

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for Rate Increase )  
By Tampa Electric Company )  
\_\_\_\_\_ )

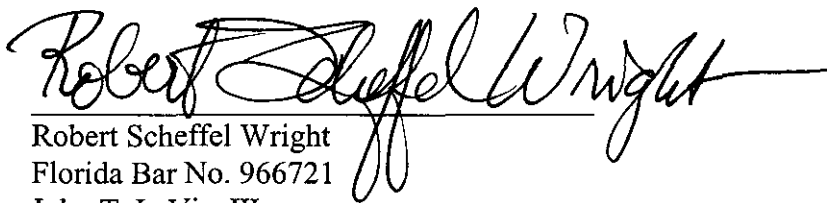
DOCKET NO. 080317-EI  
SERVED: January 26, 2009

RECEIVED-FPSC  
09 JAN 26 PM 3:46  
COMMISSION  
CLERK

**THE FLORIDA RETAIL FEDERATION'S NOTICE OF FILING  
EXHIBIT KWO-6 AND UPDATED EXHIBITS KWO-1 THROUGH KWO-4**

The Florida Retail Federation ("FRF") hereby gives notice of, and files herewith, Exhibit KWO-6 and UPDATED Exhibits KWO-1 through KWO-4. Exhibit KWO-6 is exactly the same document that was previously included as Appendix A within Mr. Kevin O'Donnell's prefiled direct testimony, and is being filed in Exhibit format as indicated in the Prehearing Order. As Mr. O'Donnell indicated he would in his prefiled testimony, he has prepared UPDATED Exhibits KWO-1 through KWO-4, which are updated versions of the corresponding Exhibits filed with Mr. O'Donnell's prefiled testimony, to provide his analyses using current financial information that became available after his prefiled testimony was filed.

Respectfully submitted this 26th day of January, 2009.



Robert Scheffel Wright  
Florida Bar No. 966721  
John T. LaVia, III  
Florida Bar No. 853666  
Young van Assenderp, P.A.  
225 South Adams Street, Suite 200  
Tallahassee, Florida 32301  
(850) 222-7206 Telephone  
(850) 561-6834 Facsimile

COM \_\_\_\_\_  
ECR \_\_\_\_\_  
GCL 4 \_\_\_\_\_  
OPC \_\_\_\_\_  
RCP 1 \_\_\_\_\_  
SSC 1 \_\_\_\_\_  
SGA 2 \_\_\_\_\_  
ADM \_\_\_\_\_  
CLK \_\_\_\_\_

Attorneys for the Florida  
Retail Federation

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail and U.S. Mail this 26th day of January, 2009, to the following parties listed below. In addition, the undersigned will have hard copies available for all parties when the hearing in this docket resumes on January 27, 2009.

Jean Hartman/Keino Young  
Jennifer Brubaker/Martha Brown  
Florida Public Service Commission  
Division of Legal Services  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399

Lee Willis/James Beasley  
Ausley Law Firm  
P.O. Box 391  
Tallahassee, FL 32302

J.R. Kelly/Patricia Christensen  
Office of Public Counsel  
c/o the Florida Legislature  
111 W. Madison Street  
Room 812  
Tallahassee, FL 32399-1400

Paula K. Brown  
Tampa Electric Company  
Regulatory Affairs  
P.O. Box 111  
Tampa, FL 33601-0111

Vicki Kaufman/Jon Moyle  
Keefe, Anchors, Gordon & Moyle  
The Perkins House  
118 North Gadsden Street  
Tallahassee, FL 32301

John McWhirter, Jr.  
McWhirter Law Firm  
P.O. Box 3350  
Tampa, FL 33601-3350

  
Attorney

# APPENDIX A

## **Appendix A**

**Kevin W. O'Donnell, CFA**  
**President**  
**Nova Energy Consultants, Inc.**  
**1350 SE Maynard Rd.**  
**Suite 101**  
**Cary, NC 27511**

### **Education**

I received a B.S. degree in Civil Engineering - Construction Option from North Carolina State University in May of 1982 and a Masters of Business Administration in Finance from Florida State University in August of 1984.

### **Professional Certification**

I am a Chartered Financial Analyst (CFA) and a member of the Association of Investment Management and Research.

