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June 21, 2013

HAND DELIVERED

130170-EI

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COMMISSION
CLERK

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

Re: Tampa Electric Company's Petition for Extension of Commission Approval of Special Contract


Dear Ms. Cole:

Enclosed for filing in the above-styled matter are the original and fifteen (15) copies of Tampa Electric Company's Petition for Extension of Commission Approval of Special Contract.

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.

Sincerely,



James D. Beasley

JDB/pp
Enclosure

cc: Martha Brown (w/enc.)

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Tampa Electric Company's Petition)
for Extension of Commission Approval)
of Special Contract.)
_____)

DOCKET NO. 130170-EI

FILED: June 21, 2013

**TAMPA ELECTRIC COMPANY'S PETITION
FOR EXTENSION OF COMMISSION
APPROVAL OF SPECIAL CONTRACT**

Tampa Electric Company ("Tampa Electric" or "the company"), pursuant to Chapter 366.04, 366.05 and 366.06, Florida Statutes, files this its petition for an extension of Commission approval of a special contract the Commission approved effective April 5, 2013,¹ and in support thereof, says:

1. On January 31, 2013 Tampa Electric petitioned the Commission for approval of a special contract Tampa Electric negotiated to provide the electrical needs of a manufacturing firm ("Manufacturer") that is considering locating a new facility at several alternative sites around the country, including one located within Tampa Electric's service area. At the time it filed its petition Tampa Electric expected the Manufacturer to make a decision regarding the location of its new facility on or about the end of March 2013 and, thus, asked that the special contract be approved subject to several conditions, one of which was that the approval would be rendered null and void if the special contract is not fully executed within 90 days of the date of a Commission order approving the special contract.

2. On March 11, 2013 the Commission entered its order approving the special contract as a PAA item in Docket No. 130037-EI and that order was made final and effective by

¹ Order No. PSC-13-0120-PAA-EI, issued in Docket No. 130037-EI on March 11, 2013, approving special contract, and Order No. PSC-13-0149-CO-EI, the consummating order issued April 5, 2013, making the PAA order effective and final.

the Commission's consummating order issued April 5, 2013. Those orders are attached hereto as Exhibits "A" and "B" and set forth the basis for the Commission's approval of the special contract, including its potential for attracting a large manufacturing customer that will create jobs which should provide economic benefits to Tampa Electric's service area and the state of Florida.

3. The Manufacturer has indicated to Tampa that it is still engaged in due diligence and requires additional time to complete that process before committing to significant capital investments associated with the proposed project. The 90-day time period from the April 5, 2013 consummating order which made the Commission's approval effective and final expires on July 4, 2013. For all of the reasons set forth in the company's initial petition and acknowledged in the Commission's order approving that petition, Tampa Electric wants to have its service area remain a viable candidate for the location of the new manufacturing facility. Accordingly, the company seeks an extension of the special contract approval granted in the attached orders in order to allow the Manufacturer to complete its due diligence analysis and make a final selection for the location of its new manufacturing facility. Based on discussions with the Manufacturer, Tampa Electric believes that a four month extension of the Commission's special contract approval through and including November 4, 2013, should provide sufficient time for the Manufacturer to complete its on-going analysis and make a final decision on the location of its proposed facility. Tampa Electric also urges that the Staff be authorized to administratively approve a 60-day extension beyond November 4 in the event the Manufacturer's final decision is pushing up against that deadline, but appears close enough at hand to warrant the further extension.

WHEREFORE, Tampa Electric respectfully urges the Commission to extend its approval of the special contract embodied in the attached orders through and including November 4, 2013, and authorize the Staff to administratively approve a further extension beyond that date, not to exceed 60 days, if needed to permit the Manufacturer to reach a final decision on the location of its proposed manufacturing facility.

DATED this 21st day of June, 2013.

Respectfully submitted,



JAMES D. BEASLEY
J. JEFFRY WAHLEN
Ausley & McMullen
Post Office Box 391
Tallahassee, Florida 32302
(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of special contract
by Tampa Electric Company.

