

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 6, 2005

TO: Director, Division of the Commission Clerk & Administrative Services (Bayó)

FROM: Office of the General Counsel (Rodan)
Division of Economic Regulation (Breman)

RE: Docket No. 041408-EU – Joint petition of Tampa Electric Company and Withlacoochee River Electric Cooperative, Inc. for expedited interim approval of customer transfers pending consideration of joint application for permanent relocation of territorial boundaries.

AGENDA: 01/18/05 – Regular Agenda – Interested Persons May Participate

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\GCL\WP\041408.RCM.DOC

Case Background

On December 17, 2004, Tampa Electric Company (TECO) and Withlacoochee River Electric Cooperative, Inc. (WREC) filed a joint petition for expedited interim approval of customer transfers pending Commission consideration of a joint application for permanent relocation of territorial boundaries (joint petition). The joint petition requests that TECO be permitted to provide interim electric service to those portions of the Belle Chase subdivision located in WREC's territory so that service can be provided to all of the Belle Chase lots in January, 2005. TECO and WREC intend to file a joint application for a comprehensive amendment to their existing territorial agreement as a subsequent filing.

The Belle Chase subdivision is currently under construction and is located in southern Pasco County on County Line Road. When completed, the subdivision will consist of 84 lots. Approximately 50 of the 84 lots contemplated in the development are located in WREC's service territory.

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The Commission has jurisdiction pursuant to Sections 366.04 and 366.05, Florida Statutes.

Discussion of Issues

Issue 1: Should the Commission approve the joint petition of Tampa Electric Company and Withlacoochee River Electric Cooperative, Inc. for interim electric service pending consideration of a subsequently filed joint application for modification of territorial boundaries?

Recommendation: Yes. Staff recommends that the joint petition be approved. No uneconomic duplication of facilities is expected because TECO has neared completion of electric facilities in the proposed Belle Chase subdivision that would be adequate to provide service to the entire subdivision. WREC presently has no comparable electric facilities in place. Service by TECO is necessary to accommodate the developer's need to move forward quickly to make lots available to builders for construction. (Rodan, Breman)

Staff Analysis: The existing Service Territory Agreement was approved by Order No. 23905, issued December 20, 1990, in Docket No. 900752-EU, In re: Amendment to Tampa Electric Company/Withlacoochee River Electric Cooperative, Inc. Territorial Agreement. Section 2.2 of the Service Territory Agreement, provides that:

TECO and WREC recognize that in exceptional circumstances, economic constraints on either utility or good engineering practices may on occasion indicate that a Customer's end use temporarily cannot be served by the utility in whose service territory they are located. In such instances, upon written request by the utility in whose territory the end use facility is located, to the other utility, the other utility may tentatively agree in writing to provide service to such Customer's end use. Such agreements shall be submitted to the Florida Public Service Commission for approval in accordance with Article IV, Section 4.1 hereof.

In order to comply with this provision of the Service Territory Agreement, TECO and WREC request Commission approval of interim electric service pending consideration of a subsequently filed joint application for modification of territorial boundaries. Staff recommends that the joint petition be approved. No uneconomic duplication of facilities is expected because TECO has neared completion of electric facilities in the proposed Belle Chase subdivision that would be adequate to provide service to the entire subdivision. WREC presently has no comparable electric facilities in place. Service by TECO is necessary to accommodate the developer's need to move forward quickly to make lots available to builders for construction. According to the joint petition, TECO and WREC intend to file a joint application for modification of territorial boundaries in January, 2005. Staff expects to bring a recommendation to the Commission for final action after the joint application for modification is filed. The order resulting from staff's recommendation on the final territorial boundary will be issued as Proposed Agency Action affording a point of entry for substantially affected persons.

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Issue 2: Should this docket be closed?

Recommendation: No. This docket should remain open for consideration of the joint application for modification of territorial boundaries that will subsequently be submitted for Commission approval. (Rodan)

Staff Analysis: This docket should remain open for consideration of the joint application for modification of territorial boundaries that will subsequently be submitted for Commission approval.