### **Work Experience**

In September of 1984, I joined the Public Staff of the North Carolina Utilities Commission as a Public Utilities Engineer in the Natural Gas Division. In December of 1984, I transferred to the Public Staff's Economic Research Division and held the position of Public Utility Financial Analyst. In September of 1991, I joined Booth & Associates, Inc., a Raleigh, North Carolina, based electrical engineering firm, as a Senior Financial Analyst. I stayed in this position until June 1994, when I accepted employment as the Director of Retail Rates for the North Carolina Electric Membership Corporation. In January 1995, I formed Nova Utility Services, Inc., an

energy consulting firm. In May of 1999, I changed the name of Nova Utility Services, Inc. to Nova Energy Consultants, Inc.

Along with my work with Nova Energy Consultants, Inc., I am also a senior financial analyst for MAKROD Investment Associates of Verona, NJ. MAKROD is a money management firm that specializes in portfolio management services for high wealth individuals and institutional investors.

### **Testimonies**

#### **North Carolina**

I have testified before the North Carolina Utilities Commission in the following general rate case proceedings: Public Service Company of North Carolina, Inc. (Docket No. G-5, Sub 200, Sub 207, Sub 246, Sub 327, and Sub 386); Piedmont Natural Gas Company (Docket No. G-9, Sub 251 and Sub 278); General Telephone of the South (Docket No. P-19, Sub 207); North Carolina Power (Docket No. E-22, Sub 314); Piedmont Natural Gas Company (Docket No. E-7, Sub 487); Pennsylvania & Southern Gas Company (Docket No. G-3, Sub 186); and in several water company rate increase proceedings. I also submitted pre-filed testimony, and/or assisted in the settlement process, in Docket Nos. G-9, Sub 378, Sub 382, Sub 428 and Sub 461, which were general rate cases involving Piedmont Natural Gas Company; in Docket No. G-21, Sub 334, North Carolina Natural Gas' most recent general rate case; in Docket No. G-5, Sub 356, Public Service of North Carolina's 1995 general rate case; and in Docket No. G-39, Sub 0, Cardinal Extension Company's rate case. Furthermore, I testified in the 1995 fuel adjustment proceeding for Carolina Power & Light Company (Docket No. E-2, Sub 680) and submitted pre-filed testimony in Docket No. E-7, Sub 559, which was Duke Power's 1995 fuel adjustment proceeding. I also submitted pre-filed testimony and testified in Duke's 2001 fuel adjustment proceeding, which was Docket No. E-7, Sub 685.

Furthermore, I testified in Docket No. G-21, Sub 306 and 307, in which North Carolina Natural Gas Corporation petitioned the Commission to establish a natural gas expansion fund. I also submitted testimony in the Commission's 1998 study of natural gas transportation rates that was part of Docket No. G-5, Sub 386, which was the 1998 general rate case of Public Service Company of North Carolina. In September of 1999, I testified in Docket Nos. G-5, Sub 400 and G-43, which was the merger case of Public Service Company of North Carolina and SCANA Corp. I also submitted testimony and stood cross-examination in the holding company application of NUI Corporation, a utility holding company located in New Jersey, which was NCUC Docket No. G-3, Sub 224, as well as NUI's merger application with Virginia Gas Company, which was Docket No. G-3, Sub 232. I also submitted pre-filed testimony and stood cross-examination in Docket No. G-3, Sub 235, which involved a tariff change request by NUI Corporation. I testified in another holding company application in Docket No. E-2, Sub 753; G-21, Sub 387; and P-708, Sub 5 which was the holding company application of Carolina Power & Light. In June of 2001, I submitted testimony and stood cross-examination in Docket No. E-2, Sub 778, which was CP&L's application to transfer Certificates of Public Convenience and Necessity (CPCN) from two of the Company's generating units to its non-regulated sister company, Progress Energy Ventures. In November of 2001, I testified in Duke Energy's restructuring application, which was Docket No. E-7, Sub 694. In January 2002, I presented testimony in the merger application of Duke Energy Corp. and Westcoast Energy. In April of 2003, I submitted testimony in Dockets Nos. G-9, Sub 470, Sub 430, and E-2, Sub 825, which was the merger application of Piedmont Natural Gas and North Carolina Natural Gas. In May of 2003, I submitted testimony in the general rate case of Cardinal Pipeline Company, which was Docket No. G-39, Sub 4. In July 2003, I filed testimony in Docket No. E-2, Sub 833, which was CP&L's 2003 fuel case proceeding. I prepared pre-filed testimony and stood cross-examination in the merger application of Piedmont Natural Gas and Eastern North Carolina Natural Gas. In July of 2005, I prepared pre-filed testimony in Carolina

