

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Tampa Electric Company's  
Petition for an Increase in Base  
Rates and Miscellaneous Service  
Charges  
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Docket No. 080317-EI

Filed: February 17, 2009

**ATTORNEY GENERAL BILL McCOLLUM'S ' POST-HEARING BRIEF**

Attorney General Bill McCollum, by and through undersigned counsel and pursuant to Order No. PSC-08-0557-PCO-EI, as modified by Order No. 08-0635-PCO-EI, hereby files his Post-Hearing Brief in the above-referenced docket.

**STATEMENT OF BASIC POSITION:**

The Attorney General adopts the Post-Hearing Brief of the Public Counsel with the addition of the following comments. This is a time of great economic crisis for many of Florida's citizens and Tampa Electric Company's ("Tampa Electric" and "Company") base rate increase of \$228 million is grossly overstated. Moreover, the Company's request for a 12.0% return on equity is excessive particularly in today's economy. While we wish for Tampa Electric and other companies operating in Florida to remain profitable, the amount of any company's profit must be balanced against the needs of the citizens who depend on their services.

Tampa Electric's experts admitted that the requested rate increase and return on equity did not guarantee that Tampa Electric's credit rating would improve. (TR 608) Moreover, Tom Herndon, an institutional investor and expert for FIPUG and the Retail Federation, testified that the credit rating was only one of the factors which he considered. All experts confirmed that the

utility companies, especially those which are as regulated as the ones in Florida, are considered good investments. (TR 515, 2188)

Further, two of the interveners, Florida Retail Federation and FIPUG, did a debt and equity costs analysis or “Bang for the Buck analysis” as requested by the Commission. According to the FRF analysis, even if all of Tampa Electric’s assumptions were taken at face value, the cost to customers in the worst case scenario of a 200 basis point cost differential between the cost of debt for a single A rated company versus a triple B rated company where the customers are paying a 12% ROE would be \$144,033,000 net present value for 2009-2013. H.E. 123, FRF. The cost to customers under the same scenario for 2009 would be \$39,439,000 net present value. H.E. 123, FRF. In FIPUG’s analysis, under the 12% ROE scenario, it would cost ratepayers \$360,000,000 with zero savings to ratepayers. H.E. 123, FIPUG

Finally, it was very disappointing to hear Tampa Electric’s CEO testify that in this time of extreme economic crisis for many Florida Citizens, he would be unwilling to reduce Tampa Electric’s requested rates to make them more affordable for their customers. (TR 112) This Commission has a duty to reject such thinking and ensure that Tampa Electric’s rates are affordable for its citizens. Accordingly, we would request that this Commission adopt the positions urged by the Office of Public Counsel.

Respectfully submitted,

BILL McCOLLUM  
ATTORNEY GENERAL

s/ Cecilia Bradley  
CECILIA BRADLEY  
Senior Assistant Attorney General  
Florida Bar No. 0363790

Office of the Attorney General

The Capitol - PL01  
Tallahassee, FL 32399-1050  
(850) 414-3300  
Fax: (850) 488-4872

**DOCKET NO. 080317-EI**  
**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of Attorney General Bill McCollum's Post-Hearing Brief has been furnished by electronic mail and U.S. Mail to the following parties on this 17th day of February, 2009:

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

Jean Hartman/Jennifer Brubaker  
Keino Young/ Martha Brown  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Vicki Kaufman/Jon Moyle  
Florida Industrial Power Users Group  
Anchors Law Firm  
118 N. Gadsden Street  
Tallahassee, FL 32301

R. Scheffel Wright  
Young Law Firm  
225 S. Adams Street, Ste. 200  
Tallahassee, FL 32308

Paula Brown  
Tampa Electric Company  
P.O. Box 111  
Tampa, FL 33602

Michael B. Twomey  
P.O. Box 5256  
Tallahassee, FL 32314-5256

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

John W. McWhirter, Jr.  
McWhirter, Reeves & Davidson, P.A.  
P.O. Box 3350  
Tampa, FL 33601-3350

/s/ Cecilia Bradley  
Cecilia Bradley  
Senior Assistant Attorney General