MINUTES OF March 17, 2009
COMMISSION CONFERENCE

COMMENCED:	**9:42 am**
RECESSED:	**10:09 am**
RECONVENED:	**10:28 am**
RECESSED:	**11:34 am**
RECONVENED:	**11:52 am**
RECESSED FOR LUNCH:	**1:07 pm**
RECONVENED:	**2:12 pm**
RECESSED:	**2:51 pm**
RECONVENED:	**2:58 pm**
RECESSED:	**3:29 pm**
RECONVENED:	**3:41 pm**
RECESSED:	**3:51 pm**
RECONVENED:	**4:04 pm**
RECESSED:	**4:57 pm**
RECONVENED:	**5:11 pm**
ADJOURNED:	**5:21 pm**

COMMISSIONERS PARTICIPATING: Chairman Carter
Commissioner Edgar
Commissioner McMurrian
Commissioner Argenziano
Commissioner Skop

Parties were allowed to address the Commission on items designated by double asterisks (**).

1** **Consent Agenda**

PAA A) Applications for certificates to provide competitive local exchange telecommunications service.

DOCKET NO.	**COMPANY NAME**
080725-TX	CenturyTel Fiber Company II, LLC d/b/a LightCore, a CenturyTel Company
090069-TX	TelOps International, Inc. d/b/a AmTel
090089-TX	Callis Communications, Inc.

ITEM NO.	CASE
1**	Consent Agenda
	(Continued from previous page)
PAA	B) Request for cancellation of a competitive local exchange telecommunications certificate.

DOCKET NO.	**COMPANY NAME**	**EFFECTIVE DATE**
080707-TP	Pilgrim Telephone, Inc.	12/11/2008

Recommendation: The Commission should approve the action requested in the dockets referenced above and close these dockets.

DECISION: The recommendation was approved.

Commissioners participating: Carter, Edgar, McMurrian, Argenziano, Skop

ITEM NO. **CASE**

2**PAA

Docket No. 080733-TP – Joint petition of MCImetro Access Transmission Services LLC d/b/a Verizon Access Transmission Services; MCI Communications Services, Inc. d/b/a Verizon Business Services; TTI National Inc.; Teleconnect Long Distance Services & Systems Co. d/b/a Telecom*USA; Verizon Florida LLC; and Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance for waiver of Rule 25-4.118, F.A.C., due to potential transfer of certain customers from MCI to Verizon as a result of MCI's discontinuation of service to presubscribed residential and small business customers in Verizon's service territory

Critical Date(s):	None
Commissioners Assigned:	All Commissioners
Prehearing Officer:	Argenziano
Staff:	RCP: Watts GCL: Morrow

Issue 1: Should the Commission approve the request for waiver of the carrier selection requirements of Rule 25-4.118, F.A.C., due to the transfer of MCImetro Access Transmission Services LLC d/b/a Verizon Access Transmission Services', MCI Communications Services, Inc. d/b/a Verizon Business Services', TTI National Inc.'s, and Teleconnect Long Distance Services & Systems Co. d/b/a Telecom*USA's local and long distance customers to Verizon Florida LLC and Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance?
Recommendation: Yes, the Commission should approve the request for waiver of the carrier selection requirements of Rule 25-4.118, F.A.C. Any waiver approved by the Commission should only apply to the specific set of customers identified in the petition. The petitioners should be required to provide the Commission notification of the completion date when all of the transfers have been consummated. If for any reason the transfers are not consummated, any waiver approved by the Commission shall be null and void.
Issue 2: Should this docket be closed?
Recommendation: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order.

DECISION: The recommendations were approved.

Commissioners participating: Carter, Edgar, McMurrian, Argenziano, Skop

ITEM NO.	CASE
3**PAA	**Docket No. 080653-TX –** Request for cancellation of CLEC Certificate No. 6040 by Reliant Communications, Inc., effective October 27, 2008.

