FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

March 17, 2009

Docket No. 080317-EI – Petition for rate increase by Tampa Electric Company.

(Post-Hearing Decision - Participation is Limited to Commissioners and Staff)

Issue 1: Is TECO's projected test period of the 12 months ending December 31, 2009 appropriate? (Stipulated)
Approved Stipulation: Yes, TECO's projected test period of the 12 months ending December 31, 2009 is the appropriate test year to be utilized in this docket with appropriate adjustments.

APPROVED

Issue 2: Are TECO's forecasts of Customer, KWH, and KW by Rate Class for the 2009 projected test year appropriate?
Recommendation: Yes. TECO's customer and load forecast assumptions, regression models, and projected system peak demands are appropriate for the 2009 projected test year.

APPROVED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY	DISSENTING
Nathan A. Skop	N. Argenziano (See Remarks below)
Katrina J. McMurrian	[signature] (See below - dissenting Issue 16)
[signature]	
[signature]	
N. Argenziano	

REMARKS/DISSENTING COMMENTS:
Chairman Carter dissented on Issue 16.
Commissioner Argenziano dissented on Issues 4, 5, 6, 7, 33, 34, 37 and 38.
The Commissioners granted staff administrative authority to make technical calculations on all fall-out issues.
Revised Schedules 1, 2, 3, 4, 5, and Calculation of Step Increased attached.
Staff Handouts 1 and 3 attached.

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Issue 3: Is the quality of electric service provided by TECO adequate?
Recommendation: Yes, TECO's quality of service is adequate.

APPROVED

Issue 4: Has TECO removed all non-utility activities from rate base?
Recommendation: No. The adjustment is discussed in Issue 19. Except as discussed in Issue 19, no adjustments to rate base for non-utility activities are needed.

APPROVED
Commissioner Argenziano dissented.

Issue 5: Is the pro forma adjustment related to the annualization of five simple cycle combustion turbine units to be placed in service in 2009 appropriate?
Recommendation: No. Staff recommends the elimination of the pro forma adjustments to annualize the May CTs (2 units) and September CTs (3 units). This decreases jurisdictional Utility Plant in Service and Accumulated Depreciation Reserve by $37,246,000 ($38,672,000 system) and $1,121,000 ($1,163,000 system), respectively for the May CTs. The elimination of the pro forma adjustment to annualize the September CTs (3 units) decreases jurisdictional Utility Plant in Service and Accumulated Depreciation Reserve by $97,193,000 ($100,915,000 system) and $2,630,000 ($2,730,000 system), respectively. The total of both adjustments decrease jurisdictional Utility Plant in Service and Accumulated Depreciation Reserve by $134,439,000 ($139,587,000 system) and $3,750,000 ($3,894,000 system), respectively. The impacts to Net Operating Income of staff's proposed adjustments are discussed in Issue 71.

MODIFIED alternative recommendation for issues 5 and 7, identified as Staff Handout 3, was approved with the exception that paragraph 2)-down was not approved.
Commissioner Argenziano dissented.

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Issue 6: Should an adjustment be made for the credit from CSX for the Big Bend Rail Project?
Recommendation: No. The refunds or credits to be received from CSX during the first five years of service of the rail facilities should be recorded in the fuel accounts and subsequently flowed through to customers in the fuel and purchase power cost recovery clause. Furthermore, no part of the refunds or credits should be recorded as a reduction to the capital project and the related asset accounts to correct for an under projection of costs for the rail project. The Company should record the Big Bend Rail Facilities construction project without any consideration given to the refunds or credits to be received from CSX. No other adjustments for the freight discounts or credits are necessary in this case.

APPROVED
Commissioner Argenziano dissented.

Issue 7: Is the pro forma adjustment related to the annualization of the Big Bend Rail Project to be placed into service in December 2009 appropriate?
Recommendation: No. The Company's pro forma adjustments to annualize the Big Bend Rail Project as if it was in service on January 1, 2009, violates the principle of matching revenue, expenses, and rate base for a projected test year. The use of pro forma adjustments to annualize selected changes that occur several months after the beginning of the test year as if they occur on the first day of the test year ignores all of the other components that change during the test year such as employees, customers, usage, maintenance, financing, etc. The Company's pro forma adjustments to annualize the Big Bend Rail Project should be eliminated from the test year. If the cost of the rail facilities is included in the new rates, customers would be paying for the facilities months before the assets are in service.
The jurisdictional adjustments to Utility Plant in Service and Accumulated Depreciation are decreases of $45,206,000 ($46,937,000 system) and $452,000 ($469,000 system) respectively for the test year. The impacts to Net Operating Income of staff's proposed adjustments are discussed in Issue 72.

MODIFIED alternative recommendation for issues 5 and 7, identified as staff Handout 3, was approved with the exception that paragraph 2)-down was not approved. Commissioner Argenziano dissented.

Issue 8: Should any adjustments be made to TECO's projected level of plant in service?
Recommendation: Yes. TECO's projected level of plant in service should be reduced by $35,671,000 to reflect over-projections in the amounts. Corresponding reductions should be made to accumulated depreciation and depreciation expense in the amount of $1,248,485.

APPROVED

(Continued from previous page)

Issue 9: Should TECO's requested increase in plant in service for the customer information system be approved?
Recommendation: Yes. The adjustment for CIS modification associated with rate case modifications is appropriate.

APPROVED

Issue 10: Is TECO's requested level of Plant in Service in the amount of $5,483,474,000 for the 2009 projected test year appropriate?
Recommendation: No. The appropriate level of Plant in Service for the 2009 projected test year is $5,268,158,000.

APPROVED

Issue 11: Is TECO's requested level of accumulated depreciation in the amount of $1,934,489,000 for the 2009 projected test year appropriate?
Recommendation: No. The appropriate Accumulated Depreciation of Electric Plant in Service for the December 2009 projected test year is $1,929,038,515.

APPROVED

Issue 12: Have all costs recovered through the Environmental Cost Recovery Clause been removed from rate base for the 2009 projected test year?
Recommendation: Yes. No adjustment to Construction Work in Progress (CWIP) is needed to remove costs recovered through the ECRC.

APPROVED

(Continued from previous page)

Issue 13: Is TECO's requested level of Construction Work in Progress in the amount of $101,071,000 for the 2009 projected test year appropriate?
Recommendation: Yes. TECO's requested level of Construction Work in Progress (CWIP) in the amount of $101,071,000 for the 2009 projected test year is appropriate.

APPROVED

Issue 14: Is TECO's requested level of Property Held for Future Use in the amount of $37,330,000 for the 2009 projected test year appropriate?
Recommendation: Yes. TECO's requested level of Property Held for Future Use (PHFU) in the amount of $37,330,000 for the 2009 projected test year is appropriate.

APPROVED

Issue 15: Should an adjustment be made to TECO's requested deferred dredging cost?
Recommendation: Yes. As discussed in Issue 56, working capital should be reduced by $1,346,649 (jurisdictional).

APPROVED

Issue 16: Should an adjustment be made to TECO's requested storm damage reserve, annual accrual and target level?
Recommendation: Yes. TECO's requested increases in storm damage reserve, annual accrual, and the storm damage target reserve level should be rejected. The accrual for Storm Damage Reserve should remain at its current annual level of $4 million with a $55 million target amount. Removing TECO's requested increase to the storm damage accrual results in a decrease in the Company's jurisdictional O&M expense of $16,000,000 ($16,000,000 system) and an increase ~~decrease~~ in the jurisdictional working capital of $8,000,000 ($8,000,000 system) for the test year. At this point, it would be premature to require that the storm damage accrual stop when the target level is achieved. Staff believes this issue should be readdressed if and when the target level is actually achieved.

MODIFIED **Recognizing oral modification identified in Staff Handout 1, including the working capital and that the accrual amount be $8,000,000 per year with a $64,000,000 target amount after five years.**

Chairman Carter dissented.

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Issue 17: Should an adjustment be made to prepaid pension expense in TECO's calculation of working capital?
Recommendation: No. Staff believes that TECO has submitted sufficient evidence to demonstrate that its prepaid pension expense included in working capital is reasonable. Staff recommends that no adjustment to the Company's working capital concerning prepaid pension expense is warranted.

APPROVED

Issue 18: Should an adjustment be made to working capital related to Account 143 - Other Accounts Receivable?
Recommendation: Yes. Working Capital should be reduced in the amount of $10,959,000 (jurisdictional) to remove Account 143, Other Accounts Receivable.

APPROVED

Issue 19: Should an adjustment be made to working capital related to Account 146 - Accounts Receivable from Associated Companies?
Recommendation: Yes. Account 146 should be reduced by $390,000 (jurisdictional) for nonutility receivables included in the account.

APPROVED

Issue 20: Should an adjustment be made to rate base for unfunded Other Post-retirement Employee Benefit (OPEB) liability?
Recommendation: No. TECO has properly forecasted its unfunded Other Post-retirement Employee Benefit liability and included the balance in rate base.

APPROVED

(Continued from previous page)

Issue 21: Should an adjustment be made to TECO's coal inventories?
Recommendation: No. TECO's requested coal inventory amounts for the 2009 projected test year are appropriate.

APPROVED

Issue 22: Should an adjustment be made to TECO's residual oil inventories?
Recommendation: No. TECO's requested residual oil inventory amounts for the 2009 projected test year are appropriate.

