

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 130040-EI**

IN RE: TAMPA ELECTRIC COMPANY'S
PETITION FOR AN INCREASE IN BASE RATES
AND MISCELLANEOUS SERVICE CHARGES



**DIRECT TESTIMONY AND EXHIBIT
OF
JEFFREY S. CHRONISTER**

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FPSC-COMMISSION CLERK

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TABLE OF CONTENTS
PREPARED DIRECT TESTIMONY AND EXHIBIT
OF
JEFFREY S. CHRONISTER

INTRODUCTION..... 2 ✓
BUDGET PROCESS..... 11 ✓
BUDGETED INCOME STATEMENT..... 19 ✓
BUDGETED BALANCE SHEET..... 22 ✓
RATE BASE..... 26 ✓
NET OPERATING INCOME..... 28 ✓
FPSC O&M BENCHMARK..... 35 ✓
CAPITAL STRUCTURE..... 38 ✓
REVENUE REQUIREMENT..... 42 ✓
SUMMARY..... 51 ✓
EXHIBIT..... 53 ✓

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **PREPARED DIRECT TESTIMONY**

3 **OF**

4 **JEFFREY S. CHRONISTER**

5
6 **Q.** Please state your name, address, occupation and
7 employer.

8
9 **A.** My name is Jeffrey S. Chronister. My business address
10 is 702 North Franklin Street, Tampa, Florida 33602. I
11 am the Controller for Tampa Electric Company ("Tampa
12 Electric" or "company").

13
14 **Q.** Please provide a brief outline of your educational
15 background and business experience.

16
17 **A.** I graduated from Stetson University in 1982 with a
18 Bachelor of Business Administration degree in
19 Accounting. Upon graduation I joined Coopers & Lybrand,
20 an independent public accounting firm, where I worked
21 for four years before joining the company in 1986. I
22 started in Tampa Electric's Accounting department, moved
23 to TECO Energy's Internal Audit department in 1987, and
24 returned to the Accounting department in 1991. I am a
25 Certified Public Accountant in the State of Florida and

DOCUMENT NUMBER - 04

01690 APR-5 2013

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1 I am a member of both the American Institute of
2 Certified Public Accountants ("AICPA") and the Florida
3 Institute of Certified Public Accountants. I have
4 served in my current position as Controller of Tampa
5 Electric since July 2009.

6

7 **Q.** Please describe your duties as Controller.

8

9 **A.** I am responsible for maintaining the financial books and
10 records of the company and for the determination and
11 implementation of accounting policies and practices for
12 Tampa Electric. I am also responsible for budgeting
13 activities within the company.

14

15 **INTRODUCTION**

16 **Q.** What is the purpose of your direct testimony in this
17 proceeding?

18

19 **A.** My direct testimony presents the calculation of Tampa
20 Electric's revenue requirement request for the 2014
21 projected test year. I will explain the key drivers of
22 the need for a base rate increase. I will describe how
23 the company prepared the budget used to calculate the
24 revenue requirement, explain key components of the
25 company's budgeted financial statements, show the

1 company's performance against the Florida Public Service
2 Commission's ("Commission" or "FPSC") operations and
3 maintenance ("O&M") expense benchmark and discuss
4 details of the revenue requirement calculation such as
5 regulatory and pro forma adjustments.

6

7 **Q.** Have you prepared an exhibit to support your direct
8 testimony?

9

10 **A.** Yes, I am sponsoring Exhibit No. ____ (JSC-1) entitled
11 "Exhibit of Jeffrey S. Chronister" consisting of 17
12 documents, prepared under my direction and supervision.
13 These consist of:

14 Document No. 1 List of Minimum Filing Requirement
15 Schedules Sponsored or Co-Sponsored
16 By Jeffrey S. Chronister

17 Document No. 2 MFR Schedule A-1 Full Revenue
18 Requirements Increase Requested

19 Document No. 3 MFR Schedule F-5 Forecasting Models
20 MFR Schedule F-8 Assumptions

21 Document No. 4 Forecasted Income Statement Twelve
22 Months Ended December 31, 2014

23 Document No. 5 Forecasted Income Statement Twelve
24 Months Ended December 31, 2014
25 Budget Methodology

1	Document No. 6	Forecasted Income Statement Twelve
2		Months Ended December 31, 2013
3	Document No. 7	Actual Income Statement Twelve
4		Months Ended December 31, 2012
5	Document No. 8	Forecasted Monthly Balance Sheet
6		2014
7	Document No. 9	Forecasted 13-Month Average Balance
8		Sheet as of December 31, 2014
9	Document No. 10	Forecasted 13-Month Average Balance
10		Sheet as of December 31, 2014 Budget
11		Methodology
12	Document No. 11	Forecasted 13-Month Average Balance
13		Sheet as of December 31, 2013
14	Document No. 12	Actual 13-Month Average Balance
15		Sheet as of December 31, 2012
16	Document No. 13	Forecasted Statement of Cash Flows
17		for the Period Ended December 31,
18		2014
19	Document No. 14	MFR Schedule C-37 O&M Benchmark
20		Comparison by Function
21	Document No. 15	Bonus Depreciation Chronology
22	Document No. 16	MFR Schedule C-2 Net Operating
23		Income Adjustments
24		MFR Schedule C-3 Jurisdictional Net
25		Operating Income Adjustments

1 MFR Schedule C-4 Jurisdictional
2 Separation Factors - Net Operating
3 Income
4 MFR Schedule C-5 Operating Revenues
5 Detail
6 Document No. 17 MFR Schedule B-4 Two Year Historical
7 Balance Sheet
8 MFR Schedule B-5 Detail of Changes
9 in Rate Base
10 MFR Schedule B-6 Jurisdictional
11 Separation Factors - Rate Base
12

13 **Q.** Are you sponsoring any sections of Tampa Electric's
14 Minimum Filing Requirements ("MFRs")?
15

16 **A.** Yes. I am sponsoring or co-sponsoring the MFRs listed
17 in Document No. 1 of my exhibit.
18

19 **Q.** What is the source of the data contained in your direct
20 testimony and exhibit you sponsor in this proceeding?
21

22 **A.** The historical data presented in my direct testimony and
23 exhibit is based on the books and records of the
24 company. These books and records are maintained under
25 my supervision and are kept in the regular course of

1 business in accordance with Generally Accepted
2 Accounting Principles and the Uniform System of Accounts
3 as prescribed by the FPSC and the Federal Energy
4 Regulatory Commission ("FERC").

5
6 The company's books and records are audited annually by
7 PricewaterhouseCoopers, Inc., the company's independent
8 auditors. These annual financial statement audits, in
9 conjunction with internal control testing required by
10 Sarbanes-Oxley legislation, have shown that the company
11 has a consistent, reliable system of internal controls
12 over the company's accounting and financial reporting.
13 The company's continuous internal control compliance
14 gives financial statement users assurance of the quality
15 and reliability of the information contained in the
16 company's books and records as well as all Tampa
17 Electric financial reports.

18
19 In addition, the company is audited on a regular basis
20 by the FPSC and the Internal Revenue Service ("IRS"),
21 and, from time to time, by a number of other
22 governmental agencies, including FERC. The company
23 makes regular monthly, quarterly and annual reports to
24 the FPSC and FERC and periodic, quarterly and annual
25 reports to the Securities and Exchange Commission

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("SEC").

The budgeted data presented in my direct testimony and exhibit is derived from the company's comprehensive budget process, which I will discuss in detail later.

Q. What are the key factors driving the company's request for a \$134.8 million rate increase?

A. A substantial portion of the company's request for an additional \$134.8 million in annual revenues is caused by the investments made in utility plant since the company's last rate proceeding.

The company projects that its net rate base in the 2014 test year will be \$4,339,974,000 as compared to the \$3,569,099,597 amount used by the Commission to set the company's current base rates. Considering the company's continuing need to invest in infrastructure to serve customers, management devoted a great amount of effort to limit and prioritize that spending. The primary reasons for the increases are the additions to rate base necessary to operate the business that are described in the direct testimonies of Tampa Electric witnesses Mark J. Hornick and S. Beth Young. This increase, when

1 multiplied by the proposed overall rate of return of
2 6.74 percent (which assumes an 11.25 percent return on
3 equity), yields approximately \$85 million of additional
4 revenue requirements caused by rate base growth.

5
6 As the electric plant in service and jurisdictional
7 adjusted rate base have increased, so has the company's
8 projected level of depreciation expense. The company
9 projects that its annual depreciation expense will be
10 \$42.5 million higher in the 2014 test year than the
11 amount used by the Commission to set the company's
12 current rates. This increase in depreciation expense is
13 caused only by increases in plant investment and is not
14 due to increases in depreciation rates.

15
16 The additional investments in plant made by the company
17 have also resulted in additional ad valorem property tax
18 payments to local governments. Due to rate base growth,
19 the company projects that ad valorem property taxes will
20 be roughly \$9 million higher in the test year than the
21 amount used by the Commission to set the company's
22 current rates.

23
24 The total impact of return on new rate base,
25 depreciation expense and property taxes account for the

1 vast majority of the company's requested revenue
2 requirement.

3

4 **Q.** Please summarize the rate relief Tampa Electric is
5 requesting.

6

7 **A.** Tampa Electric seeks a permanent base rate increase of
8 \$134,841,000 as shown in MFR Schedule A-1, Full Revenue
9 Requirements Increase, and as Document No. 2 of my
10 exhibit. This increase will give the company an
11 opportunity to recover all of its prudently incurred
12 costs to provide cost-effective and reliable service to
13 its customers, including the opportunity to continue
14 earning an 11.25 percent return on common equity ("ROE")
15 and an overall rate of return of 6.74 percent on its
16 2014 average jurisdictional rate base of \$4,339,974,000.

17

18 **Q.** What is meant by "opportunity to earn an 11.25 percent
19 ROE"?

20

21 **A.** While Tampa Electric is requesting that the Commission
22 set the company's base rates using an approved ROE of
23 11.25 percent, such approval will only give the company
24 an opportunity to earn at that level but does not
25 guarantee that the company will. As investments and

1 operating costs change over time, the base rates
2 approved by the Commission in this proceeding will
3 remain the same. If a corresponding change in the
4 volume of sales does not materialize, revenue growth may
5 lag behind the growth of the costs to serve Tampa
6 Electric's customers. If this occurs, the company's ROE
7 could fall below the ROE percentage used to set rates in
8 this proceeding.

9
10 **Q.** What test year did the company use to determine its
11 revenue requirement in this proceeding?

12
13 **A.** Tampa Electric's requested rate increase is based on a
14 2014 projected test year. The test year is appropriate
15 because it reflects the conditions under which Tampa
16 Electric will operate in the future and the company's
17 anticipated capital and operating costs when new rates
18 go into effect. A 2014 projected test year is also
19 appropriate because it will best demonstrate the
20 required level of revenues necessary to recover
21 projected cost of service, including an appropriate
22 return on the related level of investment necessary to
23 provide customers with reliable service when the
24 company's new prices are in effect.

25

1 Q. What would be the resulting ROE for the 2014 projected
2 test year absent the company's requested rate relief?

3
4 A. Without the requested rate relief, the projected earned
5 2014 ROE is 6.74 percent, far below the fair and
6 reasonable ROE of 11.25 percent supported in the direct
7 testimony of Tampa Electric witness Robert B. Hevert.
8 The 6.74 percent projected earned ROE for 2014 reflects
9 a significant decline in return that will continue to
10 worsen without rate relief. Continuing investments in
11 the company's infrastructure and increasing costs to
12 serve customers reliably have outpaced revenues, thus
13 driving test year returns below levels needed to
14 maintain Tampa Electric's financial integrity. This has
15 resulted in the need for rate relief. The company's
16 need to maintain financial integrity is discussed in
17 more detail in the direct testimony of Tampa Electric
18 witness Sandra W. Callahan.

19
20 **BUDGET PROCESS**

21 Q. Is the company's process for producing the budget for
22 the projected test year the same as in years past?

23
24 A. Yes. Although technological tools the company uses to
25 prepare budgets have evolved, the basic process used to

1 make projections has not. The company's budget
2 continues to be based on operating information. The
3 experience and expertise of the company's operating team
4 members form the foundation of forecasted information.
5 Front line operating personnel and members of management
6 work together to project necessary projects and
7 activities - and the corresponding costs. Long-term
8 planning, prioritization of resource needs and finding
9 available efficiencies drive the schedules and forecasts
10 that support the company's budget. Operating personnel
11 provide not only cost projections but also projections
12 of other operating revenues that reduce the revenue
13 requirement.

14
15 **Q.** Please describe the process that Tampa Electric used to
16 prepare the 2014 test year budget.

17
18 **A.** The 2014 budget was prepared using an integrated process
19 that combined the goals and objectives of the company
20 with economic and financial conditions. Based on the
21 company's obligation to serve and expectations of the
22 requirements and challenges associated with that
23 obligation, plans were developed for projects and
24 activities. These plans for projects and activities were
25 developed within each department, and then consolidated

1 into company projections. Each department quantified its
2 projects and activities into specific requirements in its
3 respective budgets. This process is described in more
4 detail in Document No. 3 of my exhibit.

5

6 **Q.** What primary economic and financial conditions were
7 considered in developing the test year budget?

8

9 **A.** The primary economic and financial conditions considered
10 when Tampa Electric prepared the 2014 budget were revenue
11 growth, or lack thereof, which includes growth in number
12 of customers and usage per customer and the impact of
13 inflation, escalation and other cost increases. The
14 company's Customer, Demand and Energy forecasts are
15 explained in the direct testimony of Tampa Electric
16 witness Lorraine L. Cifuentes. The company used a
17 variety of indices and factors to estimate the effect of
18 inflation and cost increases in the 2014 budget.

19

20 **Q.** How is the budget created?

21

22 **A.** The generation of the budget is an integrated process
23 that results in a complete set of budgeted financial
24 statements: income statement, balance sheet, and
25 statement of cash flows. The income statement is

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constructed using various sources to determine revenues and expenses. The balance sheet is budgeted by starting with beginning balances. Then accounts on the balance sheet are budgeted by either forecasting monthly balances for the remainder of the year or forecasting monthly activity in the account for the remainder of the year, depending on the type of account. Once the balance sheet and income statement have been constructed, a resulting statement of cash flows is generated. This then determines the capital structure needs of the company and the required debt and equity needed during the budget year.

Q. Please describe the most material components of the 2014 budgeted balance sheet and income statement.

A. The largest component of the 2014 budgeted balance sheet is net utility plant-in-service. In-service balances reflect the capital expenditures for property, plant and equipment already invested as well as the construction cost contained in the near-term capital budget. With the exception of the fuel and interchange expenses, which are recovered through the fuel, purchased power and capacity cost recovery clauses and are not a subject in this proceeding, the largest cost component of the 2014

1 budgeted income statement is O&M expense.

2

3 **Q.** What other key elements are used to develop the budgeted
4 financial statements?

5

6 **A.** In addition to the O&M and capital expenditure budgets,
7 other fundamental elements utilized in the development of
8 the budgeted financial statements include the Customer,
9 Demand and Energy forecasts, the revenue budget, the
10 generation/outage schedule, and the fuel budget.

11

12 **Q.** Please discuss the Customer, Demand and Energy forecasts
13 and the revenue budget.

14

15 **A.** The Load Research and Forecasting section of the
16 company's Regulatory Affairs department produces the
17 Customer, Demand and Energy forecasts, which reflect
18 customer growth projections as well as load and
19 consumption projections. Witness Cifuentes is
20 responsible for this function and discusses key
21 assumptions used to develop the forecasts in more detail
22 in her direct testimony. The revenue budget is derived
23 by applying current tariffed rates to electricity sales
24 contained in the Customer, Demand and Energy forecasts by
25 customer rate class. Detailed revenue data by month is

1 generated and provided for inclusion in the income
2 statement.

3

4 **Q.** Please describe the company's overall O&M and capital
5 budgeting process.

6

7 **A.** Considering forecasted demand, Tampa Electric determines
8 the required capital investment necessary to serve the
9 load reliably as well as the O&M needed to provide the
10 high quality of service customers require. The company
11 also considers factors such as environmental and
12 regulatory compliance, reserve requirements and other
13 items. After determining the projects and activities
14 needed to build, operate and maintain a reliable system,
15 the company estimates the costs associated with those
16 projects and activities. The costs are determined by
17 analyzing the resources to be utilized and the price of
18 those resources.

19

20 The company uses different tools to determine the costs
21 of the resources needed, depending on the type of
22 resource. For example, as described in the direct
23 testimony of Tampa Electric witness Brad J. Register,
24 compensation amounts are driven by conditions in the job
25 market.

1 **Q.** How are the detailed O&M and capital budgets developed?

2

3 **A.** Each operating department within the company develops
4 detailed budgets for O&M and capital by month. Operating
5 departments distinguish between O&M and capital based on
6 the nature of the activity involved with consideration of
7 the company's accounting policies and practices. Each
8 operating department budgets according to its specific
9 requirements and objectives, weighing its options
10 regarding how to perform O&M and capital work in the most
11 cost-effective manner. Each department submits a
12 detailed operating budget to the Accounting department.

13

14 The Accounting department combines all of the previously
15 discussed budgets and data to produce a total projected
16 amount of O&M and capital expenditures for the company.
17 The activities and projects that are necessary to provide
18 safe and reliable service to customers are planned by the
19 departments that perform them and the costs are developed
20 using consistent assumptions. The officers of the
21 company examine these totals for reasonableness as well
22 as consistency and alignment with overall corporate
23 objectives and initiatives. The President of Tampa
24 Electric Company is ultimately accountable for the
25 financial and operational performance of the company.

1 This includes decisions related to capital and O&M
2 spending once the budget has been approved by the Board
3 of Directors.

4

5 **Q.** Was the company's 2014 test year budget prepared
6 consistent with the company's normal annual budget
7 process?

8

9 **A.** Yes. The 2014 budget contained the same steps and
10 oversight as the company's normal annual budget process.

11

12 **Q.** Has Tampa Electric's budgeting process proven to be
13 reliable in the past?

14

15 **A.** Yes. Actual results have historically tracked to
16 budgeted amounts for company controllable items. The
17 company's budgets are used for investor presentations,
18 business planning and key decision-making. Monthly
19 budget-versus-actual analyses are prepared and these
20 monthly variance analyses are part of the internal
21 control system that has facilitated the company's
22 compliance with Sarbanes-Oxley.

23

24 **Q.** What other factors impact the reliability of the
25 company's budget process?

1 **A.** Tampa Electric uses a process that incorporates the AICPA
2 guidelines for preparing prospective financial
3 information. The company's process conforms with all of
4 the guidelines, including those related to quality,
5 consistency, documentation, the use of appropriate
6 accounting principles and assumptions, the adequacy of
7 review and approval, and the regular comparison of
8 financial forecasts with attained results.

