

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Rate Increase
by Tampa Electric Company.

DOCKET NO. 080317-EI

Filed: February 5, 2009

**THE FLORIDA INDUSTRIAL POWER USERS GROUP'S
NOTICE OF FILING EXHIBIT #123**

Pursuant to the Commission's direction at hearing, The Florida Industrial Power Users Group (FIPUG), hereby gives notice of, and files herewith, Late-Filed Exhibit #123, entitled "Return on Equity vs. Reduced Interest Costs."

Respectfully submitted this 5th day of February, 2009.

s/ Jon C. Moyle, Jr.
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Late-Filed Exhibit #123

Return on Equity vs. Reduced Interest Costs

("Bang for the Buck")

Return on Equity Percentage

	<u>12%</u>	<u>10%</u>	<u>8%</u>
Cost to ratepayers ¹	\$360 million	\$300 million	\$240 million
Savings to ratepayers	0	\$60 million	\$120 million

Financing Costs

<u>Assume \$250 million² to be financed</u>	<u>Differential</u>
Rate Spread of ½% between A & BBB	\$1.25 million
Rate Spread of 1% between A & BBB ³	\$2.5 million
Rate Spread of 2% between A & BBB	\$5 million

¹TECO witness Gillette confirmed each percentage point of return on equity represents an additional \$30 million in rates charged to consumers. (Tr. 365).

²TECO witness Gillette testified that the amount to be financed by TECO for 2009 was \$125 million (Tr. p. 441) and the amount to be financed for 2010 was \$125 million. (Tr. 442).

³TECO witness Abbott testified that the spread between A rated bonds and BBB rated bonds is 1%. (Tr. 620).

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished

by electronic mail and U.S. Mail this 5th day of February, 2009 to the following:

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