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June 24, 2010

LARRY CRETUL
Speaker of the
House of Representatives



Ann Cole, Director
Division of the Commission Clerk &
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No.: 090368-EI

Dear Ms. Cole:

Enclosed for filing on behalf of the Office of Public Counsel is the original and fifteen (15) copies of Exhibit PWM-2 which was inadvertently omitted from the Direct Testimony of Patricia Merchant filed June 21, 2010. Please include the attached Exhibit PWM-2 as if filed with the original testimony. We apologize for any inconvenience this may have caused.

Please indicate the time and date of receipt on the enclosed duplicate of this letter and return it to our office.

Respectfully submitted,

J.R. KELLY
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Attorney for the Citizens
of the State of Florida

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cc: Parties of Record

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SCHEDULE 1

TAMPA ELECTRIC COMPANY
DOCKET NO. 090368-EI
CALCULATION OF JANUARY 1, 2010 STEP INCREASE
ADJUSTED FOR REVISED ESTIMATES FOR TOTAL PROJECTED COSTS OF CTs

Step Increase Base Rate Increase

	<u>APPROVED^o</u>	<u>ADJUSTMENT</u>	<u>REVISED</u>
Big Bend Rail Facility	7,138,274	0 ¹	7,138,274
May 2009 CTs	8,030,533	(496,796)	7,533,737
September 2009 CTs	18,908,273	(7,838,075)	11,070,198
Total Step Increase	34,077,080	(8,334,871)	25,742,209

MAY 2009 CTs (2 Units)

Line No.		Jurisdictional	Jurisdictional	Jurisdictional
		Approved Total	Revised Total	
		Revenue Requirement ²	Revenue Requirement ²	
1	Net Plant in Service	94,758,291	92,068,272	(2,690,019)
2	Rate Of Return*	8.29%	8.29%	8.29%
3	Required Return (2x3)	7,855,462	7,632,460	(223,003)
4	O&M Expenses	636,000	636,000	0
5	Depreciation	4,173,000	4,055,020	(117,980)
6	Taxes Other Than Income	2,226,000	2,159,621	(66,379)
7	Income Taxes (4+5+6)x-.38575	(2,713,751)	(2,642,635)	71,116
8	Income Tax Effect of Interest* [(1) x 3.12% x -.38575]	(1,140,469)	(1,108,093)	32,376
9	Total NOI Requirement (3+4+5+6+7+8)	11,036,242	10,732,373	(303,869)
10	NOI Multiplier*	1.6349	1.6349	1.6349
11	Revenue Requirement (9x10)	18,043,153	17,546,357	(496,796)

SEPTEMBER 2009 CTs (3 Units)

Line No.		Jurisdictional	Jurisdictional	Jurisdictional
		Approved Total	Revised Total	
		Revenue Requirement ²	Revenue Requirement ²	
1	Net Plant in Service	137,373,373	96,110,153	(41,263,220)
2	Rate Of Return*	8.29%	8.29%	8.29%
3	Required Return (2x3)	11,388,253	7,967,532	(3,420,721)
4	O&M Expenses	987,000	987,000	0
5	Depreciation	6,051,000	4,142,195	(1,908,805)
6	Taxes Other Than Income	3,348,000	2,212,234	(1,135,766)
7	Income Taxes (4+5+6)x-.38575	(4,006,400)	(2,831,956)	1,174,443
8	Income Tax Effect of Interest* [(1) x 3.12% x -.38575]	(1,653,365)	(1,156,739)	496,626
9	Total NOI Requirement (3+4+5+6+7+8)	16,114,488	11,320,265	(4,794,223)
10	NOI Multiplier*	1.6349	1.6349	1.6349
11	Revenue Requirement (9x10)	26,345,577	18,507,502	(7,838,075)

	<u>Amount</u>	<u>Ratio</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
Common Equity	1,632,611,907	53.96%	N/A	N/A
Long Term Debt	1,384,998,776	45.78%	6.80%	3.11%
Short Term Debt	7,904,810	0.26%	2.75%	0.01%
Total	3,025,515,493	100.00%		3.12%

NOTES:

- ^o Per Reconsideration Order - Order No. PSC-09-0571-FOF-EI in Docket No. 080317-EI
- ¹ The actual and projected total costs exceed the cap. Therefore, no adjustment is required.
- ² Approved Total Revenue Requirement is based on the combined total annualized costs included in both base rates and the step increase for the CTs. (Order No. PSC-09-0283-FOF-EI and Order No. PSC-09-0571-FOF-EI in Docket No. 080317-EI)
- ³ Revised Total Revenue Requirement is based on the revised "Total Projected Costs per Company" included in Audit Finding No. 4 in staff's audit (Audit Control No. 09-197-2-1)