

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for approval of ) DOCKET NO. 940094-EQ  
standard offer contract for ) ORDER NO. PSC-94-1008-FOF-EQ  
cogenerators and small power ) ISSUED: August 22, 1994  
producers by TAMPA ELECTRIC )  
COMPANY )  
\_\_\_\_\_ )

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman  
SUSAN F. CLARK  
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION  
ORDER GRANTING PETITION TO WITHDRAW PROPOSED  
STANDARD OFFER 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 formal proceeding pursuant to Rule 25-22.029, Florida Administrative Code.

On December 20, 1993, Tampa Electric Company (TECO) filed a Petition to close the then effective standard offer contract, which was based on a 1999 combustion turbine as the avoided unit. TECO stated that it had reassessed it's need for additional generating capacity and had determined that its standard offer contract based upon a 1999 avoided unit was no longer a prudent cost-effective alternative. TECO went on to say that it would file an additional petition seeking approval of TECO's new standard offer which would be supported by TECO's most current generation expansion plan. On January 26, 1994 TECO filed this petition to open a new standard offer based on a 2001 CT as the avoided unit.

On June 9, 1994, TECO filed a Withdrawal of Petition For Approval of Standard Offer Contract For Cogenerators and Small Power Producers. TECO stated "that it is too early to designate a 2001 CT as the company's Avoided Unit for establishing a standard offer contract. The company believes that it may not be in its Customers' best interest to commit to purchase combustion turbine

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peaking capacity, some seven years in advance of the unit's planned in-service date."

After reviewing the response to Interrogatories and Data Requests propounded in this docket, we agree with TECO's contention that it may not be in the ratepayers best interest to commit to purchase combustion turbine peaking capacity seven years or more in advance of the unit's planned in-service date.

Rule 25-17.0832(3)(e)(4) spells out when a standard contract offer expires. The Rule states that this "date shall be at least four years before the anticipated in-service date of the avoided unit or units unless the avoided unit could be constructed in less than four years". Since the avoided unit in question is a Combustion Turbine (CT) and, since CT's normally only take two years to build it would be premature to commit to a unit at this time.

The Commission made a similar determination in Docket 910759-EI where Florida Power Corporation (FPC) requested permission to build four combined cycle plants at its Polk County site. In that case FPC had filed for four combined cycle units, two of which were to be built in the 1999-2000 time frame. The two earlier vintage units were approved and the 1999-2000 combined cycle units, to be built 7 1/2 years after the filing, were denied. At page 35, second paragraph, of Order Number 25550 issued in that docket Commissioner Easley stated

At this time, however, I cannot find with certainty that Florida Power's load forecast supports the conclusion that Florida Power's last two proposed units are needed to provide adequate electricity to Florida Power's customers, because the need is identified in the long term, far in the future. Too much uncertainty remains with respect to Florida Power's planned resources in 1999-2000 time frame.

For these reasons, we find that Tampa Electric Company's Petition to Withdraw it's Petition for approval of standard offer contract for cogenerators and small power producers should be granted.

It is therefore,

ORDERED that Tampa Electric Company's Petition to withdraw it's petition for approval of standard offer contract for cogenerators and small power producers is granted. It is further

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ORDERED that this docket shall be closed if no person whose substantial interests are affected timely files a protest to this proposed agency action.

By ORDER of the Florida Public Service Commission, this 22nd day of August, 1994.

BLANCA S. BAYÓ, Director  
Division of Records and Reporting

by: Kay Flynn  
Chief, Bureau of Records

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 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 an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street,

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Tallahassee, Florida 32399-0870, by the close of business on September 12, 1994.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

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

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting 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 of the effective date 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.