Power & Light's fuel case in North Carolina. In August of 2005 I assisted in the settlement of Piedmont's 2005 general rate case. In June, 2006, I submitted rebuttal testimony in Docket No. E-100, Sub 103, which was the investigation of integrated resource planning (IRP) in North Carolina. Also in the month of June, 2006, I submitted testimony in Docket No. G-9, Sub 519, which was the application of Piedmont Natural Gas to change its tariffs and service regulations. In August, 2006, I assisted in the settlement of the rate case of Public Service of North Carolina in Docket No. G-5, Sub 481. In December of 2006, I prepared direct testimony and stood cross-examination in Docket No. E-7, Sub 751, which was application of Duke Power to share net revenues from certain wholesale power transactions. In January, 2007, I submitted testimony in the application of Duke Energy in Docket No. E-7, Sub 790, which was in regard to the construction of two 800 MW coal fired generation units in Rutherford County, North Carolina. In June, 2008, I filed testimony in Duke Energy's Save-A-Watt energy efficiency filing.

### South Carolina

In August of 2002, I submitted pre-filed testimony and stood cross-examination before the South Carolina Public Service Commission in Docket No. 2002-63-G, which was Piedmont's 2002 general rate case. In October of 2004, I submitted pre-filed testimony and stood cross-examination in the general rate case of South Carolina Electric & Gas. In March 2005, I prepared pre-filed testimony and assisted in the settlement involving the fuel application proceeding of South Carolina Electric & Gas. In April of 2005, I prepared pre-filed testimony and assisted in the settlement of Carolina Power & Light's fuel case in South Carolina. In March 2006, I assisted in the settlement involving the fuel application proceeding of South Carolina Electric & Gas. In November of 2007 I assisted in the settlement of the 2007 South Carolina Electric & Gas general rate case proceeding. In October, 2008, I submitted testimony in the 2008 South Carolina Electric & Gas base load review act proceeding.

## United States Congress

In May of 1996, I testified before the U.S. House of Representatives, Committee on Commerce and Subcommittee on Energy and Power concerning competition within the electric utility industry.

I have also worked with North Carolina and South Carolina municipalities in presenting comments to the Federal Energy Regulatory Commission regarding the opening of the wholesale power markets in the Carolinas.

### **Publications**

I have also published the following articles: Municipal Aggregation: The Future is Today, *Public Utilities Fortnightly*, October 1, 1995; Small Town, Big Price Cuts, *Energy Buyers Guide*, January 1, 1997; and Worth the Wait, But Still at Risk, *Public Utilities Fortnightly*, May 1, 2000. All of these articles dealt with my firm's experience in working with small towns that purchase their power supplies in the open wholesale power markets.