Critical Date(s):	None
Commissioners Assigned:	All Commissioners
Prehearing Officer:	Administrative
Staff:	RCP: Isler GCL: Morrow

Issue 1: Should the Commission vacate Order No. PSC-09-0020-PAA-TX, issued on January 6, 2009, and grant the company a voluntary cancellation?
Recommendation: Yes, Order No. PSC-09-0020-PAA-TX should be vacated and the company should be granted a voluntary cancellation.
Issue 2: Should this docket be closed?
Recommendation: Staff recommends that the Order issued from this recommendation will become final and effective upon issuance of a Consummating Order, unless a person whose substantial interests are affected by the Commission's decision files a protest that identifies with specificity the issues in dispute, in the form provided by Rule 28-106.201, Florida Administrative Code, within 21 days of the issuance of the Proposed Agency Action Order. As provided by Section 120.80(13)(b), Florida Statutes, any issues not in dispute should be deemed stipulated. If the company fails to timely file a protest and to request a Section 120.57, Florida Statutes, hearing, the facts should be deemed admitted and the right to a hearing waived. If the company's CLEC certificate is cancelled in accordance with the Commission's Order from this recommendation, the company should be required to immediately cease and desist providing telecommunications service in Florida. If there is no protest, this docket should be closed upon issuance of the Consummating Order.

DECISION: The recommendations were approved.

Commissioners participating: Carter, Edgar, McMurrian, Argenziano, Skop

ITEM NO.	CASE
4**PAA	**Docket No. 090010-TI –** Acknowledgment of cancellation of IXC Registration No. TK166 by Onchannel Communications, Corp., effective December 31, 2008. **Docket No. 090025-TI –** Acknowledgment of cancellation of IXC Registration No. TJ965 by Business Productivity Solutions a Minnesota Corporation, Inc., effective December 31, 2008. **Docket No. 090030-TI –** Acknowledgment of cancellation of IXC Registration No. TJ513 by Global Dialtone, Inc., effective December 31, 2008. **Docket No. 090051-TI –** Acknowledgment of cancellation of IXC Registration No. TJ358 by TeleManagement Systems, Inc., effective December 31, 2008.

Critical Date(s):	None
Commissioners Assigned:	All Commissioners
Prehearing Officer:	Administrative
Staff:	RCP: Isler GCL: McKay

Issue 1: Should the Commission deny Onchannel Communications, Corp., Business Productivity Solutions a Minnesota Corporation, Inc., Global Dialtone, Inc., and TeleManagement Systems, Inc. a voluntary cancellation of their respective intrastate interexchange telecommunications carrier (IXC) tariffs and Registration Nos. TK166, TJ965, TJ513, and TJ358, respectively, and cancel the tariffs and remove each entity's respective name from the register on the Commission's own motion with an effective date of December 31, 2008?
Recommendation: Yes, each entity should be denied a voluntary cancellation as listed on Attachment A of staff's memorandum dated March 5, 2009.

ITEM NO.	CASE
4**PAA	**Docket No. 090010-TI –** Acknowledgment of cancellation of IXC Registration No. TK166 by Onchannel Communications, Corp., effective December 31, 2008. **Docket No. 090025-TI –** Acknowledgment of cancellation of IXC Registration No. TJ965 by Business Productivity Solutions a Minnesota Corporation, Inc., effective December 31, 2008. **Docket No. 090030-TI –** Acknowledgment of cancellation of IXC Registration No. TJ513 by Global Dialtone, Inc., effective December 31, 2008. **Docket No. 090051-TI –** Acknowledgment of cancellation of IXC Registration No. TJ358 by TeleManagement Systems, Inc., effective December 31, 2008.

(Continued from previous page)

