

AUSLEY & McMULLEN

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September 23, 2014

VIA: ELECTRONIC FILING

Ms. Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Petition of Tampa Electric Company for Approval
of Revised Facilities Rental Agreement

Dear Ms. Stauffer:

Attached for filing in the above-styled matter is Tampa Electric Company's Petition for Approval of Revised Facilities Rental Agreement.

Thank you for your assistance in connection with this matter.

Sincerely,



James D. Beasley

JDB/pp
Attachment

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Tampa Electric Company)
for Approval of Revised Facilities Rental)
Agreement)
_____)

DOCKET NO. _____
FILED: September 23, 2014

**TAMPA ELECTRIC COMPANY'S PETITION FOR APPROVAL OF
REVISED FACILITIES RENTAL AGREEMENT**

Tampa Electric Company ("Tampa Electric" or "the company"), pursuant to Sections 366.06, Florida Statutes, and Rule 28-106.201, Florida Administrative Code, petitions the Florida Public Service Commission ("the Commission") to approve revisions to its Facilities Rental Agreement. As grounds therefor, the company says:

1. The name, address, telephone number and facsimile number of the petitioner are:

Tampa Electric Company
Post Office Box 111
Tampa, FL 33601
(813) 228-4111
(813) 228-1770 (fax)

2. Tampa Electric is an investor-owned public utility subject to the jurisdiction of the Commission under Chapter 366, Florida Statutes.

3. All notices, pleadings and correspondence required to be served on the Petitioner should be directed to:

James D. Beasley
J. Jeffrey Wahlen
Ashley M. Daniels
Ausley & McMullen
Post Office Box 391
Tallahassee, FL 32302
(850) 224-9115
(850) 222-7960 (fax)

Paula Brown, Manager
Regulatory Coordination
Tampa Electric Company
Post Office Box 111
Tampa, FL 33602
(813) 228-1444
(813) 228-1770 (fax)

4. Tampa Electric currently offers rental of dedicated electric distribution equipment facilities (e.g., transformers, etc.) to customers through a Facilities Rental Agreement

("Agreement") pursuant to its Commission-approved Second Revised Tariff Sheet Nos. 7.760, First Revised Tariff Sheet No. 7.761, Second Revised Tariff Sheet No. 7.762, and Fourth Revised Tariff Sheet No. 7.763.

5. The company's current Agreement does not address equipment replacement resulting from equipment failure within the twenty-year term. The company is proposing to address this deficiency through a new provision under which the in-place value of the Facilities will be increased by the installed cost of the replacement Facilities and reduced by the in-place value of Facilities being removed. The proposed language is very similar to the language contained in Florida Power and Light's Commission approved Tariff Facilities Rental Service Agreement and Facilities Rental Agreement for Distribution Substation Equipment.

6. The current Agreement includes an early termination factor for each year of the twenty-year term ensuring full cost recovery of the Facilities. Tampa Electric is proposing to restart the twenty-year term of the Agreement with each change to the in-place value of the Facilities being rented whether that change is due to additional Facilities being installed or existing Facilities being modified or replaced. By restarting the term of the Agreement, the term and the termination factors will remain synchronous and will ensure full cost recovery of the new equipment in the event of early termination by the rental customer.

7. Under the current Agreement required Facilities maintenance is priced at cost and billed to the customer on an occurrence basis, separate from the monthly rental charge. Tampa Electric proposes to eliminate this maintenance provision and begin recovering the cost of such required maintenance/repairs through the monthly rental charge. The Monthly Rental Factor does not currently include maintenance/repair as part of its cost support; however, the company is not proposing to increase the Monthly Rental Factor at this time pursuant to the Stipulation and Settlement Agreement approved by the Commission in Docket No. 130040.

8. Under the current Agreement, when Tampa Electric replaces or modifies the Facilities at the company's option, no changes will be made to the in-place value of the Facilities. Tampa Electric is proposing language to exclude from this provision Facilities replacement made as a result of mechanical or electrical failure.