Tampa Electric Company  
Docket No. 080317-EI

Company	DCF Results													
	13 Wk. Avg. Dividend Yield	4 Wk. Avg. Dividend Yield	Current Dividend Yield	Value Line									Plowback Growth Rate	Schwab Forecasted EPS
				10-Year			5-Year			Forecasted				
				EPS	DPS	BPS	EPS	DPS	BPS	EPS	DPS	BPS		
Alliant Energy	5.0%	5.3%	5.3%	0.5%	-5.0%	1.5%	3.0%	-10.5%	0.5%	6.0%	9.0%	5.5%	4.6%	6.3%
Amer. Elec. Power	5.5%	5.1%	5.2%	-1.0%	-4.5%	—	3.0%	-9.0%	—	5.0%	4.0%	6.0%	5.2%	5.3%
Avista Corp.	4.0%	4.0%	3.9%	-4.0%	-7.5%	2.5%	-3.0%	3.5%	2.0%	9.0%	12.5%	3.5%	3.0%	10.5%
CenterPoint Energy	6.4%	6.2%	6.2%	—	—	—	NMF	NMF	NMF	7.5%	9.0%	11.5%	8.9%	12.5%
DTE Energy	6.0%	6.2%	6.3%	-0.5%	—	3.5%	-2.0%	—	4.0%	5.0%	1.5%	4.0%	2.4%	6.0%
Duke Energy	6.1%	6.3%	6.2%	—	—	—	—	—	4.0%	4.5%	2.0%	1.8%	5.2%	
Edison Int'l	4.0%	4.1%	4.1%	7.0%	1.0%	4.5%	—	—	17.5%	5.0%	7.0%	9.0%	8.4%	7.9%
Empire Dist. Elec.	7.3%	7.4%	7.3%	-1.0%	—	2.0%	2.0%	—	2.0%	10.0%	1.5%	3.0%	2.3%	N/A
G't Plains Energy	8.8%	8.7%	8.7%	0.5%	0.5%	1.5%	—	—	4.5%	-1.5%	Nil	3.5%	0.9%	7.1%
Hawaiian Elec.	5.1%	5.7%	5.7%	-0.5%	0.5%	1.5%	-3.0%	—	2.0%	5.0%	1.0%	2.5%	2.3%	5.0%
IDACORP, Inc.	4.2%	4.1%	4.1%	-1.0%	-4.5%	3.5%	-7.0%	-8.5%	2.5%	2.0%	Nil	2.0%	3.1%	6.0%
Northeast Utilities	3.8%	3.7%	3.7%	11.0%	-4.5%	0.5%	8.5%	9.5%	2.5%	12.0%	7.0%	5.5%	4.8%	7.0%
Pepco Holdings	6.0%	6.2%	6.2%	—	—	—	-4.5%	—	1.0%	13.0%	15.0%	3.0%	3.2%	6.7%
PG&E Corp.	4.4%	4.3%	4.4%	1.5%	-3.0%	—	—	—	16.5%	5.0%	9.0%	6.0%	5.7%	7.0%
PNM Resources	5.1%	4.8%	4.7%	2.0%	14.5%	5.5%	-5.0%	9.5%	5.0%	-6.0%	-9.0%	Nil	1.3%	6.7%
Progress Energy	6.3%	6.4%	6.6%	—	3.0%	6.0%	-4.5%	2.5%	3.0%	5.0%	1.0%	2.0%	1.7%	6.3%
SCANA Corp.	5.6%	5.5%	5.6%	3.5%	1.0%	4.5%	4.0%	6.5%	4.0%	4.5%	4.0%	5.0%	4.0%	5.1%
Sierra Pacific Res.	4.4%	4.1%	3.9%	-6.5%	—	-3.5%	—	—	-5.5%	7.5%	NMF	5.5%	4.6%	14.5%
UIL Holdings	5.7%	5.8%	5.7%	-2.0%	—	0.5%	-6.0%	—	-1.0%	4.0%	Nil	1.0%	1.9%	6.0%
UniSource Energy	3.6%	3.4%	3.4%	-5.5%	—	17.5%	3.0%	15.5%	8.5%	nil	3.0%	3.0%	2.1%	NA
Westar Energy	6.2%	6.2%	6.2%	1.0%	-7.0%	-4.0%	32.0%	-5.0%	-4.5%	2.0%	5.5%	7.5%	2.2%	4.6%
Wisconsin Energy	3.0%	3.2%	3.2%	5.5%	-4.5%	4.0%	9.0%	-1.0%	7.0%	8.0%	13.0%	6.0%	6.5%	10.4%
Xcel Energy Inc.	5.4%	5.4%	5.4%	-3.5%	-4.5%	-1.0%	-2.0%	-8.5%	-1.5%	7.5%	3.0%	4.0%	3.8%	5.7%
<b>Average</b>	<b>5.3%</b>	<b>5.3%</b>	<b>5.3%</b>	<b>0.4%</b>	<b>-1.6%</b>	<b>2.8%</b>	<b>1.6%</b>	<b>0.4%</b>	<b>3.5%</b>	<b>5.4%</b>	<b>5.3%</b>	<b>4.6%</b>	<b>3.7%</b>	<b>7.2%</b>
<b>TECO Energy</b>	<b>6.6%</b>	<b>6.9%</b>	<b>6.9%</b>	<b>-3.5%</b>	<b>-3.5%</b>	<b>-2.0%</b>	<b>-11.0%</b>	<b>-11.0%</b>	<b>-9.0%</b>	<b>7.5%</b>	<b>2.5%</b>	<b>6.5%</b>	<b>4.4%</b>	<b>10.0%</b>

