BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into the earnings and authorized return on equity of Gulf Power Company.	DOCKET NO. 990250-EI
In re: Petition by Gulf Power Company for approval of proposed plan for an incentive revenue-sharing mechanism that addresses certain regulatory issues including a reduction to the company's authorized return on equity.	DOCKET NO. 990244-EI ORDER NO. PSC-99-1047-PAA-EI ISSUED: May 24, 1999

The following Commissioners participated in the disposition of this matter:

JOE GARCIA, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JULIA L. JOHNSON
E. LEON JACOBS, JR.

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING REGULATORY INCENTIVE PLAN AND DENYING GULF POWER COMPANY'S REVISED REVENUE SHARING PROPOSAL

AND

ORDER INITIATING REVIEW OF CONTRACT SERVICE AGREEMENTS

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.

I. CASE BACKGROUND

The Florida Public Service Commission staff met with Gulf Power Company (Gulf, or the Company) and the Office of Public Counsel (OPC) in December 1998 and January 1999, to discuss the Company's authorized return on equity (ROE) and the treatment of certain regulatory assets. The Commission, the Company, and OPC also had conference calls in January and February 1999. The meetings were initiated after our decision at the December 1, 1998,

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Agenda Conference, to accept Florida Power & Light Company's proposal to reduce its authorized ROE.

On March 2, 1999, Gulf filed a Petition for approval of an incentive revenue sharing mechanism. Commission staff also presented a proposal. At the March 16, 1999 Agenda Conference, we directed our staff, the Company and any other interested persons to continue to try to resolve the issues in this docket through negotiation. Also, the Company agreed to record an additional accrual of $3.0 million annually to its Property Insurance Reserve, effective January 1, 1999, to avoid the need to place revenue subject to refund. Commission staff, the Company and the interested persons met several times but did not reach an agreement.

Section II details our decision concerning the Company's revised proposal. In Section III, we approve, as proposed agency action, a regulatory incentive plan for Gulf. At the May 18, 1999, agenda conference, we clarified our decision to reflect that increasing the Property Insurance Reserve to a target level of $25 million is the first priority, and the write off of the balance of the loss on reacquired debt is the second priority. In Section IV of this order, we initiate a review of Gulf's Contract Service Agreements, consistent with our decision in Order No. PSC-96-1219-FOF-EI, issued September 24, 1996, in Docket No. 960789-EI.

II. Gulf Power Company's Revised Proposal for Incentive Revenue Sharing Mechanism that Addresses Certain Regulatory Issues Including a Reduction to the Company's Authorized Return on Equity

On March 2, 1999, Gulf filed a petition to implement a sharing plan and to address certain regulatory assets and its authorized ROE. On April 7, 1999, the Company filed a revised proposal. The revised proposal targets Gulf's earnings at a 12.2% ROE through the write down of a regulatory asset, the recording of an additional accrual to its Property Insurance Reserve, and a customer credit of $3.7 million. We believe that the Company's revised proposal does not adequately address its earnings, regulatory assets or authorized ROE. Our discussion is limited to the points of the revised proposal with which we disagree.

The Company proposes to reduce its authorized ROE from 12.0% to 11.6% and then to share any earnings in excess of 12.6% on a

40%, 20%, 40% basis. 40% is to be retained by the Company. 20% is to be applied to the write off of certain regulatory assets and to the Property Insurance Reserve. 40% is to be refunded to customers through a credit. The Company reported achieved earnings of 12.99% ROE on its December 1998 Earnings Surveillance Report (ESR) and is projecting a 12.85% ROE for 1999. Both of these earnings amounts include a discretionary $3 million accrual to the Property Insurance Reserve. Without these discretionary accruals, Gulf would be earning in excess of its currently authorized ROE ceiling.

The plan proposes a new authorized ROE of 11.6% with a range of 10.6% to 12.6%. We believe that 11.6% for Gulf might be inappropriate, given current capital market conditions. In its original proposal, Gulf stated that it believes its ROE should be reviewed in light of its reliability and quality of service, its competitive rates, and its equity ratio.

Currently, Gulf has the lowest residential rates among the four largest investor-owned electric utilities in Florida. We believe this is caused by differences in cost conditions for Gulf and the other electric utilities, and efficiency could be part of these cost conditions.

Gulf's equity ratio is also significantly lower than that of Tampa Electric Company and Florida Power & Light Company. Presented below are Gulf's equity ratios for the past 6 years.

