

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Investigation into the) DOCKET NO. 940663-EI
Earnings of Tampa Electric) ORDER NO. PSC-94-0872-FOF-EI
Company) ISSUED: July 18, 1994
_____)

The following Commissioners participated in the disposition of this matter:

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

NOTICE OF PROPOSED AGENCY ACTION

ORDER ON 1994 EARNINGS OF TAMPA ELECTRIC COMPANY

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 a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On June 23, 1994, Tampa Electric Company (TECO) filed a formal proposal to cap its 1994 earnings at a 12.45% return on equity (ROE) for 1994 only, and to apply any 1994 overearnings to increase its storm damage accrual. The proposed 12.45% ROE cap is above the top of TECO's currently authorized ROE range of 12.35% approved in Order No. PSC-94-0337-FOF-EI, effective February 3, 1994; but it represents the 13 month average maximum authorized ROE for 1994.

We are reviewing TECO's storm damage reserve in Docket No. 930987-EI. By Order No. PSC-93-0337-FOF-EI, we have directed TECO to determine a target storm damage reserve. We believe it is appropriate for TECO to apply any 1994 overearnings to increase the expense accrual to its storm damage reserve, but only to the extent that it does not exceed the target storm damage reserve amount. In the event the target storm damage reserve is met, TECO shall make a one-time refund to its customers in an amount necessary to limit its 1994 ROE to 12.45%.

We believe that TECO's proposal, with the modification described above, is reasonable, and we approve it. The calculations of ROE will be based on the "FPSC Adjusted Basis" in the December

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1994 Earnings Surveillance Report and shall be subject to audit by the Commission. All reasonable and prudent revenues, expenses and investment will be allowed in the calculation and no annualizing or pro forma adjustments will be made.

It is therefore,

ORDERED that Tampa Electric Company's modified proposal to cap its earnings at a 12.45% return on equity for 1994 only and to apply any 1994 overearnings to increase the storm damage accrual up to its target level, with any excess over that amount to be returned to its customers as a one-time refund, is approved. It is further

ORDERED that this docket shall be closed if no substantially affected person timely files a protest to the Commission's proposed agency action.

By ORDER of the Florida Public Service Commission, this 18th day of July, 1994.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)
MCB

by: Kay Ferguson
Chief, Bureau of Records

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

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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, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on August 8, 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.