

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval to) DOCKET NO. 950621-EI
change allowance for funds used) ORDER NO. PSC-95-1229-FOF-EI
during construction (AFUDC) from) ISSUED: October 3, 1995
7.28% to 7.79% effective 1/1/95)
by Tampa Electric Company.)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING RATE FOR ALLOWANCE
FOR FUNDS USED DURING CONSTRUCTION

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On March 1, 1994, the Commission issued Order No. PSC-94-1137-FOF-EI, authorizing the current Allowance For Funds Used During Construction (AFUDC) rate of 7.28% for Tampa Electric Company (TECO). TECO requests that its AFUDC rate increase to 7.79%. The proposed rate reflects the increase in TECO's cost rates for capital structure components.

Increasing the AFUDC rate from 7.28% to 7.79% will result in a higher AFUDC accrual. According to TECO's projection of its 1995 average balance of Construction Work In Process eligible to earn AFUDC, the 1995 accrual will be increased by \$1.3 million. We find that TECO's AFUDC rate calculation and supporting data are correct, and the rate is in accordance with Rule 25-6.0141, Florida Administrative Code (F.A.C.). TECO's appropriate monthly compounding rate is .006271. Thus, we approve TECO's AFUDC rate of 7.79%, with the understanding that TECO will continue to monitor its cost of capital for material change and request a modification of the AFUDC rate as appropriate.

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FPSC-RECORDS/REPORTING

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TECO's AFUDC rate of 7.79% was calculated using a 13 month average capital structure for the period ending December 31, 1994. According to Rule 25-6.0141(5), Florida Administrative Code,

"[t]he new AFUDC rate shall be effective the month following the end of the 12-month period used to establish that rate....".

Since a December 31, 1994 period was used to calculate the rate, the effective date for TECO's AFUDC rate is January 1, 1995.

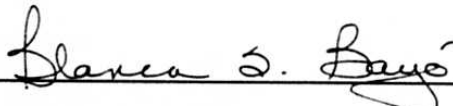
Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Tampa Electric Company's request for an Allowance For Funds Used During Construction rate of 7.79% is hereby approved. It is further

ORDERED that the Allowance For Funds Used During Construction rate of 7.79% is effective January 1, 1995. It is further

ORDERED that this Order shall become final and effective and this docket shall be closed unless an appropriate petition for formal proceedings is received by the Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date indicated in the Notice of Further Proceedings or Judicial Review.

By ORDER of the Florida Public Service Commission, this 3rd day of October, 1995.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on October 24, 1995.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.