APPROVED

Issue 23: Should an adjustment be made to TECO's distillate oil inventories?
Recommendation: No. TECO's requested distillate oil inventory amounts for the 2009 projected test year are appropriate.

APPROVED

Issue 24: Should an adjustment be made to TECO's natural gas and propane inventories?
Recommendation: No. TECO's requested natural gas and propane inventory amounts for the 2009 projected test year are appropriate.

APPROVED

Issue 25: Has TECO properly reflected the net overrecoveries or net underrecoveries of fuel and conservation expenses in its calculation of working capital? (Stipulated)
Approved Stipulation: Yes, TECO has properly reflected net over- and under-recoveries of fuel and conservation expenses in its calculation of working capital.

STIPULATION APPROVED

(Continued from previous page)

Issue 26: Should unamortized rate case expense be included in Working Capital?
Recommendation: No. Unamortized rate case expense in the amount of $2,628,000 should be removed from working capital.

APPROVED

Issue 27: Is TECO's requested level of Working Capital in the amount of ($30,586,000) for the 2009 projected test year appropriate?
Recommendation: No. The appropriate level of Working Capital for the 2009 projected test year is ($37,909,649) ~~($130,910,649)~~.

APPROVED as modified in staff Handout 1.

Issue 28: Is TECO's requested rate base in the amount of $3,656,800,000 for the 2009 projected test year appropriate?
Recommendation: No. The appropriate amount of rate base for the 2009 projected test year is $3,439,610,836 ~~$3,346,610,836~~.

APPROVED as modified in staff Handout 1.

Issue 29: What is the appropriate amount of accumulated deferred taxes to include in the capital structure for the 2009 projected test year?
Recommendation: The appropriate amount of accumulated deferred taxes to include in the capital structure for the 2009 projected test year is $357,400,000, as shown on Schedule 2 of staff's memorandum dated March 5, 2009.

APPROVED

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Issue 30: What is the appropriate amount and cost rate of the unamortized investment tax credits to include in the capital structure for the 2009 projected test year?
Recommendation: The appropriate amount and cost rate of unamortized investment tax credits to include in the capital structure are $10,365,000 and 8.92 percent, respectively, as shown on Schedule 2 of staff's memorandum dated March 5, 2009.

APPROVED

Issue 31: What is the appropriate amount and cost rate for short-term debt for the 2009 projected test year?
Recommendation: The appropriate amount and cost rate for short-term debt for the 2009 projected test year are$7,435,627 ~~$7,227,005~~ and 2.75 percent, respectively, as shown on Attachment 2 of staff's memorandum dated March 5, 2009.

APPROVED as modified in Staff Handout 1.

Issue 32: Should TECO's requested pro forma adjustment to equity to offset off-balance sheet purchased power obligations be approved?
Recommendation: No. The $77 million in question should be removed from the capital structure through a specific adjustment to reduce common equity and ~~the same amount should be removed from rate base through an adjustment to working capital~~ a prorata adjustment to increase all sources of capital.

APPROVED as modified in Staff Handout 1.

Issue 33: What is the appropriate amount and cost rate for long-term debt for the 2009 projected test year?
Recommendation: The appropriate amount and cost rate for long-term debt are $1,345,196,153 ~~$1,308,427,206~~ and 6.80 percent, respectively, as shown on Schedule 2 of staff's memorandum dated March 5, 2009.

APPROVED as modified in Staff Handout 1.
Commissioner Argenziano dissented.

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Issue 34: What is the appropriate capital structure for the 2009 projected test year?
Recommendation: The appropriate capital structure for purposes of setting rates in this proceeding is based on the Company's 2009 projected capital structure with certain adjustments to more accurately reflect the level of equity investment in the utility on a going-forward basis. This capital structure reflects a projected equity ratio of approximately 54 percent as a percentage of investor-supplied capital. The appropriate capital structure for the 2009 test year is shown on Schedule 2 of staff's memorandum dated March 5, 2009.

APPROVED
Commissioner Argenziano dissented.

Issue 35: Dropped.

Issue 36: Dropped.

Issue 37: What is the appropriate return on common equity for the 2009 projected test year?
Recommendation: The appropriate return on common equity for the 2009 projected test year is 10.75 percent with a range of plus or minus 100 basis points.

MODIFIED The appropriate return on common equity for the 2009 projected test year is modified to 11.25 percent with a range of plus or minus 100 basis points. Commissioner Argenziano dissented.

Issue 38: What is the appropriate weighted average cost of capital for the 2009 projected test year?
Recommendation: The appropriate weighted average cost of capital for the projected test year is ~~7.87~~ 7.88 percent.

APPROVED as modified in Staff Handout 1.
Commissioner Argenziano dissented.

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Issue 39: Is TECO's projected level of Total Operating Revenues in the amount of $865,359,000 for the 2009 projected test year appropriate?
Recommendation: Yes, TECO's projected level of Total Operating Revenues in the amount of $865,359,000 for the 2009 projected test year is appropriate.

APPROVED

Issue 40: What are the appropriate inflation factors for use in forecasting the test year budget? (Stipulated)
Approved Stipulation: Having reviewed TECO's inflation escalation factor for its forecasts and compared it with Florida's National Economic Estimating Conference (10/2008) CPI forecasts, we find that TECO's 2.06% inflation factor is reasonable.

STIPULATION APPROVED

Issue 41: Is TECO's requested level of O&M Expense in the amount of $370,934,000 for the 2009 projected test year appropriate?
Recommendation: No. The appropriate amount of O&M Expense for the 2009 projected test year is $342,957,065.

APPROVED

Issue 42: Has TECO made the appropriate test year adjustments to remove fuel and purchased power revenues and expenses recoverable through the Fuel and Purchased Power Cost Recovery Clause? (Stipulated)
Approved Stipulation: Yes, TECO has made the appropriate test year adjustments to remove fuel and purchased power revenues and expenses recoverable through the Fuel and Purchased Power Cost Recovery Clause.

STIPULATION APPROVED

(Continued from previous page)

Issue 43: Has TECO made the appropriate test year adjustments to remove conservation revenues and expenses recoverable through the Conservation Cost Recovery Clause? (Stipulated)
Approved Stipulation: Yes, TECO has made the appropriate test year adjustments to remove conservation revenues and expenses recoverable through the Conservation Cost Recovery Clause.

STIPULATION APPROVED

Issue 44: Has TECO made the appropriate test year adjustments to remove capacity revenues and expenses recoverable through the Capacity Cost Recovery Clause? (Stipulated)
Approved Stipulation: Yes, TECO made the appropriate test year adjustments to remove capacity revenues and expenses recoverable through the Capacity Cost Recovery Clause.

STIPULATION APPROVED

Issue 45: Has TECO made the appropriate test year adjustments to remove environmental revenues and expenses recoverable through the Environmental Cost Recovery Clause? (Stipulated)
Approved Stipulation: Yes, TECO has made the appropriate test year adjustments to remove environmental revenues and expenses recoverable through the Environmental Cost Recovery Clause.

STIPULATION APPROVED

Issue 46: Should an adjustment be made to advertising expenses for the 2009 projected test year?
Recommendation: No. Staff recommends that the Company's forecast for advertising expense is reasonable and no adjustment to the test year advertising expenses is necessary.

APPROVED

(Continued from previous page)

Issue 47: Has TECO made the appropriate adjustments to remove lobbying expenses from the 2009 projected test year?
Recommendation: Yes. Staff recommends that no adjustment to the 2009 projected test year is necessary to remove lobbying expenses.

APPROVED

Issue 48: Should an adjustment be made to TECO's requested level of Salaries and Employee Benefits for the 2009 projected test year?
Recommendation: Yes. Staff recommends that the officer's compensation for both TECO Energy, Inc. (Parent) and TECO be reduced to reflect no increase in 2009 as announced by the Company during the hearing held in Tallahassee, January 21, 2009. This adjustment decreases jurisdictional O&M expense $206,812 ($213,088 system) for all the officers of both companies.
Staff also recommends that 90 positions be removed from the test year. The reduction of 90 positions reduces jurisdictional O&M expense by $3,568,109 ($3,676,382 system) and reduces Benefits expense by $1,420,208 ($1,461,650 system). (EXH 52, HWS-1 Schedule C-4, C-5)

APPROVED

Issue 49: Should an adjustment be made to Other Post Employment Benefits Expense for the 2009 projected test year?
Recommendation: No. The staff recommends that no adjustments be made to the Company's revenue requirement concerning Other Post Employment Benefits Expense.

APPROVED

Issue 50: Should operating expense be reduced to take into account budgeted positions that will be vacant?
Recommendation: No. Staff's recommended adjustment in Issue 48 accounts for this issue. No further adjustment is necessary.

APPROVED

(Continued from previous page)

Issue 51: Should operating expense be reduced to take into account TECO's initiatives to improve service reliability?
Recommendation: No. Staff has already recommended adjustments to payroll in Issue 48 that compensates for this issue.

APPROVED

Issue 52: Should operating expense be reduced to remove the cost of TECO's incentive compensation plan?
Recommendation: Yes. Staff recommends that jurisdictional operating expenses be reduced by $540,000 ($560,000 system) for that portion of incentive compensation pay tied directly to TECO Energy's results as recalculated by witness Chronister.