9
10 **Q.** In your opinion, does Tampa Electric's 2014 budgeting
11 process result in a fair and reasonable projection of
12 amounts necessary for the company to provide safe and
13 reliable service?

14
15 **A.** Yes. Tampa Electric used a reasonable, reliable and
16 time-proven process to produce its 2014 company budget.

17
18 **BUDGETED INCOME STATEMENT**

19 **Q.** How was Tampa Electric's 2014 budgeted Income Statement
20 developed?

21
22 **A.** The 2014 budgeted Income Statement was prepared by the
23 Accounting department under my direction and
24 supervision. The Accounting department assembled
25 forecasted data prepared by numerous team members who

1 specialize in different areas of the company's
2 operations. The same accounting principles, methods and
3 practices which the company employs for historical data
4 were applied to the forecasted data to arrive at the
5 budgeted Income Statement. Senior management approved
6 the Income Statement budget after a thorough review,
7 including final review and approval by the president of
8 Tampa Electric and the Board of Directors.

9
10 The income statement is developed using all forecasted
11 revenues and other types of income, largely base
12 revenues and the revenues from the four cost recovery
13 clauses. The income statement also contains projections
14 for off-system sales and other operating revenues such
15 as rent revenues and miscellaneous service revenues.

16
17 To complete the income statement, all operating expenses
18 are accumulated including O&M expense, depreciation
19 expense and property taxes. Interest expense and
20 interest income, as well as all below-the-line items are
21 also considered. Once all pre-tax components are
22 determined, income taxes are calculated to determine
23 final net income.

24
25 Q. Were the depreciation rates used in the 2014 budget

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those most recently approved by the Commission?

A. Yes. The depreciation expense in the 2014 budget reflects the rates approved in the company's 2011 Depreciation Study in Commission Order No. PSC-12-0175-PAA-EI, issued on April 3, 2012 in Docket No. 110131-EI.

Q. Please describe the documents in your exhibit that relate to the budgeted Income Statement.

A. Document No. 4 of my exhibit entitled "Forecasted Income Statement Twelve Months Ended December 31, 2014" shows the expected results of operations for Tampa Electric under current rates. Document No. 5 of my exhibit entitled "Forecasted Income Statement Twelve Months Ended December 31, 2014 Budget Methodology" sets forth line-by-line the source or budget methodology for each item included in the 2014 budgeted Income Statement. Document Nos. 6 and 7 of my exhibit provide the same information for forecasted 2013 and actual 2012, in the same format as Document No. 4 of my exhibit.

Q. What were the underlying methods and assumptions used to develop Tampa Electric's 2014 Income Statement budget?

1 **A.** A summary of the methods is provided on MFR Schedules F-
2 5 and F-8, which are included in Document No. 3 of my
3 exhibit. Projects and activities are developed and
4 appropriate cost assumptions are applied. As I stated
5 earlier, inputs into the income statement budgeting
6 process are supplied by various personnel who specialize
7 in specific areas of the company's operations.

8
9 **Q.** In your opinion, does Tampa Electric's 2014 budgeted
10 Income Statement fairly and reasonably reflect the
11 revenues and expenses expected for the company in 2014?

12
13 **A.** Yes. The 2014 budgeted Income Statement is based on
14 supportable levels of revenues and expenses, with
15 expenditures reflecting appropriate and necessary
16 projects and activities at reasonable and prudent cost
17 levels.

18
19 **BUDGETED BALANCE SHEET**

20 **Q.** How was Tampa Electric's 2014 budgeted Balance Sheet
21 developed?

22
23 **A.** The company's Accounting Department prepared the 2014
24 budgeted Balance Sheet under my direction and
25 supervision. Certain data used in the process was

1 provided by various other departments. Each line item
2 was developed using the same accounting principles,
3 methods and practices used in accounting for historical
4 data. Senior management approved the budgeted Balance
5 Sheet after a thorough review, including final review
6 and approval by the president of Tampa Electric and the
7 Board of Directors.

8
9 A projected balance sheet is a representation of
10 projected account balances at a point in time.
11 Therefore, the development of the company's projected
12 balance sheet starts with establishing the beginning
13 balances for the prior year. The 2014 budgeted Balance
14 Sheet was derived from the 2013 budgeted Balance Sheet.
15 The 2013 budgeted Balance Sheet was originally prepared
16 as part of the company's annual budget process in late
17 2012, with an estimated 2012 year-end Balance Sheet. In
18 January 2013, the company began the process of
19 finalizing the 2013 budget using actual 2012 year-end
20 balances as the starting point. The 2013 and 2014
21 budgets were completed in March 2013.

22
23 The company projected monthly balances for each month of
24 the year for certain accounts. For all other accounts,
25 the change or activity in the account was forecasted and

1 then applied to the beginning balance in sequence each
2 month to produce monthly balances. For instance, the
3 company budgeted property, plant and equipment balances
4 using the projected timing of expenditures included in
5 the capital budget and projected timing of in-service
6 dates for assets. Some balance sheet accounts, such as
7 accrued interest and deferred clause balances, were
8 budgeted based on the activity reflected in the income
9 statement. Because balance sheet account changes were
10 applied in sequence, budgeted balance sheet data for
11 each month of the year was prepared (as reflected in
12 Document No. 8 of my exhibit) and used to compute the
13 13-month average Balance Sheet. Document No. 9 of my
14 exhibit reflects the result of that averaging process.

15
16 **Q.** How was Tampa Electric's 2014 budgeted Statement of Cash
17 Flows developed?

18
19 **A.** The budgeted cash flows were a function of the overall
20 change in all items included in the budgeted Balance
21 Sheet for the company. Cash needs dictated the extent
22 of debt and equity necessary to operate the business,
23 given the timing of cash inflows and outflows. Long-
24 term debt issuances and equity infusions were projected.
25 Then short-term debt was forecasted to reflect the

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expected balance of cash needs for each month.

Q. Please describe the documents in your exhibit that relate to the budgeted Balance Sheet and budgeted Statement of Cash Flows.

A. Document No. 8 of my exhibit is the budgeted Balance Sheet for 2014. Document No. 9 of my exhibit, entitled "Forecasted 13-Month Average Balance Sheet as Of December 31, 2014", presents the 13-month average per books Balance Sheet. Document No. 10 of my exhibit consists of four pages and is entitled "Forecasted 13-Month Average Balance Sheet as Of December 31, 2014 Budget Methodology". This document provides line-by-line the source or budget methodology for each item included in the 2014 budgeted Balance Sheet. Document Nos. 11 and 12 of my exhibit provide the same information for forecasted 2013 and actual 2012, respectively in the same format as Document No. 9 of my exhibit. Document No. 13 of my exhibit presents the "Forecasted Statement of Cash Flows for the Period Ended December 31, 2014".

Q. In your opinion, does Tampa Electric's 2014 budgeted Balance Sheet fairly and reasonably reflect the account

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balances expected for the company in 2014?

A. Yes, it does. It is based on supportable levels of capital structure, plant in service and working capital, with expenditures reflecting appropriate and necessary projects and activities at reasonable and prudent cost levels.

RATE BASE

Q. Is the rate base that supports the revenue requirement calculation reasonable?

A. Yes. The projected rate base investment reflects appropriate amounts of net plant in service and working capital as well as the expected costs of the net assets required to reliably serve customers. The amount of rate base the company is projecting in the 2014 test year represents investments and spending that is reasonable and prudent and that will be used and useful to provide electric service to customers.

Q. Is it reasonable for Tampa Electric's rate base to grow at its current pace?

A. Yes. The company's investment in rate base is driven by

1 many factors beyond growth in the total number of
2 customers. A key driver is asset replacement. This
3 results from the need to maintain the utility system
4 considering the company's obligation to serve all
5 customers in its service territory. Each year, the
6 company replaces equipment that has been in service for
7 many years and has reached the end of its useful life.
8 The company must also make investments in assets that
9 allow the company to keep pace with changes in safety,
10 environmental, security and reliability requirements -
11 as well as technology and community needs. The total
12 growth in Tampa Electric's rate base is both necessary
13 and reasonable.

14
15 **Q.** Why are the 2014 FPSC Adjusted amounts for Plant In-
16 Service and Construction Work In Progress ("CWIP")
17 greater than the amounts used by the FPSC to set the
18 company's current rates.

19
20 **A.** Witnesses Young and Hornick will explain the details of
21 the company's capital spending since the company's 2008
22 rate case and why that level of capital spending was and
23 is reasonable and prudent. The capital spending over
24 time has naturally produced higher balances of Plant In-
25 Service. The higher CWIP balance in 2014 is a function

1 of timing. The 13-month average of the CWIP that does
2 not earn AFUDC nor is recovered through a clause
3 reflects the cash flow timing of the capital projects as
4 explained by the operating witnesses identified above.
5 The 2014 CWIP balances do not include CWIP related to
6 the Polk 2-5 Conversion Project, because that project
7 will accrue AFUDC. Both projected Plant In-Service and
8 CWIP are reasonable and prudent.

9
10 **NET OPERATING INCOME**

11 **Q.** Are the operating revenues that support the revenue
12 requirement calculation reasonable?

13
14 **A.** Yes. The projected operating revenues reflect a
15 reasonable forecast of the conditions expected for the
16 test year of 2014. Other operating revenues - which
17 include items such as by-product sales and rent revenue
18 - are projected to be higher than the amounts used by
19 the Commission to set the company's current rates.
20 Long-term separable off-system sales are forecasted to
21 be zero in 2014 due to the fact that the company's
22 single off-system energy sales contract expired in 2012.
23 The company currently has no long-term wholesale energy
24 sales contracts in place for 2014 and is not forecasting
25 any new contracts for 2014 at this time.

1 **Q.** Are the operating expenses that support the revenue
2 requirement calculation reasonable?

3
4 **A.** Yes. The projected operating expenses reflect a
5 reasonable, sustainable level of activities that will
6 allow the company to continue to provide safe, reliable
7 and cost-effective electric service to customers.
8 Forecasted expenses also reflect the expected costs to
9 conduct these activities.

10

11 **Q.** Is it reasonable for Tampa Electric's operating expenses
12 to increase in the current economic conditions?

13

14 **A.** Yes. As discussed earlier, the company has continued to
15 invest in rate base to reliably serve all customers in
16 Tampa Electric's service area. Prudent investments in
17 assets result in depreciation and property tax expenses
18 that are also prudent. In addition, the company incurs
19 O&M expenses to operate and maintain the new rate base
20 as well as previously existing rate base. Operating
21 expenses logically grow as investment in rate base grows
22 and existing rate base ages.

23

24 **Q.** Please discuss property tax expense further.

25

1 **A.** Property tax expense represents payments made by the
2 company to county governments for ad valorem taxes. The
3 projected expense is a function of forecasted tax rates
4 and the projected values that will be used by the
5 counties to assess the company's plant assets. As
6 investment in assets grows, property tax expense also
7 grows. Due to rate base growth, the company projects
8 that ad valorem property taxes will be roughly \$9
9 million higher in the test year than the amount used by
10 the Commission to set the company's current rates.

11
12 **Q.** Please discuss income tax expense.

13
14 **A.** Income tax expense for the test year was computed in the
15 same manner used for ratemaking purposes over the last
16 three decades. Consistent with the company's last two
17 rate proceedings and long-standing Commission precedent,
18 the company computed its test year income tax expense on
19 a stand-alone basis. Projected total income tax expense
20 is a function of forecasted taxable income coupled with
21 the IRS rules expected to be in place during the test
22 year. All net operating income and capital structure
23 amounts reflect reasonable budget projections,
24 consistent regulatory treatments and compliance with the
25 normalization requirements of the Internal Revenue Code.

1 Deferred taxes and the related accumulated deferred
2 income tax are computed based on the projected book/tax
3 temporary differences for the forecasted period.
4

5 **Q.** Why were O&M expenses in 2011 and 2012 less than the
6 amounts being projected for 2014?
7

8 **A.** As explained in the direct testimony of witness
9 Cifuentes and Tampa Electric witness Gordon L. Gillette,
10 the company faced a period of uncertainty from 2009 to
11 2012 during which revenues did not grow consistent with
12 historical growth patterns. The company's 2011 and 2012
13 base revenues were \$902.7 million and \$897.1 million,
14 respectively, which were far below the projected \$969
15 million of base revenues used to set the company's
16 current base rates. Given the much lower than expected
17 revenues for 2011 and 2012, and the uncertainty the
18 company was facing, the company needed to control costs
19 to produce earnings that would maintain the company's
20 financial health. Consequently, as explained by
21 witnesses Hornick and Register, the company took
22 proactive steps to reduce O&M expenses from budgeted
23 amounts. This was done by deferring or modifying a
24 number of projects and activities. However, as those
25 witnesses explain, these scope reductions and

1 maintenance deferrals are not sustainable over the long
2 term. The 2014 O&M amounts reflect the company's return
3 to a reasonable and sustainable level of activity to
4 operate and maintain the company's electric system.

5
6 **Q.** What steps has the company taken to ensure that 2014
7 spending levels are as low as they can be given the
8 return to sustainable projected levels of activity?

9
10 **A.** The company has taken measures to keep the size of its
11 workforce as low as practical - as discussed in witness
12 Register's direct testimony. Also, as discussed in
13 witness Hornick's direct testimony, the company has
14 executed cost control efforts throughout its production,
15 transmission and distribution functions. Finally, the
16 company has made significant system and work process
17 improvements throughout the last five years. One
18 example is the company's implementation of a new SAP
19 Enterprise Resource Planning ("SAP ERP") system, which
20 came into service in July of 2012.

21
22 **Q.** What are the benefits of the recently implemented SAP
23 ERP System?

24
25 **A.** This new system allowed the company to retire 26

1 computer applications - some of which were mainframe
2 applications that were implemented over 30 years ago.
3 The new integrated system ensures all procurement,
4 payroll and general ledger processing is done on the
5 same platform. This not only produces cost-efficiency
6 from an information technology perspective, but it also
7 facilitates standardization of procedures and work flow,
8 which in turn enhances the accuracy, completeness and
9 controls associated with all financial transactions.
10 Finally, the most significant benefit is that the system
11 will enable the company to reduce outside spending. The
12 system provides tools and techniques, such as vendor
13 consolidation and procurement analysis, which lead to
14 the reduction of total dollars paid to vendors for goods
15 and services.

16
17 **Q.** Some utilities have faced challenges in implementing new
18 larger financial systems. Did Tampa Electric encounter
19 these types of challenges?

20
21 **A.** No. In fact, the company is proud to say the ERP
22 Project was completed both on time and on budget. The
23 company was committed to guiding principles that have
24 produced successful projects in the technology arena.
25 Some of these guiding principles included no

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customization and disciplined control of project scope.
The project won SAP's 2012 award for Project of the
Year.

Q. You referred to Tampa Electric's efforts to optimize
workforce size. Please explain what the company did and
how it benefits customers.

A. As explained by witness Register in his direct
testimony, the company completed a restructuring that
reduced the number of team members by 169 in the third
quarter of 2009. Although it was a difficult decision,
the workforce reduction was a key factor that has
allowed the company to avoid seeking rate relief until
now and helped the company navigate through the period
of uncertainty described in the direct testimony of
witnesses Gillette and witness Cifuentes. The primary
benefit to customers was a recurring reduction of annual
labor and benefit costs. This restructuring facilitated
an on-going decrease to the cost profile of the company.
Tampa Electric's operating expenses in the 2014
projected test year are lower than they would have been
in the absence of the 2009 workforce reduction.
Customers have benefitted from this action through the
deferral and lessening of the revenue requirement in

1 this proceeding.

2

3 **Q.** Is the projected O&M expense for 2014 reasonable?

4

5 **A.** Yes. As noted earlier, uncertain economic conditions
6 and customer usage and growth patterns compelled the
7 company to keep O&M expenses generally flat from 2007 to
8 2012. However, looking ahead, the company must increase
9 its O&M expense spending levels to a sustainable and
10 reasonable level consistent with the amount of plant in
11 service and the needs of customers to obtain safe and
12 reliable electric service. The 2014 O&M expense amount
13 is reasonable.

14

15 **FPSC O&M BENCHMARK**

16 **Q.** Please explain what the Commission's O&M benchmark is
17 and how it is used.

18

19 **A.** Since the early 1980s, the Commission has compared
20 companies' O&M costs to a benchmark computed by
21 escalating a base year to the year being reviewed. For
22 production O&M, the base year allowed costs are
23 escalated by inflation as measured by the CPI-U plus
24 costs related to additional capacity additions since the
25 base year. All non-production costs are escalated by

1 inflation as measured by the CPI-U compounded by
2 customer growth. Costs that are greater than this
3 calculated benchmark require justification before being
4 considered a prudent cost of service.
5

6 **Q.** How did you calculate the O&M benchmark for 2014?
7

8 **A.** The company used the same general approach used in its
9 2009 rate proceeding. Specifically, the company
10 calculated the O&M benchmark for 2014 by applying the
11 appropriate Commission-established multiplier to the
12 2007 actual O&M amounts. A compound multiplier was
13 calculated using historical CPI-U and customer growth
14 amounts plus estimates for the 2013 and 2014 periods
15 based on Tampa Electric's customer, demand and energy
16 forecasts. The company then applied the compound
17 multiplier of customer growth and CPI-U inflation to
18 transmission, distribution, customer accounts, customer
19 service and information systems, sales expenses, and
20 administrative and general. For production accounts,
21 only CPI-U was applied.
22

23 **Q.** Why did the company use 2007 as the base year for
24 purposes of the O&M Benchmark test on MFR Schedule C-37?
25

1 **A.** In addition to being consistent with the methodology
2 used in Tampa Electric's last base rate proceeding, the
3 use of the historical prior year allows for more
4 detailed benchmarking analysis. Using 2007 allows the
5 company to capture historical data by FERC expense
6 account - which enables functionalization of prior
7 expenses. Therefore, in addition to applying the
8 benchmark analysis to total O&M, benchmark analysis can
9 also be applied to O&M expenses for Production,
10 Transmission and the rest of the functional categories.

11

12 **Q.** What is the company's overall performance relative to
13 the benchmark expected to be for the 2014 test year?

14

15 **A.** As shown on MFR Schedule C-37, Document No. 14 of my
16 exhibit, the company's total 2014 O&M costs are expected
17 to be under the benchmark by \$23,570,000. Also, each
18 functional expense category is below the benchmark.
19 This is despite many challenges the company has faced
20 since its last rate proceeding and demonstrates that the
21 company's cost control efforts have effectively offset
22 increasing cost pressure over time.

23

24 **Q.** Did the company perform an O&M Benchmark calculation
25 using any other base year?

1 **A.** Yes. In addition to the calculation shown on MFR
2 Schedule C-37, the company performed an O&M Benchmark
3 calculation using 2008 actual expenses. The company's
4 proposed level of O&M Expenses in the 2014 test year is
5 below the O&M benchmark calculated using this
6 alternative approach. The results of the O&M
7 comparisons relative to both 2007 and 2008 reflect the
8 efforts implemented by the company over the last several
9 years to control costs.

