)RIDA PUBLIC SERVICE COMM: ION

VOTE SHEET

DATE: March 18, 1997

RE: DOCKET NO. 950379-EI - Investigation into earnings for 1995 and 1996 of Tampa Electric Company.

Issue 1: What portion, if any, of TECO's investment in a 25% share of the Orlando Utility Commission's (OUC) 230 KV line, connecting the Lake Agnes substation to the Cane Island generating station, should be included in rate base and net operating income for retail purposes?
Recommendation: Based on the information available at this time, TECO's entire investment in the OUC transmission line should be allocated to the wholesale jurisdiction. This would reduce the retail rate base by $1,599,806 and increase the retail net operating income by $37,643.

APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY	DISSENTING
Joe Garcia	
Susan F. Clark	
[illegible]	
J. Terry Deason	
Diane K. Kiesling	

REMARKS/DISSENTING COMMENTS:

PSC/RAR33(5/90)

DOCUMENT NUMBER-DATE
02897 MAR 20 97
FPSC-RECORDS/REPORTING

<u>Issue 2:</u> If any portion of TECO's investment in the OUC transmission line is included in the retail jurisdiction, should the related acquisition adjustment also be included above-the-line?
<u>Recommendation:</u> No. The retail rate base should be reduced by $1,326,448 and the retail net operating income should be increased by $29,067 to remove the effects of the OUC transmission line acquisition adjustment.

APPROVED

<u>Issue 3:</u> How should deferred revenue accrued subject to the earnings sharing agreement be reflected in TECO's capital structure for surveillance purposes?
<u>Recommendation:</u> Deferred revenue should be included in the capital structure as a separate line item. The cost rate should be the 30-day commercial paper rate specified in Rule 25-6.109, F.A.C. For 1995, the average cost rate for 30-day commercial paper was 5.97%.

APPROVED

<u>Issue 4:</u> Should TECO's equity ratio be adjusted for purposes of measuring earnings under the earnings sharing agreement?
<u>Recommendation:</u> Yes. The Commission should cap the equity ratio at 55% as a percentage of investor-supplied capital for purposes of measuring earnings under the earnings sharing agreement.

MODIFIED Ratio to be used is actual 1995 ratio as modified by the vote in Issue 3.

<u>Alternative Recommendation:</u> Yes. The Commission should cap the equity ratio at 57.5% as a percentage of investor-supplied capital for purposes of measuring earnings under the earnings sharing agreement.

DENIED

Vote Sheet
Docket No. 950379-EI
March 18, 1997

Issue 5: What is the total amount of excess earnings to be deferred for 1995?
Recommendation: The total amount of excess earnings to be deferred for 1995 is $55,632,598 plus interest.

MODIFIED

This is a fallout issue as a result of the change in Issue 4.

Alternative Recommendation: The total amount of excess earnings to be deferred for 1995 is $51,198,696 plus interest.

(See note for primary recommendation.)

DENIED

Issue 6: Should this docket be closed?
Recommendation: No. This docket should remain open pending review of TECO's 1996 earnings and determination of the appropriate amount of any additional deferred revenues related to 1996.

APPROVED