**Sources:**

The Value Line Investment Survey, November 28, 2008; December 26, 2008; and November 7, 2008  
Schwab Earnings Reports as of Jan. 22, 2009

**Tampa Electric Company**  
Docket No. 080317-EI

Company	13 Wk. Avg. Dividend Yield	4 Wk. Avg. Dividend Yield	Current Week Dividend Yield	Average Growth Rate	Historical Growth Rate	Plowback Growth Rate	Fore. Growth Rate
Alliant Energy	5.0%	5.3%	5.3%	1.9%	-1.7%	4.6%	6.7%
Amer. Elec. Power	5.5%	5.1%	5.2%	1.6%	-2.9%	5.2%	5.1%
Avista Corp.	4.0%	4.0%	3.9%	2.9%	-1.1%	3.0%	8.9%
CenterPoint Energy	6.4%	6.2%	6.2%	9.9%	---	8.9%	10.1%
DTE Energy	6.0%	6.2%	6.3%	2.7%	1.3%	2.4%	4.1%
Duke Energy	6.1%	6.3%	6.2%	3.5%	---	1.8%	3.9%
Edison Int'l	4.0%	4.1%	4.1%	7.5%	7.5%	8.4%	7.2%
Empire Dist. Elec.	7.3%	7.4%	7.3%	2.7%	1.3%	2.3%	4.8%
G't Plains Energy	8.8%	8.7%	8.7%	2.1%	1.8%	0.9%	2.3%
Hawaiian Elec.	5.1%	5.7%	5.7%	1.6%	0.1%	2.3%	3.4%
IDACORP, Inc.	4.2%	4.1%	4.1%	-0.2%	-2.5%	3.1%	2.5%
Northeast Utilities	3.8%	3.7%	3.7%	5.8%	4.6%	4.8%	7.9%
Pepco Holdings	6.0%	6.2%	6.2%	5.3%	-1.8%	3.2%	9.4%
PG&E Corp.	4.4%	4.3%	4.4%	6.0%	5.0%	5.7%	6.8%
PNM Resources	5.1%	4.8%	4.7%	2.4%	5.3%	1.3%	-2.1%
Progress Energy	6.3%	6.4%	6.6%	2.6%	2.0%	1.7%	3.6%
SCANA Corp.	5.6%	5.5%	5.6%	4.2%	3.9%	4.0%	4.7%
Sierra Pacific Res.	4.4%	4.1%	3.9%	2.4%	-5.2%	4.6%	6.9%
UIL Holdings	5.7%	5.8%	5.7%	0.6%	-2.1%	1.9%	2.8%
UniSource Energy	3.6%	3.4%	3.4%	5.9%	7.8%	2.1%	2.0%
Westar Energy	6.2%	6.2%	6.2%	3.1%	2.1%	2.2%	4.9%
Wisconsin Energy	3.0%	3.2%	3.2%	5.8%	3.3%	6.5%	9.4%
Xcel Energy Inc.	5.4%	5.4%	5.4%	0.3%	-3.5%	3.8%	5.1%
<b>Average</b>	<b>5.3%</b>	<b>5.3%</b>	<b>5.3%</b>	<b>3.5%</b>	<b>1.2%</b>	<b>3.7%</b>	<b>5.2%</b>
<b>TECO</b>	<b>6.6%</b>	<b>6.9%</b>	<b>6.9%</b>	<b>-0.8%</b>	<b>-6.7%</b>	<b>4.4%</b>	<b>6.6%</b>