10

11 **Q.** Are there any major expense items in the company's 2014
12 O&M total that were not present in 2007? If so, how
13 does this impact the benchmark results?

14

15 **A.** Yes. In the company's last rate proceeding, the
16 Commission approved an additional \$4 million annual
17 accrual for storm damage expense, bringing the annual
18 accrual to \$8 million. This approved additional expense
19 was incorporated into the company's benchmark
20 calculations.

21

22 **CAPITAL STRUCTURE**

23 **Q.** Is the capital structure that supports your revenue
24 requirement calculation reasonable from an accounting
25 perspective?

1 **A.** Yes. The forecasted amounts for items such as zero cost
2 deferred taxes reflect proper, audited financial
3 records. Customer deposit projections reflect both
4 forecasted balances and the low cost rates implemented
5 recently by the Commission. Finally, forecasted short
6 and long-term debt balances and rates reflect cash flow
7 projections and cost rates that are documented in the
8 company's transaction detail.

9
10 **Q.** Witness Callahan discusses \$575 million of growth in the
11 balance of deferred taxes in the capital structure
12 through 2014. What were the key drivers of this growth?

13
14 **A.** There are two significant tax items that have contributed
15 to the increase of the deferred tax liability balance
16 through 2014. First, approximately \$311 million of the
17 growth in deferred taxes is related to bonus depreciation
18 deductions provided under Internal Revenue Code section
19 168(k), including the recent Fiscal Cliff legislation
20 which extends bonus depreciation into 2014. Second,
21 approximately \$239 million is related to tax deductions
22 for unit of property repair associated with generation as
23 well as transmission & distribution activities, including
24 the estimated additional impact of the upcoming expected
25 technical guidance on repair deductions for generation

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activities.

Q. Please explain bonus depreciation further.

A. As an incentive to encourage capital investment, the Economic Stimulus Act enacted in February 2008 allowed businesses to deduct as first year depreciation 50 percent of the cost of tangible property purchased and placed in service in 2008. Bonus depreciation was extended by subsequent legislation enacted in 2009, 2010, and most recently in January 2013. Document No. 15 of my exhibit details the chronology of enacting legislation and the bonus depreciation percentage allowed.

Since depreciation on most utility property in the first year an asset is placed in service under the normal MACRS depreciation rules that apply to utility property is 3.75 percent, bonus depreciation obviously had a significant impact in reducing a utility's taxable income during the years that bonus depreciation was in effect.

Q. Please explain the "repairs" deductions further.

A. IRS guidance in 2009 effectively allowed tax expense deductions for certain repairs that were previously

1 capitalized for tax purposes. Repairs tax deductions are
2 pursuant to Section 162 and 263(a) of the Internal
3 Revenue Code. These code sections allowed the company to
4 review its tax property records and to take a current tax
5 deduction for amounts previously capitalized as plant
6 additions for tax purposes.

7
8 **Q.** What accounting and tax activities facilitated the
9 company's ability to generate deferred taxes?

10
11 **A.** The company maintains complete and accurate plant
12 accounting records in a very timely manner. The fact
13 that the company's property records can be examined and
14 validated in a time efficient fashion - at any stage of
15 the asset cycle - allows the company to have successful
16 tax filings as well as corresponding IRS approvals of
17 them through the IRS Compliance Assurance Program
18 ("CAPS"). Tampa Electric was one of the first utilities
19 to go on the IRS' CAPS program back in 2005, which
20 allows close to real-time settlement with the IRS on
21 what would otherwise be prolonged IRS tax audit
22 processes. Second, and equally important, the company
23 decided to pursue taking advantage of the code section
24 that allows the company to review its tax property
25 records retroactively to take a current tax deduction

1 for amounts previously capitalized as plant additions
2 for tax purposes. The company went back 10 years (to
3 2000) and - using new technology and extensive research
4 - found \$171 million of repairs deductions. This
5 produced over \$66 million of deferred taxes into the
6 company's capital structure. In addition to these
7 amounts, additional look-back efforts are planned and
8 projected to generate \$157 million more deductions,
9 resulting in \$61 million more of deferred taxes
10 forecasted in the 2014 test year.

11
12 **REVENUE REQUIREMENT**

13 **Q.** Please describe the calculation of the company's revenue
14 requirement for 2014.

15
16 **A.** Tampa Electric's 2014 Budgeted Income Statement and 13-
17 Month Average Balance Sheet are the starting points for
18 calculating the revenue requirement. Tampa Electric's
19 2014 budgeted Income Statement and Balance Sheet are the
20 basis for the Per Books net operating income as well as
21 the 13-month average rate base and capital structure
22 calculations. Certain regulatory adjustments are then
23 applied. The regulatory adjustments fall into two
24 categories: 1) those that are necessary to comply with
25 Commission directives, policies and decisions

1 (Commission adjustments) and 2) those that are necessary
2 to produce a test year that is indicative of on-going
3 revenue and expenditure levels (company pro forma
4 adjustments). Jurisdictional separation factors,
5 supported in the direct testimony of Tampa Electric
6 witness William R. Ashburn, are then utilized to derive
7 the jurisdictional amounts upon which the revenue
8 requirement is calculated.

9
10 As shown on MFR Schedule A-1, the 6.74 percent required
11 cost of capital is first applied to the jurisdictional
12 adjusted average rate base of \$4,339,974,000 resulting
13 in a required jurisdictional net operating income of
14 \$292,514,000. Comparing the required jurisdictional net
15 operating income to the jurisdictional net operating
16 income based on the company's 2014 projected test year
17 of \$209,901,000, the net operating income deficiency is
18 \$82,613,000. After adjusting for taxes, there is a
19 jurisdictional revenue deficiency for 2014 of
20 \$134,841,000.

21
22 **Q.** What Commission adjustments were made to the company's
23 2014 budget for the purpose of calculating the revenue
24 requirement?
25

1 **A.** The Commission adjustments to the 2014 budgeted Income
2 Statement and a description of the jurisdictional amount
3 and the impact on the revenue requirement of each
4 adjustment are shown in Document No. 16 of my exhibit,
5 which is a compilation of MFR Schedules C-2, C-3, C-4
6 and C-5. The rate base adjustments and the
7 jurisdictional amount of each adjustment are presented
8 in Document No. 17 of my exhibit, which includes MFR
9 Schedules B-4, B-5 and B-6.

10

11 **Q.** Please list the Commission adjustments made to Net
12 Operating Income as shown in Document No. 16 of your
13 exhibit.

14

15 **A.** The Commission adjustments described in Document No. 16
16 of my exhibit reflect Commission directives, policies
17 and decisions from previous rate proceedings.
18 Specifically, these adjustments are: 1) remove from base
19 rates the revenues and expenses which are recoverable
20 through the four cost recovery clauses, 2) remove
21 franchise fee revenues and expenses, 3) remove gross
22 receipts tax revenues and expenses, and 4) remove
23 expenses that have been deemed non-utility or non-
24 recoverable through retail base rates. Examples of
25 these items include stockholder relations expenses,

1 incentives based on parent company financial performance
2 and charitable contributions.

3

4 **Q.** Please describe the Commission adjustments to rate base
5 as shown in your Document No. 17 of your exhibit.

6

7 **A.** The Commission adjustments to rate base, as shown in
8 Document No. 17 of my exhibit, reflect Commission
9 directives, policies and decisions from previous rate
10 proceedings. Specifically, these adjustments are: 1)
11 remove from net plant-in-service the effect of items
12 recoverable through the cost recovery clauses, 2) remove
13 from net plant-in-service construction work in progress
14 ("CWIP") balances that earn allowance for funds used
15 during construction ("AFUDC"), 3) remove from working
16 capital the effect of items for which a return is
17 provided elsewhere, including deferred debits for
18 clause-related under-recovery balances, 4) remove from
19 working capital the effect of items which are part of
20 capital structure (dividends declared) for ratemaking
21 purposes, and 5) remove from rate base items that have
22 been deemed non-utility or non-recoverable through
23 retail base rates.

24

25 **Q.** Did the company make any company pro forma adjustments

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to its 2014 revenue requirement?

A. Yes. After the company prepared its 2014 budget, it was then necessary to make pro forma adjustments to identify circumstances during the test year that impact the on-going expenditures or revenues of the company. The only pro forma adjustments that the company made were material changes that were generally known and measurable and are needed to produce a test year that is representative of conditions that are expected on a normal basis in the years succeeding the test year.

Q. Please list the company pro forma adjustments made to the 2014 test year.

A. The pro forma adjustments made to the 2014 revenue requirement consist of three adjustments to NOI and one adjustment to Capital Structure.

The first NOI adjustment is to residential revenues to be more reflective of actual consumption within the existing two-tiered structure. Actual billing determinant data demonstrates that actual consumption is occurring at a 68.8/31.2 split rather than the 65/35 percent split utilized when the company budgeted

1 revenues. The second NOI adjustment is to remove
2 wheeling revenues associated with the Auburndale
3 Purchased Power Agreement ("PPA") with Progress.
4 Auburndale was recently sold to Quantum Energy and the
5 contract is not expected to be renewed when it expires
6 at the end of 2013. Lastly, the Calpine PPA is set to
7 expire at the end of May 2014. Tampa Electric has not
8 been informed that any portion of that 526 MW
9 transmission agreement will be extended beyond that
10 date. As such, the transmission revenues for the first
11 five months have been pro forma adjusted out and the
12 company proposes that any earnings for the first five
13 months be spread out over a 12-month period and credited
14 back through the fuel clause. If Calpine or Auburndale
15 extend or partially extend their agreements, the company
16 will calculate the appropriate amount of associated
17 revenues and appropriately pro forma adjust them back to
18 revenues.

19
20 For the purpose of determining the maximum amount of
21 Accumulated Deferred Income Taxes ("ADIT") to be
22 included in Capital Structure as zero-cost capital,
23 Treasury Regulation 1.167(I)-1 requires the ADIT balance
24 at the beginning of the future test period be adjusted
25 by the pro rata portion of any projected monthly

1 increase or decrease charged to the reserve. Per
2 certain Private Letter Rulings, the proration begins in
3 the month of the test year that the new rates are
4 expected to take effect. The rulings also set forth a
5 model for calculation of the adjustment. Failure to
6 follow the normalization requirements under IRC Section
7 167(I) for public utility property may result in the
8 forfeiture of accelerated depreciation tax deductions.

9
10 **Q.** After applying these adjustments, what is the total for
11 the 13-month average rate base?

12
13 **A.** The jurisdictional adjusted 13-month average rate base,
14 considering all of the adjustments, after applying the
15 jurisdictional separation factors provided by witness
16 Ashburn, is \$4,339,974,000.

17
18 **Q.** Please describe the capital structure adjustments made
19 in the revenue requirement calculation.

20
21 **A.** Capital structure adjustments reflect Commission
22 precedent for most items, such as the specific
23 adjustment that shows dividends declared as common
24 equity. The traditional pro rata treatment was used for
25 many of the adjustments, such as the removal of CWIP and

1 rate base items associated with the cost recovery
2 clauses. For the net under-recovery balance related to
3 the four cost recovery clauses, the under-recovery was
4 removed from short-term debt and deferred taxes because
5 these are the components of the capital structure that
6 are impacted by the shortfall between the clause expense
7 incurred and the clause revenues collected.

8
9 **Q.** What other adjustments were made to net operating
10 income?

11
12 **A.** After all these adjustments were made, income tax
13 expense was adjusted to reflect the appropriate amount
14 of interest expense based on the amount and cost of debt
15 in the capital structure that was synchronized to the
16 rate base.

17
18 **Q.** Did the company properly reflect in its 2014 revenue
19 requirement calculation the impact of accounting
20 pronouncements that were issued since the company's last
21 rate proceeding?

22
23 **A.** Yes. The Financial Accounting Standards Board's
24 Accounting Standards Updates and other accounting
25 guidance have been properly reflected in the revenue

1 requirement calculation. It should be noted that there
2 have been no accounting pronouncements issued since the
3 company's last rate proceeding that impact the company's
4 2014 revenue requirement calculation.

5

6 **Q.** Did the company make a parent debt adjustment as
7 contemplated in Rule 25-14.004, F.A.C.?

8

9 **A.** No. As shown on MFR Schedule C-24, TECO Energy retired
10 the last of its parent company debt in 2012, so no
11 adjustment is required or necessary.

12

13 **Q.** Did the company include rate proceeding expenses in the
14 revenue requirement?

15

16 **A.** Yes. The company included rate proceeding expense in
17 its 2014 budget - based on an amortization over a 3 year
18 period starting in January 2014. As detailed in MFR C-
19 10, the company included \$733,333 of rate proceeding
20 expense in the 2014 test year, which represents one-
21 third of the total anticipated rate proceeding
22 expenditures.

23

24 **Q.** In your opinion, do Tampa Electric's MFRs fairly present
25 the company's financial condition and requested revenue

1 increase based on the projected results for the 2014
2 test year?

3
4 **A.** Yes. The MFRs accurately represent historical, current
5 and projected activities and associated expenditures and
6 assumptions.

7
8 **SUMMARY**

9 **Q.** Please summarize your direct testimony.

10
11 **A.** I have discussed the calculation of the revenue
12 requirement supporting the increase of \$134.8 million
13 requested by Tampa Electric in this proceeding. The
14 company's efforts in long-term debt refinancing and tax
15 areas have helped mitigate the size of the company's
16 request. The primary driver of the company's need for
17 additional revenue is rate base growth. Costs are
18 outpacing revenues as the company continues to invest in
19 rate base to serve customers. Projected revenue levels,
20 coupled with projected cost increases and the increasing
21 demands of operating the utility, result in low
22 forecasts for net operating income and return on equity.
23 The projected degradation of ROE hurts the company's
24 financial integrity.

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I have discussed the process for budgeting the expenses required to operate and maintain a reliable electric system. The company's proposed expenditures, which should be included in cost of service, represent reasonable and prudent amounts for sustainable levels of projects and activities. The reasonableness of 2014 O&M expense is emphasized by the fact that the company's O&M is significantly under the Commission's benchmark despite extreme cost pressure and new operating requirements and challenges.

Despite the cost control efforts I have discussed, as well as the significant reduction in the weighted cost of capital used to determine revenue requirements in this proceeding, an increase in base rates is needed to provide a fair rate of return. Considering the growth in rate base and the related cost profile, the company is requesting a reasonable and appropriate revenue requirement.

Q. Does this conclude your direct testimony?

A. Yes.

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
WITNESS: CHRONISTER

EXHIBIT

OF

JEFFREY S. CHRONISTER

Table of Contents

DOCUMENT NO.	TITLE	PAGE
1	List Of Minimum Filing Requirement Schedules Sponsored Or Co-Sponsored By Jeffrey S. Chronister	56
2	MFR Schedule A-1 Full Revenue Requirements Increase Requested	60
3	MFR Schedule F-5 Forecasting Models MFR Schedule F-8 Assumptions	61
4	Forecasted Income Statement Twelve Months Ended December 31, 2014	102
5	Forecasted Income Statement Twelve Months Ended December 31, 2014 Budget Methodology	103
6	Forecasted Income Statement Twelve Months Ended December 31, 2013	108
7	Actual Income Statement Twelve Months Ended December 31, 2012	109
8	Forecasted Monthly Balance Sheet 2014	110
9	Forecasted 13-Month Average Balance Sheet as of December 31, 2014	112
10	Forecasted 13-Month Average Balance Sheet as of December 31, 2014 Budget Methodology	114
11	Forecasted 13-Month Average Balance Sheet As Of December 31, 2013	123
12	Actual 13-Month Average Balance Sheet as of December 31, 2012	125

**TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
WITNESS: CHRONISTER**

DOCUMENT NO.	TITLE	PAGE
13	Forecasted Statement of Cash Flows for the Period Ended December 31, 2014	127
14	MFR Schedule C-37 O&M Benchmark Comparison by Function	128
15	Bonus Depreciation Chronology	129
16	MFR Schedule C-2 Net Operating Income Adjustments MFR Schedule C-3 Jurisdictional Net Operating Income Adjustments MFR Schedule C-4 Jurisdictional Separation Factors - Net Operating Income MFR Schedule C-5 Operating Revenues Detail	130
17	MFR Schedule B-4 Two Year Historical Balance Sheet MFR Schedule B-5 Detail of Changes in Rate Base MFR Schedule B-6 Jurisdictional Separation Factors - Rate Base	152

LIST OF MINIMUM FILING REQUIREMENT SCHEDULES
SPONSORED OR CO-SPONSORED BY JEFFREY S. CHRONISTER

MFR Schedule	Title
A-1	Full Revenue Requirements Increase Requested
B-1	Adjusted Rate Base
B-2	Rate Base Adjustments
B-3	13-Month Average Balance Sheet - System Basis
B-4	Two Year Historical Balance Sheet
B-5	Detail Of Changes In Rate Base
B-6	Jurisdictional Separation Factors - Rate Base
B-7	Plant Balances By Account And Sub-Account
B-8	Monthly Plant Balances Test Year - 13 Months
B-9	Depreciation Reserve Balances By Account And Sub-Account
B-10	Monthly Reserve Balances Test Year - 13 Months
B-11	Capital Additions And Retirements
B-12	Production Plant Additions
B-13	Construction Work In Progress
B-15	Property Held For Future Use - 13-Month Average
B-17	Working Capital - 13-Month Average
B-18	Fuel Inventory By Plant
B-19	Miscellaneous Deferred Debits
B-20	Other Deferred Credits

MFR Schedule	Title
B-21	Accumulated Provision Accounts - 228.1, 228.2 And 228.4
B-22	Total Accumulated Deferred Income Taxes
B-23	Investment Tax Credits-Annual Analysis
B-24	Leasing Arrangements
B-25	Accounting Policy Changes Affecting Rate Base
C-1	Adjusted Jurisdictional Net Operating Income
C-2	Net Operating Income Adjustments
C-3	Jurisdictional Net Operating Income Adjustments
C-4	Jurisdictional Separation Factors - Net Operating Income
C-5	Operating Revenues Detail
C-6	Budgeted Versus Actual Operating Revenues And Expenses
C-8	Detail Of Changes In Expenses
C-9	Five Year Analysis - Change In Cost
C-10	Detail Of Rate Case Expenses For Outside Consultants
C-11	Uncollectible Accounts
C-12	Administrative Expenses
C-13	Miscellaneous General Expenses
C-14	Advertising Expenses
C-15	Industry Association Dues
C-16	Outside Professional Services

MFR Schedule	Title
C-17	Pension Cost
C-18	Lobbying Expenses Other Political Expenses And Civic / Charitable Contributions
C-19	Amortization / Recovery Schedule - 12 Months
C-20	Taxes Other Than Income Taxes
C-21	Revenue Taxes
C-22	State And Federal Income Tax Calculation
C-23	Interest In Tax Expense Calculation
C-25	Deferred Tax Adjustment
C-26	Income Tax Returns
C-27	Consolidated Tax Information
C-28	Miscellaneous Tax Information
C-29	Gains And Losses On Disposition Of Plant And Property
C-30	Transactions With Affiliated Companies
C-31	Affiliated Company Relationships
C-32	Non-Utility Operations Utilizing Utility Assets
C-33	Performance Indices
C-35	Payroll And Fringe Benefit Increases Compared To CPI
C-36	Non-Fuel Operation And Maintenance Expense Compared To CPI
C-37	O&M Benchmark Comparison By Function
C-38	O&M Adjustments By Function

MFR Schedule	Title
C-39	Benchmark Year Recoverable O&M Expenses By Function
C-40	O&M Compound Multiplier Calculation
C-41	O&M Benchmark Variance By Function
C-42	Hedging Costs
C-43	Security Costs
C-44	Revenue Expansion Factor
D-1a	Cost Of Capital - 13-Month Average
D-1b	Cost Of Capital - Adjustments
D-2	Cost Of Capital - 5 Year History
D-3	Short-Term Debt
D-4a	Long-Term Debt Outstanding
D-4b	Reacquired Bonds
D-5	Preferred Stock Outstanding
D-6	Customer Deposits
D-7	Common Stock Data
D-8	Financial Plans - Stock And Bond Issues
D-9	Financial Indicators - Summary
E-12	Adjustment To Test Year Unbilled Revenue
F-3	Business Contracts With Officers Or Directors
F-5	Forecasting Models
F-8	Assumptions

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the requested full revenue requirements increase.

