregoing, it is

ORDERED by the Florida Public Service Commission that the amendment to the small power agreement between Tampa Electric Company and the City of Tampa, filed June 2, 1989, is hereby approved.

By ORDER of the Florida Public Service Commission,
this 3rd day of October, 1989.



STEVE TRIBBLE, Director
Division of Records and Reporting

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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.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on October 24, 1989.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code, and as reflected in a subsequent order.

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

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by 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 of the effective date 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.