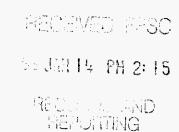


STATE OF FLORIDA OFFICE OF THE PUBLIC COUNSEL

c/o The Florida Legislature 111 West Madison St. Room 812 Tallahassee, Florida 32399-1400 850-488-9330



January 14, 1999

ORIGINAL

Ms. Blanca S. Bayó, Director Division of Records and Reporting Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0870

RE:

Docket No. 950379-EI

Dear Ms. Bayó:

RCH ____

SEC ____

WAS ____

Enclosed is an original and fifteen copies of the Post-Hearing Statement of the Office of Public Counsel for filing in the above referenced file.

Also enclosed is a 3.5 inch diskette containing the Post-Hearing Statement of the Office of Public Counsel in WordPerfect for Windows 6.1. Please indicate receipt of filing by date-stamping the attached copy of this letter and returning it to this office. Thank you for your assistance in this matter.

	RECEIVED & FILED	Sincerely,
ACK AFA APP	FPSO BUREAU OF RECOR	John Roger Howe Deputy Public Counsel
CAF CMU	JRH/dsb	Deputy I done counser
CTR EAG	Enclosures 2	
LEG LIN OPC	5 C'ROGER 1950379 NBAYO9.LTR	

DOCUMENT NUMBER-DATE

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

	ORIGINAL
	. 141
	'(_
)	·

In re: Investigation into)
earnings for 1995 and 1996 of)
Tampa Electric Company.	
)

Docket No. 950379-EI Filed: January 14, 1999

POST-HEARING STATEMENT OF THE OFFICE OF PUBLIC COUNSEL

The Citizens of the State of Florida, through the Office of Public Counsel, file their posthearing statement of issues and positions.

ISSUES AND POSITIONS:

<u>ISSUE 1</u>: What is the appropriate cost rate to apply to deferred revenues in the capital structure?

OPC: *Deferred revenues plus interest should be assigned a zero cost rate. To do otherwise would cause less revenues to be deferred than if no interest were required. Order No. 95-0580, which governed 1995's deferred revenues, is not applicable to 1996, which is governed by the First Stipulation.*

<u>ISSUE 2</u>: What is the effect of assigning a zero cost rate to deferred revenues in the capital structure?

OPC: *It gives customers the benefit of the bargain reached in the First Stipulation. It allows for defferal of earnings above prescribed limits <u>plus</u> accrued interest. A cost rate, however, would allow less than if the customers were not entitled to any interest at all.*

<u>ISSUE 3</u>: What is the appropriate method to calculate the separation of the FMPA and City of Lakeland wholesale contracts from the retail jurisdiction for 1996?

<u>OPC</u>: *The company has agreed to make the appropriate adjustments to fully separate these sales for 1996.*

DOCUMENT NUMBER-DATE 00552 JAN 148

FRSC-RECORDS/REPORTING

ISSUE 4: Has TECO properly calculated the amount of deferred revenues for 1996?

OPC: *No. Tampa Electric did not advocate its own calculation, but merely endorsed the Commission's PAA order, which was not substantiated at the hearing. Deferred revenues should be \$24,596,416 plus interest.*

Respectfully submitted,

JACK SHREVE Public Counsel

John Roger Howe Deputy Public Counsel

Office of Public Counsel c/o The Florida Legislature 111 West Madison Street Room 812 Tallahassee, Florida 32399-1400

(850) 488-9330

Attorneys for the Citizens of the State of Florida

CERTIFICATE OF SERVICE DOCKET NO. 950379-EI

I HEREBY certify that a copy of the foregoing POST-HEARING STATEMENT OF

THE OFFICE OF PUBLIC COUNSEL has been served by *hand delivery or U.S. Mail to the

*Robert Elias, Esquire
*William Cochran Keating, IV, Esquire
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

following parties of record on this 14th day of January, 1999.

John W. McWhirter, Jr., Esquire McWhirter, Reeves, McGlothlin, Davidson, Decker, Kaufman, Arnold & Steen, P.A. Post Office Box 3350 Tampa, Florida 33601

Lee L. Willis, Esquire James D. Beasley, Esquire Ausley & McMullen 227 South Calhoun Street Post Office Box 391 Tallahassee, Florida 32302 Angela Llewellyn, Esquire Regulatory and Business Strategy Post Office Box 111 Tampa, Florida 33601-0111

Vicki Gordon Kaufman, Esquire McWhirter, Reeves, McGlothlin, Davidson, Decker, Kaufman, Arnold & Steen, P.A. 117 South Gadsden Street Tallahassee, Florida 32301

Harry W. Long, Jr., Esquire TECO Energy, Inc. Post Office Box 111 Tampa, Florida 33601-0111

John Roger Howe
Deputy Public Counsel