APPROVED

Issue 53: Should operating expense be reduced to take into account new generating units added that are maintained under contractual service agreements?
Recommendation: No. The impact of new generating equipment will be minimal (if any) on headcount. Staff already recommended reductions in the overall increase in headcount in Issue 48. No further adjustment is recommended for this issue.

APPROVED

Issue 54: Should an adjustment be made to TECO's generation maintenance expense?
Recommendation: Yes. Staff recommends that Generation Maintenance expenses be reduced by $2,850,000 ($2,960,000 system).

APPROVED

(Continued from previous page)

Issue 55: Should an adjustment be made to TECO's substation preventive maintenance expense?
Recommendation: No. Staff does not recommend an adjustment to the Company's test year preventive maintenance on substation infrastructure.

APPROVED

Issue 56: Should an adjustment be made to TECO's request for Dredging expense?
Recommendation: Yes. Although dredging costs are a necessary cost of doing business, the full amount requested by TECO is not supported. The Company should be allowed a total cost of $3,400,272, resulting in a reduction to expense of $650,056 (jurisdictional), and a reduction to working capital of $1,346,649 (jurisdictional).

APPROVED

Issue 57: Should an adjustment be made to TECO's Economic Development Expense?
Recommendation: No. Staff recommends no adjustment be made for this issue.

APPROVED

Issue 58: Should an adjustment be made to Pension Expense for the 2009 projected test year?
Recommendation: No. Staff believes that TECO has submitted sufficient evidence to demonstrate that its pension expense is reasonable. Staff recommends that no adjustment to the Company's revenue requirement concerning pension expense is warranted.

APPROVED

Issue 59: Should an adjustment be made to the accrual for property damage for the 2009 projected test year?
Recommendation: No. Staff recommended a $16,000,000, decrease to this account for the storm damage accrual in Issue 16. Staff recommends no further adjustment for this issue.

MODIFIED Staff recommendation was orally modified from $16,000,000 to $12,000,000 at the Commission conference.

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Issue 60: Should an adjustment be made to the accrual for the Injuries & Damages reserve for the 2009 projected test year?
Recommendation: No. Staff recommends no adjustment for this issue.

APPROVED

Issue 61: Should an adjustment be made to remove TECO's requested Director's & Officer's Liability Insurance expense?
Recommendation: No. Staff recommends no adjustment for this issue. Directors and Officers (D&O) insurance is a part of doing business for a public-owned company and should be allowed. The requested amount of $1,700,908 is the lowest of the five-year period, 2005 through 2009.

APPROVED

Issue 62: Should an adjustment be made to reduce meter expense (Account 586) and meter reading expense (Account 902)?
Recommendation: No. No adjustment should be made to reduce Account 586, Meter Expense and Account 902, Meter Reading Expense.

APPROVED

Issue 63: What is the appropriate amount and amortization period for TECO's rate case expense for the 2009 projected test year?
Recommendation: Staff recommends that the appropriate amount of rate case expense be set at $1,973,000 with a four year amortization period. Staff also recommends that the amortization period be increased from 3 to 4 years which results in a revised annual amortization of $493,250. This reduces the Company's original jurisdictional projection of $1,051,000 by $557,750 ($557,750 system basis).

APPROVED

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Issue 64: Should an adjustment be made to Bad Debt Expense for the 2009 projected test year?
Recommendation: No. Staff recommends no adjustment for bad debt expense.

APPROVED

Issue 65: Should an adjustment be made to office supplies and expenses for the 2009 projected test year?
Recommendation: No. Staff recommends no adjustment for Office Supplies and Expense.

APPROVED

Issue 66: Should an adjustment be made to reduce TECO's tree trimming expense for the 2009 projected test year?
Recommendation: Yes. Staff recommends a decrease in tree trimming expenses of $1,314,000 ($1,314,000 system).

APPROVED

Issue 67: Should an adjustment be made to reduce TECO's pole inspection expense for the 2009 projected test year?
Recommendation: No. Staff recommends no adjustment for this issue. TECO's proposed budget for the 2009 pole inspection program is appropriate and necessary to meet the requirements of the pole inspection plan that was approved by the Commission in Order No. PSC-06-0778-PAA-EU issued on September 18, 2006.

APPROVED

Issue 68: Should an adjustment be made to reduce TECO's transmission inspection expense for the 2009 projected test year?
Recommendation: No. Staff recommends no adjustment to reduce TECO's transmission inspection expense.

APPROVED

(Continued from previous page)

Issue 69: Should an adjustment be made to O&M expenses to normalize the number of outages TECO has included in the 2009 projected test year?
Recommendation: No. Staff recommends that no adjustment should be made in this issue to normalize the number of outages TECO has included in the 2009 projected test year.

APPROVED

Issue 70: Is the pro forma adjustment related to amortization of CIS costs associated with required rate case modifications appropriate?
Recommendation: Yes. The adjustment for customer information system (CIS) modification associated with rate case modifications and TECO's proposed five-year amortization period are appropriate.

APPROVED

Issue 71: Is the pro forma adjustment related to the annualization of five simple cycle combustion turbine units to be placed in service in 2009 appropriate?
Recommendation: No. The Company's proposed jurisdictional O&M, Depreciation & Amortization Expense, and Taxes Other Than Income Taxes should be reduced by $212,000, $1,391,000, and $2,226,000 respectively, for the May units. The Company's proposed jurisdictional O&M, Depreciation & Amortization Expense, and Taxes Other Than Income Taxes should be decreased by $658,000, $4,034,000, and $3,227,000, respectively for the September units. (MFR Schedule C-2) The total jurisdictional O&M, Depreciation & Amortization Expense, and Taxes Other Than Income Taxes should be decreased by $870,000, $5,425,000, and $5,453,000, respectively, for all 5 combustion turbine units.

APPROVED

Issue 72: Is the pro forma adjustment related to the annualization of rail facilities to be placed in service in 2009 appropriate?
Recommendation: No. Staff recommends that Depreciation & Amortization Expense and Taxes Other Than Income Taxes be decreased by $906,000 and $1,039,000, respectively, to remove the pro forma adjustments.

APPROVED

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Issue 73: Should any adjustments be made to the 2009 test year depreciation expense to reflect the depreciation rates approved by the Commission in Docket No. 070284-EI?
Recommendation: No. TECO has reflected the approved rates in its MFRs. No adjustments are necessary.

APPROVED

Issue 74: What is the appropriate amount of Depreciation Expense for the 2009 projected test year?
Recommendation: The appropriate level of Depreciation and Amortization Expense for the December 2009 projected test year is $187,028,515.

APPROVED

Issue 75: Should an adjustment be made to Taxes Other Than Income Taxes for the 2009 projected test year?
Recommendation: No. This is a fall out issue. There are no separate adjustments for Taxes Other Than Income Taxes.

APPROVED

Issue 76: Is it appropriate to make a parent debt adjustment as per Rule 25-14.004, Florida Administrative Code?
Recommendation: Yes. Jurisdictional income tax expense should be decreased by $9,657,000 ($9,623,000 system) to reflect the parent debt adjustment required by Rule 25-14.004, F.A.C.

APPROVED

Issue 77: Should an adjustment be made to Income Tax expense for the 2009 projected test year?
Recommendation: Yes. Total Income Tax expense should be increased by $7,532,923 ~~$8,562,853~~ resulting in a total income tax expense of $56,024,924 ~~$57,054,853~~ for the 2009 projected test year.

APPROVED as modified in Staff Handout 1.

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Issue 78: Is TECO's projected Net Operating Income in the amount of $182,970,000 for the 2009 projected test year appropriate?
Recommendation: No. The appropriate Net Operating Income for the 2009 projected test year is $217,485,497 ~~$216,455,567~~.

APPROVED as modified in Staff Handout 1.

Issue 79: What is the appropriate 2009 projected test year net operating income multiplier for TECO?
Recommendation: The appropriate 2009 projected test year net operating income multiplier is 1.63490 using a bad debt rate of .349 percent.

APPROVED

Issue 80: Is TECO's requested annual operating revenue increase of $228,167,000 for the 2009 projected test year appropriate?
Recommendation: No. The appropriate annual operating revenue increase for the 2009 projected test year is $87,558,438 ~~$76,713,931~~.

APPROVED as modified in Staff Handout 1

Issue 81: Did TECO correctly calculate the projected revenues at existing rates? (Stipulated)
Approved Stipulation: Yes, TECO correctly calculated the projected revenues at existing rates.

STIPULATION APPROVED

Issue 82: Is TECO's proposed Jurisdictional Separation Study appropriate? (Stipulated)
Approved Stipulation: Yes, TECO utilized, with minor changes, the same jurisdictional separation methodology approved by the Commission in its last base rate proceeding producing separation factors utilized in the MFRs. Changes made to that methodology relate to transmission and were made to comply with FERC and FPSC orders and practices. The results of TECO's jurisdictional separation study show that retail represents the vast majority of the electric service provided by TECO and that retail is responsible for 96.3 percent of production plant, 82.3 percent of transmission plant and 100 percent of distribution plant.

STIPULATION APPROVED

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Issue 83: What is the appropriate retail Cost of Service methodology to be used to allocate base rate and cost recovery costs to rate classes?
Recommendation: The appropriate methodology is 12 Coincident Peak (CP) and 25 percent Average Demand (AD).

APPROVED

Issue 84: Should the investment and expenses related to the Polk Unit 1 gasifier and the environmental costs of the Big Bend Unit scrubber be classified as energy or demand?
Recommendation: The Polk Unit 1 gasifier and the Big Bend scrubber should be classified as energy.

