



Public Service Commission
CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: SEPTEMBER 25, 2003

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

FROM: OFFICE OF THE GENERAL COUNSEL (K. FLEMING)
DIVISION OF ECONOMIC REGULATION (BREMAN)

RE: DOCKET NO. 030526-EU - JOINT PETITION OF TAMPA ELECTRIC
COMPANY, IMC PHOSPHATES COMPANY AND PROGRESS ENERGY
FLORIDA, INC. FOR APPROVAL OF PROVISION OF ELECTRIC
SERVICE BY PROGRESS ENERGY FLORIDA, INC. TO CERTAIN
FACILITIES OWNED AND OPERATED BY IMC PHOSPHATES COMPANY IN
TAMPA ELECTRIC COMPANY'S COMMISSION-APPROVED SERVICE
TERRITORY.

AGENDA: 10/07/2003 - REGULAR AGENDA - PROPOSED AGENCY ACTION -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\GCL\WP\030526.RCM

CASE BACKGROUND

On June 12, 2002, IMC Phosphates Company (IMC), Tampa Electric
Company (TECO), and Progress Energy Florida, Inc. (Progress)
(collectively, the Joint Petitioners) filed a petition that the
Commission review and approve a service agreement made pursuant to
the Settlement Agreement approved by the Commission in Order No.
PSC-02-0929-AS-EI, In Re: Joint petition of Florida Power
Corporation and Tampa Electric Company for expedited declaratory
relief concerning provision of electric service to an industrial
customer's facilities located in Tampa Electric Company's
Commission-approved service territory, issued July 11, 2002, in
Docket No. 020105-EI. Under the Settlement Agreement, either TECO
or Progress may provide electric service to IMC's mobile

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K.F. J.S. W.B.M.

facilities, even if the facilities traverse the other utility's approved territorial boundaries. However, each such service agreement requires Commission approval to be consistent with statutory authority and as part of the Commission's ongoing, active supervision in the settlement, application, and implementation of territorial agreements.

The petition addresses an agreement to provide service to a new IMC mobile facility. The facility in question is located in Polk County and consists of a new pumping line located in TECO and Progress' service areas. The Joint Petitioners propose that Progress should be allowed to be the single supplier of the entire load for IMC's pumping line, including the portion of load occurring in TECO's service territory. The pumping line, which qualifies as a Mobile Facility under the Settlement Agreement, crosses the service territory between TECO and Progress.

The Commission has jurisdiction in this matter pursuant to several provisions of Chapter 366, Florida Statutes, including Sections 366.04 and 366.05, Florida Statutes.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve the joint petition of IMC, TECO, and Progress to allow Progress to serve the new IMC mobile facility?

RECOMMENDATION: Yes. The proposed agreement should become effective the date of the Commission's consummating order approving the agreement. (K. FLEMING, BREMAN)

STAFF ANALYSIS: The Joint Petitioners' proposed agreement provides that Progress will supply electricity to a new mobile facility owned and operated by IMC in TECO's commission-approved service territory. According to the petition, approximately 70% of the load represented by IMC's pumping line is located in TECO's service territory, with the remaining 30% located in Progress' service territory. The Joint Petitioners propose to allow Progress to be the single supplier for the entire load, including the portion of load occurring in TECO's service territory, in accordance with the provisions of the Settlement Agreement. In particular, pursuant to Section (4)(d), TECO will be compensated for the service Progress provides to IMC in TECO's service area.

Staff believes the proposed agreement resolves a potential retail territorial dispute between Progress and TECO, addresses service reliability, and is consistent with the Commission's longstanding policy of encouraging joint agreements. Therefore, the agreement is in the public interest and should be approved. The agreement should be effective with the issuance of the Commission's consummating order approving the agreement.

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. If no protest is filed, this docket should be closed upon the issuance of a Consummating Order. If a protest is filed by a person whose substantial interests are affected within 21 days of the Commission Order approving this agreement, the agreement shall remain in effect pending resolution of the protest and the docket should remain open. (K. FLEMING)

STAFF ANALYSIS: If no protest is filed, this docket should be closed upon the issuance of a Consummating Order. If a protest is filed by a person whose substantial interests are affected within 21 days of the Commission Order approving this agreement, the agreement shall remain in effect pending resolution of the protest and the docket should remain open.