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J.R. Kelly
Public Counsel

December 11, 2008

Blanca S. Bayo, Director
Division of the Commission Clerk &
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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Re: Docket No.: 080317-EI


Dear Ms. Bayo:

In lieu of an errata sheet, enclosed for filing on behalf of the Office of Public Counsel is the original and fifteen (15) copies of the revised pages 1 and 15 of the Direct Testimony of Helmuth W. Schultz, III.

If there are any questions regarding this transmittal, please contact me at 850-488-9330.

Respectfully submitted,

J.R. KELLY
PUBLIC COUNSEL


Patricia A. Christensen
Associate Public Counsel

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1 DIRECT TESTIMONY OF HELMUTH W. SCHULTZ, III
2 ON BEHALF OF THE CITIZENS OF FLORIDA
3 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
4 TAMPA ELECTRIC COMPANY
5 DOCKET NO. 080317-EI
6

7 I. INTRODUCTION

8 Q. WHAT IS YOUR NAME, OCCUPATION AND BUSINESS ADDRESS?

9 A. My name is Helmuth W. Schultz, III. I am a Certified Public Accountant
10 licensed in the State of Michigan and a partner of the firm of Larkin &
11 Associates, PLLC, Certified Public Accountants, with offices at 15728
12 Farmington Road, Livonia, Michigan 48154.

13
14 Q. PLEASE DESCRIBE THE FIRM LARKIN & ASSOCIATES, PLLC.

15 A. Larkin & Associates, PLLC, is a Certified Public Accounting and
16 Regulatory Consulting Firm. The firm performs independent regulatory
17 consulting primarily for public service/utility commission staffs and
18 consumer interest groups (public counsels, public advocates, consumer
19 counsels, attorney general, etc.). Larkin & Associates, PLLC, has
20 extensive experience in the utility regulatory field as expert witnesses in
21 over 800 regulatory proceedings including numerous electric, water and
22 sewer, gas and telephone utilities.

1 Q. ARE THERE PROBLEMS WITH THE COMPANY'S REQUEST?

2 A. Yes. The first concern is that the amount requested is overstated. As
3 noted earlier in this testimony, the Company has requested the addition of
4 151 positions that are not justified by the filing. Second, there are
5 problems with the Company's increase in 401(k) matching that took effect
6 in April of 2007. Finally, the level of employee sharing in health care is
7 also a concern because they may not include a proper amount of
8 employee contribution. However, the Company failed to provide sufficient
9 documentation to recommend an adjustment at this time.

10

11 Q. WHAT IS THE PROBLEM WITH THE COMPANY'S 401(K) MATCHING?

12 A. Effective April 2007, the fixed match was increased from .30 to .50. The
13 problem with the Company's increase is that the economy has forced a lot
14 of changes on individuals and companies alike, as discussed below, yet
15 Tampa Electric seems to be ignoring these changes. For example, some
16 utilities have gone from a defined benefit retirement plan to a cash plan
17 and others have ended the enrollment of employees in the defined benefit
18 plans opting for cash plans or enhanced 401(k) plans. It is not appropriate
19 for the Company to increase the contribution to its employee's second
20 retirement plan when some ratepayers do not even have one retirement
21 plan, especially in today's economy. It also ignores the changes that other
22 companies have been making in their attempt to reduce costs.

23

CERTIFICATE OF SERVICE
DOCKET NO. 080317-EI

I HEREBY CERTIFY that a true and correct copy of the revised pages 1 and 15 of the Direct Testimony of Helmuth W. Schultz, III, has been furnished by electronic mail and U.S. Mail to the following parties on this 17th day of December, 2008.

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