APPROVED

Issue 85: Is TECO's calculation of unbilled revenues correct? (Stipulated)
Approved Stipulation: Yes, TECO's calculation of unbilled revenues is correct.

STIPULATION APPROVED

Issue 86: What is the appropriate allocation of any change in revenue requirement?
Recommendation: The appropriate allocation of any change, after recognizing any additional revenues realized in other operating revenues, should track, to the extent practical, each class' revenue deficiency as determined from the approved cost of service study (Issues 83 and 84), and move the classes to parity as practicable. The appropriate allocation compares present revenue for each class to the class cost of service requirement and then distributes the change in revenue requirements to classes. No class should receive an increase greater than 1.5 times the system average percentage increase in total, and no class should receive a decrease. The appropriate allocation must recognize approved changes in consolidation of classes, treatment of current IS customers and restructuring of lighting rate schedules.

APPROVED

(Continued from previous page)

Issue 87: Should the interruptible rate schedules IS-1, IS-3, IST-1, IST-3, SBI-1 and SBI-3 be eliminated? If so, how should rates for customers currently taking service on interruptible rate schedules be designed, including whether a credit approach is appropriate, and if so, how such an approach should be implemented?
Recommendation: Yes, the interruptible rate schedules IS-1, IS-3, IST-1, IST-3, SBI-1, and SBI-3 should be eliminated and existing customers on these rate schedules should be transferred to a new firm IS and IS standby and supplemental rate schedule, with the credit for interruptible service provided under the approved GSLM-2 and GSLM-3 conservation program rate riders. The new IS base rates and cost recovery clause charges (capacity, environmental, and conservation) should be designed based on the Commission-approved cost of service with IS customers fully sharing any production demand related costs based on their 12 Coincident Peak (CP) load responsibility. The current GSLM credit has been approved by the Commission in the Energy Conservation Cost Recovery (ECCR) docket and is not an issue in this docket. The credit will be re-established in the next ECCR proceeding, Docket No. 090002-EG.

APPROVED

Issue 88: Should the GSD, GSLD and IS rate schedules be combined under a single GSD rate schedule?
Recommendation: No. Only the GSD and GSLD rate schedules should be combined into a single GSD rate schedule, while the IS class should be a separate firm rate schedule (with the interruptible credits provided under the GSLM-2 and GSLM-3 conservation programs as discussed in Issue 87). IS base rates and cost recovery clause charges (capacity, environmental, and conservation) should be designed based on the Commission-approved cost of service methodology with IS customers fully sharing any production demand related costs based on their 12 Coincident Peak (CP) load responsibility.

APPROVED

Issue 89: Is the change in the breakpoint from 49 kW to 9,000 kWh between the GS and GSD rate schedules appropriate? (Stipulated)
Approved Stipulation: Yes, establishing an energy rather than a demand threshold will facilitate transition from one rate class to another and will reduce the need for the installation of demand meters on GS class customers for this purpose.

STIPULATION APPROVED

(Continued from previous page)

Issue 90: What is the appropriate meter level discount to be applied for billing, and to what billing charges should that discount be applied? (Stipulated)
Approved Stipulation: The appropriate meter level discount is 1 percent for customers who take energy metered at primary voltage and 2 percent for customers who take energy metered at subtransmission voltage or higher and should apply to the demand charge, energy charge, transformer ownership discount, power factor billing, emergency relay power supply charge, and any credits from optional riders.

STIPULATION APPROVED

Issue 91: Should an inverted base energy rate be approved for the RS rate schedule?
Recommendation: Yes. TECO's inverted base energy rate should be approved because it sends an appropriate conservation-oriented price signal to the company's residential customers.

APPROVED

Issue 92: Should the existing RST rate schedule be eliminated and the customers currently taking service under the schedule be transferred to service under the RS or RSVP rate schedule? (Stipulated)
Approved Stipulation: Yes, the RST rate schedule should be eliminated and the approximately 40 customers taking service under RST should be transferred to their choice of the RSVP or RS rate schedule. Both of these rate schedules afford customers the opportunity to modify usage similar to RST.

STIPULATION APPROVED

Issue 93: Should TECO's proposed single lighting schedule, and associated charges, terms, and conditions be approved?
Recommendation: Yes, staff recommends that TECO's proposed single lighting schedule, and associated charges, terms, and conditions be approved, subject to adjustment based on the Commission's decisions in other issues and reflecting corrected labor costs.

APPROVED

(Continued from previous page)

Issue 94: Are the two new convenience service connection options and associated connection charges appropriate?
Recommendation: Yes. The two new service reconnection options, Same Day Reconnect and Saturday Reconnect, and their associated connection charges, $65 and $300, respectively, are appropriate. The new service reconnection options should be recalculated to reflect any applicable decisions in prior issues.

APPROVED

Issue 95: Are TECO's proposed Reconnect after Disconnect charges at the point of metering and at a point distant from the meter appropriate?
Recommendation: Yes, it is appropriate to have a Reconnect after Disconnect at Meter for Cause charge and a Reconnect after Cut on Pole Disconnect for Cause charge; the appropriate rates are $50 and $140, respectively. The reconnection options should be recalculated to reflect any applicable decisions in prior issues.

APPROVED

Issue 96: Is the proposed new meter tampering charge appropriate? (Stipulated)
Approved Stipulation: Yes, the proposed new meter tampering charge, designed to recover the costs of discovering and confirming tampering when the cost of investigating and estimating is greater than the damages, is appropriate.

STIPULATION APPROVED

Issue 97: Is the proposed new $5 minimum late payment charge appropriate?
Recommendation: Yes. Staff recommends that the proposed new $5 minimum late payment charge is appropriate and should be approved.

APPROVED

(Continued from previous page)

Issue 98: What are the appropriate service charges (initial connection, normal reconnect subsequent subscriber, field credit visit, return check)?
Recommendation: The appropriate service charges are $75 for Initial Connection, $25 for Normal Reconnect Subsequent Subscriber, $20 for the Field Credit Visit, and the reference to Section 68.065, Florida Statutes, for the Returned Check Charge. The service charges should be recalculated to reflect any applicable decisions in prior issues.

APPROVED

Issue 99: What is the appropriate temporary service charge?
Recommendation: The appropriate Temporary Service charge is $235. The Temporary Service charge should be recalculated to reflect any applicable decisions in prior issues.

APPROVED

Issue 100: What are the appropriate customer charges?
Recommendation: Staff recommends that the customer charges proposed by TECO are appropriate.

APPROVED

Issue 101: What are the appropriate demand charges?
Recommendation: This is a fall-out issue and will be decided at the April 7, 2009, Agenda Conference.

APPROVED

Issue 102: What are the appropriate Standby Service charges?
Recommendation: This is a fall-out issue and will be decided at the April 7, 2009 Agenda Conference. The Standby Service charges should be designed in accordance with the Commission's prescribed methodology in Order No. 17159.

APPROVED

(Continued from previous page)

Issue 103: Is TECO's proposed change in the application of the transformer ownership discount appropriate?
Recommendation: Yes. The change provides needed clarification on when the discount applies.

APPROVED

Issue 104: What is the appropriate transformer ownership discount to be applied for billing?
Recommendation: Staff recommends that the appropriate transformer ownership discounts are those calculated by TECO, adjusted to reflect the Commission's decision in Issue 88.

APPROVED

Issue 105: What are the appropriate emergency relay service charges?
Recommendation: Staff recommends that the appropriate emergency relay service charges are those calculated by TECO, adjusted to reflect the Commission's decision in Issue 88.

APPROVED

Issue 106: What are the appropriate contributions in aid for time of use rate customers opting to make a lump sum payment for a time-of-use meter in lieu of a higher time-of-use customer charge? (Stipulated)
Approved Stipulation: The appropriate contributions in aid for time of use rate customers opting to make a lump sum payment for a time-of-use meter in lieu of a higher time-of-use customer charge are $70 for the GST rate schedule and $0 for the GSDT rate schedule.

STIPULATION APPROVED

Issue 107: What are the appropriate energy charges?
Recommendation: This is a fall-out issue and will be decided at the April 7, 2009 Agenda Conference.

APPROVED

(Continued from previous page)

Issue 108: What changes in allocation and rate design should be made to TECO's rates established in Docket Nos. 080001-EI, 080002-EG, and 080007-EI to recognize the decisions in various cost of service rate design issues in this docket? (Stipulated)
Approved Stipulation: The changes in allocation and rate design to TECO's capacity cost recovery factors established in Docket No. 080001-EI, conservation cost recovery factors established in Docket No. 080002-EI, and environmental cost recovery factors established in Docket No. 080007-EI should reflect the Commission vote in Issues 83, 87, and 88. In addition, the capacity cost recovery clause and energy conservation cost recovery clause factors should be recovered on demand basis rather than an energy basis as it is currently done.

STIPULATION APPROVED

Issue 109: What are the appropriate monthly rental factors and termination factors to be approved for the Facilities Rental Agreement, Appendix A?
Recommendation: The appropriate monthly rental factors and termination factors for the Facilities Rental Agreement are those proposed by TECO, subject to recalculation based on the Commission's decisions in prior issues.