Type of data shown:

COMPANY: TAMPA ELECTRIC COMPANY

XX Projected Test Year Ended 12/31/2014

Projected Prior Year Ended 12/31/2013

Historical Prior Year Ended 12/31/2012

Witness: J. S. Chronister

DOCKET No. 130040-EI

Line No.	(1) Description	(2) Source	(3) Amount (000)
1			
2			
3	Jurisdictional Adjusted Rate Base	Schedule B-1	\$ 4,339,974
4			
5	Rate of Return on Rate Base Requested	Schedule D-1a	<u>6.74%</u>
6			
7	Jurisdictional Net Operating Income Requested	Line 3 x Line 5	292,514
8			
9	Jurisdictional Adjusted Net Operating Income	Schedule C-1	<u>209,901</u>
10			
11	Net Operating Income Deficiency (Excess)	Line 7 - Line 9	82,613
12			
13	Earned Rate of Return	Line 9/Line 3	<u>4.84%</u>
14			
15	Net Operating Income Multiplier	Schedule C-44	<u>1.83220</u>
16			
17	Revenue Increase (Decrease) Requested	Line 11 x Line 15	<u>\$ 134,841</u>
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Supporting Schedules: B-1,C-1,C-44,D-1a

Recap Schedules:

60

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 2
 PAGE 1 OF 1
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: If a projected test year is used, provide a brief description of each method or model used in the forecasting process. Provide a flow chart which shows the position of each model in the forecasting process.

Type of data shown:

XX Projected Test Year Ended 12/31/2014
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 Historical Prior Year Ended 12/31/2012
 Witness: L.L. Cifuentes / J.S. Chronister

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

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INDEX TO FORECASTING METHODS AND MODELS

Page(s)

I.	Overview	
A.	Flow Chart of Forecasting Process	2
B.	Narrative	3 - 4
II.	Customer, Demand and Energy Forecast	5 - 8
III.	Construction Requirements	9
IV.	Annual Operations Forecasts	
A.	Planning and Risk - Production Costing Model	10
B.	Fuel and Interchange Budget	11
C.	Revenue Budget	12
D.	Other Operations and Maintenance Expense	13
V.	Financial Analysis	
A.	Budgeted Income Statement	14 - 15
B.	Budgeted Balance Sheet	15 - 17

61

Supporting Schedules

Recap Schedules:

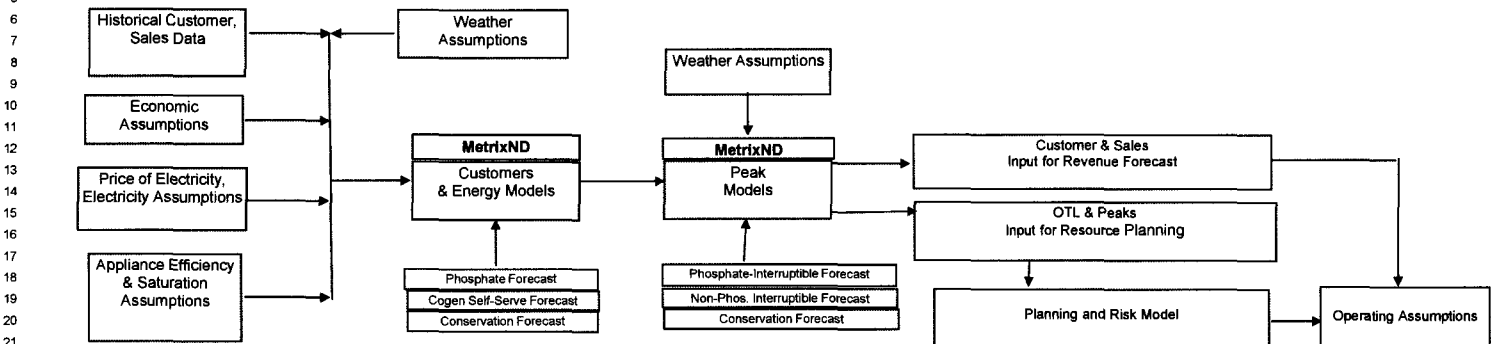
TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 3
 PAGE 1 OF 41
 FILED: 04/05/2013

DOCKET No. 130040-EI

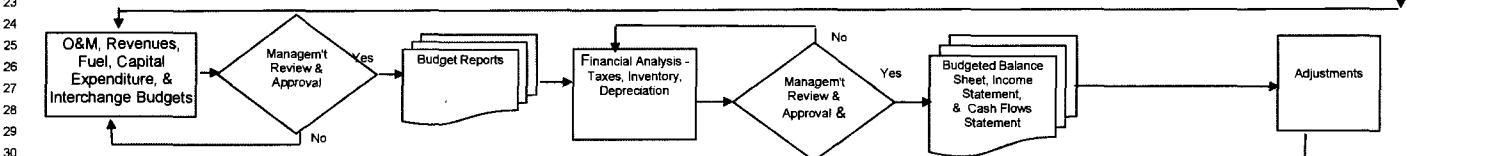
I. OVERVIEW

A. FLOW CHART OF FORECASTING PROCESS

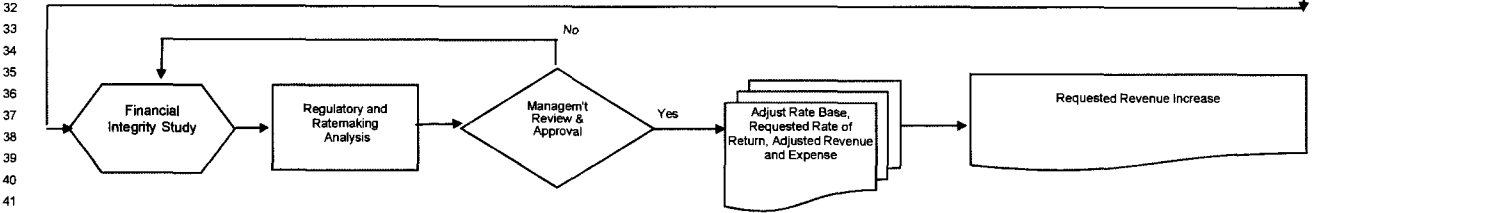
1) FLOWCHART OF TAMPA ELECTRIC COMPANY CUSTOMER, ENERGY, & DEMAND FORECASTING PROCESS



2) SYSTEMS OPERATIONS AND FINANCIAL ANALYSIS



3) REGULATORY AND RATEMAKING ANALYSIS



Supporting Schedules:

Recap Schedules:

62

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 3
PAGE 2 OF 41
FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

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DOCKET No. 130040-EI

1
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B. NARRATIVE

The process used by Tampa Electric in this proceeding in developing the data for the projected test year was essentially the same as the company's normal budgeting process. The process consists of a body of defined methods, procedures and practices used in preparing periodic financial forecasts. All of Tampa Electric's financial forecasts are prepared in good faith, with appropriate care by qualified personnel. They are prepared using appropriate accounting principles, and the process provides for seeking out the best information that is reasonably available at the time. The forecasts use appropriate assumptions reflecting key factors and information that is consistent with company plans. Tampa Electric's process, which is subject to continuous review, is developed in a manner which permits revisions to improve its effectiveness in light of changed conditions. The process used to develop financial forecasts provides adequate documentation, includes regular comparison of forecasts with attained results, and includes adequate review and approval by responsible parties at the appropriate levels of authority.

Tampa Electric's budget process is diagramed on the flow chart titled "Flow Chart of Forecasting Process" on the preceding page of this schedule. The 2014 budget was prepared using an integrated process that combined the goals and objectives of the company with economic and financial conditions. Based on the company's obligation to serve and expectations of the requirements and challenges associated with that obligation, plans were developed for projects and activities. These plans for projects and activities were developed within each operating area, and then consolidated into company projections. Each operating area quantified its projects and activities into specific resource requirements in their respective budgets. The generation of the budget was an integrated process that resulted in a complete set of budgeted financial statements: Income Statement, Balance Sheet, and Statement of Cash Flows. The Income Statement was constructed using various sources to determine revenues and expenses. The Balance Sheet was budgeted by starting with beginning balances. Then accounts on the Balance Sheet were budgeted by either forecasting monthly balances for the remainder of the year or forecasting monthly activity in the account for the remainder of the year, depending on the type of account. Once the Balance Sheet and Income Statement were constructed, a resulting Statement of Cash Flows was generated. This then determined the capital structure needs of the company and final decisions were made regarding the required debt and equity transactions needed during the budget year.

The largest component of the 2014 budgeted Balance Sheet was net plant-in-service. In-service balances reflect the capital expenditures for property, plant and equipment investments over time as well as the construction cost contained in the near-term capital budget. The largest cost component of the 2014 budgeted Income Statement (aside from the fuel and interchange expense that is recovered through the fuel and purchased power and capacity clauses) is O&M expense. In addition to the O&M and capital expenditure budgets, other fundamental elements utilized in the development of the budgeted financial statements include the Customer, Demand and Energy Forecast, the revenue budget, the generation/outage schedule, and the Fuel and Interchange budget. The Load Forecasting section of the Regulatory Affairs department produces the Customer, Demand and Energy Forecast, which reflects customer growth projections as well as load and consumption projections. The revenue budget is derived by applying tariff rates to electricity sales contained in the Customer, Demand and Energy Forecast by customer rate class. Detailed revenue data by month is generated and provided for inclusion in the Income Statement.

Considering forecasted demand, Tampa Electric determines the required capital investment necessary to reliably serve the load as well as the O&M needed to provide the high quality of service our customers have come to expect. The company also considers factors such as environmental and regulatory compliance, reserve requirements, and other items. Once the projects and activities required have been determined, the company estimates the costs associated with those projects and activities. The costs are determined by analyzing the resources to be utilized and the price of those resources. Different tools are used to determine the costs of the resources needed, depending on the type of resource. For example, labor dollars are projected using estimated numbers of employees and appropriate compensation amounts given conditions in the job market. Materials and equipment are projected taking into account market conditions and cost trends that are relevant to each specific item.

Each operating area within the company develops detailed resource budgets for O&M and capital, by month and by FERC account. Operating departments distinguish between O&M and capital based on the nature of the activity involved with consideration of the company's accounting policies and practices. Each operating department budgets according to its individual needs, weighing its options regarding how best to perform O&M and capital work in the most cost-effective manner. Each detailed operating department budget is then entered into the budget system.

Supporting Schedules:

Recap Schedules:

63

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 3
 PAGE 3 OF 41
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: If a projected test year is used, provide a brief description of each method or model used in the forecasting process. Provide a flow chart which shows the position of each model in the forecasting process.

Type of data shown:

COMPANY: TAMPA ELECTRIC COMPANY

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 Projected Prior Year Ended 12/31/2013
 Historical Prior Year Ended 12/31/2012
 Witness: L.L. Cifuentes / J.S. Chronister

DOCKET No. 130040-EI

1 All of the previously discussed factors were combined to produce the total projected amount of O&M and capital expenditures for the company. The activities and projects
 2 that are necessary to provide safe and reliable service to customers are planned by the departments that perform them and the costs are developed using consistent and supportable
 3 assumptions. These totals are examined for reasonableness and consistency by the officers of the company. The President of Tampa Electric is ultimately accountable for managing the
 4 budget once it has received Board of Director's approval.
 5
 6 The 2014 budgeted Income Statement was prepared by the Accounting Department under the direction and supervision of the Controller. The Accounting Department assembles
 7 forecasted data prepared by numerous personnel who specialize in different areas of the company's operations. The same accounting principles, methods and practices which the
 8 company employs for historical data are applied to the forecasted data to arrive at the budgeted Income Statement. Approval of the Income Statement budget was then obtained after
 9 a thorough review by the senior management, including final review and approval by the President of Tampa Electric and the Board of Directors.
 10
 11 The Income Statement is developed using all forecasted revenues and other types of income, largely base revenues and the revenues from the four cost recovery
 12 clauses. The Income Statement also contains projections for off-system sales and other operating revenues. Other operating revenues include rent revenues,
 13 miscellaneous revenues, such as by-product sales, wheeling revenues, point-to-point transmission tariffs, network service, and miscellaneous service revenues. To complete the
 14 Income Statement, all operating expenses are accumulated including items such as the O&M expenses discussed later, depreciation expense and property taxes. Interest expense and
 15 interest income, as well as all below-the-line items are also considered. Finally, income taxes are calculated to determine final net income.
 16
 17 The 2014 budgeted Balance Sheet was prepared by the Accounting Department under the direction and supervision of the Assistant Controller. Certain data used in the process
 18 were provided by various other departments. Each line item was developed using the same accounting principles, methods and practices used in accounting and historical data.
 19 Approval of the Balance Sheet budget was then obtained after a thorough review by senior management, including final review and approval of Mr. Gillette, the President of Tampa Electric
 20 and the Board of Directors.
 21
 22 The Balance Sheet is a continuous representation of account balances through time. Therefore, the development of any Balance Sheet starts with establishing the beginning
 23 balances. The 2014 Balance Sheet was derived from the forecasted 2013 Balance Sheet. The 2013 budgeted Balance Sheet was originally prepared as part of our
 24 annual budget process in late 2012, with an estimated 2012 year-end Balance Sheet. The company then updated the final budget in January 2013 with actual 2012 year-end
 25 balances, which became the beginning balances for 2013. The 2014 budget was completed in June of 2012. At that time the company reforecasted budgeted 2013 balances
 26 to reflect the most current information as a basis for beginning our 2014 Balance Sheet.
 27
 28 For certain accounts, the monthly balances were projected for the remainder of the year. For all other accounts, the change or activity in the account was forecasted and then
 29 applied to the previous balance in sequence each month to produce monthly balances. For instance, Plant, Property and Equipment balances were budgeted using the projected
 30 timing of expenditures included in the capital budget and projected timing of in-service dates for assets. Some balance sheet accounts, such as accrued interest and deferred clause
 31 balances, were driven by the activity reflected in the income statement. Because activity was applied in sequence, budgeted balance sheet data for each month of the year was
 32 prepared and used to compute the 13-month average Balance Sheet.
 33
 34 The budgeted cash flows were a function of the overall change in all items included in the budgeted balance sheet for the company. Cash needs dictated the extent of debt and
 35 equity necessary to operate the business, given the timing of cash inflows and outflows. Long-term debt issuances and equity infusions were projected. Then short-term debt
 36 was forecasted to reflect the expected balance of cash needs for each month.
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Supporting Schedules:

Recap Schedules:

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 3
 PAGE 4 OF 41
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

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 Witness: L.L. Cifuentes / J.S. Chronister

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

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II. CUSTOMER, DEMAND AND ENERGY FORECAST

Tampa Electric Company Forecasting Methodology

The Customer, Demand and Energy Forecast is the foundation from which the integrated resource plan is developed. Recognizing its importance, Tampa Electric employs the necessary methodologies for carrying out this function. The primary objective of this procedure is to blend proven statistical techniques with practical forecasting experience to provide a projection, which represents the highest probability of occurrence. Tampa Electric's retail customer, demand and energy forecasts are the result of six separate forecasting analyses:

- 1 Economic Analysis;
- 2 Customer Multiregression Model;
- 3 Energy Multiregression Model;
- 4 Peak Demand Multiregression Model;
- 5 Phosphate Demand and Energy Analysis; and
- 6 Conservation and Load Management Programs.

MetrixND, an advanced statistics program for analysis and forecasting, was used to develop the Customer, Demand and Energy Forecasts. This software allows a platform for the development of more dynamic and fully-integrated models.

The MetrixND models are the company's most sophisticated and primary load forecasting models. The phosphate demand and energy is forecasted separately and then combined in the final forecast. Likewise, the effect of Tampa Electric's conservation, load management, and cogeneration programs is incorporated into the process by subtracting the expected reduction in demand and energy from the forecast.

1 Economic Analysis

The economic assumptions used in the forecast models are derived from forecasts from Moody's Analytics and the University of Florida's Bureau of Economic and Business Research (BEBR).

2 Customer Multiregression Model

The customer multiregression forecasting model is a seven-equation model. The equations forecast the number of customers by seven major categories. The primary economic drivers in the customer forecast models are Hillsborough County population estimates, service area households and Hillsborough County employment growth.

1 Residential Customer Model: Customer projections are a function of a blend of Hillsborough County's population. Since a strong correlation exists between historical changes in service area customers and historical changes in Hillsborough's population, the county's population estimates were used to forecast the future growth patterns in residential customers.

2 Commercial Customer Model: Total commercial customers include commercial customers plus temporary service customers (temporary poles on construction sites); therefore, two models are used to forecast total commercial customers:

Continued on Page 6

Supporting Schedules:

Recap Schedules:

65

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 3
 PAGE 5 OF 41
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

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 Witness: L.L. Cifuentes / J.S. Chronister

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

1 Continued from Page 5

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a. The Commercial Customer Model is a function of residential customers. An increase in the number of households provides the need for additional services, restaurants, and retail establishments. The amount of residential activity also plays a part in the attractiveness of the Tampa Bay area as a place to relocate or start a new business.

b. Projections of employment in the construction sector are a good indicator of expected increases and decreases in local construction activity. Therefore, the Temporary Service model projects the number of customers as a function of construction employment.

