

State of Florida



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: January 31, 2008

TO: Office of Commission Clerk (Cole)

FROM: Division of Economic Regulation (Draper)
Office of the General Counsel (Bennett)

EAD
EB
ASB
1905

RE: Docket No. 070729-EI – Petition for approval of three performance guaranty agreements by Tampa Electric Company.

AGENDA: 02/12/08 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 02/15/08 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\070729.RCM.DOC

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08 JAN 31 AM 8:37
COMMISSION
CLERK

Case Background

On December 17, 2007, Tampa Electric Company (TECO) filed a petition for approval of performance guaranty agreements (PGA). TECO proposes to use the PGAs in cases where applicants for electric service require a significant expansion of TECO's facilities to meet projected loads that, in TECO's opinion, may not materialize.

The Commission has jurisdiction pursuant to Chapter 366.06, Florida Statutes.

DOCUMENT NUMBER-DATE

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Discussion of Issues

Issue 1: Should the Commission suspend TECO's proposed Performance Guaranty Agreements (PGA)?

Recommendation: Yes. (Draper)

Staff Analysis: TECO proposes to require a PGA in cases where applicants for electric service require a significant expansion of TECO's facilities to meet projected loads that, in TECO's opinion, may not materialize. Under the proposed PGA, the applicant will be required to provide a performance guaranty. If the revenues materialize as projected, TECO will refund or cancel the quaranty.

Pursuant to Section 366.06(3), Florida Statutes, the Commission may withhold consent to the operation of all or any portion of a new rate schedule, delivering to the utility making the request a reason or written statement of good cause for doing so within 60 days. Staff recommends that the tariff be suspended to allow staff sufficient time to review the petition in order to present the Commission an informed recommendation on the tariff proposal. Staff believes that this reason is good cause consistent with the requirements of Section 366.06(3), Florida Statutes.

Issue 2: Should this docket be closed?

Recommendation: No. The docket should remain open pending the Commission's decision on the proposed tariff revision. (Bennett)

Staff Analysis: This docket should remain open pending the Commission's decision on the proposed tariff revision.