APPROVED

Issue 110: Is it appropriate to establish a customer specific rate schedule for county (K-12) public schools in this proceeding?
Recommendation: It is not appropriate to apply a non cost-based discount rate to schools.

APPROVED

Issue 111: What is the appropriate effective date for the rates and charges established in this proceeding? (Stipulated)
Approved Stipulation: The revised rates should become effective for meter readings taken on or after 30 days following the date of the Commission vote approving the rates and charges which, under the current schedule, would mean for meter readings taken on or after May 7, 2009.

STIPULATION APPROVED

(Continued from previous page)

Issue 112: Should TECO's request to establish a Transmission Base Rate Adjustment mechanism be approved?
Recommendation: No. TECO's proposed Transmission Base Rate Adjustment (TBRA) mechanism considers the cost of constructing new transmission facilities in isolation, without considering potential increases in revenues from additional sales or decreases in rate base due to retirements or depreciation that may offset the impact of construction costs. If the cost of additional transmission facilities does necessitate a rate increase, the long-term nature of transmission planning, design, and construction would afford TECO sufficient time to request a base rate increase.

APPROVED

Issue 113: Should TECO be required to file, within 90 days after the date of the final order in this docket, a description of all entries or adjustments to its annual report, rate of return reports, and books and records which will be required as a result of the Commission's finings in this rate case? (Stipulated)
Approved Stipulation: Yes, TECO should be required to file, within 90 days after the date of the final order in this docket, a description of all entries or adjustments to its annual report, rate of return reports, and books and records which will be required as a result of the Commission's findings in this rate case.

APPROVED

Issue 114: Should this docket be closed?
Recommendation: The docket should be closed upon the expiration of the time for filing an appeal has run.

NO VOTE issue to be decided at the april 7, 2009, Agenda Conference.

Parties/Staff Handout
Internal Affairs/Agenda
on 3/17/09
Item No. 9

The following revisions are related to Issue 16 and Issue 32.

The revision to Issue 16 concerns the working capital allowance adjustment for the disallowance of the increase to the storm damage accrual. Staff inadvertently reduced working capital by $8,000,000. Because the storm damage reserve is a liability, it reduces working capital. Because staff is recommending that the increased annual accrual be denied, the storm damage reserve in working capital would be decreased, resulting in an $8,000,000 increase to working capital.

The revision to Issue 32 concerns the incorrect adjustment to reduce working capital by $77 million to reverse the effects of the Company's proposed pro forma adjustment to increase the balance of common equity in the capital structure. The $77 million adjustment should still be removed from equity but instead of decreasing working capital by this amount as initially recommended, the appropriate offsetting adjustment is a prorata adjustment to increase all sources of capital.

As a direct result of the revisions to Issues 16 and 32, the following issues also had to be revised: 27, 28, 31, 33, 38, 77, 78 and 80. The net result of these revisions is a $10,844,507 increase in staff's recommended annual operating revenue increase from $76,713,931 to $87,558,438.

Issue 16: Should an adjustment be made to TECO's requested storm damage reserve, annual accrual and target level? ***(Page 36)***

Recommendation: Yes. TECO's requested increases in storm damage reserve, annual accrual, and the storm damage target reserve level should be rejected. The accrual for Storm Damage Reserve should remain at its current annual level of $4 million with a $55 million target amount. Removing TECO's requested increase to the storm damage accrual results in a decrease in the Company's jurisdictional O&M expense of $16,000,000 ($16,000,000 system) and an increase ~~decrease~~ in the jurisdictional working capital of $8,000,000 ($8,000,000 system) for the test year. At this point, it would be premature to require that the storm damage accrual stop when the target level is achieved. Staff believes this issue should be readdressed if and when the target level is actually achieved. (Prestwood)

Issue 27: Is TECO's requested level of Working Capital in the amount of ($30,586,000) for the 2009 projected test year appropriate? ***(Page 64)***

Recommendation: No. The appropriate level of Working Capital for the 2009 projected test year is ($37,909,649) ~~($130,910,649)~~. (Slemkewicz)

Issue 28: Is TECO's requested rate base in the amount of $3,656,800,000 for the 2009 projected test year appropriate? ***(Page 65)***

Recommendation: No. The appropriate amount of rate base for the 2009 projected test year is $3,439,610,836 ~~$3,346,610,836~~. (Slemkewicz)

Issue 31: What is the appropriate amount and cost rate for short-term debt for the 2009 projected test year? ***(Page 72)***

Recommendation: The appropriate amount and cost rate for short-term debt for the 2009 projected test year are $7,435,627 ~~$7,227,005~~ and 2.75 percent, respectively, as shown on Attachment 2. (Livingston, Springer)

Issue 32: Should TECO's requested pro forma adjustment to equity to offset off-balance sheet purchased power obligations be approved? ***(Page 75)***

Recommendation: No. The $77 million in question should be removed from the capital structure through a specific adjustment to reduce common equity and ~~the same amount should be removed from rate base through an adjustment to working capital.~~ a prorata adjustment to increase all sources of capital. (Maurey)

Issue 33: What is the appropriate amount and cost rate for long-term debt for the 2009 projected test year? ***(Page 78)***

Recommendation: The appropriate amount and cost rate for long-term debt are $1,345,196,153 ~~$1,308,427,206~~ and 6.80 percent, respectively, as shown on Schedule 2. (Springer, Livingston)

Issue 38: What is the appropriate weighted average cost of capital for the 2009 projected test year? ***(Page 95)***

Recommendation: The appropriate weighted average cost of capital for the projected test year is ~~7.87~~ 7.88 percent. (Springer, Livingston)

Issue 77: Should an adjustment be made to Income Tax expense for the 2009 projected test year? ***(Page 168)***

Recommendation: Yes. Total Income Tax expense should be increased by $7,532,923 ~~$8,562,853~~ resulting in a total income tax expense of $56,024,923 ~~$57,054,853~~ for the 2009 projected test year. (Kyle, Springer, Slemkewicz)

Issue 78: Is TECO's projected Net Operating Income in the amount of $182,970,000 for the 2009 projected test year appropriate? ***(Page 169)***

Recommendation: No. The appropriate Net Operating Income for the 2009 projected test year is $217,485,497 ~~$216,455,567~~. (Slemkewicz)

Issue 80: Is TECO's requested annual operating revenue increase of $228,167,000 for the 2009 projected test year appropriate? ***(Page 172)***

Recommendation: No. The appropriate annual operating revenue increase for the 2009 projected test year is $87,558,438 ~~$76,713,931~~. (Slemkewicz)

TAMPA ELECTRIC COMPANY
DOCKET NO. 080317-EI
13-MONTH AVERAGE RATE BASE
DECEMBER 2009 TEST YEAR

SCHEDULE 1
REVISED
11-Mar-09

Issue No.		Plant in Service	Accumulated Depreciation	Net Plant in Service	CWIP	Plant Held for Future Use	Net Plant	Working Capital	Total Rate Base
	Adjusted per Company	5,483,474,000	(1,934,489,000)	3,548,985,000	101,071,000	37,330,000	3,687,386,000	(30,586,000)	3,656,800,000
	Staff Adjustments:								
4	Non-Utility Activities	0	0	0	0	0	0	0	0
5	Combustion Turbine Annualization	(134,439,000)	3,750,000	(130,689,000)	0	0	(130,689,000)	0	(130,689,000)
6	CSX Credit - Big Bend Rail Project	0	0	0	0	0	0	0	0
7	Big Bend Rail Project Annualization	(45,206,000)	452,000	(44,754,000)	0	0	(44,754,000)	0	(44,754,000)
8	Plant in Service Amount	(35,671,000)	1,248,485	(34,422,515)	0	0	(34,422,515)	0	(34,422,515)
9	Customer Information System	0	0	0	0	0	0	0	0
10	Total Plant in Service	0	0	0	0	0	0	0	0
11	Total Accumulated Depreciation	0	0	0	0	0	0	0	0
12	ECRC Costs	0	0	0	0	0	0	0	0
13	Total CWIP	0	0	0	0	0	0	0	0
14	Total PHFFU	0	0	0	0	0	0	0	0
15	Deferred Dredging Costs	0	0	0	0	0	0	(1,346,649)	(1,346,649)
16	Storm Damage Reserve	0	0	0	0	0	0	8,000,000	8,000,000
17	Prepaid Pension Expense	0	0	0	0	0	0	0	0
18	Other Accounts Receivable (143)	0	0	0	0	0	0	(10,959,000)	(10,959,000)
19	Accts Rec. Associated Cos. (146)	0	0	0	0	0	0	(390,000)	(390,000)
20	OPEB Liability	0	0	0	0	0	0	0	0
21	Coal Inventory	0	0	0	0	0	0	0	0
22	Residual Oil Inventory	0	0	0	0	0	0	0	0
23	Distillate Oil Inventory	0	0	0	0	0	0	0	0
24	Natural Gas & Propane Inventories	0	0	0	0	0	0	0	0
25-S	Clause Over/Under Recoveries	0	0	0	0	0	0	0	0
26	Rate Case Expense	0	0	0	0	0	0	(2,628,000)	(2,628,000)
27	Total Working Capital	0	0	0	0	0	0	0	0
32	Imputed Equity Infusion	0	0	0	0	0	0	0	0
				0			0		0
				0			0		0
				0			0		0
				0			0		0
				0			0		0
---	Total Staff Adjustments	(215,316,000)	5,450,485	(209,865,515)	0	0	(209,865,515)	(7,323,649)	(217,189,164)
28	Fall Out - Staff Adjusted Rate Base	5,268,158,000	(1,929,038,515)	3,339,119,485	101,071,000	37,330,000	3,477,520,485	(37,909,649)	3,439,610,836

