



Public Service Commission

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PSC
JOJ RNT

DATE: APRIL 19, 2001

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF SAFETY AND ELECTRIC RELIABILITY (HARLOW)
DIVISION OF ECONOMIC REGULATION (WHEELER) DPW
DIVISION OF LEGAL SERVICES (STERN) AKS RVE

RE: DOCKET NO. 010308-EI - PETITION FOR APPROVAL TO CLOSE STANDARD OFFER CONTRACT FOR PURCHASE OF FIRM CAPACITY AND ENERGY FROM SMALL QUALIFYING FACILITY OR MUNICIPAL SOLID WASTE FACILITY BY TAMPA ELECTRIC COMPANY.

AGENDA: 05/01/01 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\SER\WP\010308.RCM

CASE BACKGROUND

On September 27, 2000, the Commission issued Order No. PSC-00-1773-PAA-EQ, in Docket No. 000684-EQ, approving Tampa Electric Company's (TECO) petition to establish a new Standard Offer Contract for eligible qualifying facilities, and the associated tariff. TECO's approved Standard Offer Contract was based on a 180 megawatt (MW) combustion turbine (CT) unit with an in-service date of May 1, 2003.

Pursuant to the Standard Offer Contract, a three-week open season period was held that expired on November 27, 2000, followed by an additional and final three-week open season that expired on

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February 16, 2001. The two open season periods expired with no offers presented to TECO by qualifying facilities.

On March 9, 2001, TECO filed a petition to close the existing Standard Offer Contract for qualifying facilities. TECO filed a petition for approval of a new Standard Offer Contract on March 19, 2001, in Docket No. 010344-EI.

DISCUSSION OF ISSUES

ISSUE 1: Should TECO's petition to close its current Standard Offer Contract, based upon a combustion turbine unit with an in-service date of May 1, 2003, be approved?

RECOMMENDATION: Yes. The open season period for TECO's Standard Offer Contract expired on February 16, 2001, with no offerings presented to TECO.

STAFF ANALYSIS: On September 5, 2000, in Docket No. 000684-EQ, the Commission voted to approve TECO's current Standard Offer Contract. The Commission's Order stated that TECO's Standard Offer Contract and the associated tariff complied with Rule 25-17.0832(4)(a), Florida Administrative Code. Pursuant to this rule, each investor-owned electric utility must file a tariff and a Standard Offer Contract with the Commission.

TECO's Standard Offer Contract is based on a 180 MW combustion turbine (CT) with an in-service date of May 1, 2003. CT units normally require about 18 months to construct. Therefore, TECO will need to commence construction by November 1, 2001.

As required by the Contract, TECO held two open season periods for accepting Standard Offer Contracts, that expired on November 27, 2000, and February 16, 2001. According to TECO, no offerings were presented within the open season periods.

The tariff requires TECO to petition the Commission to close its Standard Offer Contract after the open season periods have expired. TECO has requested that the Standard Offer Contract be closed. Staff believes that the requirements of TECO's Standard Offer Contract have been fulfilled and agrees that the existing Standard Offer Contract should be closed.

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, if no protest is filed within 21 days of the issuance of the order.

STAFF ANALYSIS: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order.