9. Tampa Electric is also proposing a few other non-substantive changes reflected in revised Tariff Sheet Nos. 7.760 and 7.763.

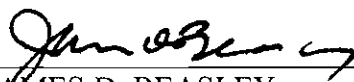
10. Attached hereto as Exhibit "A" is a listing of revised tariff sheets and a description of the proposed changes for each tariff sheet. The revised tariff sheets containing the proposed revisions to the Facilities Rental Agreement are attached hereto in both standard and legislative formats as Exhibits "B" and "C", respectively.

11. Tampa Electric is not aware of any disputed issues of material fact relative to the subject matter of this petition.

WHEREFORE, Tampa Electric respectfully requests that the Commission grant this Petition for Approval of its revised Facilities Rental Agreement as reflected in the revised tariff sheets contained in Exhibit "B".

DATED this 23rd day of September 2014.

Respectfully submitted,



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

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

EXHIBIT "A"

**TAMPA ELECTRIC COMPANY
FACILITIES RENTAL AGREEMENT
PROPOSED TARIFF REVISIONS**

Tariff Sheet Number	Proposed Changes/Comments
7.760	Replaced the term “maintenance” with repair to agree with the language added to section
7.761	<p>New language clarifies how the initial in-place value is determined for both new and existing facilities.</p> <p>As a result of the proposed language added under re-numbered Paragraph 5, certain language in Paragraph 4 is no longer valid and elimination is proposed.</p>
7.762	<p>New language clarifies that replacements due to mechanical or electrical failure are not covered under subparagraph “d”.</p> <p>New subparagraph “e” describes how replacement or failed equipment will affect the in-place value of the agreement.</p> <p>Current paragraph 5 addressing customer payments for maintenance is eliminated. Repairs are to be covered under the monthly rental payment and replacements with adjustments to the in-place value as indicated in new subsection “e”.</p> <p>Current paragraph 6 (renumbered as paragraph 5) explains that the term of the agreement contract will start over when new facilities are added or existing facilities are replaced so that the termination factors will always be in sync with the term.</p> <p>Paragraph numbering changed to reflect the elimination of former paragraph 5.</p>
7.763	<p>Paragraph numbering changed to reflect the elimination of former paragraph 5.</p> <p>Signature lines for “Attest” and “Title” were eliminated as they are not required.</p>

EXHIBIT "B"



FACILITIES RENTAL AGREEMENT

This Agreement is made this _____ day of _____, _____, by and between _____ (hereinafter called the "Customer"), located at _____ in _____, Florida, and Tampa Electric Company, a corporation organized and existing under the laws of the State of Florida (hereinafter called the "Company").

WITNESSETH:

WHEREAS, the Customer has requested to rent from the Company certain facilities consisting in summary of _____ (hereinafter collectively called the "Facilities") located at _____ for the purpose of _____ and

WHEREAS, the Company is willing to rent such Facilities upon the terms and conditions specified herein;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein set forth, the parties hereto set forth, the parties hereto covenant and agree as follows:

1. The Company will provide, install or otherwise make available, own, operate and repair the Facilities described in this Agreement.
2. As consideration for furnishing the Facilities, the Customer shall pay to the Company a monthly rental charge covering equipment and installation costs. The monthly rental charge shall be calculated by multiplying the in-place value of the Facilities, determined pursuant to Paragraphs 3 and 4 of this Agreement, by the applicable Monthly Rent Factor set forth in Tariff Sheet No. 7.765 (Appendix A), which is attached to and made a part of this Agreement, or any successor or substitute schedule which may become effective – upon its filing with and approval by the Florida Public Service Commission (hereinafter called the "Commission"). Based on the in-place value of the Facilities and the Monthly Rental Factor in effect at the initiation of this Agreement,

Continued to Sheet No. 7.761



Continued from Sheet No. 7.760

the monthly charge for the rental of Facilities is \$_____. This monthly rental charge may change from time to time upon modification of either or both the Monthly Rental Factor set forth on Tariff Sheet No. 7.765 (Appendix A), (or any successor or substitute schedule) or the in-place value of the Facilities in accordance with Paragraph 4.