TAMPA ELECTRIC COMPANY
DOCKET NO. 080317-EI
13-MONTH AVERAGE CAPITAL STRUCTURE
DECEMBER 2009 TEST YEAR

SCHEDULE 2
REVISED
11-Mar-09

Company As Filed

	($) Amount	Ratio	Cost Rate	Weighted Cost
Common Equity	1,835,985,000	50.21%	12.00%	6.02%
Long-term Debt	1,397,565,000	38.22%	6.80%	2.60%
Short-term Debt	8,002,000	0.22%	4.63%	0.01%
Preferred Stock	0	0.00%	0.00%	0.00%
Customer Deposits	103,724,000	2.84%	6.07%	0.17%
Deferred Income Taxes	302,744,000	8.28%	0.00%	0.00%
Tax Credits - Zero Cost	0	0.00%	0.00%	0.00%
Tax Credits - Weighted Cost	8,780,000	0.24%	9.75%	0.02%
Total	3,656,800,000	100.00%		8.82%
Equity Ratio	56.64%			

Staff Adjusted

	($) Amount	($) Specific Adjustments	($) Specific Adjustments	($) Pro Rata Adjustments	($) Staff Adjusted	Ratio	Cost Rate	Weighted Cost
Common Equity	1,835,985,000	(169,461,000)	36,921,713	(117,225,976)	1,586,219,737	46.12%	10.75%	4.96%
Long-term Debt	1,397,565,000	17,679,000	29,365,827	(99,413,674)	1,345,196,153	39.11%	6.80%	2.66%
Short-term Debt	8,002,000	(185,000)	168,140	(549,513)	7,435,627	0.22%	2.75%	0.01%
Preferred Stock	0	0	0	0	0	0.00%	0.00%	0.00%
Customer Deposits	103,724,000	18,726,000	2,633,848	0	125,083,848	3.64%	6.07%	0.22%
Deferred Income Taxes	302,744,000	54,656,000	7,687,524	0	365,087,524	10.61%	0.00%	0.00%
Tax Credits - Zero Cost	0	0	0	0	0	0.00%	0.00%	0.00%
Tax Credits - Weighted Cost	8,780,000	1,585,000	222,947	0	10,587,947	0.31%	8.92%	0.03%
Total	3,656,800,000	(77,000,000)	77,000,000	(217,189,164)	3,439,610,836	100.00%		7.88%
Equity Ratio	56.64%				53.97%			

Interest Synchronization

Dollar Amount Change	($) Adjustment Amount	Cost Rate	($) Effect on Interest Exp.	Tax Rate	($) Effect on Income Tax
Long-term Debt	(52,368,847)	6.80%	(3,561,082)	38.575%	1,373,687
Short-term Debt	(566,373)	4.63%	(26,223)	38.575%	10,116
Customer Deposits	21,359,848	6.07%	1,296,543	38.575%	(500,141)
					883,661
Cost Rate Change					
Short-term Debt	8,002,000	-1.88%	(150,438)	38.575%	58,031
Tax Credits - Weighted Cost	8,780,000	-0.83%	(72,722)	38.575%	28,053
					86,084
TOTAL					969,745

TAMPA ELECTRIC COMPANY
DOCKET NO. 080317-EI
NET OPERATING INCOME
DECEMBER 2009 TEST YEAR

SCHEDULE 3
REVISED
11-Mar-09

		Operating Revenues	O&M - Fuel & Purchased Power	O&M Other	Depreciation and Amortization	Taxes Other Than Income	Total Income Taxes	(Gain)/Loss on Disposal of Plant	Total Operating Expenses	Net Operating Income
	Adjusted per Company	865,359,000	7,614,000	370,934,000	194,608,000	62,275,000	48,492,000	(1,534,000)	682,389,000	182,970,000
	Staff Adjustments:									
2	Revenue Forecast	0	0	0	0	0	0	0	0	0
8	Plant in Service Amount	0	0	0	(1,248,485)	0	481,603	0	(766,882)	766,882
39	Total Operating Revenues	0	0	0	0	0	0	0	0	0
40-S	Inflation Factors	0	0	0	0	0	0	0	0	0
41	Total O&M Expense	0	0	0	0	0	0	0	0	0
42-S	FAC Revenues and Expenses	0	0	0	0	0	0	0	0	0
43-S	ECCR Revenues and Expenses	0	0	0	0	0	0	0	0	0
44-S	CCRC Revenues and Expenses	0	0	0	0	0	0	0	0	0
45-S	ECRC Revenues and Expenses	0	0	0	0	0	0	0	0	0
46	Advertising Expenses	0	0	0	0	0	0	0	0	0
47	Lobbying Expenses	0	0	0	0	0	0	0	0	0
48	Salaries and Employee Benefits	0	0	(5,195,129)	0	0	2,004,021	0	(3,191,108)	3,191,108
49	OPEB Expenses	0	0	0	0	0	0	0	0	0
50	Vacant Positions	0	0	0	0	0	0	0	0	0
51	Service reliability Initiatives	0	0	0	0	0	0	0	0	0
52	Incentive Compensation Plan	0	0	(540,000)	0	0	208,305	0	(331,695)	331,695
53	Generating Units - CSAs	0	0	0	0	0	0	0	0	0
54	Generation Maintenance Expense	0	0	(2,850,000)	0	0	1,099,388	0	(1,750,613)	1,750,613
55	Preventive Maintenance Expense	0	0	0	0	0	0	0	0	0
56	Dredging Expense	0	0	(650,056)	0	0	250,759	0	(399,297)	399,297
57	Economic Development Expense	0	0	0	0	0	0	0	0	0
58	Pension Expense	0	0	0	0	0	0	0	0	0
59	Storm Damage Accrual	0	0	(16,000,000)	0	0	6,172,000	0	(9,828,000)	9,828,000
60	Injuries & Damages Accrual	0	0	0	0	0	0	0	0	0
61	Executives' Liability Insurance	0	0	0	0	0	0	0	0	0
62	Meter & Meter Reading Expenses	0	0	0	0	0	0	0	0	0
63	Rate Case Expense Amortization	0	0	(557,750)	0	0	215,152	0	(342,598)	342,598
64	Bad Debt Expense	0	0	0	0	0	0	0	0	0
65	Office Supplies	0	0	0	0	0	0	0	0	0
66	Tree Trimming Expense	0	0	(1,314,000)	0	0	506,876	0	(807,125)	807,125
67	Pole Inspections	0	0	0	0	0	0	0	0	0
68	Transmission Inspection Expense	0	0	0	0	0	0	0	0	0
69	Outage Normalization	0	0	0	0	0	0	0	0	0
70	CIS Expenses	0	0	0	0	0	0	0	0	0
71	Combustion Turbine Annualization	0	0	(870,000)	(5,425,000)	(5,453,000)	4,531,791	0	(7,216,209)	7,216,209
72	Big Bend Rail Project Annualization	0	0	0	(906,000)	(1,039,000)	750,284	0	(1,194,716)	1,194,716
73	Depreciation Study	0	0	0	0	0	0	0	0	0
74	Total Depreciation Expense	0	0	0	0	0	0	0	0	0
75	Taxes Other Than Income	0	0	0	0	0	0	0	0	0
76	Parent Debt Adjustment	0	0	0	0	0	(9,657,000)	0	(9,657,000)	9,657,000
77	Income Tax Expense	0	0	0	0	0	0	0	0	0
	Interest Synchronization	0	0	0	0	0	969,745	0	969,745	(969,745)
	Total Staff Adjustments	0	0	(27,976,935)	(7,579,485)	(6,492,000)	7,532,923	0	(34,515,497)	34,515,497
78	Fall Out - Staff Adjusted NOI	865,359,000	7,614,000	342,957,065	187,028,515	55,783,000	56,024,923	(1,534,000)	647,873,503	217,485,497

SCHEDULE 4

TAMPA ELECTRIC COMPANY
DOCKET NO. 080317-EI
DECEMBER 2009 PROJECTED TEST YEAR
NET OPERATING INCOME MULTIPLIER

Line No.		(%) As Filed	(%) Staff Adjusted
1	Revenue Requirement	100.000	100.000
2	Gross Receipts Tax	0.000	0.000
3	Regulatory Assessment Fee	(0.072)	(0.072)
4	Bad Debt Rate	(0.349)	(0.349)
5	Net Before Income Taxes	99.579	99.579
6	Income Taxes (Line 5 x 38.575%)	(38.413)	(38.413)
7	Revenue Expansion Factor	61.166	61.166
8	Net Operating Income Multiplier (100%/Line 7)	1.63490	1.63490

SCHEDULE 5
REVISED
11-Mar-09

TAMPA ELECTRIC COMPANY
DOCKET NO. 080317-EI
DECEMBER 2009 PROJECTED TEST YEAR
REVENUE REQUIREMENTS CALCULATION

Line No.		As Filed	Staff Adjusted
1.	Rate Base	$3,656,800,000	$3,439,610,836
2.	Overall Rate of Return	8.82%	7.88%
3.	Required Net Operating Income (1)x(2)	322,530,000	271,041,334
4.	Achieved Net Operating Income	182,970,000	217,485,497
5.	Net Operating Income Deficiency (3)-(4)	139,560,000	53,555,837
6.	Net Operating Income Multiplier	1.63490	1.63490
7.	Operating Revenue Increase (5)x(6)	$228,167,000	$87,558,438

Parties/Staff Handout
Internal Affairs/Agenda
on 3/17/09
Item No. 9
Staff Handout 3

Step Increase for the Five Combustion Turbine Units (CTs)
And the Big Bend Rail Facilities
Issues 5 and 7

Alternative Recommendation:

Authorize an increase in base rates a maximum of $32.9 million (see attached) for the 5 CTs and the Rail Facilities, effective January 1, 2010, in a manner consistent with the cost allocation methodology (Issue 83) ordered by the Commission with the condition that these investments are completed and in commercial operation by December 31, 2009. This maximum amount is subject to change depending on Commission decisions regarding other issues. In the event one or more of these projects are not completed by year end, TECO shall submit a revision of the revenue requirement impact for these projects. The step increase is based on two conditions:

1) The units must be needed.