Issue 2: Should these dockets be closed?
Recommendation: Staff recommends that the Order issued from this recommendation will become final and effective upon issuance of a Consummating Order, unless a person whose substantial interests are affected by the Commission's decision files a protest that identifies with specificity the issues in dispute, in the form provided by Rule 28-106.201, Florida Administrative Code, within 21 days of the issuance of the Proposed Agency Action Order. As provided by Section 120.80(13)(b), Florida Statutes, any issues not in dispute should be deemed stipulated. If any entity fails to timely file a protest and to request a Section 120.57, Florida Statutes, hearing, the facts should be deemed admitted and the right to a hearing waived. If an entity pays the Regulatory Assessment Fees, including any accrued late payment charges, prior to the expiration of the Proposed Agency Action Order, then the cancellation of that entity's tariff and the removal of its name from the register will be voluntary. If an entity fails to pay the Regulatory Assessment Fees, including any accrued late payment charges, prior to the expiration of the Proposed Agency Action Order, then that entity's IXC tariff should be cancelled administratively and its name removed from the register, and the collection of the unpaid Regulatory Assessment Fees, including any accrued statutory late payment charges, should be referred to the Florida Department of Financial Services for further collection efforts. If an entity's IXC tariff is cancelled and its name removed from the register in accordance with the Commission's Order from this recommendation, that entity should be required to immediately cease and desist providing telecommunications service in Florida. These dockets should be closed administratively either upon receipt of the payment of the Regulatory Assessment Fees, including any accrued statutory late payment charges, or upon cancellation of each entity's respective IXC tariff and removal of its name from the register.

DECISION: The recommendations were approved.

Commissioners participating: Carter, Edgar, McMurrian, Argenziano, Skop

ITEM NO.	CASE
5**PAA	**Docket No. 090036-TP –** Request for cancellation of CLEC Certificate No. 8669, and for acknowledgment of cancellation of IXC Registration No. TK117 held by Cost Plus Communications, LLC, effective December 31, 2008.

Critical Date(s):	None
Commissioners Assigned:	All Commissioners
Prehearing Officer:	Administrative
Staff:	RCP: Isler GCL: McKay

Issue 1: Should the Commission deny Cost Plus Communications, LLC, a voluntary cancellation of its CLEC Certificate No. 8669 and IXC Registration No. TK117 and cancel the tariff and remove the company's name from the register on the Commission's own motion with an effective date of December 31, 2008?

Recommendation: Yes, the company should be denied voluntary cancellations as listed on Attachment A of staff's memorandum dated March 5, 2009.

ITEM NO.	CASE
5**PAA	**Docket No. 090036-TP –** Request for cancellation of CLEC Certificate No. 8669, and for acknowledgment of cancellation of IXC Registration No. TK117 held by Cost Plus Communications, LLC, effective December 31, 2008.

(Continued from previous page)

Issue 2: Should this docket be closed?
Recommendation: Staff recommends that the Order issued from this recommendation will become final and effective upon issuance of a Consummating Order, unless a person whose substantial interests are affected by the Commission's decision files a protest that identifies with specificity the issues in dispute, in the form provided by Rule 28-106.201, Florida Administrative Code, within 21 days of the issuance of the Proposed Agency Action Order. As provided by Section 120.80(13)(b), Florida Statutes, any issues not in dispute should be deemed stipulated. If the company fails to timely file a protest and to request a Section 120.57, Florida Statutes, hearing, the facts should be deemed admitted and the right to a hearing waived. If the company pays the Regulatory Assessment Fees, including applicable late payment charges, prior to the expiration of the Proposed Agency Action Order, then the cancellation of the company's competitive local exchange telecommunications certificate and intrastate interexchange carrier tariff and the removal of its name from the register will be voluntary. If the company fails to pay the Regulatory Assessment Fees, including applicable late payment charges, prior to the expiration of the Proposed Agency Action Order, then the company's competitive local exchange telecommunications certificate and intrastate interexchange carrier tariff should be cancelled administratively and its name removed from the IXC register, and the collection of the past due Regulatory Assessment Fees should be referred to the Florida Department of Financial Services for further collection efforts. If the company's competitive local exchange telecommunications certificate and intrastate interexchange carrier tariff are cancelled and its name removed from the register in accordance with the Commission's Order from this recommendation, the company should be required to immediately cease and desist providing telecommunications service in Florida. This docket should be closed administratively either upon receipt of payment of the Regulatory Assessment Fees, including applicable late payment charges, or upon cancellation of the company's competitive local exchange telecommunications certificate and intrastate interexchange carrier tariff and removal of its name from the register.

DECISION: The recommendations were approved.