Gulf Power Company's Equity Ratios, 1993-1998

Date	Sep. 30, 1998	1997	1996	1995	1994	1993
Percent	49.3	46.8	47.2	45.4	45.3	44.9

Source: Standard & Poor's Financial Statistics, September 30, 1998; Standard and Poor's Utility Credit Report, Gulf Power Company, June 1997

Gulf's equity ratio has ranged from 44.9% to 49.3%. This equity ratio is within the range of equity ratios for electric utilities with A+ bond ratings. A low equity ratio may need to be compensated with a higher ROE.

Point 6 of Gulf's proposal requests that the Commission cease removing non-utility investment solely from common equity in reconciling the capital structure and rate base. The Proposal would have Gulf's merchandising operations and other non-utility

investment removed from the capital structure either on a pro rata basis (instead of totally from equity) or based on a proxy capital structure of companies engaged in the financing of merchandise sales, whichever capital structure has the greater equity ratio.

Gulf's non-utility investment consists primarily of receivables arising from the sale of appliances to customers. Inventory is also part of this investment. This adjustment, from specific removal of non-utility investment from equity to pro rata removal, affects earnings by approximately 20 basis points. The annual revenue effect is approximately $1.2 million.

The current practice of removing non-utility investment from equity for surveillance purposes was approved in Order No. 23573 issued October 3, 1990 in Gulf's last rate case. In this Order, the Commission stated:

> Next, we believe all non-utility investment should be removed directly from equity when reconciling the capital structure to rate base unless the utility can show, through competent evidence, that to do otherwise would result in a more equitable determination of the cost of capital for regulatory purposes. In the case of Gulf, we believe that the non-utility investments should be removed from equity. This will recognize that non-utility investments will almost certainly increase a utility's cost of capital since there are very few investments that a utility can make that are of equal or lower risk. Removing non-utility investments directly from equity recognizes their higher risks, prevents cost of capital cross subsidies, and sends a clear signal to utilities that ratepayers will not subsidize non-utility related costs.

The adjustment to remove non-utility investments from equity has been made in several cases. In the matter of GTE Florida, Inc. in Docket No. 920188-TL, the Commission's decision to remove non-utility investments from equity was approved in Order No. PSC-93-0108-FOF-TL issued January 21, 1993, affirmed on reconsideration in Order No. PSC-93-0818-FOF-TL issued May 27, 1993, and upheld on appeal to the Florida Supreme Court.

We believe that we should continue our practice of removing non-utility investment from common equity. We do not agree with

the methodology of using a proxy capital structure, as proposed by Gulf. This proposed method would provide Gulf with an incentive to finance riskier investments through the utility's capital structure. For these reasons, we reject this aspect of Gulf's proposal.

Point 7 of Gulf's proposal addresses the sharing point and sharing percentages, along with the disposition of any amounts to be shared. The Company proposes that it start sharing at 12.6% ROE and be allowed to retain 40% of earnings above the 12.6% ROE. We do not agree with the Company's proposal.

The primary differences between the Company's proposal and the regulatory incentive plan approved in Section III of this order are:

1) the ROE at which earnings are targeted,

2) the ROE at which sharing begins,

3) the sharing percentages,

4) a productivity factor for 2000 and 2001, and

5) changing the treatment of non-utility investments from the last rate case.

Approving Gulf's revised proposal would begin the incentive sharing plan at a level of earnings which we believe is above the level indicated by current market conditions.

For these reasons, we find that Gulf's revised proposal should not be approved.

III. The Approved Regulatory Incentive Plan

After considering the Company's revised plan, and the proposals offered by staff and the Florida Industrial Power Users Group, we approve a regulatory incentive plan for Gulf for the years 1999, 2000, and 2001. This plan is included in this order as Attachment A and is incorporated by reference herein. This Commission implemented a sharing of earnings plan for BellSouth in Docket No. 880069-TL, by Order No. 20162, issued October 13, 1988.

The sharing of earnings concept was applied to BellSouth from 1988 through 1997. We believe that the concept worked well for the ten-year period, providing significant benefits through rate reductions and refunds to the customers and allowing BellSouth the opportunity to earn higher rates of return.

