

AUSLEY & MCMULLEN

ATTORNEYS AND COUNSELORS AT LAW

123 SOUTH CALHOUN STREET
P.O. BOX 391 (ZIP 32302)
TALLAHASSEE, FLORIDA 32301
(850) 224-9115 FAX (850) 222-7560

April 27, 2010

HAND DELIVERED

RECEIVED-FPSC
10 APR 27 PM 1:45
COMMISSION
CLERK

Ms. Ann Cole, Director
Division of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Environmental Cost Recovery Clause
FPSC Docket No. 100007-EI

Dear Ms. Cole:

On April 1, 2010 we filed Tampa Electric Company's Direct Testimony and Exhibit HTB-1 of witness Howard Bryant. That filing inadvertently failed to include a new two page form, Form 42 - 9A. We enclose for filing the original and fifteen (15) copies of Supplemental Testimony and Exhibit of Howard T. Bryant sponsoring, explaining and including Form 42 - 9A as Exhibit HTB-1-Supp.

*
Also enclosed is a CD requested by Staff containing the above testimony.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning same to this writer.

Thank you for your assistance in connection with this matter.

Sincerely,

James D. Beasley

COM 5
APA |
ECR |
GCL |
RAD |
SSC |
ADM |
OPC |
CLK | J.P.P.R.

JDB/pp
Enclosures

cc: All Parties of Record (w/enc.)

DOCUMENT NUMBER DATE

03398 APR 27 09

FPSC-0018-100007-EI

* Per conversation w/ Pat at Ausley Law Firm,
CD was delivered directly to Gunter Bldg./Jenny Wu.
-DM

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Supplemental Testimony and Exhibit of Howard T. Bryant has been furnished by U. S. Mail or hand delivery (*) on this 27th day of April 2010 to the following:

Ms. Martha Carter Brown*
Ms. Lee Eng Tan*
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Room 370N – Gunter Building
Tallahassee, FL 32399-0850

Ms. Patricia Christensen
Associate Public Counsel
Office of Public Counsel
111 West Madison Street – Room 812
Tallahassee, FL 32399-1400

Mr. John W. McWhirter, Jr.
McWhirter & Davidson, P.A.
Post Office Box 3350
Tampa, FL 33601-3350

Ms. Vicki Kaufman
Mr. Jon C Moyle
Keefe Anchors Gordon & Moyle, PA
118 N. Gadsden Street
Tallahassee, FL 32301

Mr. John T. Butler
Managing Attorney - Regulatory
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420

Mr. Wade Litchfield
Florida Power & Light Company
215 South Monroe Street, Suite 810
Tallahassee, FL 32301-1859


Mr. Gary V. Perko
Hopping Green & Sams, P.A.
Post Office Box 6526
Tallahassee, FL 32314

Mr. John T. Burnett
Associate General Counsel - Florida
Mr. R. Alexander Glenn
Deputy General Counsel - Florida
Progress Energy Service Co., LLC
Post Office Box 14042
St. Petersburg, FL 33733

Mr. Paul Lewis, Jr.
Progress Energy Florida, Inc.
106 East College Avenue, Suite 800
Tallahassee, FL 32301-7740

Ms. Susan Ritenour
Secretary and Treasurer
Gulf Power Company
One Energy Place
Pensacola, FL 32520

Mr. Jeffrey A. Stone
Mr. Russell A. Badders
Mr. Steven R. Griffin
Beggs and Lane
Post Office Box 12950
Pensacola, FL 32591-2950



ATTORNEY



BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 100007-EI
IN RE: ENVIRONMENTAL COST RECOVERY FACTORS
FINAL TRUE-UP
JANUARY 2009 THROUGH DECEMBER 2009
SUPPLEMENTAL TESTIMONY AND EXHIBIT
OF
HOWARD T. BRYANT

DOCUMENT NUMBER 03398

APR 27 2009

FPSC-COMMISSION CLEAR

1 the capital structure, components and cost rates Tampa
2 Electric relied upon to calculate the revenue requirement
3 rate of return applied to capital investments included in
4 the company's 2009 ECRC True-up.

5
6 **Q.** Did you prepare an exhibit in support of your
7 supplemental testimony?

8
9 **A.** Yes. My Exhibit No. _____ (HTB-1-Supp), consisting of
10 Form 42-9A, was prepared by me or under my direction and
11 supervision.

12
13 **Q.** What capital structure, components and cost rates did
14 Tampa Electric rely upon to calculate the revenue
15 requirement rate of return for the January 2009 through
16 December 2009 period?

17
18 **A.** As a result of Tampa Electric's new capital structure
19 approved by the Commission in Docket No. 080317-EI, Tampa
20 Electric relied upon two different capital structures
21 during 2009. For the period January 1, 2009 through May
22 6, 2009, the capital structure, components and cost rates
23 relied upon by the company to calculate the revenue
24 requirement rate of return are found on Form 42-9A, page
25 1 of 2. For the period May 7, 2009 through December 31,

1 2009, the capital structure, components and cost rates
2 relied upon by the company to calculate the revenue
3 requirement rate of return are found on Form 42-9A, page
4 2 of 2.

5
6 **Q.** Does this conclude your supplemental testimony?

7
8 **A.** Yes, it does.