3. The initial in-place value of the Facilities is_____. This initial in-place value of the Facilities is based upon the agreed installation cost of new Facilities or the replacement cost of the existing Facilities, as set forth on Tariff Sheet No. 7.770 (Appendix B), which is attached to and made part of this Agreement. Regardless of the initial in-place value of the Facilities shown on Appendix B; the in-place value of the Facilities may change consistent with the terms and conditions of Paragraph 4.
4. Changes in the in-place value of Facilities shall alter the monthly rental charges calculated pursuant to and shown in Paragraph 2 and shall be recognized in the calculation of the Termination Fee specified in Paragraph 5. Changes in the in-place value of the Facilities shall be made as follows:
 - a. When mutually agreed, additional Facilities (hereinafter called "Additional Facilities") may be installed and the in-place value set forth in Paragraph 3 shall be increased by the installed cost of the Additional Facilities.
 - b. When mutually agreed, a portion of the Facilities or Additional Facilities may be removed and the in-place value set forth in Paragraph 3 shall be adjusted to reflect such removal. The Company may require a contribution by the customer to compensate for the undepreciated portion of the Facilities or Additional Facilities to be removed, less salvage, plus removal costs.
 - c. When requested by the Customer, and when mutually agreed, the Facilities or Additional Facilities may be modified by the Company. The in-place value set forth in Paragraph 3 will be adjusted in accordance with the procedures stated in 4a and 4b above.

Continued to Sheet No. 7.762



Continued from Sheet No. 7.761

- d. When the Facilities or Additional Facilities are replaced or modified at the Company's option unrelated to mechanical or electrical failure, no change in the in-place value will be made.
 - e. When the Facilities are replaced (in whole or in part) due to mechanical and/or electrical failure, the in-place value in Paragraph 3 will be increased by the installed cost of the replacement facilities (hereinafter called Replacement Facilities) and reduced by the previously established in-place value of the Facilities being replaced.
5. The term of this Agreement shall be 20 years from the later of the in-service date of the Facilities, the in-service date of the latest Additional Facilities or the in-service date of the latest Replacement Facilities; however, either the Company or the Customer may terminate this Agreement upon 90 days advance written notice. If the Customer ceases to receive its electrical energy requirements from the Company or chooses to terminate this Agreement for any other reason, it shall be responsible for, and shall pay to the Company a Termination Fee calculated in accordance with Tariff Sheet No. 7.765, set forth as Appendix A, as currently approved or as may be modified from time to time by the Commission.
 6. On the Termination of this Agreement, or in the event that the Customer fails to make rental payments in a timely fashion, then and in each of those events, at the option of the Company, the Facilities may be removed by the Company and removal costs may be charged.
 7. This Agreement may be assigned only with the prior written consent of the Company.
 8. The Company is hereby granted an easement over the premises upon which the equipment is to be installed for ingress and egress and for installation, inspection, maintenance, and removal of the Company's equipment. In no event shall the Customer, or anyone acting under the authority of the Customer, place upon or attach to any of the Company's equipment any sign or device of any nature whatsoever, or place, install or permit to exist, anything, including trees or shrubbery, in such close proximity to the Company's equipment as to interfere with such equipment or tend to create a dangerous condition. The Company is hereby granted the right to forthwith remove anything placed, installed or existing in violation of this paragraph.

Continued to Sheet No. 7.763



Continued from Sheet No. 7.762

- 9. This Agreement supersedes all previous agreements or representations, either written or oral, heretofore in effect between the Company and the Customer, made in respect to matters herein contained and, when duly executed, this Agreement constitutes the entire Agreement between the parties hereto.