3 Industrial Customer Model (Non-Phosphate): Non-phosphate industrial customers include two rate classes that have been modeled individually: General Service and General Service Demand.

a. The General Service Customer Model is a function of Hillsborough County commercial employment.

b. The General Service Demand Customer Model is based on the recent growth trend in the sector.

4 Public Authority Customer Model: Customer projections are a function of population. The need for public services will depend on the number of people in the region; therefore, consistent with the residential customer model, Hillsborough County population projections are used to determine future growth in the public authorities sector.

5 Street & Highway Lighting Customer Model: Customer projections are based on recent growth trends in the sector.

3 Energy Multiregression Model

There are a total of seven energy models. All of these models represent average usage per customer (kWh/customer), except for the temporary services model which represents total kWh sales. The average usage models interact with the customer models to arrive at total sales for each class.

The energy models are based on an approach known as Statistically Adjusted Engineering (SAE). SAE entails specifying end-use variables, such as heating, cooling and base use appliance/equipment, and incorporating these variables into regression models. This approach allows the models to capture long-term structural changes that end-use models are known for, while also performing well in the short-term timeframe, as do econometric regression models.

1 Residential Energy Model: The residential forecast model is made up of three major components: (1) The end-use equipment index variables, which capture the long-term net effect of equipment saturation and equipment efficiency improvements; (2) The second component serves to capture changes in the economy such as household income, household size, and the price of electricity; and, (3) The third component is made up of heating and cooling degree-day weather variables, which serve to allocate the seasonal impacts of weather throughout the year.

FLORIDA PUBLIC SERVICE COMMISSION

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DOCKET No. 130040-EI

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2 Commercial Energy Models: Total Commercial energy sales include commercial sales plus temporary service sales (temporary poles on construction sites); therefore, two models are used to forecast total commercial energy sales.

a. Commercial Energy Model: The model framework for the commercial sector is the same as the residential model; it also has three major components and utilizes the SAE model framework. The differences lie in the type of end-use equipment and in the economic variables used. The end-use equipment variables are based on commercial appliance/equipment saturation and efficiency assumptions. The economic drivers in the commercial model are commercial productivity measured in terms of dollar output per customer and the price of electricity for the commercial sector. The third component, weather variables, is the same as in the residential model.

b. Temporary Service Energy Model: The model is a subset of the total commercial sector and is a rather small percentage of the total commercial sector. Although small in nature, it is still a component that needs to be included. A simple regression model is used with the primary drivers being the temporary service customer growth.

3 Industrial Energy Model (Non-Phosphate): Non-phosphate industrial energy includes two rate classes that have been modeled individually: General Service and General Service Demand.

a. The General Service Energy Model utilizes the same SAE model framework as the commercial energy model. The weather component is consistent with the residential and commercial models.

b. The General Service Demand Energy Model is based on industrial employment, the price of electricity in the industrial sector, cooling degree-days and number of days billed. Unlike the previous models discussed, heating load does not impact this sector.

4 Public Authority Sector Model: Within this model, the equipment index is based on the same commercial equipment saturation and efficiency assumptions used in the commercial model. The economic component is based on government sector productivity and the price of electricity in this sector. Weather variables are consistent with the residential and commercial models.

5 Street & Highway Lighting Sector Model: The street and highway lighting sector is not impacted by weather; therefore, it is a rather simple model and the SAE modeling approach does not apply. The model is a linear regression model where street & highway lighting energy consumption is a function of the number of billing days in the cycle, and the number of daylight hours in a day for each month.

The seven energy models described above plus an exogenous interruptible and phosphate forecast are added together to arrive at the total retail energy sales forecast.

Supporting Schedules:

Recap Schedules:

67

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 3
PAGE 7 OF 41
FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

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DOCKET No. 130040-EI

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4 Peak Demand Multiregression Model

After the total retail energy sales forecast is complete, it is integrated into the peak demand model as an independent variable along with weather variables. The energy variable represents the long-term economic and appliance trend impacts. To stabilize the peak demand data series and improve model accuracy, the volatility of the phosphate load is removed. To further stabilize the data, the peak demand models project on a per-customer basis.

The weather variables provide the monthly seasonality to the peaks. The weather variables used are heating and cooling degree-days for the temperature at the time of the peak, the 24-hour average on the day of the peak and the day prior to the peak. By incorporating both temperatures, the model is accounting for the fact that cold/heat build-up contributes to determining the peak day.

The non-phosphate per customer kW forecast is multiplied by the final customer forecast. This result is then aggregated with a phosphate coincident peak forecast to arrive at the final projected peak demand.

5 Phosphate Demand and Energy Analysis

Because Tampa Electric's phosphate customers are relatively few in number, the company's Sales and Marketing Department has obtained detailed knowledge of industry developments including:

- 1 knowledge of expansion and close-out plans;
- 2 familiarity with historical and projected trends;
- 3 personal contact with industry personnel;
- 4 governmental legislation;
- 5 familiarity with worldwide demand for phosphate products.

This department's familiarity with industry dynamics and their close working relationship with phosphate company representatives are used to form the basis for a survey of the phosphate customers to determine their future energy and demand requirements. This survey is the foundation upon which the phosphate forecast is based. Further inputs are provided by individual customer trend analysis and discussions with industry experts.

6 Conservation, Load Management and Cogeneration Programs

The effects of Tampa Electric's Conservation, Load Management and Cogeneration programs is incorporated into the forecasting process by subtracting the expected incremental reduction in demand and energy from the forecasts.

Supporting Schedules:

Recap Schedules:

68

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 3
 PAGE 8 OF 41
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

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Type of data shown:

COMPANY: TAMPA ELECTRIC COMPANY

XX Projected Test Year Ended 12/31/2014
Projected Prior Year Ended 12/31/2013
Historical Prior Year Ended 12/31/2012
Witness: L.L. Cifuentes / J.S. Chronister

DOCKET No. 130040-EI

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III. CONSTRUCTION REQUIREMENTS

The company construction requirements are determined by utilizing the system requirements as determined by the Resource Planning, Energy Supply Operations, Project Management, Engineering & Construction and System Planning departments in conjunction with economic considerations developed by the Resource Planning and Business Planning Departments. The individual components of the construction requirements are further broken down and evaluated on a number of factors prior to the start of the budget cycle.

- 1 Resource Planning reviews the need for additional generating capacity as determined by the generation expansion plan which is reviewed and updated annually. The need for additional capacity is determined by the updated Customer, Demand and Energy Forecast, the effect of conservation and load management programs, availability of generation from other sources at competitive rates and the need to reliably serve customer energy requirements in the most economical way possible. The costs to be budgeted to meet these requirements are initially developed by Resource Planning and Energy Supply Engineering and Construction utilizing standard industry cost data which is further refined by detailed architect/engineer estimates.
- 2 System Planning annually develops the five-year T&D Construction Plan. This plan utilizes the customer growth forecast developed by Regulatory Affairs, government agency requirements, and the knowledge and information about large customer plans gained from contacts with these customers. Energy Delivery Project Management with the help of the respective engineering groups then develops cost and scheduling information for budget purposes.
- 3 The need to maintain the production facilities at their current or improved levels of generating capacity and availability through prudent equipment or component replacement or improvement is reviewed prior to budget development as well as throughout the year. In addition, a ten-year Major Outage Matrix (MOM) is maintained in the Resource Planning Department to forecast major construction projects related to the existing equipment. The MOM defines what projects will be performed in a given period. Once projects are identified, Energy Supply Operations and Engineering & Construction develop detailed cost estimates and schedules for budget purposes.

Once the costs are defined, each major construction project has a Program Scope Approval (PSA) document developed, reviewed and approved by various levels of management. The PSA defines project scopes, costs and economic justification. The entire construction budget is then summarized and presented, along with the PSAs, to the President and other officers for review and approval prior to submission to the Board of Directors for final approval.

Supporting Schedules:

Recap Schedules:

69

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. _____ (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 3
PAGE 9 OF 41
FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

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Historical Prior Year Ended 12/31/2012
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DOCKET No. 130040-EI

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IV. ANNUAL OPERATIONS FORECASTS

A. PLANNING AND RISK - PRODUCTION COSTING MODEL

Planning and Risk, a computer software package that simulates the operations and financial commitments undertaken by utilities for generating electric power to satisfy long-term customer requirements, is the company's comprehensive production costing model for projecting future fuel costs. Planning and Risk differs from conventional production costing program in its treatment of generating unit forced outages. It is these forced outages that impact operating cost estimates, and projected utilization of high-cost peaking and intermediate equipment which directly affect fuel budget forecasts. Since these outages are random and unpredictable, Planning and Risk employs a special mathematical technique (Convergent Monte Carlo) to consider their resultant impact on fuel requirements and operating costs.

Forced outages are treated within the program by a comprehensive probabilistic model. Each generating unit is represented by capacity states to give explicit consideration to partial loss of unit capability and outages of varying duration. All possible capacity states of each unit are considered, in combination with all possible capacity states of all other units, in order to obtain the most reasonable forecast of fuel consumption, operation costs, and plant capacity factors.

For fuel budget application and system planning studies, Planning and Risk produces more reliable results than conventional hourly production costing programs because of its explicit treatment of forced outages. Planning and Risk also provides a measure of system reliability, since expected unserved energy requirements are a standard calculation. The basic data requirements include generating unit operations data, fuel price, quantity and availability; demand and energy, and system operating characteristics.

The basic outputs are system production costs, fuel quantities consumed, generation by unit, and BTU requirements.

Supporting Schedules:

Recap Schedules:

70

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. _____ (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 3
PAGE 10 OF 41
FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

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COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

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B. FUEL AND INTERCHANGE BUDGET

The fuel consumption forecast is prepared using data (described in MFR-8) from sources both within and outside the company. These data are used in a series of mathematical calculations that simulate actual system operations. These calculations are currently performed using Planning and Risk, the same program used by Tampa Electric in projecting fuel costs for the Fuel and Purchased Power Cost Recovery Clause. See also description in Section IV. A. of this MFR. The preparation of the fuel budget involves five departments: Plant Stations, Fuels, Regulatory Accounting, Resource Planning, and Regulatory Affairs. The final fuel consumption quantities, including net interchange sales, are developed and provided to both the Fuels and Regulatory Accounting Departments by Resource Planning. Based upon those forecasted consumption quantities and the fuel pricing and fuel inventory levels, the Fuels Department estimates the purchase quantities of the various fuels required, fuel purchase prices, transportation costs, and the timing of the flow of various fuel through the company's inventory system to the power plants. The Fuels Department provides this information to the Regulatory Accounting and Resource Planning Departments.

The Regulatory Accounting Department reviews this information and establishes the forecasted fuel charge-out prices using appropriate accounting principles. Using the information provided by the Regulatory Accounting Department, Resource Planning develops an interchange forecast which is provided to Regulatory Affairs along with the system generation (MWH) and energy (BTU) requirements for use in the Fuel and Purchased Power Cost Recovery Clause. The average price of the existing inventory of fuel, adjusted for the receipts of that particular fuel, is the per-unit cost which is applied to the expected fuel burn to determine the expected fuel expense for that fuel for the month being considered. This process is carried out for each type of fuel for each month during the forecast period and then totaled to determine fuel recoverable expense for each month of the forecast period. The Regulatory Accounting Department then prepares the final Fuel and Interchange Budget as it is formulated and used within Tampa Electric.

Supporting Schedules:

Recap Schedules:

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. _____ (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 3
PAGE 11 OF 41
FILED: 04/05/2013

71

FLORIDA PUBLIC SERVICE COMMISSION

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DOCKET No. 130040-EI

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C. REVENUE BUDGET

The electric revenue billed to customers is calculated by the Regulatory Affairs Department, using the following data sources:

- 1 Customer, Demand, and Energy Forecast
- 2 Fuel and Interchange Budget
- 3 Recoverable Environmental Cost Recovery Clause expenses (budgeted by various budgeting locations within the company)
- 4 Recoverable Conservation Cost Recovery Clause expenses (budgeted by various budgeting locations within the company)

The process begins with the conversion of monthly customers and MWH sales from customer classes to rate schedules. Monthly billing KW are then derived by using historical load factors. A complete description of this process is contained in MFR Schedule E-15. Base revenues are calculated using the current approved rates found in each schedules tariff. Fuel revenues are calculated using total Fuel and Purchased Power Cost Recovery factors, which are based on expenses included in the Fuel and Interchange Budget. Fuel factors are computed using the recoverable portion of the total fuel and net power transaction expenses contained in the budget, plus true-up, GPIF, and interest amounts.

Capacity revenues are calculated using Capacity Cost Recovery factors which are based on expenses included in the Fuel and Interchange Budget. Capacity factors are computed using only the recoverable portion of capacity expenses plus true-up and interest amounts.

Environmental and conservation revenues are calculated using factors, which are based on budgeted recoverable expenses included in the company's expense budget, plus the prior year's true-up, and interest.

Optional provision revenue are computed based up the projected quantity of MWH that will be purchased on behalf of interruptible customers during generation system deficiencies. The cost of power purchased, plus an administrative charge, equals the total optional provision revenue.

Florida Gross Receipts Tax Adjustment revenues are computed using the appropriate factor for the forecast year.

Franchise revenue is computed by applying a percentage, based on 2012 data, to the total of all the above-mentioned forecast revenues.

Deferred fuel and capacity revenue is accounted for by the Regulatory Accounting Department in accordance with the Commission prescribed practices of the Fuel and Purchased Power and Capacity Cost Recovery Clauses.

Deferred environmental and conservation revenue is accounted for by the Regulatory Accounting Department in accordance with Commission prescribed practices of the Environmental and Conservation Cost Recovery Clauses.

The unbilled component revenues are computed by deducting MWHs relating to projected line losses, company use and large customers billed on the last day of the month from Net Energy for Load (NEL), and deducting an estimate of the current month's billings to determine unbilled MWHs. These MWHs are then priced on the most recent month's average base rates. The change in unbilled revenues outstanding in the period, compared to the previous period, indicates the amount of revenue recorded.

Other operating revenues are gathered by the Financial Reporting Department from various areas of the company, based on current agreements and historical practices.

Supporting Schedules:

Recap Schedules:

72

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 3
 PAGE 12 OF 41
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

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Witness: L.L. Cifuentes / J.S. Chronister

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

1 D. OTHER OPERATION AND MAINTENANCE EXPENSES (EXCLUSIVE OF FUEL AND PURCHASED POWER)

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Tampa Electric determines the O&M needed to provide the high quality of service customers have come to expect. The company considers factors such as environmental and regulatory compliance, reserve requirements and other items. Once the required projects and activities have been determined, the company estimates the costs associated with those projects and activities. The costs are determined by analyzing the resources to be utilized and the price of those resources.

Different tools are used to determine the costs of the resources needed, depending on the type of resource. Materials and equipment are projected taking into account market conditions and cost trends that are relevant to each specific item.

Each operating department within the company develops detailed resource budgets and O&M by FERC account. Operating departments distinguish O&M based on the nature of the activity involved with consideration of the company's accounting policies and practices. Each operating department budgets according to its individual needs, weighing its options regarding how to perform O&M work in the most efficient manner.

Each detailed operating department budget is then submitted to the Accounting Department.

All of the previously discussed factors are combined to produce a total projected amount of O&M for the company. The activities and projects that are necessary to provide safe and reliable service to customers are planned by the departments that perform them and the costs are developed using consistent assumptions. The officers of the company examine these totals for reasonableness and consistency. The President of Tampa Electric is ultimately accountable for managing the budget once it has received Board of Directors' approval.

Supporting Schedules:

Recap Schedules:

73

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. _____ (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 3
PAGE 13 OF 41
FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION
-
COMPANY: TAMPA ELECTRIC COMPANY

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Historical Prior Year Ended 12/31/2012
Witness: L.L. Cifuentes / J.S. Chronister

DOCKET No. 130040-EI

V. FINANCIAL ANALYSIS

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A. BUDGETED INCOME STATEMENT

The budgeted income statement is prepared by the Financial Reporting Department relying on data from other company personnel for certain figures in the Income Statement. The same accounting principles, methods and practices which are employed for historical data are applied to the data collected from others to arrive at the budgeted Income Statement. The Controller reviews the assumptions and methods used to complete the preparation of the budgeted Income Statement.

1 Revenues

See Revenue Budget section of this Schedule.

2 Fuel and Interchange Costs

See Fuel and Net Interchange Budget section of this Schedule.

3 Other Operation and Maintenance

See Other Operation and Maintenance Expenses section of this Schedule.

4 Depreciation and Amortization Expense

Depreciation and amortization expenses are computed by applying the rates from the company's last depreciation study approved, in Docket No. 110131-EI by Commission Order No. PSC-12-0175-PAA-EI to the beginning monthly plant-in-service balances on an account/subaccount level in the same manner that actual depreciation and amortization expense is computed.

5 Income Tax

Current Federal and State income tax expenses are computed based on budgeted income before taxes, adjusted for any estimated permanent and timing differences defined under IRS Treasury Regulations, times the current statutory rates. The income tax provision has been determined using comprehensive inter-period income tax allocation where each dollar of revenue and each dollar of expense have inherent tax consequences.

Deferred taxes are provided for all budgeted timing differences in the forecast period. Investments tax credits deferred from prior years are amortized ratably based on book lives.

6 Taxes Other Than Income Taxes

Taxes other than income taxes and fees are determined by applying the tax and fee rate to the applicable basis. The taxes and fees are the property tax, state gross receipts tax, federal excise tax, state sales & use tax, payroll tax (FICA and state & federal unemployment), state government leasehold tax, franchise fee and regulatory assessment fee. A portion of the payroll tax is capitalized and a portion of property tax is recorded as a non-utility expense. City and county business licenses are expensed and paid when billed by the various taxing authorities.

7 Allowance for Funds Used During Construction

Allowance for Funds Used During Construction (AFUDC) is estimated by applying the last FPSC approved AFUDC rate in Docket No. 090446-EI, Order No. PSC-09-0798-PAAA-EI to the average monthly balances of eligible Construction Work in Progress (CWIP). The split between "Borrowed Funds" and "Other Funds" is based on the ratio of debt and other sources of funds used in arriving at the overall AFUDC rate.

Supporting Schedules:

Recap Schedules:

74

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. _____ (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 3
PAGE 14 OF 41
FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

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Historical Prior Year Ended 12/31/2012
Witness: L.L. Cifuentes / J.S. Chronister

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

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A. BUDGETED INCOME STATEMENT

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(continued)

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8 Interest Expense

Interest expense on long-term debt is estimated by the Financial Reporting Department based on embedded cost rates for long-term debt outstanding at each month-end. Interest expense on short-term debt is estimated based on the average balance outstanding each month of the budgeted period. The average balance each month is the result of the company's cash requirements net of internally generated funds plus long-term financing. The cost rate is supplied by the Treasury Department as part of the budget year financing plan.

