

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Tampa  
Electric Company.

DOCKET NO. 080317-EI  
ORDER NO. PSC-08-0693-PCO-EI  
ISSUED: October 20, 2008

The following Commissioners participated in the disposition of this matter:

MATTHEW M. CARTER II, Chairman  
LISA POLAK EDGAR  
KATRINA J. McMURRIAN  
NANCY ARGENZIANO  
NATHAN A. SKOP

ORDER SUSPENDING PERMANENT BASE RATE INCREASE  
AND ASSOCIATED TARIFFS

BY THE COMMISSION:

This proceeding commenced on August 11, 2008, with the filing of a petition for a permanent rate increase by Tampa Electric Company (TECO or Company). TECO requested an increase in its retail rates and charges to generate \$228.2 million in additional gross annual revenues. This increase would allow the Company to earn an overall rate of return of 8.82 percent or a 12.00 percent return on equity (range 11.00 percent to 13.00 percent). The Company based its request on a projected test year ending December 31, 2009. TECO stated that this test year is the appropriate period to be utilized because it best represents expected future operations. TECO did not request any interim rate relief.

We last granted TECO an \$18.6 million total rate increase by Order No. PSC-93-0165-FOF-EI.<sup>1</sup> In that order, we found the TECO's jurisdictional rate base to be \$1.85 billion for the projected test year ended December 31, 1994. The allowed overall rate of return was found to be 8.34 percent for the test year using a 12.00 percent return on equity. This order addresses the suspension of the requested permanent rate increase. We have jurisdiction pursuant to Sections 366.06(2) and (4), and 366.071, Florida Statutes (F.S.).

TECO has requested a total permanent base rate increase of \$228.2 million based on a projected test year ending December 31, 2009. Historically, especially when a projected test year has been involved, we have suspended the requested permanent rate schedules in order to adequately and thoroughly examine the basis for the new rates. The suspension of the rate increase is authorized by Section 366.06(3), F. S., which provides:

<sup>1</sup> Order No. PSC-93-0165-FOF-EI, issued February 2, 1993, in Docket No. 920324-EI, In re: Application for a rate increase by Tampa Electric Company.

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FPSC-COMMISSION CLERK

Pending a final order by the commission in any rate proceeding under this section, the commission may withhold consent to the operation of all or any portion of the new rate schedules, delivering to the utility requesting such increase, within 60 days, a reason or written statement of good cause for withholding its consent.

Because TECO's requested permanent rate relief is based on a projected test year, we find it appropriate to suspend the requested permanent rate schedules to allow staff and any intervenors sufficient time to adequately investigate whether the request for permanent rate relief is appropriate.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the \$228.2 million permanent base rate increase and its associated tariff revisions requested by Tampa Electric Company is hereby suspended as set forth herein. It is further

ORDERED that this docket shall remain open pending a final decision in this matter.

By ORDER of the Florida Public Service Commission this 20th day of October, 2008.



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ANN COLE  
Commission Clerk

( S E A L )

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.