Commissioners participating: Carter, Edgar, McMurrian, Argenziano, Skop

ITEM NO.	**CASE**
6**PAA	**Docket No. 090001-EI –** Fuel and purchased power cost recovery clause with generating performance incentive factor. **(Progress Energy Florida, Inc.)**

Critical Date(s):	None
Commissioners Assigned:	All Commissioners
Prehearing Officer:	McMurrian
Staff:	ECR: Lester, Draper, Giles, Laux, Matlock, Roberts, Maurey GCL: Bennett, Hartman, Sayler SGA: Ellis

(Issues 1 and 3 - Participation is at the Commission's discretion; Issue 2, Deferral of Collection of Nuclear Costs and Issue 4 – PAA.)

Issue 1: Should the Commission approve PEF's petition for a mid-course correction to its 2009 fuel and purchased power cost recovery factors?

Recommendation: Yes. The new factors are shown on Attachment A of staff's memorandum dated March 5, 2009.

DECISION: The recommendation was approved.

Issue 2: Should the Commission approve PEF's petition for a change to its 2009 capacity factors?

Recommendation: Yes. PEF will reduce capacity factors by revising tariff sheet 6.105. The new factors are shown on Attachment A of staff's memorandum dated March 5, 2009.

DECISION: The recommendation was approved.

Issue 3: If the Commission approves PEF's petition for a mid-course correction, when should the new fuel and purchased power cost recovery factors and the new capacity factors become effective?

Recommendation: If the Commission approves staff's recommendation on Issues 1 and 2, the revised fuel and capacity factors should become effective with the first billing cycle in April 2009.

DECISION: The recommendation was approved.

ITEM NO.	CASE
6**	**Docket No. 090001-EI –** Fuel and purchased power cost recovery clause with generating performance incentive factor. (Progress Energy Florida, Inc.)

(Continued from previous page)

Issue 4: Should the Commission release PEF from the requirement of Order No. PSC-08-0824-FOF-EI that it files a report showing the effect of projected fuel prices on its end-of-period true-up by March 13, 2009?
Recommendation: Yes.

DECISION: The recommendation was modified to accept the recommendation by the parties to provide a May 18, 2009, fuel operating cost filing with the understanding that staff would review such filing.

Issue 5: Should this docket be closed?
Recommendation: No. The Fuel and Purchased Power Cost Recovery Clause docket is an on-going docket and should remain open.

DECISION: The recommendation was approved.

Commissioners participating: Carter, Edgar, McMurrian, Argenziano, Skop

ITEM NO.	CASE
7	**Docket No. 090001-EI –** Fuel and purchased power cost recovery clause with generating performance incentive factor. **(Florida Public Utility Company)**

Critical Date(s):	None
Commissioners Assigned:	All Commissioners
Prehearing Officer:	McMurrian
Staff:	ECR: Lee, Draper, Giles, Matlock, Roberts GCL: Bennett, Sayler, Young

(Participation is at the Commission's discretion.)

Issue 1: Should the Commission approve FPUC's petition for mid-course corrections to its authorized fuel and purchased power cost recovery factors for the Northeast Division?
Recommendation: Yes.
Issue 2: What is the appropriate effective date for FPUC's revised cost-recovery factors?
Recommendation: The revised fuel factors should be applied to meters read on or after March 27, 2009.
Issue 3: Should this docket be closed?
Recommendation: No. The Fuel and Purchased Power Cost Recovery Clause is an on-going docket and should remain open.

DECISION: The recommendations were approved as modified by staff at the Commission Conference.

Commissioners participating: Carter, Edgar, McMurrian, Argenziano, Skop

ITEM NO.	**CASE**
8**	**Docket No. 080574-SU –** Application for amendment of Certificate No. 247-S to extend territory in Lee County by North Fort Myers Utility, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners
Prehearing Officer: Argenziano

Staff: ECR: Walden
GCL: Jaeger

Issue 1: Should the Commission approve NFMU's application for amendment of Certificate No. 247-S?
Recommendation: Yes, the Commission should approve NFM's amendment application to expand its territory. The proposed territory is described in Attachment A of staff's memorandum dated March 5, 2009. The resultant order should serve as North Ft. Myers Utility, Inc.'s amended certificate and it should be retained by the utility. North Ft. Myers Utility, Inc. should charge the customers in the added territory the rates and charges contained in its tariff until authorized to change by this Commission in a subsequent proceeding.
Issue 2: Should this docket be closed?
Recommendation: Yes. If the Commission approves Staff's recommendation in Issue 1, no further action is required and the docket should be closed.