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9 Summary

At the conclusion of the Income Statement budget process, certain analytical techniques are performed to provide assurance of the reasonableness of the results. Approval of the Income Statement is then obtained after a thorough review by senior management, including final review and approval by the President and the Board of Directors. Monthly budget-versus-actual analyses are performed, and these monthly variances are part of the internal control system that facilitates the company's compliance with Sarbanes-Oxley.

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B. BUDGETED BALANCE SHEET

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The Balance Sheet budget process begins with estimated prior year-end balances and then treats each known change in significant Balance Sheet accounts as though it were being actually booked in sequence. As a result of this procedure, thirteen-month Balance Sheets are developed. The development of significant Balance Sheet line items is performed by the Financial Reporting Department using the following methodology:

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1 Utility Plant

The projected balance for plant-in-service is derived by taking the forecasted ending balances as of the prior year-end, adding plant additions expected to be placed in-service and subtracting expected plant retirements. The amount shown for plant held for future use is derived by adding expected purchases to the forecasted ending balance as of the prior year. The projected balance for Construction Work in Progress is calculated by adding monthly construction expenditures to the forecasted prior year-end balance and subtracting plant additions expected to be placed in-service. The projected balance for accumulated depreciation and amortization is derived by adding monthly depreciation expense computed based on monthly depreciable plant-in-service balances to the balance at the forecasted prior year-end, and subtracting the cost of expected plant retirements net of salvage values.

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2 Customer Accounts Receivable

Customer accounts receivable are calculated for each month based on the average of the last three years' average ratios, of monthly revenues billed compared to accounts receivable balances. This ratio is then applied to monthly customer revenues.

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3 Unbilled Revenue Receivable

The projection is based on a calculation of budgeted unbilled MWHs multiplied by a budgeted revenue rate. The budgeted unbilled MWHs are determined by taking the budgeted Retail Net Energy for Load (NEL) MWHs and subtracting estimated line losses, company usage, and usage of interruptible customers to calculate the total MWHs to be billed. These MWHs are then divided into an estimated unbilled and billed MWH classification based on the timing of meter reads. The budgeted revenue rate is calculated by taking budgeted base revenues (excluding interruptible customers) divided by budgeted billed MWHs (excluding interruptible customers). The unbilled MWHs are then multiplied by the average rate per MWH.

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Supporting Schedules:

Recap Schedules:

75

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. _____ (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 3
PAGE 15 OF 41
FILED: 04/05/2013

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COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

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B. BUDGETED BALANCE SHEET

(continued)

4 Fuel Stock and Materials and Supplies

The budgeted balance for fuel stock is based on balances on hand at the forecasted prior year-end at each generation plant and increasing such amounts for the projected cost of required monthly deliveries of fuel stock and reducing such amounts for the projected cost of fuel burned by each generation plant each month based on the Generation Expansion Plan and Fuel Budget. Fuel prices and quantities delivered are provided by the Fuels Department and quantities burned are provided by the Resource Planning Department. The balance for materials and supply inventories is based on estimates furnished to the Financial Reporting Department by the Materials Management Department of the level of supplies required by the Energy Delivery and Energy Supply Departments adjusted for unit cost increases for items procured at the composite inflation rate used in the budget.

5 Capitalization

Budgeted capitalization balances and structure are made based on the budgeted year financing plan developed by the Treasury Department and approved by the Chief Financial Officer. The budgeted balance for unappropriated retained earnings is calculated by adding to the balance at the prior year-end monthly net income from the budgeted Income Statement and deducting expected dividend accruals based on the budget year financing plan previously referred to. The budgeted balance for paid-in-Capital is calculated by adding to the balance at the prior year-end and adding expected equity contributions based on the budgeted year financing plan previously referred to. The budgeted balance for long-term debt is calculated by taking the balance at the prior year-end and reflecting any changes in long-term debt based on the budget year financing plan previously referred to.

6 Notes and Accounts Payable

The budgeted balances for Notes Payable are based on borrowing requirements determined by monthly cash requirements net of funds generated plus long-term financing. The AP balances are estimated using historical data that is adjusted for any known additional future activity.

7 Customer Deposits

The budgeted balances for customer deposits are calculated by applying growth factors based on actual monthly deposits for the previous year. An average percentage of the deposit balance is determined and the average percentage is applied to each month's balance for the budgeted year.

8 Accrued Taxes

The balance for federal and state income taxes is determined by adding to the forecasted prior year-end balance the monthly budgeted expense developed per the Income Statement, net of payments based on statutory requirements.

9 Accrued Interest

The budgeted balance for accrued interest is derived by adding monthly interest expense projections to the balance at the end of the prior year. Such amounts are then reduced by projected monthly payments of interest accruals based on required interest payment dates on each series of long-term debt. Payments on short-term interest are assumed to be made in the month following the expense accrual.

10 Deferred Fuel Revenue

The budgeted balance for deferred fuel revenue is calculated by comparing budgeted monthly fuel revenues with budgeted monthly recoverable fuel and interchange costs and deferring the net excess amounts billed in accordance with current FPSC and FERC policy.

Supporting Schedules:

Recap Schedules:

76

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 3
 PAGE 16 OF 41
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

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COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

1 B. BUDGETED BALANCE SHEET
2 (continued)
3

4 11 Deferred Income Taxes
5 The budgeted balances for accumulated deferred income taxes are derived by adding the monthly deferred tax provisions estimated for Income Statement
6 purposes to the forecast balance at the prior year-end. The monthly provisions are computed on estimates of differences in the recognition of items of
7 income and expense for book versus tax purposes.
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Supporting Schedules:

Recap Schedules:

77

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. _____ (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 3
PAGE 17 OF 41
FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. As a minimum, state assumptions used for balance sheet, income statement and sales forecast.

Type of data shown:

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 Projected Prior Year Ended 12/31/2013
 Historical Prior Year Ended 12/31/2012
 Witness: Cifuentes / Hornick/ Young/
 Chronister/ Register/ Callahan/
 Ashburn

DOCKET No. 130040-EI

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41
42

INDEX TO ASSUMPTIONS

	Page(s)
2014 FORECAST / BUDGET	
I. Overview	2
II. Customer, Demand and Energy Forecast	2 - 3
III. System Construction Requirements	
1. Production Plant	4
2. Transmission and Distribution Plant	5 - 8
3. General Plant	9
4. AFUDC rate	9
IV. System Operations	
1. System Capacity	10
2. Planned Unit Maintenance	11
3. Unit Outage Rates	12
4. Unit Net Heat Rates	13
5. Fuel Prices	14
6. Interchange	15 - 16
7. 2014 Revenue Budget	17 - 18
8. Operation and Maintenance Expenses	19
A. Cost Change Rates	19
a. Inflation	19
b. Labor	19
c. Material	19
d. Contractors	19
e. Vehicle Rates	19
V. Financial Analysis	
1. Financing / Capital Structure	20
2. Budgeted Income Statement	20 - 21
3. Budgeted Balance Sheet	22 - 24

Supporting Schedules:

Recap Schedules:

78

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 3
 PAGE 18 OF 41
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

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 Projected Prior Year Ended 12/31/2013
 Historical Prior Year Ended 12/31/2012
 Witness: Cifuentes / Hornick/ Young/
 Chronister/ Register/ Callahan/
 Ashburn

DOCKET No. 130040-EI

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I. OVERVIEW

This section of MFR Schedule F-8 follows the same general format as MFR Schedule F-7, which provides a list of model input variables used in the forecasting process. MFR Schedule F-8 provides the assumptions which were used in the forecasting process described in MFR Schedule F-5.

II. CUSTOMER, DEMAND AND ENERGY FORECAST

For the projected test year, 2014, the following assumptions were used in developing Tampa Electric's sales forecast. For a detailed description and source of each model variable, refer to MFR Schedule F-7. The customer models interact with the average usage models to arrive at total sales for each class.

	2014 Data		
	2014	Annual	Level
		Change (%)	Change
(1) Hillsborough County Population (thousands)	1,280	1.40%	18
(2) Hillsborough County Construction Employment (thousands)	28.7	5.90%	1.6
(3) Hillsborough County Commercial Employment (thousands)	496.8	2.45%	11.9
(4) Hillsborough County Government Employment (thousands)	85.8	2.06%	1.7
(5) Hillsborough County Industrial Employment (thousands)	24.9	-0.72%	(0.2)
(6) Hillsborough County Real Commercial Output (1996 dollars, millions)	\$52,809	4.58%	\$2,312
(7) Hillsborough County Real Governmental Output (1996 dollars, millions)	\$6,100	-0.08%	-\$5
(8) Tampa Electric Residential Customers	618,160	1.32%	8,066
(9) Billing Cycle-Based Heating Degree Days	512	0.00%	-
(10) Billing Cycle-Based Cooling Degree Days	3,655	0.00%	-
(11) Number of Billing Days in Billing Cycles	365	0.00%	-
(12) Number of Daylight Hours	4,436	-0.02%	(1)
(13) Real Price of Electricity Index (2000=1) - Commercial	1.1337	0.59%	0.0066
(14) Real Price of Electricity Index (2000=1) - Industrial	1.2503	1.32%	0.0163
(15) Real Price of Electricity Index (2000=1) - Residential	1.0410	0.34%	0.0035
(16) Real Price of Electricity Index (2000=1) - Public Authorities	1.1096	0.91%	0.0100
(17) Hillsborough County Real Household Income	\$92,919	3.34%	\$3,002
(18) Hillsborough County Persons per Household	2.59	0.00%	-
(19) Residential Cooling Appliance Trend	3,447.5	-0.64%	(22.3)
(20) Residential Heating Appliance Trend	1,290.4	-0.85%	(11.1)
(21) Residential Other Appliance Trend	803.1	-0.74%	(6.0)
(22) Commercial Cooling Appliance Trend	2.9	-1.03%	(0.0)
(23) Commercial Heating Appliance Trend	0.5	0.00%	-
(24) Commercial Other Appliance Trend	13.1	0.15%	0.0
(25) Tampa Electric Temporary Service Customers	1,482	5.65%	79

Note: Numbers could be different due to rounding.

Supporting Schedules:

Recap Schedules:

79

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 3
 PAGE 19 OF 41
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

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 Chronister/ Register/ Callahan/
 Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

1
 2 **II. CUSTOMER, DEMAND AND ENERGY FORECAST (continued)**

3
 4 **Assumptions of MetrixND Input Variables for Peak Demand Models**

		2014 Data		
		2014	Annual	Level
			Change (%)	Change
5	(26) Peak Day Heating Degree Days	76	0.00%	-
6	(27) Peak Day Cooling Degree Days	119	0.00%	-
7	(28) Day Prior to Peak Day Heating Degree Days	76	0.00%	-
8	(29) Day Prior to Peak Day Cooling Degree Days	119	0.00%	-
9	(30) Peak Day Heating Degree Days	47	0.00%	-
10	(31) Peak Day Cooling Degree Days	61	0.00%	-
11	(32) Non-phosphate Net Energy for Load Trend	2,238	-0.20%	(4.4)
12	(33) Non-phosphate Net Energy for Load Summer Trend	746	-0.13%	(0.9)

13
 14
 15 **Assumptions for Escalation Rates**

17	(34) Non-Production Escalation Rate: Consumer Price Index, All Urban Consumers, All Items	2.7%
18	(35) Production Escalation Rate: Blend of two Handy Whitman Indices, South Atlantic Region	2.8%

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Supporting Schedules:

Recap Schedules:

80

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 3
 PAGE 20 OF 41
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

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 Chronister/ Register/ Callahan/
 Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

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III. SYSTEM CONSTRUCTION REQUIREMENTS

1. PRODUCTION PLANT EXPANSION

Production plant expansion is required to meet the needs of Tampa Electric's growing customer base cost-effectively while maintaining system reliability and environmental requirements. The major projects associated with the plan are listed below:

2014 Polk Water Project

Tampa Electric is in the process of adding pumping, transmission pipeline and water treatment facilities for bringing reclaimed water to the Polk Power Station. The reclaimed water will be sourced from the City of Lakeland Wetland Treatment System and conveyed via a new water transmission pipeline to the Polk Power Station. The reclaimed water will then be processed using pretreatment followed by reverse osmosis. High-quality permeate from the process will be used for cooling water in the existing cooling reservoir while poor-quality reject will be injected into two 8000-foot UIC wells. The pipeline is designed to transmit up to 17 Million Gallons per Day ("MGD") of reclaimed water while the initial phase of water treatment will be capable of treating up to 5.2 MGD.

General Generation Plant Facilities

General Plant Facilities plans reflect the need to support company activities that serve growing customer requirements. The plan includes necessary major improvements and replacements at the Big Bend Power Station to ensure the production of reliable and cost-effective energy that meets environmental requirements.

Big Bend Station has a 10-week fall outage on Big Bend Unit 1 to repair or replace the following equipment:

Airpreheater Baskets & Seals Replacement, Boiler Feed Pump Turbine Blade Replacement, Coal Nozzle Replacement, Boiler Feed Pump Element Replacement, Digital Control System ("DCS") Software and Hardware Upgrade, Cooling Tower Replacement, High Temp Super Heater Dissimilar Metal Weld Replacement, Boiler Primary Reheater Replacement, Boiler Primary Superheater Replacement, Boiler Waterwall Platens Replacement, Generator Rewind/Rings and High Pressure/Intermediate Pressure/Low Pressure Turbine and Valves.

Big Bend Station has an eight-week spring outage on Big Bend Unit 4 to repair or replace the following equipment:

Boiler Fluid Cooled/Steam Cooled Spacers, Turbine Exhaust Hood Spray Nozzles, C2 Oxidation Air Compressor Repl, Generator Hydrogen Coolers Clean Tubes, Flue Gas Desulfurization ("FGD") "C" & "D" Booster Fans Lock-out Skid Replacement, FGD Controls Upgrade, "C" Booster Fan Inlet Vanes Replacement, "C" Booster Fan Upgrade, "D" Booster Fan Partial Repl, FGD Outlet Duct Replacement, "C" FGD Tower Inlet Duct Modification, Boiler Feed Pump Element Replacement, Burner Assembly/Coal Nozzle Replacement, Circulating Water Discharge Outfall Struct Replacement, Coal Piping Replacement, Cooling Tower Replacement, DCS System Software and Hardware Upgrade, Feedwater Piping Replacement, Finishing Reheater Replacement, Hot Reheat Piping Replacement, Precipitator Overhaul and "D" FGD Tower Inlet Duct Replacement.

Big Bend Station will spend capital on common components such as: Energy Support Services ("ESS") Coalfield Dravo Refurbish, ESS various chutes/belt/conveyors, ECRC Continuous Mercury Monitor, BB2 ECRC SCR 4th Catalyst Additional, ECRC 316b Study, Reverse Osmosis System Upgrades, Manatee Viewing Center Boardwalk/Tower/Docks, BB1 & 2 FGD Controls Upgrade, Big Bend South 40 Liner and Gypsum Storage Addition.

Bayside Power Station will spend capital on: 1C CT Repairs, ST1 Generator Step-up Transformer Replacement and ST1 Valves Replacement

Polk Power Station will spend capital on: Polk Units 2-5 Combined-Cycle Addition, Warehouse Addition and Polk 1 Brine Grey Water Evaporator Replacement

Supporting Schedules:

Recap Schedules:

81

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 3
 PAGE 21 OF 41
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

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Chronister/ Register/ Callahan/
Ashburn

DOCKET No. 130040-EI

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2. TRANSMISSION AND DISTRIBUTION EXPANSION

The Energy Delivery ("ED") expansion plan reflects the need to serve growing customer requirements while maintaining system integrity and reliability. Information for these expansion plans were developed by the ED System Planning, Operations, Distribution, Transmission and Substation Engineering departments. The following major projects are included in the plan:

2014 Projects

Polk Power Station Combined-Cycle Expansion

The most significant project that will have construction activities in 2014 is the transmission and substation construction related to the expansion of Polk Power Station. The major components of this project are listed below, all of which may have engineering or construction activities in 2014 depending upon final schedules:

Transmission construction to include:

- Rerating 230kV circuit 230007 between Big Bend Station and the new Aspen Switching Station
- Rerating and reconstruction of 230kV circuit 230401 between Polk Power and Aspen
- Rerating 230kV circuit 230605 between Polk Power and Pebbledale
- New construction of approximately 15 circuit miles of 230kV circuit 230402 between Mines and Aspen
- New construction of two circuits, each approximately six circuit miles of 230kV circuit 230427 between Aspen and Fishhawk
- Circuit modifications of 230kV circuits 230005 and 230404 at Fishhawk
- Removal and relocation of a portion of 230kV circuit 230606 between Polk Power and Pebbledale
- New construction of 230kV circuit 230635 between Polk and Mines
- Modifications to accommodate reactor addition at Davis
- Transmission interconnect construction at Polk Power

Substation construction and expansion to include:

- New construction of the 230kV Aspen Switching Station
- New construction of a switcheable reactor at Davis
- Upgrade of Fishhawk for additional capacity
- Upgrade of Mines for additional capacity
- Substation interconnect construction at Polk Power
- Upgrade of 16 circuit breakers at for additional capacity

Distribution construction to include:

- New construction associated with the new Aspen Switching Station

All of the above activities include significant real estate, environmental, line clearance, telecom and other miscellaneous work.

Supporting Schedules:

Recap Schedules:

82

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. _____ (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 3
PAGE 22 OF 41
FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

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 Ashburn

DOCKET No. 130040-EI

1 2. TRANSMISSION AND DISTRIBUTION EXPANSION
 2 (continued)

Transmission Line Construction

230kV Line Construction Projects:

FAC-003-002 230kV Transmission Corridor Widening

Transmission corridor surveying and widening associated with NERC FAC-00302.

Ohio Substation 230kV Bus Reconfiguration

Reconstruction of the Ohio Substation to a ring bus configuration.

Polk Power Expansion

(See transmission construction under Polk Power Station Combined-Cycle Expansion Project on previous page)

69kV Line Construction Projects:

Circuit 66042 Rebuild - Cypress to Skyway

Relocation and reconstruction of 69kV circuit 66402 between Cypress and Skyway Substation in the vicinity of Tampa International Airport. Portion of the circuit presently located in a Tampa Bay estuary.

Circuit 66026 Rebuild - Yukon Tap

Construction of dual 69kV taps at Yukon Substation accomodating a future loop.

Circuit 66830 Rebuild - South Eloise to Winter Haven

Rebuild/erate of approximately 2.72 circuit miles of 69kV circuit 66830 for additional capacity.

Circuit 66042 Rebuild - Clearview, Grey, to Cypress

Build/rebuild approximately 2.5 circuit miles of 69kV circuit 66042 and complete circuit breaker and switch upgrades and Clearview, Grey St. and Cypress St. substations for additional capacity.

Circuit 66417 Rebuild - Wilderness to Handcart

Rebuild/erate approximately 3.5 circuit miles of 69kV circuit 66417 for additional capacity.