In Order No. 20162, this Commission found that:

> Traditional utility regulation has historically taken the form of rate of return regulation (ROR) by independent regulatory authorities such as this Commission. Under this approach, privately-owned utilities such as Southern Bell are given the opportunity to collect rates which will cover operating costs and earn a reasonable rate of return on property devoted to providing the regulated service. In recent years in Florida, the Commission has calculated a rate of return as a mid-point and generally allowed a 100 basis point zone of reasonableness around that point.
>
> In our view, the disincentives of the present regulatory system are most likely to occur when the utility is earning at or near the top of its authorized range. Below this level, the company has the same incentive to raise productivity and offer new services as any other business. It is only when one sees no reward for doing what would otherwise be prudent that disincentives set in. No empirical evidence was offered to support the theory of disincentives under ROR regulation. However, this theory does have logical appeal. The analogy of the salesman working on commission selling more goods than the salesman working for a flat salary is instructive. The difference is that the one salesman has an incentive to sell more goods and will do so. A company's management and stockholders are no different. They make investment decisions based on the return they will receive. One can reasonably expect that given the opportunity to earn a higher return, even if it has to be shared, will encourage further investments and efficiencies as well as new services.

Order No. 20162 also notes that it was not a generic endorsement of the concept of sharing and expressed no opinion as to other companies or industries.

We believe that the conditions are appropriate to apply the sharing concept to Gulf. The Company is currently earning at its authorized ROE ceiling and disincentives may set in. Gulf is expected to bring additional generating capacity on line in 2002, which could increase revenue requirements. A plan which reduces future revenue requirements by writing off past costs before 2002 and encourages the Company to become more efficient by allowing it the opportunity to earn a higher ROE in 1999, 2000, and 2001 will mitigate the impact of this additional investment.

We find that the appropriate ROE midpoint for Gulf is 11.5%. We believe this is reasonable for Gulf, given the recent 11.0% midpoint for FPL, which the Commission approved as part of a stipulation by Order No. PSC-99-0519-AS-EI, issued March 17, 1999.

Item 3 of the regulatory incentive plan addresses two regulatory assets on Gulf's books and its Property Insurance Reserve. Each of the regulatory assets shall be written off in equal amounts per year during 1999, 2000, and 2001. The Commission previously approved the write off of the balance of the flow through portion of the FAS 109 regulatory asset for FPL.

Item 4 of the regulatory incentive plan requires a credit to the customers. We have calculated the amount based on targeting the Company's earnings at 12.0% ROE. In addition, we have included the effect of the write offs of the regulatory assets in item 3.

Item 5 of the regulatory incentive plan addresses earnings above the sharing point of 12.5% ROE. Since this Commission is proposing to target earnings at 12.0% ROE which is above the midpoint of 11.5% ROE, we are approving a sharing of the earnings divided into three equal shares. One 33.3% share will be used first to increase the Property Insurance Reserve to a target level of $25 million and second, to write off the balance of the loss on reacquired debt. The Company's shareholders will receive a 33.3% share. The last 33.3% will be refunded to the ratepayers, with any and all earnings over 14% after sharing subject to disposition by the Commission. In the case of BellSouth, the Commission required additional rate reductions each year of the plan to account for accretion or the normal improvement in earnings and productivity. In this case, we are not requiring additional rate reductions or credits be implemented for 2000 and 2001, but that the same amount ($5.8 million) of credit be applied each year. We are not certain of the amount of accretion or normal productivity gains that can be expected to occur. Therefore, we are approving a more

conservative approach. The plan requires that additional amortization be recorded to the Property Insurance Reserve for 2000 and 2001 only if earnings exceed the 12.5% ROE sharing point.

Item 6 eliminates the flexibility previously granted by the Commission to Gulf for the recording of additional amounts of amortization to the Property Insurance Reserve. Item 5 specifies how any additional amortization to the Property Insurance Reserve is to be determined. In addition, we do not believe it is reasonable to allow Gulf the flexibility to reduce the amount of sharing to which the ratepayers may be entitled under this plan.

Item 7 of the regulatory incentive plan requires that the jurisdictional separations factors be updated based on 1998 data.

Item 8 of the regulatory incentive plan requires interest on any amounts subject to disposition by the Commission. For the purpose of calculating interest, any amounts collected shall be assumed to be earned equally throughout the year.

We believe this plan fairly considers Gulf's performance, including Gulf's lower rates, reliability, customer satisfaction and its relatively low equity ratio. We believe that these factors indicate setting the authorized return on equity at a higher level. We note that in the past we have penalized this company for poor performance. Gulf Power Company's last rate case was in Docket No. 891345-EI. In that proceeding, this Commission set Gulf's authorized ROE at 12.55% by Order No. 23573, issued October 3, 1990. However, a 50 basis point reduction to the ROE based on evidence of mismanagement was ordered, and rates were set at 12.05%. After 2 years, the reduction no longer applied. At this point in time, Gulf's performance indicates a higher than otherwise appropriate ROE is warranted.