DOCKET NO. 130037-EI
ORDER NO. PSC-13-0120-PAA-EI
ISSUED: March 11, 2013

The following Commissioners participated in the disposition of this matter:

RONALD A. BRISÉ, Chairman
LISA POLAK EDGAR
ART GRAHAM
EDUARDO E. BALBIS
JULIE I. BROWN

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING SPECIAL CONTRACT

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

BACKGROUND

Tampa Electric Company (TECO) filed a petition on January 31, 2013, requesting approval of a special contract between TECO and a potential new customer (Customer) that is considering building a large manufacturing facility in TECO's service area. The Customer is considering locating its new facility at several alternative sites around the country. The Customer's new facility would be a very large, non-firm electric load with electric supply costs representing a substantial portion of the cost of its operations. Although the Customer will need to negotiate contracts with a number of other suppliers of goods and services, wherever it decides to locate its new facility, the cost of electric power is a key consideration in the Customer's decision-making process on where to locate its proposed new facility.

TECO requested a decision on the proposed special contract before the end of March 2013 to meet the selection schedule the Customer is conducting. We have jurisdiction in this matter pursuant to Sections 366.04, 366.05, and 366.06, Florida Statutes.

Exhibit "A"

DOCUMENT NUMBER DATE

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FPSC-COMMISSION CLERK

DECISION

As described above, the potential new Customer intends to construct a very large manufacturing plant and is evaluating several locations for the facility including a site in the Tampa Bay area. The Customer will take interruptible service at 230 kilovolt (kV) voltage transmission level. TECO's current tariff does not provide a rate schedule designed for a 230 kV customer. TECO's current transmission level customers take service at 69 kV.

To design charges specifically for a 230 kV customer, TECO used its most recent cost of service study from its most recent rate case¹ as the basis for development of charges contained in the special contract. The resulting charges are shown below:

• Monthly Customer Charge	\$ 1,414
• Demand Charge	\$ 10.95 per kW
• Base Rate Energy Charge	\$ 0.11 per MWh
• Interruptible Demand Credit	\$ 9.57 per kW
• Cost Recovery Clause Reduction from subtransmission factors	0.5%

The customer charge is based on TECO's metering costs for a 230 kV customer, amortized over 15 years, plus the cost of meter reading, billing, and customer service for a General Service Demand (GSD) customer as shown in TECO's cost of service study. The demand and base rate energy charges reflect the production and transmission revenue requirement for a GSD customer from TECO's cost of service study. Since the Customer will take service at transmission level, no subtransmission and distribution revenue requirement is included in the demand and energy charges. We note that the customer, demand, and base energy charges are not subject to change, as would occur during a base rate proceeding, during the term of the contract.

The interruptible demand credit reflects TECO's credit at the time negotiations began with the Customer, as approved in TECO's 2011 energy conservation cost recovery proceeding.² Specifically, the approved credit for 2012 is \$9.82/kw³ at secondary level, and has been reduced by 2.5 percent to \$9.57/kw to reflect transmission level. The credit would be fixed for the duration of the contract. Normally, the interruptible demand credit would vary based on the cost-effective deferral of TECO's next avoided unit, as determined in the Commission's annual review of the energy conservation cost recovery clause proceeding. Negotiations with the

¹ Order No. PSC-09-0283-FOF-EI, issued April 30, 2009, in Docket No. 080317-EI, In re: Petition for rate increase by Tampa Electric Company.

² Order No. PSC-11-0531-FOF-EG, issued November 15, 2011, in Docket No. 110002-EG, In re: Energy Conservation Cost Recovery Clause.

³ See Direct Testimony of Howard Bryant filed September 13, 2011, in Docket No. 110002-EG.

Customer began in April 2012. In the interim, we approved a credit of \$6.81/kw at secondary level for 2013.⁴

TECO's current cost recovery clause factors provide charges for secondary, primary, and subtransmission level. Since the Customer will take service at transmission level, the Commission-approved subtransmission level cost recovery clause factors are subject to a 0.5 percent reduction to reflect the avoided losses for providing service at 230 kV. The 0.5 percent avoided transmission losses are based on TECO's 2011 Transmission Loss Study. The Customer will pay the applicable cost recovery clause factors as they change subject to our approval during the term of the service.