DECISION: The recommendations were approved.

Commissioners participating: Carter, Edgar, McMurrian, Argenziano, Skop

ITEM NO. **CASE**

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

Critical Date(s): None

Commissioners Assigned: All Commissioners
Prehearing Officer: Skop

Staff: ECR: Slemkewicz, Bulecza-Banks, Draper, Hewitt, Higgins, Kummer, Kyle, Lee, Lester, Livingston, Marsh, Matlock, Maurey, Ollila, Prestwood, Springer
GCL: Young, Brown, Brubaker, Hartman
SGA: Graves, Sickel

(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.

DECISION: The approved stipulation was accepted.

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.

DECISION: The recommendation was approved.

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

DECISION: The recommendation was 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.

DECISION: The recommendation was approved. Commissioner Argenziano dissented.

ITEM NO.	CASE
9	**Docket No. 080317-EI –** Petition for rate increase by Tampa Electric Company.

(Continued from previous page)

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.

DECISION: The Recommendation was modified; the alternate recommendation as identified in staff's handout number 3 (and included in Document No. 02315-09) was approved with the exception that information in and following paragraph number 2 was not approved. Commissioner Argenziano dissented.

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.

DECISION: The recommendation was approved. Commissioner Argenziano dissented.

ITEM NO. **CASE**

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

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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.

DECISION: The Recommendation was modified; the alternate recommendation as identified in staff's handout number 3 (and included in Document No. 02315-09) was approved with the exception that information in and following paragraph number 2 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.

DECISION: The recommendation was approved.

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.

DECISION: The recommendation was approved.

ITEM NO.	**CASE**
9	**Docket No. 080317-EI –** Petition for rate increase by Tampa Electric Company.

(Continued from previous page)

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.

DECISION: The recommendation was 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.

DECISION: The recommendation was 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.

DECISION: The recommendation was approved.

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.

DECISION: The recommendation was 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.

DECISION: The recommendation was approved.

ITEM NO.	CASE
9	**Docket No. 080317-EI –** Petition for rate increase by Tampa Electric Company.

(Continued from previous page)

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).

DECISION: The recommendation was 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.

DECISION: The recommendation was modified, recognizing oral modification identified in staff's handout number 1 (see Document No. 02315-09), including the working capital, and that the accrual amount for $8,000,000 per year with a $64,000,000 target amount after five years, was approved. Chairman Carter dissented.

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.

DECISION: The recommendation was 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.

DECISION: The recommendation was approved.

ITEM NO.	CASE
9	**Docket No. 080317-EI –** Petition for rate increase by Tampa Electric Company.

(Continued from previous page)

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.

DECISION: The recommendation was 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.

DECISION: The recommendation was approved.

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.

DECISION: The recommendation was 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.

DECISION: The recommendation was 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.

DECISION: The recommendation was 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.

DECISION: The recommendation was approved.

ITEM NO. **CASE**

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

(Continued from previous page)

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.

DECISION: The approved stipulation was accepted.

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.

DECISION: The recommendation was 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)~~.

DECISION: The recommendation, with noted modification, was approved.

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~~.

DECISION: The recommendation, with noted modification, was approved.

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.

DECISION: The recommendation was approved.

ITEM NO.	CASE
9	**Docket No. 080317-EI –** Petition for rate increase by Tampa Electric Company.

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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.

DECISION: The recommendation was 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.

DECISION: The recommendation, with noted modificated, was approved.

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.

DECISION: The recommendation, with noted modification, was approved.

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.

DECISION: The recommendation, with noted modification, was approved. Commissioner Argenziano dissented.

ITEM NO. | **CASE**

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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.

DECISION: The recommendation was 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.

DECISION: The recommendation, as modified, was approved. 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.