We believe the approved plan provides substantial benefits to customers, including credits via the environmental cost recovery clause, the earlier write-off of assets which would otherwise be included in rate base, and the possibility of additional earnings sharing in the future. We note that if the plan is not protested, these benefits will begin sooner, and without the expense of a full revenue requirements rate proceeding.

IV. <u>Review of Gulf's executed Contract Service Agreements (CSA) under its Commercial/Industrial Service Rider (CISR) tariff</u>

Gulf's CISR tariff allows the Company to enter into negotiated contracts with commercial/industrial customers. Order No. PSC-96-1219-FOF-EI (Order), issued September 24, 1996, in Docket No. 960789-EI. To receive service under the CISR, the customer has to demonstrate to Gulf that without the negotiated contract, the customer would leave Gulf's system, would not expand existing load, or, in the case of a new customer, would not locate in Gulf's territory (at-risk customer). If Gulf and the customer agree on the price and other terms and conditions, they would execute a CSA. The order does not require that the Commission review each CSA, however, the order specifies two triggering events that would result in a Commission review of each executed CSA. The first triggering event is a request by Gulf for a base rate increase. The second triggering event would result from conditions identified through the Commission's monthly surveillance reporting system discussed below. The Commission may also initiate a prudence review of any CSA upon its own motion.

Gulf provides a confidential supplement (Document No. 01906-99) to its monthly surveillance report that reports the difference between the revenues that would have been produced by Gulf's otherwise applicable tariff and the revenues that are produced under the CISR (revenue shortfall). If the revenue shortfall, when added to Gulf's achieved jurisdictional ROE, causes the ROE to exceed the top of its authorized range, this Commission will be required to review each CSA. For the twelve month period ending December 31, 1998, Gulf reported an achieved ROE of 12.99%. The top of Gulf's currently authorized ROE range is 13.00%. The addition of the revenue shortfall causes Gulf to exceed the authorized top of 13.00%. Therefore, review of each executed CSA is appropriate.

During the review of each executed CSA, we are to determine whether Gulf's decision to enter into any particular CSA was a prudent choice made in the best interests of Gulf's general body of ratepayers. Gulf has the burden of proof in demonstrating to the Commission that the CSAs were a prudent decision. For the review, Gulf will submit the CSA along with the supporting analyses and documents upon which Gulf relied in its determination that the CSA was a prudent decision. Gulf must specifically prove that any CSA customer was truly an at-risk customer as defined in the tariff. Pending completion of the Commission's review, the amount of the revenue shortfall that caused Gulf's ROE to exceed the top of Gulf's authorized range should be held subject to refund as possible over earnings. If at the conclusion of our review Gulf has not demonstrated to this Commission's satisfaction that the

CSAs were a prudent decision, the revenue shortfall will be imputed.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Gulf Power Company's revised proposal for an incentive sharing mechanism be denied. It is further

ORDERED by the Florida Public Service Commission that the regulatory incentive plan for 1999, 2000, 2001 discussed in Section III of this order and included as Attachment A is approved. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a consummating order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED by the Florida Public Service Commission that Docket No. 990244-EI be closed at the conclusion of the protest period, if no protest is filed. It is further

ORDERED by the Florida Public Service Commission that Docket No. 990250-EI remain open pending review of Gulf Power Company's contract service agreements executed pursuant to its Commercial/Industrial Service Rider tariff.

By ORDER of the Florida Public Service Commission this 24th day of May, 1999.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records

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NOTICE OF FURTHER PROCEEDINGS
SECTIONS II and III

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, 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 will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on June 14, 1999.

In the absence of such a petition, this order shall become final and effective upon the issuance of a consummating order.

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.

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW
SECTION IV

The Florida Public Service Commission is required by Section 120.569(1), 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.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code, if issued by a Prehearing Officer; (2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or (3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

ATTACHMENT A

REGULATORY INCENTIVE PLAN

1. This plan covers calendar years 1999, 2000 and 2001.

2. Effective January 1, 1999, the following returns on equity (ROE) are set for Gulf Power:

   10.5% - Authorized Floor
   11.5% - Authorized Mid Point
   12.5% - Sharing Begins
   14.0% - Authorized Ceiling after Sharing

   The 11.5% ROE will be used as the equity return for other purposes as well, including but not limited to the equity portion of JDIC and calculating Gulf's allowance for funds used during construction (AFUDC) rate. After December 31, 2001, unless changed by the Commission, Gulf's authorized ROE mid point will be 11.5% with an authorized floor of 10.5% and an authorized ceiling of 12.5%.