**Tampa Electric Company**  
 Docket No. 080317-EI

Company	% Retained to Common Equity				
	2007	2008E	2009E	11-'13E	Average
Alliant Energy	5.9%	5.0%	3.0%	4.5%	4.6%
Amer. Elec. Power	5.1%	5.0%	5.5%	5.0%	5.2%
Avista Corp.	0.8%	4.0%	4.0%	3.0%	3.0%
CenterPoint Energy	10.0%	9.5%	8.5%	7.5%	8.9%
DTE Energy	1.5%	2.0%	3.0%	3.0%	2.4%
Duke Energy	2.0%	1.0%	2.0%	2.0%	1.8%
Edison Int'l	9.2%	9.0%	8.5%	7.0%	8.4%
Empire Dist. Elec.	NMF	NMF	1.5%	3.0%	2.3%
G't Plains Energy	0.9%	NMF	NMF	NIL	0.9%
Hawaiian Elec.	0.8%	NMF	2.5%	3.5%	2.3%
IDACORP, Inc.	2.4%	3.0%	3.5%	3.5%	3.1%
Northeast Utilities	4.3%	5.5%	5.0%	4.5%	4.8%
Pepco Holdings	2.3%	3.5%	3.0%	4.0%	3.2%
PG&E Corp.	5.9%	6.0%	6.0%	5.0%	5.7%
PNM Resources	NMF	NMF	0.5%	2.0%	1.3%
Progress Energy	0.7%	1.5%	2.0%	2.5%	1.7%
SCANA Corp.	4.0%	4.0%	4.0%	4.0%	4.0%
Sierra Pacific Res.	5.4%	4.5%	4.5%	4.0%	4.6%
UIL Holdings	3.1%	1.0%	1.5%	2.0%	1.9%
UniSource Energy	3.9%	0.5%	2.0%	2.0%	2.1%
Westar Energy	4.3%	0.5%	1.5%	2.5%	2.2%
Wisconsin Energy	7.1%	6.5%	6.0%	6.5%	6.5%
Xcel Energy Inc.	3.1%	3.5%	3.5%	5.0%	3.8%
Average					3.5%
TECO Energy	5.1%	0.5%	6.0%	6.0%	4.4%

**Sources:**

*The Value Line Investment Survey, November 28, 2008; December 26, 2008; and November 7, 2008*

**Tampa Electric Company**  
Docket No. 080317-EI

Company	% Return on Common Equity			
	2004	2005	2006	2007
Alliant Energy	8.2%	13.1%	9.1%	11.3%
Amer. Elec. Power	12.2%	11.3%	12.0%	11.4%
Avista Corp.	4.7%	5.9%	8.0%	4.2%
CenterPoint Energy	18.6%	17.4%	27.8%	22.0%
DTE Energy	8.0%	10.0%	7.5%	7.7%
Duke Energy	na	na	4.1%	7.2%
Edison Int'l	3.5%	16.8%	14.0%	13.0%
Empire Dist. Elec.	5.8%	6.0%	8.5%	6.2%
G't Plains Energy	15.5%	13.3%	9.4%	10.1%
Hawaiian Elec.	8.9%	9.7%	9.9%	7.2%
IDACORP, Inc.	7.2%	6.2%	8.9%	6.8%
Northeast Utilities	5.1%	5.1%	4.3%	8.4%
Peppco Holdings	7.7%	7.7%	7.0%	7.4%
PG&E Corp.	10.3%	12.3%	12.5%	11.7%
PNM Resources	8.0%	8.2%	7.2%	3.5%
Progress Energy	9.9%	9.0%	6.1%	8.2%
SCANA Corp.	12.2%	11.8%	10.5%	10.8%
Sierra Pacific Res.	4.8%	4.0%	9.0%	6.6%
UIL Holdings	6.7%	5.8%	9.9%	10.1%
UniSource Energy	7.9%	7.5%	10.6%	8.5%
Westar Energy	7.1%	9.5%	10.7%	9.2%
Wisconsin Energy	8.8%	11.3%	10.8%	10.9%
Xcel Energy Inc.	10.0%	9.2%	9.7%	9.1%
<b>Average</b>	<b>8.7%</b>	<b>9.6%</b>	<b>9.9%</b>	<b>9.2%</b>
<b>TECO Energy</b>	<b>10.7%</b>	<b>13.3%</b>	<b>14.1%</b>	<b>13.2%</b>

**Sources:**

*The Value Line Investment Survey, November 28, 2008; December 26, 2008; and November 7, 2008*