TECO explained that the Customer has accepted the rates, terms and conditions of the special contract. If the Customer selects the Tampa Bay area and we approve the special contract, TECO expects that the Customer will sign the contract.

The proposed contract will only have a minimal impact on the general body of ratepayers in the energy conservation cost recovery clause to the extent the interruptible credit contained in the contract is higher than the Commission-approved credit. Credits for interruptible customers are recovered from the general body of ratepayers through the conservation factor. The Customer will pay the otherwise applicable cost recovery clauses, such as fuel, as approved by the Commission. TECO will file for a base rate proceeding in April 2013 in Docket No. 130040-EI, but the Customer is not included in the test year because the Customer's facilities are not expected to be operational in the test year. Between rate cases, the special contract will not affect base rates for the general body of ratepayers.

We have recognized that rate discounts can be appropriate for investor-owned electric utilities. The Commercial/Industrial Service Rider (CISR) tariff we approved for TECO⁵ and Gulf Power Company (Gulf)⁶ is designed to allow TECO and Gulf to attract or retain at-risk commercial/industrial customers by allowing the utility to negotiate a discount with the customer. More recently, we approved economic development tariffs for Florida Power & Light Company.⁷

We have reviewed TECO's calculations of the charges contained in the proposed contract and we find that they are cost supported as of the time the contract was negotiated. Essentially, this contract is designed to attract a large transmission-level customer that is unique to TECO's system. Attracting a large customer that will create jobs should provide economic benefits to

⁴ Order No. PSC-12-0611-FOF-EG, issued November 15, 2012, in Docket No. 120002-EG, In re: Energy Conservation Cost Recovery Clause.

⁵ Order No. PSC-98-1081-FOF-EI, issued August 10, 1998, in Docket No. 980706-EI, In re: Petition for approval of Commercial/Industrial Service Rider tariff by Tampa Electric Company.

⁶ Order No. PSC-96-1219-FOF-EI, issued September 24, 1996, in Docket No. 960789-EI, In re: Petition for authority to implement proposed commercial/industrial service rider on pilot/experimental basis by Gulf Power Company.

⁷ Order No. PSC-11-0342-TRF-EI, issued August 15, 2011, in Docket No. 110194-EI, In re: Petition by Florida Power & Light Company for approval of amendment to economic development rider rate schedule and new existing facility economic development rider rate schedule.

ORDER NO. PSC-13-0120-PAA-EI
DOCKET NO. 130037-EI
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TECO's service area and the state of Florida. For the reasons discussed above, we approve the special contract.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Petition for approval of special contract by Tampa Electric Company is approved. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 11th day of March, 2013.



HONG WANG
Chief Deputy Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

MCB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, 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 will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on April 1, 2013.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

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

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of special contract
by Tampa Electric Company.

DOCKET NO. 130037-EI
ORDER NO. PSC-13-0149-CO-EI
ISSUED: April 5, 2013

CONSUMMATING ORDER

BY THE COMMISSION:

By Order No. PSC-13-0120-PAA-EI, issued March 11, 2013, this Commission proposed to take certain action, subject to a Petition for Formal Proceeding as provided in Rule 25-22.029, Florida Administrative Code. No response has been filed to the order, in regard to the above mentioned docket. It is, therefore,

ORDERED by the Florida Public Service Commission that Order No. PSC-13-0120-PAA-EI has become effective and final. It is further

ORDERED that this docket shall be closed.

By ORDER of the Florida Public Service Commission this 5th day of April, 2013.



ANN COLE
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

MCB

Exhibit "B"

DOCUMENT CONTROL

01706 APR-5 2013

FPSC-COMMISSION CLERK

ORDER NO. PSC-13-0149-CO-EI
DOCKET NO. 130037-EI
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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any judicial review of Commission orders that is available pursuant to Section 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 judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk 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 after the issuance 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.