Tampa Electric Company
 Environmental Cost Recovery Clause (ECRC)
 Calculation of the Final True-Up Amount for the Period
 January 1 2009 to May 6, 2009

Form 42 - 9A
 Page 1 of 2

Calculation of Revenue Requirement Rate of Return
 (In Dollars)

	(1)	(2)	(3)	(4)
	Jurisdictional Rate Base 1994 Test Year (\$000)	Ratio %	Cost Rate %	Weighted Cost Rate %
Long Term Debt	\$ 558,899	30.08%	7.81%	2.3492%
Short Term Debt	56,194	3.02%	5.37%	0.1622%
Preferred Stock	45,539	2.45%	6.49%	0.1590%
Customer Deposits	43,512	2.34%	7.86%	0.1839%
Common Equity	801,028	43.12%	11.75%	5.0666%
Deferred ITC - Weighted Cost	59,035	3.18%	10.01%	0.3183%
Accumulated Deferred Income Taxes & Zero Cost ITCs	<u>293,667</u>	<u>15.81%</u>	0.00%	0.0000%
Total	\$ <u>1,857,874</u>	<u>100.00%</u>		<u>8.2393%</u>

ITC Split between Debt and Equity:

Long Term Debt	\$ 558,899	Long Term Debt	39.77%
Equity - Preferred	45,539	Equity - Preferred	3.24%
Equity - Common	<u>801,028</u>	Equity - Common	<u>56.99%</u>
Total	\$ <u>1,405,466</u>	Total	<u>100.00%</u>

Deferred ITC - Weighted Cost:

Debt = .32% * 39.77%	0.13%
Equity = .32% * 60.23%	<u>0.19%</u>
Weighted Cost	<u>0.32%</u>

Total Equity Cost Rate:

Preferred Stock	0.16%
Common Equity	5.07%
Deferred ITC - Weighted Cost	<u>0.19%</u>
	5.42%
Times Tax Multiplier	1.628002
Total Equity Component	<u>8.8238%</u>

Total Debt Cost Rate:

Long Term Debt	2.35%
Short Term Debt	0.16%
Customer Deposits	0.18%
Deferred ITC - Weighted Cost	<u>0.13%</u>
Total Debt Component	<u>2.82%</u>

Notes:

- Column (1) - From Order PSC-93-0165-FOF-EI dated 2/2/93 from Tampa Electric's last rate case
- Column (2) - Column (1) / Total Column (1)
- Column (3) - From Order PSC-93-0165-FOF-EI dated 2/2/93 from Tampa Electric's last rate case, except ROE is 11.75% based on stipulation approved in Order PSC-95-0580-FOF-EI dated 5/10/95
- Column (4) - Column (2) x Column (3)

Tampa Electric Company
 Environmental Cost Recovery Clause (ECRC)
 Calculation of the Final True-Up Amount for the Period
 May 7, 2009 to December 31, 2009

Form 42 - 9A
 Page 2 of 2

**Calculation of Revenue Requirement Rate of Return
 (In Dollars)**

	(1)	(2)	(3)	(4)
	Jurisdictional Rate Base 2009 Test Year (\$000)	Ratio %	Cost Rate %	Weighted Cost Rate %
Long Term Debt	\$ 1,384,999	40.29%	6.80%	2.7397%
Short Term Debt	7,905	0.23%	2.75%	0.0063%
Preferred Stock	0	0.00%	0.00%	0.0000%
Customer Deposits	99,502	2.89%	6.07%	0.1754%
Common Equity	1,632,612	47.49%	11.25%	5.3426%
Deferred ITC - Weighted Cost	8,964	0.26%	9.19%	0.0239%
Accumulated Deferred Income Taxes & Zero Cost ITCs	<u>303,629</u>	<u>8.83%</u>	0.00%	<u>0.0000%</u>
Total	\$ <u>3,437,611</u>	<u>100.00%</u>		<u>8.2879%</u>

ITC Split between Debt and Equity:

Long Term Debt	\$ 1,384,999	Long Term Debt	45.78%
Short Term Debt	7,905	Short Term Debt	0.26%
Equity - Preferred	0	Equity - Preferred	0.00%
Equity - Common	<u>1,632,612</u>	Equity - Common	<u>53.96%</u>
Total	\$ <u>3,025,516</u>	Total	<u>100.00%</u>

Deferred ITC - Weighted Cost:

Debt = .0239% * 46.04%	0.01110%
Equity = .0239% * 53.96%	<u>0.0129%</u>
Weighted Cost	<u>0.0239%</u>

Total Equity Cost Rate:

Preferred Stock	0.0000%
Common Equity	5.3426%
Deferred ITC - Weighted Cost	<u>0.0129%</u>
	5.3555%
Times Tax Multiplier	1.628002
Total Equity Component	<u>8.7188%</u>

Total Debt Cost Rate:

Long Term Debt	2.7397%
Short Term Debt	0.0063%
Customer Deposits	0.1754%
Deferred ITC - Weighted Cost	<u>0.0110%</u>
Total Debt Component	<u>2.9324%</u>

Notes:

Column (1) - From Order No. PSC-09-0571-FOF-EI
 Column (2) - Column (1) / Total Column (1)
 Column (3) - From Order No. PSC-09-0571-FOF-EI
 Column (4) - Column (2) x Column (3)