Circuit 66025 Rebuild - River to Cross Creek

Rebuild/erate approximately 11 circuit miles of 69kV circuit for additional capacity.

Circuit 66004 Rebuild - 11th Ave. to 14th St.

Rebuild/erate approximately 2 circuit miles of 69kV circuit for additional capacity.

Supporting Schedules:

Recap Schedules:

83

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 3
 PAGE 23 OF 41
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

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 Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

1 2. TRANSMISSION AND DISTRIBUTION EXPANSION
 2 (continued)

69kV Line Construction Projects (continued):

Circuite 66048 Extension - Jackson Rd. to Meadow Park

Build approximately 2.4 miles of 69kV circuit to loop Sheldon and Jackson Rd. substations.

Foundation Remediation 22nd Street and Causeway

Remediation of transmission foundations in the vicinity of northeast Tampa Bay.

Distribution Line Construction

Florida Polytechnical - On Campus

Installation of the on-campus distribution network to serve the new Florida Polytechnical University in Polk County.

CSX Rail Transfer Facility

Several miles of combined overhead and underground distribution construction to serve a new three MW rail transfer facility in Polk County

Port Redwing Feeder

Overhead 13kV main feeder construction for port expansion.

South County Water Treatment Plant

Several new distribution service points, transmission and distribution work to accommodate Hillsborough County water treatment plant expansion and upgrades.

Obsolete Feeder Circuit Breaker Replacements

A multi-year program to replace obsolete 13 kV circuit breakers with new magnetic actuated circuit breakers. Age, maintenance cost, fault duty, and number of customers served are considered when establishing the priority list of breakers to replace.

City of Tampa Lighting Project (Bright Lights Safe Nights)

A multi-year project involving the installation of several thousand street lights over five years in high crime areas within the City of Tampa.

Other Customer-driven Distribution Projects:

Coca-Cola Plant Expansion

Installation of several distribution and service points of the Coca-Cola plant in Auburndale. Also supported by the expansion of Ariana substation.

Supporting Schedules:

Recap Schedules:

84

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 3
 PAGE 24 OF 41
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

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Chronister/ Register/ Callahan/
Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

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2. TRANSMISSION AND DISTRIBUTION EXPANSION
(continued)

Substation and Switching Station Projects:

Polk CC Expansion

(See substation construction and expansion under Polk Power Station Combined-Cycle Expansion Project on page 5 above)

Wyandotte Substation Removal and Tampa Bay Desal 3rd 13kV Circuit

Removal of the obsolete Wyandotte distribution substation and installation of one new 13kV circuit from the Desal substation

Ariana Substation Upgrade

Ariana substation will be expanded/reconstructed to a (2) bus, (2) 37 MVA substation to accommodate new load in the surrounding area of Auburndale.

Himes Substain Upgrade

Himes substation will be expanded to accommodate new load in central Tampa.

Road Projects

Major road-widening or intersection improvement that will require relocation of facilities include:

Hillsborough County: Bruce B Downs - Bearss to Palm Springs Segment A
Bell Shoals Road
78th Street and Hamey Road
Sydney Road and Turkey Creek Road

Polk County: County Road 655 North of Pace Road and CR 559 R/W
County Road 542 Buckeye Loop

Other Capital Projects

Two-way Volt/VAR Program

A five-year project to replace the existing one-way capacitor control system with a new two-way system for the 1,400 capacitor banks on the distribution system.

Supporting Schedules:

Recap Schedules:

85

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. _____ (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 3
PAGE 25 OF 41
FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

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COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

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3. GENERAL PLANT FACILITY PLANS

General Plant Facilities plans reflect the need to support company activities that serve growing customer requirements. There are no major projects in this category. Activities related to General Plant are those replacements and upgrades required to take advantage of improved technologies and equipment that is available.

4. AFUDC RATE

The AFUDC rate used is the rate that was approved by the Commission. The rate is in this schedule in Section V. 2. b.

Supporting Schedules:

Recap Schedules:

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. _____ (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 3
PAGE 26 OF 41
FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

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 Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

1

2 IV. SYSTEM OPERATIONS

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4 1. NET SYSTEM CAPACITY

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Summer Winter

MW MW

701 792

929 1,047

56 61

56 61

56 61

56 61

1,854 2,083

385 395

385 395

365 365

407 417

56 61

1,598 1,633

220 220

151 183

151 183

151 183

151 183

824 952

4,276 4,668

4,276 4,668

Supporting Basis for Assumptions

The unit capabilities for Tampa Electric are developed by the Operations Planning department in conjunction with each operating station. All ratings are maximum net dependable capability. Summer ratings are effective April 1 to November 30. Winter ratings are effective from December 1 to March 31.

87

Supporting Schedules:

Recap Schedules:

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 3
 PAGE 27 OF 41
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

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 Historical Prior Year Ended 12/31/2012
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 Chronister/ Register/ Callahan/
 Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

					Outage
					Weeks
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2	2.	PLANNED UNIT MAINTENANCE			
3					
4					
5		<u>Units</u>	<u>Start Date</u>	<u>End Date</u>	
6	Bayside	1	03/15/2014	03/21/2014	1
7		1	12/01/2014	12/07/2014	1
8		2	02/22/2014	02/28/2014	1
9		2	11/15/2014	11/21/2014	1
10		3	03/29/2014	04/04/2014	1
11		4	04/05/2014	04/11/2014	1
12		5	04/12/2014	04/18/2014	1
13		6	04/19/2014	04/25/2014	1
14					
15	Big Bend	1	02/02/2014	02/15/2014	2
16		1	08/30/2014	11/07/2014	10
17		2	02/01/2014	02/14/2014	2
18		2	10/30/2014	11/08/2014	1.4
19		3	03/01/2014	03/14/2014	2
20		3	11/30/2014	12/09/2014	1.4
21		4	03/22/2014	05/16/2014	8
22		4	12/10/2014	12/19/2014	1.4
23		CT4	04/26/2014	05/02/2014	1
24					
25	Polk	1	03/02/2014	03/15/2014	2
26		1	11/09/2014	11/13/2014	0.7
27		2	04/01/2014	04/30/2014	4.3
28		2	11/04/2014	11/06/2014	0.4
29		3	05/01/2014	05/31/2014	4.4
30		3	11/07/2014	11/09/2014	0.4
31		4	08/15/2014	09/30/2014	6.7
32		5	10/01/2014	11/15/2014	6.6
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Supporting Basis for Assumptions

The planned outage schedule for Tampa Electric is developed by the Resource Planning department in conjunction with each operating station. Scheduling of planned outages is developed based on unit and system requirements.

All planned outages are based on the 2014 Maintenance Outage Plan Rev. 6 dated 11/09/12

Supporting Schedules:

Recap Schedules:

88

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 3
 PAGE 28 OF 41
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

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 Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

3. UNIT OUTAGE RATES				
		Equivalent		Equivalent
		Forced	Maintenance	Unplanned
		Outage	Outage	Outage
	Units	Rate	Rate	Rate
8	Bayside 1	1.0	1.8	2.8
9	2	1.0	1.8	2.8
10	3	0.8	0.6	1.4
11	4	0.8	0.6	1.4
12	5	0.8	0.6	1.4
13	6	0.8	0.6	1.4
15	Big Bend 1	14.4	2.3	16.2
16	2	11.9	1.9	13.5
17	3	10.6	1.6	12.0
18	4	9.8	1.5	11.0
19	CT4	0.6	0.0	0.6
21	Polk 1	11.9	2.2	13.7
22	2	0.6	1.1	1.7
23	3	0.6	1.1	1.7
24	4	0.3	0.6	0.8
25	5	0.3	0.6	0.9

Supporting Basis for Assumptions

Outage rates for Tampa Electric are developed by the Resource Planning department in conjunction with each operating station utilizing historical data and expected unit operations.

Rates are based on NERC definitions and are not additive.

Planning & Risk model inputs may vary slightly from these NERC rates.

89

Supporting Schedules:

Recap Schedules:

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 3
 PAGE 29 OF 41
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. As a minimum, state assumptions used for balance sheet, income statement and sales forecast.

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XX Projected Test Year Ended 12/31/2014
 Projected Prior Year Ended 12/31/2013
 Historical Prior Year Ended 12/31/2012
 Witness: Cifuentes / Hornick/ Young/
 Chronister/ Register/ Callahan/
 Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

1
2
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4. UNIT NET HEAT RATES

Units	Unit Type	ANOHR (Btu/KWh)
Bayside 1&2	CC	7,431
3-6	CT	11,179
Big Bend 1-4	ST	10,288
CT4	CT	10,830
Polk 1	IGCC	10,103
2-5	CT	11,340

Supporting Basis for Assumptions

Units were grouped by station and similar unit types

CC = Combined-Cycle
 CT = Combustion Turbine
 IGCC = Integrated Gasification Combined-Cycle
 ST = Steam Turbine (Coal-fired)

Supporting Schedules:

Recap Schedules:

90

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 3
 PAGE 30 OF 41
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. As a minimum, state assumptions used for balance sheet, income statement and sales forecast.

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Projected Prior Year Ended 12/31/2013
Historical Prior Year Ended 12/31/2012
Witness: Cifuentes / Hornick/ Young/
Chronister/ Register/ Callahan/
Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

1
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5. FUEL PRICES

FUEL PRICES

Average
Price Consumed

Supporting Basis for Assumptions

Coal	\$75.48	per ton
No. 2 Oil	\$134.02	per bbl
Natural gas	\$4.52	per MCF

Future fuel prices are provided by the Fuels department based on a review of current contracts, various industry publications, and contracts with existing suppliers. This information was input into the production cost model, and the values at left represent the output average system cost per unit of fuel.

Supporting Schedules:

Recap Schedules:

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. _____ (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 3
PAGE 31 OF 41
FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. As a minimum, state assumptions used for balance sheet, income statement and sales forecast.

Type of data shown:

XX Projected Test Year Ended 12/31/2014
 Projected Prior Year Ended 12/31/2013
 Historical Prior Year Ended 12/31/2012
 Witness: Cifuentes / Hornick/ Young/
 Chronister/ Register/ Callahan/
 Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

1			
2	6. INTERCHANGE		Supporting Basis for Assumptions
3			
4	a Cogeneration Purchase		Tampa Electric will purchase 1,035 GWH of firm and as-available energy from cogenerators based on the company's production cost model forecast. The firm contract fuel is based on the lesser of system incremental or average fuel cost. The as-available contract's fuel is based on system incremental fuel costs. The O&M payment is \$2.19/MWH. The capacity charges on the firm cogenerators are based on the individual contracts. There is no capacity charge on as-available cogeneration.
5			
6	MWH	193,530	
7	Fuel Cost (\$000)	7,993	
8	O&M Cost (\$000)	504	
9	Capacity Charge (\$000)	14,236	
10	SO2 Payment (\$000)	8	
11	Total Cost (\$000)	22,753	
12			
13	b PASCO Cogen Purchase		Tampa Electric purchases 121 MW of combined-cycle power at a guaranteed heat rate. The purchase is based on natural gas but has light oil as a backup fuel. The contract ends December 31, 2018.
14			
15	MWH	84,800	
16	Fuel Cost (\$000)	3,197	
17	O&M Cost (\$000)	351	
18	Capacity Charge (\$000)	9,322	
19	Startup Cost (\$000)	119	
20	Transmission Cost (\$000)		
21	Total Cost (\$000)	12,931	
22			
23	c Calpine Purchase		Tampa Electric purchases 117 MW of peaking power at a guaranteed heat rate. The purchase is based on natural gas fuel pricing. The contract ends December 31, 2016.
24			
25	MWH	9,980	
26	Fuel Cost (\$000)	583	
27	O&M Cost (\$000)	16	
28	Capacity Charge (\$000)	3,510	
29	Startup Cost (\$000)	119	
30	Total Cost (\$000)	4,228	
31			
32	d Southern Purchase		Tampa Electric purchases 160 MW of peaking power at a guaranteed heat rate. The purchase is based on natural gas fuel pricing. The contract ends December 31, 2016.
33			
34	MWH	42,540	
35	Fuel Cost (\$000)	2,190	
36	O&M Cost (\$000)	78	
37	Capacity Charge (\$000)	5,399	
38	Startup Cost (\$000)	654	
39	Total Cost (\$000)	8,322	
40			
41			
42			

Supporting Schedules:

Recap Schedules:

92

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 3
 PAGE 32 OF 41
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. As a minimum, state assumptions used for balance sheet, income statement and sales forecast.

Type of data shown:

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 Projected Prior Year Ended 12/31/2013
 Historical Prior Year Ended 12/31/2012
 Witness: Cifuentes / Hornick/ Young/
 Chronister/ Register/ Callahan/
 Ashburn

DOCKET No. 130040-EI

1			
2	6.	INTERCHANGE (Continued)	Supporting Basis for Assumptions
3			
4	e	Economy; Non-Firm "J" Market-Based Purchase	Economy purchases are forecasted by representing peninsular Florida's spot power market through an hourly price profile. This market profile is based on 1) historical trends, 2) detailed fuel commodity price forecast, 3) available generating resources and 4) associated system energy requirements for other utilities throughout the state. The Tampa Electric production cost model compares the hourly "market" price with the company energy needed and transacts when the price is favorable. Minimum savings for any purchase is set at \$3/MWH. Transaction fuel savings are split 50/50 between the buyer and seller.
5			
6		MWH	-
7		Transaction Cost (\$000)	-
8			
9			
10	f	JA Emergency Purchase	This interchange represents the expected unserved energy on the Tampa Electric system as estimated by production cost modeling; the amount of energy that may not be served by available Tampa Electric resources. PROMOD is the software currently employed by Tampa Electric and uses a probabilistic simulation based on unit availabilities, capacity, and system demand. The projected cost of the emergency energy is based on historical trends and is escalated using company fuel forecasts and available resources from throughout peninsular Florida.
11			
12		MWH	420
13		Fuel Cost (\$000)	122
14		Transaction Cost (\$000)	121,690
15			
16	g	Optional Provision	The amount of optional provision expected to be purchased by Tampa Electric is determined by a system reliability analysis. The maximum amount of capacity that can be interrupted is based on the load forecast and is input into the Production Cost Model ("PAR"). During hours of capacity deficiency the interruptible load is first utilized to reduce total system requirements before emergency energy is purchased for the firm customers. The cost of optional provision energy is assumed to be the same as the emergency purchase.
17			
18		MWH	-
19		Fuel Cost (\$000)	-
20		Transaction Cost (\$000)	-
21			
22	h	Schedule D Sales	Tampa Electric will sell energy to Seminole Electric Cooperative on an interruptible basis. The sale has a 65 percent projected capacity factor based on recent historic usage. The fuel is based on system incremental fuel cost. The O&M charge is 10 percent of fuel cost. The capacity charge is \$6.12/ kW for capacity and \$1.482/kW for transmission. The contract has a three-year notice for termination and Tampa Electric projects the sale will end December 31, 2016.
23			
24		MWH	-
25		Fuel Cost (\$000)	-
26		O&M Cost (\$000)	-
27		Capacity Charge (\$000)	-
28		Total Revenue (\$000)	-
29			
30	j	Economy; Non-Firm Market-Based Sales	Economy sales are forecasted by representing peninsular Florida's spot power market through an hourly price profile. This market profile is based on 1) historical trends, 2) detailed fuel commodity price forecast, 3) available generating resources and 4) associated system energy requirements for other utilities throughout the state. The Tampa Electric production cost model compares the hourly "market" price with the company energy available and transacts when the price is favorable, and bidders would be expected to strike on the differential. The minimum savings for any sale is set at \$11 / MWH. Transaction fuel savings are split 50/50 between the buyer and seller.
31			
32		MWH	-
33		Fuel Cost (\$000)	-
34		O&M Cost (\$000)	-
35		Transm. Rev (\$000)	-
36		Ancil Rev (\$000)	-
37		Capacity Charge (\$000)	-
38		Total Revenue (\$000)	-
39			
40	k	Full or Partial Requirement Sales	No full or partial requirement sales are projected for test year 2014.
41			
42			

Supporting Schedules:

Recap Schedules:

93

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 3
 PAGE 33 OF 41
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. As a minimum, state assumptions used for balance sheet, income statement and sales forecast.

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COMPANY: TAMPA ELECTRIC COMPANY

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Projected Prior Year Ended 12/31/2013
Historical Prior Year Ended 12/31/2012
Witness: Cifuentes / Hornick/ Young/
Chronister/ Register/ Callahan/
Ashburn

DOCKET No. 130040-EI

1
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8
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7. 2014 REVENUE BUDGET

Assumptions

Supporting Basis for Assumptions

1. Operating Revenue

a. Base Revenues

(1) The assumptions used in developing MWH sales are in witness Cifuentes' 2014 Customer, Demand and Energy Forecast, Section II., pages 2 through 3 of this Schedule.

Supports KWh forecast.

(2) See MFR Schedule E-15 for discussion of the conversion of MWH sales to rate classes.

Presents proper allocation to rate classes.

b. Fuel Revenues

(1) Assumes budgeted forecast for 2014.

Assumes the existing Fuel and Purchased Power Cost Recovery Clause will remain in effect.

c. Capacity Revenues

(1) Assumes budgeted forecast for 2014.

Assumes the existing Capacity Cost Recovery Clause will remain in effect.

d. Environmental Revenues

(1) Assumes budgeted forecast for 2014.

Assumes the existing Environmental Cost Recovery Clause will remain in effect.

e. Conservation Revenues

(1) Assumes budgeted forecast for 2014.

Assumes the existing Conservation Cost Recovery Clause will remain in effect.

f. Optional Provision Revenues

(1) Assumes there will be no requests from interruptible customers to purchase power during times of generation deficiency rather than curtail usage.

Optional Provision Energy is forecasted using the PAR production costing computer program.

g. Gross Receipts Tax Revenues

As per State of Florida statute.

h. Franchise Revenues

(1) The percentage of Franchise Revenues to Base, Fuel, Capacity, Environmental, and Conservation Revenue in 2012 will apply to 2014.

Assumes no changes in existing franchise agreements.

Supporting Schedules:

Recap Schedules:

94

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 3
PAGE 34 OF 41
FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. As a minimum, state assumptions used for balance sheet, income statement and sales forecast.

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Projected Prior Year Ended 12/31/2013
Historical Prior Year Ended 12/31/2012
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Chronister/ Register/ Callahan/
Ashburn

DOCKET No. 130040-EI

1
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7. 2014 REVENUE BUDGET (continued)

Assumptions

Supporting Basis for Assumptions

2. Deferred Fuel Revenue

a. Deferred fuel revenue will reflect the amount by which estimated fuel cost recovered through fuel rates is greater than actual fuel costs.

b. Interest is accrued at 0.33 percent.

See Financing Section V.1. of this schedule.

3. Unbilled Revenues

a. The projection is based on the net change in unbilled revenues between December 31, 2013 and December 31, 2014.