DECISION: The recommendation, with noted modification, was approved. Commissioner Argenziano dissented.

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.

DECISION: The recommendation was approved.

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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.

DECISION: The approved stipulation was accepted.

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.

DECISION: The recommendation was 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.

DECISION: The approved stipulation was accepted.

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.

DECISION: The approved stipulation was accepted.

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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.

DECISION: The approved stipulation was accepted.

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.

DECISION: The approved stipulation was accepted.

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.

DECISION: The recommendation was approved.

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.

DECISION: The recommendation was approved.

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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)

DECISION: The recommendation was 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.

DECISION: The recommendation was 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.

DECISION: The recommendation was approved.

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.

DECISION: The recommendation was approved.

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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.

DECISION: The recommendation was 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.

DECISION: The recommendation was 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).

DECISION: The recommendation was approved.

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.

DECISION: The recommendation was 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).

DECISION: The recommendation was approved.

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

DECISION: The recommendation was 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.

DECISION: The recommendation was 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.

DECISION: The recommendation, as orally modified by staff at the Commission Conference from $16,000,000 to $12,000,000, was approved.

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.

DECISION: The recommendation was 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.

DECISION: The recommendation was approved.

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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.

DECISION: The recommendation was 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).

DECISION: The recommendation was approved.

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.

DECISION: The recommendation was 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.

DECISION: The recommendation was 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).

DECISION: The recommendation was approved.

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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.

DECISION: The recommendation was 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.

DECISION: The recommendation was approved.

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.

DECISION: The recommendation was 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.

DECISION: The recommendation was approved.

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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.

DECISION: The recommendation was 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.

DECISION: The recommendation was approved.

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.

DECISION: The recommendation was 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.

DECISION: The recommendation was approved.

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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.

DECISION: The recommendation was 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.

DECISION: The recommendation was 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 $56,024,923 ~~$57,054,853~~ for the 2009 projected test year.

DECISION: The recommendation, with noted modification, was approved.

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~~.

DECISION: The recommendation, with noted modification, was approved.

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.

DECISION: The recommendation was approved.

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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~~.

DECISION: The recommendation, with noted modification, was approved.

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.

DECISION: The approved stipulation was accepted.

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.

DECISION: The approved stipulation was accepted.

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).

DECISION: The recommendation was 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.

DECISION: The recommendation was approved.

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

DECISION: The approved stipulation was accepted.

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.

DECISION: The recommendation was approved.

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.

DECISION: The recommendation was approved.

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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.

DECISION: The recommendation was 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.

DECISION: The approved stipulation was accepted.

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.

DECISION: The approved stipulation was accepted.

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.

DECISION: The recommendation was approved.

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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.

DECISION: The approved stipulation was accepted.

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.

DECISION: The recommendation was approved.

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.

DECISION: The recommendation was 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.

DECISION: The recommendation was approved.

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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.

DECISION: The approved stipulation was accepted.

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.

DECISION: The recommendation was approved.

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.

DECISION: The recommendation was 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.

DECISION: The recommendation was approved.

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

DECISION: The recommendation was 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.

DECISION: The Recommendation that this issue be decided at the April 7, 2009, Agenda Conference was accepted.

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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.

DECISION: The Recommendation that this issue be decided at the April 7, 2009, Agenda Conference was accepted.

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.

DECISION: The recommendation was 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.

DECISION: The recommendation was 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.

DECISION: The recommendation was 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.

DECISION: The approved stipulation was accepted.

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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.

DECISION: The Recommendation that this issue be decided at the April 7, 2009, Agenda Conference was accepted.

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.

DECISION: The approved stipulation was accepted.

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.

DECISION: The recommendation was 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.

DECISION: The recommendation was approved.

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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.

DECISION: The approved stipulation was accepted.

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.

DECISION: The recommendation was 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.

DECISION: The approved stipulation was accepted.

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.

DECISION: The Recommendation that this issue be decided at the April 7, 2009, Agenda Conference was accepted.

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Commissioners participating: Carter, Edgar, McMurrian, Argenziano, Skop

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 Increase (revised March 17, 1009) is available from Document No. 02315-09.