

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)

**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

---

#### 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.

### **Discussion of Issues**

**Issue 1:** Should the Commission suspend TECO's proposed Performance Guaranty Agreements?

**Recommendation:** Yes. (Draper)

**Staff Analysis:** TECO proposes to require a Performance Guaranty Agreement (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 monetary guaranty for performance. If the revenues materialize as projected, TECO will refund or cancel the guaranty.

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 requires additional time to review the petition to present the Commission with an informed recommendation on the tariff proposal. Therefore, staff recommends that the tariff be suspended. Staff believes that this constitutes good cause pursuant to 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.