- 10. Except for those claims, losses and damages arising out of Company's sole negligence, the Customer agrees to defend, at its own expense, and indemnify the Company for any and all claims, losses and damages, including attorney's fees and costs, which arise or are alleged to have arisen out of operation of or damage to the Facilities. For purposes of this paragraph, "Company" shall be defined as Tampa Electric Company, its parent, TECO Energy, Inc., and all subsidiaries and affiliates thereof, and each of their respective officers, directors, affiliates, insurers, representatives, agents, employees, contractors, or parent, sister, or successor corporations.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed the day and year first above written.

Witnesses for the Customer:

Customer

By _____
Title _____

Witnesses for the Company:

Tampa Electric Company

By _____
Title _____

EXHIBIT "C"



FACILITIES RENTAL AGREEMENT

This Agreement is made this _____ day of _____, _____, by and between _____ (hereinafter called the "Customer"), located at _____ in _____, Florida, and Tampa Electric Company, a corporation organized and existing under the laws of the State of Florida (hereinafter called the "Company").

WITNESSETH:

WHEREAS, the Customer has requested to rent from the Company certain facilities consisting in summary of _____ (hereinafter collectively called the "Facilities") located at _____ for the purpose of _____ and

WHEREAS, the Company is willing to rent such Facilities upon the terms and conditions specified herein;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein set forth, the parties hereto set forth, the parties hereto covenant and agree as follows:

1. The Company will provide, install or otherwise make available, own, operate and ~~maintain-repair~~ the Facilities described in this Agreement.
2. As consideration for furnishing the Facilities, the Customer shall pay to the Company a monthly rental charge covering equipment and installation costs. The monthly rental charge shall be calculated by multiplying the in-place value of the Facilities, determined pursuant to Paragraphs 3 and 4 of this Agreement, by the applicable Monthly Rent Factor set forth in Tariff Sheet No. 7.765 (Appendix A), which is attached to and made a part of this Agreement, or any successor or substitute schedule which may become effective ~~by --~~ upon its filing with ~~or otherwise approved and approval~~ by the Florida Public Service Commission (hereinafter ~~called~~ the "Commission"). Based on the in-place value of the Facilities and the Monthly Rental Factor in effect at the initiation of this Agreement,

Continued to Sheet No. 7.761



Continued from Sheet No. 7.760

the monthly charge for the rental of Facilities is \$_____. This monthly rental charge may change from time to time upon modification of either or both the Monthly Rental Factor set forth on Tariff Sheet No. 7.765 (Appendix A), (or any successor or substitute schedule) or the in-place value of the Facilities in accordance with Paragraph 4.

3. The initial in-place value of the Facilities is_____. This initial in-place value of the Facilities is based upon the agreed installation cost of new Facilities or the replacement cost of the ~~existing~~ Facilities, as set forth on Tariff Sheet No. 7.770 (Appendix B), which is attached to and made part of this Agreement. Regardless of the initial in-place value of the Facilities shown on Appendix B; the in-place value of the Facilities may change consistent with the terms and conditions of Paragraph 4.
4. Changes in the in-place value of Facilities shall alter the monthly rental charges calculated pursuant to and shown in Paragraph 2 and shall be recognized in the calculation of the Termination Fee specified in Paragraph 5; ~~however, changes in the in-place value of the Facilities shall not otherwise alter the terms of this Agreement.~~ Changes in the in-place value of the Facilities shall be made as follows:
 - a. When mutually agreed, additional Facilities (hereinafter called "Additional Facilities") may be installed and the in-place value set forth in Paragraph 3 shall be increased by the installed cost of the Additional Facilities.
 - b. When mutually agreed, a portion of the Facilities or Additional Facilities may be removed and the in-place value set forth in Paragraph 3 shall be adjusted to reflect such removal. The Company may require a contribution by the customer to compensate for the undepreciated portion of the Facilities or Additional Facilities to be removed, less salvage, plus removal costs.
 - c. When requested by the Customer, and when mutually agreed, the Facilities or Additional Facilities may be modified by the Company. The in-place value set forth in Paragraph 3 will be adjusted in accordance with the procedures stated in 4a and 4b above.