The decision to complete any or all of these projects by year end, considering changed circumstances such as, but not limited to, decreased electricity consumption, is subject to Commission review and rate adjustment. There was testimony that TECO may not stay on schedule with some of these CTs because of the downturn in the economy. TECO should only move forward with the units if the capacity is needed. This condition will help ensure that TECO will only move forward if it is justified in terms of load requirements.

2) TECO should not gain a windfall in revenues because a step increase is authorized now rather than conducting a limited proceeding at a later date.

If TECO exceeds its newly authorized midpoint Return on Equity (ROE) based on the Commission's Earnings Surveillance Report for the 12 month period ending May 31, 2010, TECO shall refund, or credit rate base, an amount necessary to bring its ROE down to its midpoint. Unlike a limited proceeding, the Commission will not be evaluating updated revenue and cost information before implementation of the step increase.

In the event of an upturn in the economy, TECO's electric sales and ROE may increase significantly. Many homes are vacant with meters in place so growth in sales is not dependent on construction of new homes. If growth increases beyond what is projected in the test year data, the need for a rate increase is reduced. This second condition is consistent with the notion that rates are set to achieve the midpoint ROE for the first year of new rates.

TAMPA ELECTRIC COMPANY
DOCKET NO. 080317-EI
CALCULATION OF STEP INCREASE

Step Increase Revenue Requirement

Big Bend Rail Facility	6,838,433
May 2009 CTs	7,788,504
September 2009 CTs	18,274,724
Total Step Increase	32,901,661

Line No.		Big Bend Rail Facility	May CTs (2 Units)	September CTs (3 Units	Total CTs (5 Units)
1	Net Plant in Service	44,754,000	36,125,000	94,563,000	130,688,000
2	Rate Of Return*	7.88%	7.88%	7.88%	7.88%
3	Required Return (2x3)	3,526,615	2,846,650	7,451,564	10,298,214
4	O&M Expenses	0	212,000	658,000	870,000
5	Depreciation	906,000	1,391,000	4,034,000	5,425,000
6	Taxes Other Than Income	1,039,000	2,226,000	3,227,000	5,453,000
7	Income Taxes (4+5+6)x-.38575	(750,284)	(1,477,037)	(3,054,754)	(4,531,791)
8	Income Tax Effect of Interest* [(1) x 3.12% x -.38575]	(538,548)	(434,711)	(1,137,925)	(1,572,636)
9	Total NOI Requirement (3+4+5+6+7+8)	4,182,783	4,763,902	11,177,885	15,941,787
10	NOI Multiplier*	1.6349	1.6349	1.6349	1.6349
11	Revenue Requirement (9x10)	6,838,433	7,788,504	18,274,724	26,063,228

	Amount	Ratio	Cost Rate	Weighted Cost
Common Equity*	1,586,219,737	53.97%	N/A	N/A
Long Term Debt*	1,345,196,153	45.77%	6.80%	3.11%
Short Term Debt*	7,435,627	0.25%	2.75%	0.01%
Total	2,938,851,516	100.00%		3.12%

*Based on Staff's Recommendation

TAMPA ELECTRIC COMPANY
DOCKET NO. 080317-EI
13-MONTH AVERAGE RATE BASE
DECEMBER 2009 TEST YEAR

SCHEDULE 1
REVISED
17-Mar-09

Issue No.		Plant in Service	Accumulated Depreciation	Net Plant in Service	CWIP	Plant Held for Future Use	Net Plant	Working Capital	Total Rate Base
	Adjusted per Company	5,483,474,000	(1,934,489,000)	3,548,985,000	101,071,000	37,330,000	3,687,386,000	(30,586,000)	3,656,800,000
	Staff Adjustments:								
4	Non-Utility Activities	0	0	0	0	0	0	0	0
5	Combustion Turbine Annualization	(134,439,000)	3,750,000	(130,689,000)	0	0	(130,689,000)	0	(130,689,000)
6	CSX Credit - Big Bend Rail Project	0	0	0	0	0	0	0	0
7	Big Bend Rail Project Annualization	(45,206,000)	452,000	(44,754,000)	0	0	(44,754,000)	0	(44,754,000)
8	Plant in Service Amount	(35,671,000)	1,248,485	(34,422,515)	0	0	(34,422,515)	0	(34,422,515)
9	Customer Information System	0	0	0	0	0	0	0	0
10	Total Plant in Service	0	0	0	0	0	0	0	0
11	Total Accumulated Depreciation	0	0	0	0	0	0	0	0
12	ECRC Costs	0	0	0	0	0	0	0	0
13	Total CWIP	0	0	0	0	0	0	0	0
14	Total PHFFU	0	0	0	0	0	0	0	0
15	Deferred Dredging Costs	0	0	0	0	0	0	(1,346,649)	(1,346,649)
16	Storm Damage Reserve	0	0	0	0	0	0	6,000,000	6,000,000
17	Prepaid Pension Expense	0	0	0	0	0	0	0	0
18	Other Accounts Receivable (143)	0	0	0	0	0	0	(10,959,000)	(10,959,000)
19	Accts Rec. Associated Cos. (146)	0	0	0	0	0	0	(390,000)	(390,000)
20	OPEB Liability	0	0	0	0	0	0	0	0
21	Coal Inventory	0	0	0	0	0	0	0	0
22	Residual Oil Inventory	0	0	0	0	0	0	0	0
23	Distillate Oil Inventory	0	0	0	0	0	0	0	0
24	Natural Gas & Propane Inventories	0	0	0	0	0	0	0	0
25-S	Clause Over/Under Recoveries	0	0	0	0	0	0	0	0
26	Rate Case Expense	0	0	0	0	0	0	(2,628,000)	(2,628,000)
27	Total Working Capital	0	0	0	0	0	0	0	0
32	Imputed Equity Infusion	0	0	0	0	0	0	0	0
				0			0		0
				0			0		0
				0			0		0
				0			0		0
				0			0		0
---	Total Staff Adjustments	(215,316,000)	5,450,485	(209,865,515)	0	0	(209,865,515)	(9,323,649)	(219,189,164)
28	Fall Out - Staff Adjusted Rate Base	5,268,158,000	(1,929,038,515)	3,339,119,485	101,071,000	37,330,000	3,477,520,485	(39,909,649)	3,437,610,836

Parties/Staff Handout
Internal Affairs/Agenda
on 3/17/09
Item No. 9

TAMPA ELECTRIC COMPANY
DOCKET NO. 080317-EI
13-MONTH AVERAGE CAPITAL STRUCTURE
DECEMBER 2009 TEST YEAR

SCHEDULE 2
REVISED
17-Mar-09

Company As Filed	($) Amount	Ratio	Cost Rate	Weighted Cost
Common Equity	1,835,985,000	50.21%	12.00%	6.02%
Long-term Debt	1,397,565,000	38.22%	6.80%	2.60%
Short-term Debt	8,002,000	0.22%	4.63%	0.01%
Preferred Stock	0	0.00%	0.00%	0.00%
Customer Deposits	103,724,000	2.84%	6.07%	0.17%
Deferred Income Taxes	302,744,000	8.28%	0.00%	0.00%
Tax Credits - Zero Cost	0	0.00%	0.00%	0.00%
Tax Credits - Weighted Cost	8,780,000	0.24%	9.75%	0.02%
Total	3,656,800,000	100.00%		8.82%
Equity Ratio	56.64%			

Staff Adjusted	($) Amount	($) Specific Adjustments	($) Specific Adjustments	($) Pro Rata Adjustments	($) Staff Adjusted	Ratio	Cost Rate	Weighted Cost
Common Equity	1,835,985,000	(169,461,000)	36,921,713	(118,305,459)	1,585,140,254	46.11%	11.25%	5.19%
Long-term Debt	1,397,565,000	17,679,000	29,365,827	(100,329,131)	1,344,280,696	39.11%	6.80%	2.66%
Short-term Debt	8,002,000	(185,000)	168,140	(554,573)	7,430,567	0.22%	2.75%	0.01%
Preferred Stock	0	0	0	0	0	0.00%	0.00%	0.00%
Customer Deposits	103,724,000	18,726,000	2,633,848	0	125,083,848	3.64%	6.07%	0.22%
Deferred Income Taxes	302,744,000	54,656,000	7,687,524	0	365,087,524	10.62%	0.00%	0.00%
Tax Credits - Zero Cost	0	0	0	0	0	0.00%	0.00%	0.00%
Tax Credits - Weighted Cost	8,780,000	1,585,000	222,947	0	10,587,947	0.31%	9.19%	0.03%
Total	3,656,800,000	(77,000,000)	77,000,000	(219,189,164)	3,437,610,836	100.00%		8.11%
Equity Ratio	56.64%				53.97%			