3. Regulatory Assets and Liabilities-

   A. Effective January 1, 1999, Gulf Power will no longer accrue a deferred return on the cost of the third floor of the corporate office as authorized and identified in Order No. 23573 issued October 3, 1990 in Docket No. 891345-EI (Gulf Power's last full base rate adjustment proceeding). The accumulated balance of such deferred return together with the identified third floor investment amount shall be included in the Company's authorized jurisdictional rate base and be subject to depreciation and/or amortization for purposes of calculating the achieved jurisdictional return beginning January 1, 1999. The balance of deferred returns on the costs of the third floor of the corporate office (approximately $2.9 million) and the deferred depreciation associated with the corporate office third floor will be fully amortized in equal amounts per year during 1999, 2000, and 2001.

   B. The balance of the flow through portion of the FAS 109 regulatory asset (approximately $1.7 million) will be fully amortized in equal amounts per year during 1999, 2000, and 2001.

C. For 1999, the Company shall record an additional accrual of $2.9 million to its Property Insurance Reserve. The $2.9 million is in addition to its approved annual accrual of $3.5 million.

4. Customer credit - Customer bills will be credited by $5.8 million on an annual basis beginning July 1, 1999, through the environmental cost recovery clause. The Company shall file revised tariffs to reflect this credit, effective, July 1, 1999.

5. Sharing - After the close of each calendar year covered by this plan, the amount of any actual revenues contributing to earnings above 12.5% ROE will be determined by the Commission.

A. For calendar year 1999, the amount of any actual revenues contributing to earnings above 12.5% ROE up to a net earned jurisdictional return (after sharing) of 14.0% will be divided into three equal shares. One 33.3% share will be used first to increase the Property Insurance Reserve to a target level of $25 million, and second, to write off the balance of the loss on reacquired debt. The Company's shareholders shall receive one 33.3% share. One 33.3% share will be refunded to the ratepayers. The Commission will retain jurisdiction over any and all earnings over 14.0% ROE after sharing. The disposition of these revenues will be determined in the future.

B. For calendar year 2000, the first $2 million of revenues above 12.5% ROE will be added to the annual accrual to the Property Insurance Reserve. Any additional actual revenues contributing to earnings above 12.5% ROE up to a net earned jurisdictional return (after sharing) of 14.0% will be divided into three equal shares. One 33.3% share will be used first to increase the Property Insurance Reserve to a target level of $25 million, and second to write off the balance of the loss on reacquired debt. One 33.3% share will be refunded to the ratepayers. The Company's shareholders shall receive one 33.3% share. The Commission will retain jurisdiction over any and all earnings over 14.0% ROE after sharing. The disposition of these revenues will be determined in the future.

C. For calendar year 2001, the first $2 million of revenues above 12.5% ROE will be added to the annual accrual to the Property Insurance Reserve. Any additional actual revenues contributing to earnings above 12.5% ROE up to

ATTACHMENT A

a net earned jurisdictional return (after sharing) of 14.0% will be divided into three equal shares. One 33.3% share will be used first, to increase the Property Insurance Reserve to a target level of $25 million, and second, to write off the balance of the loss on reacquired debt. The Company's shareholders shall receive one 33.3% share. One 33.3% share will be refunded to the ratepayers. The Commission will retain jurisdiction over any and all earnings over 14.0% ROE after sharing. The disposition of these revenues will be determined in the future.

6. During 1999, 2000, and 2001, Gulf Power shall not have the flexibility, as approved in Order No. PSC 96-0023-FOF-EI, to increase its annual accrual to the Property Insurance Reserve above $3.5 million, except as provided for in this plan.

7. The jurisdictional separation factors used in the earnings surveillance report will continue to be based on a cost of service study prepared in accordance with the same methodology as the cost of service study used in Gulf's last full base rate adjustment proceeding (Docket 891345-EI). However, the Company will complete an updated study using the surveillance report for the calendar year 1998 as a base period. The updated study will be completed and new separation factors will be used for calculating the earnings for 1999, 2000 and 2001.

8. Any revenues deferred pending Commission jurisdiction as to final disposition will accrue interest at the 30 day commercial paper rate as specified in Rule 25-6.109, Florida Administrative Code. Such deferred revenues will be assigned a cost rate in the determination of the cost of capital based on the rate used in the interest accrual for deferred balances consistent with the Commission's decision on this issue in Docket No. 950379-EI for Tampa Electric Company.