Continued to Sheet No. 7.762



Continued from Sheet No. 7.761

- d. When the Facilities or Additional Facilities are replaced or modified at the Company's option unrelated to mechanical or electrical failure, no change in the in-place value will be made.
- e. When the Facilities are replaced (in whole or in part) due to mechanical and/or electrical failure, the in-place value in Paragraph 3 will be increased by the installed cost of the replacement facilities (hereinafter called Replacement Facilities) and reduced by the previously established in-place value of the Facilities being replaced.
- ~~5.~~ ~~As consideration for maintaining the facilities, the Customer shall reimburse the Company for the cost of required maintenance performed by Tampa Electric or a company-approved contractor. Maintenance shall be priced at cost and billed to the Customer as incurred, separate from the monthly rental charge.~~
65. The term of this Agreement shall be 20 years from the later of the in-service date of the Facilities, the in-service date of the latest Additional Facilities or the in-service date of the latest Replacement Facilities; however, either the Company or the Customer may terminate this Agreement upon 90 days advance written notice. If the Customer ceases to receive its electrical energy requirements from the Company or chooses to terminate this Agreement for any other reason, it shall be responsible for, and shall pay to the Company a Termination Fee calculated in accordance with Tariff Sheet No. 7.765, set forth as Appendix A, as currently approved or as may be modified from time to time by the Commission.
76. On the Termination of this Agreement, or in the event that the Customer fails to make rental payments in a timely fashion, then and in each of those events, at the option of the Company, the Facilities may be removed by the Company and removal costs may be charged.
87. This Agreement may be assigned only with the prior written consent of the Company.
98. The Company is hereby granted an easement over the premises upon which the equipment is to be installed for ingress and egress and for installation, inspection, maintenance, and removal of the Company's equipment. In no event shall the Customer, or anyone acting under the authority of the Customer, place upon or attach to any of the Company's equipment any sign or device of any nature whatsoever, or place, install or permit to exist, anything, including trees or shrubbery, in such close proximity to the Company's equipment as to interfere



TAMPA ELECTRIC

~~SECOND-THIRD~~ REVISED SHEET NO. 7.762
CANCELS ~~FIRST-SECOND~~ REVISED SHEET NO. 7.762

with such equipment or tend to create a dangerous condition. The Company is hereby granted the right to forthwith remove anything placed, installed or existing in violation of this paragraph.

Continued to Sheet No. 7.763

ISSUED BY: ~~J. B. Ramil~~ G. L. Gillette,
President

DATE EFFECTIVE: ~~January 7, 2003~~



Continued from Sheet No. 7.762

~~409.~~ This Agreement supersedes all previous agreements or representations, either written or oral, heretofore in effect between the Company and the Customer, made in respect to matters herein contained and, when duly executed, this Agreement constitutes the entire Agreement between the parties hereto.

~~410.~~ Except for those claims, losses and damages arising out of Company's sole negligence, the Customer agrees to defend, at its own expense, and indemnify the Company for any and all claims, losses and damages, including attorney's fees and costs, which arise or are alleged to have arisen out of operation of or damage to the Facilities. For purposes of this paragraph, "Company" shall be defined as Tampa Electric Company, its parent, TECO Energy, Inc., and all subsidiaries and affiliates thereof, and each of their respective officers, directors, affiliates, insurers, representatives, agents, employees, contractors, or parent, sister, or successor corporations.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed the day and year first above written.

Witnesses for the Customer:

Customer

By _____

Title _____

~~Attest~~ _____

~~Title~~ _____

Witnesses for the Company:

Tampa Electric Company

By _____

Title _____