Interest Synchronization	($) Adjustment Amount	Cost Rate	($) Effect on Interest Exp.	Tax Rate	($) Effect on Income Tax
Dollar Amount Change					
Long-term Debt	(53,284,304)	6.80%	(3,623,333)	38.575%	1,397,701
Short-term Debt	(571,433)	4.63%	(26,457)	38.575%	10,206
Customer Deposits	21,359,848	6.07%	1,296,543	38.575%	(500,141)
					907,765
Cost Rate Change					
Short-term Debt	8,002,000	-1.88%	(150,438)	38.575%	58,031
Tax Credits - Weighted Cost	8,780,000	-0.56%	(49,027)	38.575%	18,912
					76,944
TOTAL					984,709

TAMPA ELECTRIC COMPANY
DOCKET NO. 080317-EI
NET OPERATING INCOME
DECEMBER 2009 TEST YEAR

SCHEDULE 3
REVISED
17-Mar-09

		Operating Revenues	O&M - Fuel & Purchased Power	O&M Other	Depreciation and Amortization	Taxes Other Than Income	Total Income Taxes	(Gain)/Loss on Disposal of Plant	Total Operating Expenses	Net Operating Income
	Adjusted per Company	865,359,000	7,614,000	370,934,000	194,608,000	62,275,000	48,492,000	(1,534,000)	682,389,000	182,970,000
	Staff Adjustments:									
2	Revenue Forecast	0	0	0	0	0	0	0	0	0
8	Plant in Service Amount	0	0	0	(1,248,485)	0	481,603	0	(766,882)	766,882
39	Total Operating Revenues	0	0	0	0	0	0	0	0	0
40-S	Inflation Factors	0	0	0	0	0	0	0	0	0
41	Total O&M Expense	0	0	0	0	0	0	0	0	0
42-S	FAC Revenues and Expenses	0	0	0	0	0	0	0	0	0
43-S	ECCR Revenues and Expenses	0	0	0	0	0	0	0	0	0
44-S	CCRC Revenues and Expenses	0	0	0	0	0	0	0	0	0
45-S	ECRC Revenues and Expenses	0	0	0	0	0	0	0	0	0
46	Advertising Expenses	0	0	0	0	0	0	0	0	0
47	Lobbying Expenses	0	0	0	0	0	0	0	0	0
48	Salaries and Employee Benefits	0	0	(5,195,129)	0	0	2,004,021	0	(3,191,108)	3,191,108
49	OPEB Expenses	0	0	0	0	0	0	0	0	0
50	Vacant Positions	0	0	0	0	0	0	0	0	0
51	Service reliability Initiatives	0	0	0	0	0	0	0	0	0
52	Incentive Compensation Plan	0	0	(540,000)	0	0	208,305	0	(331,695)	331,695
53	Generating Units - CSAs	0	0	0	0	0	0	0	0	0
54	Generation Maintenance Expense	0	0	(2,850,000)	0	0	1,099,388	0	(1,750,613)	1,750,613
55	Preventive Maintenance Expense	0	0	0	0	0	0	0	0	0
56	Dredging Expense	0	0	(650,056)	0	0	250,759	0	(399,297)	399,297
57	Economic Development Expense	0	0	0	0	0	0	0	0	0
58	Pension Expense	0	0	0	0	0	0	0	0	0
59	Storm Damage Accrual	0	0	(12,000,000)	0	0	4,629,000	0	(7,371,000)	7,371,000
60	Injuries & Damages Accrual	0	0	0	0	0	0	0	0	0
61	Executives' Liability Insurance	0	0	0	0	0	0	0	0	0
62	Meter & Meter Reading Expenses	0	0	0	0	0	0	0	0	0
63	Rate Case Expense Amortization	0	0	(557,750)	0	0	215,152	0	(342,598)	342,598
64	Bad Debt Expense	0	0	0	0	0	0	0	0	0
65	Office Supplies	0	0	0	0	0	0	0	0	0
66	Tree Trimming Expense	0	0	(1,314,000)	0	0	506,876	0	(807,125)	807,125
67	Pole Inspections	0	0	0	0	0	0	0	0	0
68	Transmission Inspection Expense	0	0	0	0	0	0	0	0	0
69	Outage Normalization	0	0	0	0	0	0	0	0	0
70	CIS Expenses	0	0	0	0	0	0	0	0	0
71	Combustion Turbine Annualization	0	0	(870,000)	(5,425,000)	(5,453,000)	4,531,791	0	(7,216,209)	7,216,209
72	Big Bend Rail Project Annualization	0	0	0	(906,000)	(1,039,000)	750,284	0	(1,194,716)	1,194,716
73	Depreciation Study	0	0	0	0	0	0	0	0	0
74	Total Depreciation Expense	0	0	0	0	0	0	0	0	0
75	Taxes Other Than Income	0	0	0	0	0	0	0	0	0
76	Parent Debt Adjustment	0	0	0	0	0	(9,657,000)	0	(9,657,000)	9,657,000
77	Income Tax Expense	0	0	0	0	0	0	0	0	0
	Interest Synchronization	0	0	0	0	0	984,709	0	984,709	(984,709)
	Total Staff Adjustments	0	0	(23,976,935)	(7,579,485)	(6,492,000)	6,004,887	0	(32,043,533)	32,043,533
78	Fall Out - Staff Adjusted NOI	865,359,000	7,614,000	346,957,065	187,028,515	55,783,000	54,496,887	(1,534,000)	650,345,467	215,013,533

SCHEDULE 4

TAMPA ELECTRIC COMPANY
DOCKET NO. 080317-EI
DECEMBER 2009 PROJECTED TEST YEAR
NET OPERATING INCOME MULTIPLIER

Line No.		(%) As Filed	(%) Staff Adjusted
1	Revenue Requirement	100.000	100.000
2	Gross Receipts Tax	0.000	0.000
3	Regulatory Assessment Fee	(0.072)	(0.072)
4	Bad Debt Rate	(0.349)	(0.349)
5	Net Before Income Taxes	99.579	99.579
6	Income Taxes (Line 5 x 38.575%)	(38.413)	(38.413)
7	Revenue Expansion Factor	61.166	61.166
8	Net Operating Income Multiplier (100%/Line 7)	1.63490	1.63490

SCHEDULE 5
REVISED
17-Mar-09

TAMPA ELECTRIC COMPANY
DOCKET NO. 080317-EI
DECEMBER 2009 PROJECTED TEST YEAR
REVENUE REQUIREMENTS CALCULATION

Line No.		As Filed	Staff Adjusted
1.	Rate Base	$3,656,800,000	$3,437,610,836
2.	Overall Rate of Return	8.82%	8.11%
3.	Required Net Operating Income (1)x(2)	322,530,000	278,790,239
4.	Achieved Net Operating Income	182,970,000	215,013,533
5.	Net Operating Income Deficiency (3)-(4)	139,560,000	63,776,706
6.	Net Operating Income Multiplier	1.63490	1.63490
7.	Operating Revenue Increase (5)x(6)	$228,167,000	$104,268,536

REVISED 17-Mar-09

TAMPA ELECTRIC COMPANY
DOCKET NO. 080317-EI
CALCULATION OF STEP INCREASE

Step Increase Revenue Requirement

Big Bend Rail Facility	7,006,720
May 2009 CTs	7,924,344
September 2009 CTs	18,630,306
Total Step Increase	33,561,370

Line No.		Big Bend Rail Facility	May CTs (2 Units)	September CTs (3 Units	Total CTs (5 Units)
1	Net Plant in Service	44,754,000	36,125,000	94,563,000	130,688,000
2	Rate Of Return*	8.11%	8.11%	8.11%	8.11%
3	Required Return (2x3)	3,629,549	2,929,738	7,669,059	10,598,797
4	O&M Expenses	0	212,000	658,000	870,000
5	Depreciation	906,000	1,391,000	4,034,000	5,425,000
6	Taxes Other Than Income	1,039,000	2,226,000	3,227,000	5,453,000
7	Income Taxes (4+5+6)x-.38575	(750,284)	(1,477,037)	(3,054,754)	(4,531,791)
8	Income Tax Effect of Interest* [(1) x 3.12% x -.38575]	(538,548)	(434,711)	(1,137,925)	(1,572,636)
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9	Total NOI Requirement (3+4+5+6+7+8)	4,285,718	4,846,990	11,395,380	16,242,370
10	NOI Multiplier*	1.6349	1.6349	1.6349	1.6349
11	Revenue Requirement (9x10)	7,006,720	7,924,344	18,630,306	26,554,650

	Amount	Ratio	Cost Rate	Weighted Cost
Common Equity*	1,585,140,254	53.97%	N/A	N/A
Long Term Debt*	1,344,280,696	45.77%	6.80%	3.11%
Short Term Debt*	7,430,567	0.25%	2.75%	0.01%
Total	2,936,851,516	100.00%		3.12%

*Based on Staff's Recommendation