All generation, less line losses and company use, will either be recorded as billed or unbilled revenues.

4. Other Operating Revenues

a. The 2014 projection for other operating revenues assumes an overall increase of 1.5 percent for miscellaneous service revenues, rent from electric property and other electric revenues combined.

Miscellaneous Service Revenues -- Bill Copy Fees, and Returned Check Fees are budgeted by Billing Data Management based on previous history and customer growth projections from Load Forecasting. Reconnect Fees, and Field Credit Fees are budgeted by Field Services based on previous history and planned deployment of department recourses. Temporary Poles, Turn-on fees, and Late Pay Fees are budgeted by Business Planning based on actual trends. Tampering Fees are budgeted by Revenue Recovery based on previous history and planned deployment of department recourses.

Rent from electric property consist primarily of rent for pole attachments and Metro Link. Rental revenue from pole attachments and Metro Link are based on known contracts.

Other electric revenues consist primarily of point-to-point transmission, wheeling, gypsum and sulphuric acid revenues. The point-to-point transmission revenue assumption was based on existing contracts and expected activities in the test year. Wheeling revenue was based on prior years' actuals multiplied by the CPI and the projected Capacity Rate and Short-Term Power Rate. Gypsum and sulphuric acid revenues were primarily based on estimated production of plant (from PROMOD) and current market conditions and/or contract agreements.

Supporting Schedules:

Recap Schedules:

95

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 3
PAGE 35 OF 41
FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. As a minimum, state assumptions used for balance sheet, income statement and sales forecast.

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 Projected Prior Year Ended 12/31/2013
 Historical Prior Year Ended 12/31/2012
 Witness: Cifuentes / Hornick/ Young/
 Chronister/ Register/ Callahan/
 Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

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2	8. OPERATION and MAINTENANCE EXPENSES	Supporting Basis for Assumptions	
3			
4	A. COST CHANGE RATES		
5	a. General Inflation Rate	2014 forecasted CPI-U rate of 2.7 percent per Moody's Economy.com (April 2012 release)	
6			
7	b. Labor	2014 salary and wage increases are based on the following guidelines:	
8			
9		Supervisory payroll – 3.0 percent	Managerial recommendation
10			
11		Operating payroll – 3.0 percent for OPEIU and IBEW	IBEW and OPEIU contract (This is an estimate as there are no 2014 contracts at this time).
12			
13			
14		Office payroll – 3.0 percent for all of 2014 for all office employees, non-covered, non-exempt	Managerial recommendation
15			
16			
17		Performance sharing - 5.0 percent. In general employees can earn additional base wages in a lump sum pay out based on the company successfully meeting all of its goals for 2014.	Managerial recommendation
18			
19			
20		Promotions and merit adjustments follow normal historical patterns budgeted.	Consistent with historical performance
21			
22			
23			
24		All positions that are budgeted for 2014 will be filled with qualified employees at rates and in the timeframe that they were budgeted.	Consistent with historical performance
25			
26			
27	c. Material	The 2.7 percent CPI-U general inflation rate and the 2014 forecasted Handy-Whitman Index rate (production costs) of 2.8 percent per Moody's Economy.com (April 2012 release) were utilized when specific information for 2014 material cost changes were not available. When they exist contract data were used.	
28			
29			
30			
31	d. Contractors	The 2.7 percent CPI-U general inflation rate was utilized when specific information on 2014 contractor costs' changes was not available.	
32			
33	e. Vehicle Rates		
34	a. Light Vehicles	The 2014 vehicle costs are calculated based on Fleet Services' detailed budget for all vehicles costs to purchase, operate and maintain each type of vehicle. These costs are then divided by the budgeted vehicle utilization for the Energy Delivery, Customer Service and Facilities to determine the monthly cost for the budget which is spread based on labor.	
35	b. Medium Vehicles		
36	c. Heavy Vehicles		
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* See MFR Schedule C-8 for explanations of changes in expenses from projected Prior Year Ended 2013 to Projected Test Year Ended 2014.

Supporting Schedules:

Recap Schedules:

96

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 3
 PAGE 36 OF 41
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

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 Historical Prior Year Ended 12/31/2012
 Witness: Cifuentes / Hornick/ Young/
 Chronister/ Register/ Callahan/
 Ashburn

DOCKET No. 130040-EI

1
2
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V. FINANCIAL ANALYSIS

Supporting Basis for Assumptions

1. Financial / Capital Structure

a. Capital Structure Objectives:

Total Debt 45.8%
 Common Equity 54.2%

The 2014 test year equity ratio is projected to be 54.2 percent on a jurisdictional adjusted basis.

2. Budgeted Income Statement

a. Unbilled Revenues

The projection is based on the net change in unbilled revenues between December 31, 2013 and December 31, 2014.

b. Allowance for Funds Used During Construction

Assumed AFUDC rate of 8.16 percent applied to eligible projects.

Commission practices for determining AFUDC rates. The 8.16 percent rate was approved by the Commission in Order No. PSC-09-0798-PAA-EI, Docket No. 090446-EI, effective May 1, 2009.

c. Depreciation and amortization

Depreciation and amortization expense are computed by applying the rates from the company's last depreciation study approved, in Docket No. 110131-EI by Commission Order No. PSC-12-0175-PAA-EI to the beginning monthly plant-in-service balances on an account/subaccount level in the same manner that actual depreciation and amortization expense is computed.

d. Taxes - Other than Income Taxes

1. Regulatory Assessment Fee

Assumes no rate changes from current .072 percent and no change in fee base - operating revenue less sales for resale.

2. Property Tax

The 2014 property tax expense budget assumes no significant change in the level of assesment (property value and tax rate) consistent with prior years.

3. Gross Receipts Tax

Assumes no rate change from current 2.5 percent and no change in tax base - retail sales of electrical energy.

4. Franchise Fee

Assumes no new franchise fee agreements and no change in existing agreements bases or rates.

5. Miscellaneous other taxes

Assumes no significant change from prior years regarding tax base and tax rates.

6. Payroll Taxes

Assumptions

1. Gross wages include all wages and salaries, overtime, premiums, and Performance Sharing Program pay.
2. For the purposes of the calculation of the State and Federal Unemployment taxes, the total employee count was based on budgeted positions for 2014.
3. Under current tax law the employer portion for FICA is the following: OASDI (Social Security) 6.2 percent, and Medicare 1.45 percent
 The 2014 budgeted FICA tax calculation was based on the current rates.
4. The percentage of FICA taxable wages for 2014 was based on 2012 historical data.

Supporting Schedules:

Recap Schedules:

97

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 3
 PAGE 37 OF 41
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. As a minimum, state assumptions used for balance sheet, income statement and sales forecast.

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 Witness: Cifuentes / Hornick/ Young/
 Chronister/ Register/ Callahan/
 Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

1
2
3
4
5
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2. Budgeted Income Statement (continued) Supporting Basis for Assumptions

e. Income Taxes

- 1. Income taxes are computed at statutory rates adjusted for permanent differences.
- 2. Full interperiod tax allocation was followed.
- 3. Amortization of investment tax credit using an average plant life of 55.5 years.

3. Budgeted Balance Sheet - Assets Supporting basis for assumptions

a. Electric Plant

The Capital Budget is the source of plant-in-service, property held for future use and construction work in progress additions, cost of removal and salvage. Retirements of plant-in-service are based on a ratio of retirements to additions over the four-year period 2008-2011; amortizable plant retirements are based on the recovery schedule and the in-service additions. New project additions have zero retirements budgeted.

b. Cash

Assumed cash balances are set to meet liquidity needs.

c. Customer Receivables

Assumed the last three-year average ratio (2011 & 2012 actual and 2013 budget) of monthly revenues billed compared to accounts receivable balances. This ratio is applied to the 2014 monthly revenue budget.

Based on historical trends.

d. Associated Companies Receivables

Based on 2012 Actual balances.

e. Unbilled Utility Revenues

The projection is based on a calculation of budgeted unbilled MWHs multiplied by a budgeted revenue rate. The budgeted unbilled MWHs are determined by taking the budgeted Retail Net Energy for Load ("NEL") MWHs and subtracting estimated line losses, company usage, and usage of interruptible customers to calculate the total MWHs to be billed. These MWHs are then divided into an estimated unbilled and billed MWH classification based on the timing of meter reads. The budgeted revenue rate is calculated by taking budgeted base revenues (excluding interruptible customers) divided by budgeted billed MWHs (excluding interruptible customers). The unbilled MWHs are then multiplied by the average rate per MWH.

Supporting Schedules:

Recap Schedules:

98

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 3
 PAGE 38 OF 41
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. As a minimum, state assumptions used for balance sheet, income statement and sales forecast.

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 Historical Prior Year Ended 12/31/2012
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 Chronister/ Register/ Callahan/
 Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

1	3.	Budgeted Balance Sheet - Assets (cont.)	Supporting Basis for Assumptions
2			
3	f.	Fuel Stock	The projected balances for fuel stock were based on amounts expected to be on hand on December 31, 2012 by generating plant, increased for the projected cost of required monthly deliveries of fuel stock and reduced for the projected cost of fuel burned by plant each month based on the Fuel and Interchange Budget.
4			
5			
6			
7	g.	Other Plant Materials & Supplies	The balance consists of materials and supplies inventory for general stores issues, major and minor materials, transformers, reclosers, bushings and generation related material and supplies. Projected inventory reductions are offset by projected increases for new parts for operating areas.
8			
9			
10			
11	h.	Prepayments	Primarily prepaid insurance, ammonia pipeline reservation/capacity (recovered through ECRC) and Long Term Service Agreement ("LTSA" for Polk unit 1. The prepaid insurance balance assumes the balance as of December 31, 2013 increased by the expected payments for insurance policy premiums then decreased by the monthly amortization over the life of the policy. The ammonia pipeline reservation/capacity balance assumes the balance as of December 31, 2008 decreased by the monthly amortization recognition of expense recovered through ECRC. The LTSA balance assumes the balance as of December 31, 2013 increased by a cash payment made at the beginning of year then reduced by the cost of O&M and capital related work performed monthly.
12			
13			
14			
15			
16			
17			
18	i.	Derivatives	Derivatives are based on the current natural gas mark-to-market swaps as of December 31, 2012.
19			
20	j.	Unamortized Debt Expense	The projected balance for unamortized debt expense was calculated based on required monthly amortization of existing bonds and an estimated issue cost of bonds to be issued in 2014.
21			
22			
23	k.	Deferred Income Tax	The budgeted balances for accumulated deferred income taxes are derived by adding the monthly deferred tax provisions estimated for income statement purposes to the forecast balance at the prior year-end. The monthly provisions are computed on estimates of difference in the recognition of items on income and expense for book versus tax purposes.
24			
25			
26			
27	4.	Budgeted Balance Sheet - Liabilities	Supporting basis for assumptions
28			
29	a.	Equity Contributions	Equity Contributions from TECO Energy are estimated at \$180 million in 2014. Need for capital and maintenance of capital structure goals.
30			
31			
32			
33	b.	Long-Term Debt	Assumed an additional \$200 million of debt issuance at 4.0 percent in 2014, with \$2.0 million in associated debt issuance costs. Need for capital and maintenance of capital structure goals.
34			
35			
36			
37	c.	Short-Term Debt	Short-term debt balances are projected to range from \$0.4 million to \$86.0 million in 2014 at a short-term debt interest rate of 1.5 percent. Need for capital and maintenance of capital structure goals.
38			
39			
40			
41	d.	Shares Outstanding	Assumes no additional sales of stock in 2014. 2014 restricted stock grants consistent with prior years methodology.
42			

Supporting Schedules:

Recap Schedules:

99

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 3
 PAGE 39 OF 41
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. As a minimum, state assumptions used for balance sheet, income statement and sales forecast.

Type of data shown:

XX Projected Test Year Ended 12/31/2014
 Projected Prior Year Ended 12/31/2013
 Historical Prior Year Ended 12/31/2012
 Witness: Cifuentes / Hornick/ Young/
 Chronister/ Register/ Callahan/
 Ashburn

DOCKET No. 130040-EI

1		
2	4. Balance Sheet Assumptions - Liabilities (cont.)	Supporting Basis for Assumptions
3		
4	e. Misc. Paid in Capital	The projected balances are derived from the estimated December 31, 2013 balances increased by equity contributions forecasted to be made by TECO Energy Inc.
5		
6		
7	f. Retained Earnings	Derived by adding to the December 31, 2013 balance monthly income projections developed in connection with the budgeted income statement and deducting expected dividend accruals based on the financing plan.
8		
9		
10	g. Capital Stock Issuance Expense	Assumes no change in 2014
11		
12	h. Accumulated Other Comprehensive Income	Assumes the after tax loss on the interest rate swap derivative transaction associated with the \$100M and \$250M (Tampa Electric portion) long-term debt issuance in 2008 and 2012, respectively. This balance is being amortized over the 10-year life of the debt instrument.
13		
14		
15	i. Account Payables	Consists of manual accrual, payroll, fuel (including coal and oil), natural gas, purchased power accruals and other miscellaneous accruals. Manual accrual balances are based on the sum of each business units percentage of completed but unpaid project costs at month end. Payroll accrual is calculated using accrual factor based on number of days accrued for each month multiplied by the average monthly budgeted payroll. Fuel, natural gas and purchased power accruals reflect current month purchases (current month's activity is paid in the subsequent month). Other payable balances are based on historical activities and/or current forecasted activities.
16		
17		
18		
19		
20		
21	j. Customer Deposits	The budgeted balances for customer deposits are calculated by applying growth factors based on actual monthly deposits for the previous year. An average percentage of the deposit balance is determined and the average percentage is applied to each month's balance for the budgeted year.
22		
23		
24		
25	k. Taxes Accrued	The balance for federal and state income taxes is determined by adding to the forecasted prior year-end balance the monthly budgeted expense developed per the Income Statement, net of payments based on statutory requirements.
26		
27		
28	l. Accrued Vacation Pay	Based on active employee population (excluding high school and college students under cooperative education programs) and their vacation allotment and salary projections. In addition, vacation carryover was based on 2012 actuals increased by 3 percent.
29		
30		
31	m. Other Deferred Credits	Other Deferred Credits consist primarily of employee benefit plan cost including the impact of FAS 158, deferrad clause, and contract retention balances. Projected monthly balances for pension plan costs are derived by adding monthly expense to the prior year's ending balance based on an actuarial valuation of pension costs and deducting payments made to fund such costs consistent with the Company's existing funding policies. Projected monthly balances for postretirement health and welfare costs are derived by adding monthly expense to the prior year's ending balance based on an actuarial valuation of costs then deducting projected claims. Deferred clauses are calculated by comparing budgeted monthly revenues with budgeted monthly recoverable expense then deferring the excess amounts billed in accordance with current FERC/FPSC guidance. Contract Retention balances are based on contract requirements, projected completion & approval dates as well as potential letters of credit to be received.
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40	n. Asset Retirement Obligation	The projected balance for Asset Retirement Obligation ("ARO") is increased by taking the forecasted ending balance as of the prior year-end multiplied by the accretion amortization rate of 3 percent.
41		
42		

Supporting Schedules:

Recap Schedules:

100

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 3
 PAGE 40 OF 41
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. As a minimum, state assumptions used for balance sheet, income statement and sales forecast.

Type of data shown:

XX Projected Test Year Ended 12/31/2014
Projected Prior Year Ended 12/31/2013
Historical Prior Year Ended 12/31/2012
Witness: Cifuentes / Hornick/ Young/
Chronister/ Register/ Callahan/
Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

1	4.	Budgeted Balance Assumptions - Liabilities (cont.)	Supporting Basis for Assumptions
2		o. Deferred Income Taxes	The budgeted balances for accumulated deferred income taxes are derived by adding the monthly deferred tax provisions estimated for Income Statement purposes to the forecast balance at the prior year-end. The monthly provisions are computed on estimates of differences in the recognition of items of income and expense for book versus tax purposes.
3			
4			
5			
6		p. Reserve for Injuries & Damages	The Reserve for the injuries and damages balance is based on the balance at December 31, 2012 and the year-end 2014 balance recommended by Mercer.
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Supporting Schedules:

Recap Schedules:

101

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. _____ (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 3
PAGE 41 OF 41
FILED: 04/05/2013

FORECASTED INCOME STATEMENT
TWELVE MONTHS ENDED DECEMBER 31, 2014
(\$000)

<u>Line No.</u>		
	OPERATING REVENUES	
1	Total Sale of Electricity	\$ 1,921,779
2	SO2 Allowance Sales	0
3	Other Operating Revenues	<u>51,725</u>
	Total Operating Revenues	<u>1,973,504</u>
	OPERATING EXPENSES	
4	Operation-Fuel	734,209
5	-Purchased Power	48,410
6	-Other & Maintenance	442,671
7	Depreciation & Amortization	256,151
8	Taxes-Other	150,005
9	Gain on Disposal Property	<u>0</u>
10	Total Operating Expenses	<u>1,631,446</u>
11	Total Operating Income	<u>342,058</u>
	OTHER INCOME AND (DEDUCTIONS)	
12	Allowance for Other Funds	10,677
13	Miscellaneous Other Income/(Deductions)	<u>2,208</u>
14	OTHER INCOME AND (DEDUCTIONS)	<u>12,885</u>
15	INCOME BEFORE INTEREST AND TAXES	<u>354,943</u>
	INTEREST EXPENSE	
16	Interest on Long-Term Debt	91,593
17	Amortization Premium/Discount	2,895
18	Interest on Short-Term Debt	421
19	Other Interest Expense	2,903
20	Allowance for Borrowed Funds	<u>(6,198)</u>
21	Total Interest Expense	<u>91,614</u>
22	INCOME BEFORE INCOME TAXES	263,329
23	Income Taxes	<u>97,092</u>
24	NET INCOME	<u>\$ 166,237</u>

FORECASTED
INCOME STATEMENT
TWELVE MONTHS ENDED DECEMBER 31, 2014
BUDGET METHODOLOGY

Line No.	Caption / Account	Components	Amount (\$000)	Budget Methodology / Source
OPERATING REVENUES				
1	Sales of Electricity	Base Revenues	\$ 911,228	The budget for operating revenues resulting from the sales of electricity is supported by the testimony of witness Ashburn.
		Fuel Revenues	765,885	
		Capacity Revenues	32,100	
		Conservation Revenues	54,496	
		Environmental Revenues	94,835	
		Optional Provision Revenues	-	
		Franchise Revenues	37,196	
		Gross Receipt Revenues	46,062	
		Interchange Sales	-	
		Wholesale Sales	-	
		Deferred Fuel Revenues	(8,170)	The budgeted deferred fuel revenue is calculated by comparing fuel revenues billed with recoverable fuel and purchased power costs, then deferring the over-recoveries in accordance with current FPSC and FERC policy.
		Deferred Capacity Revenues	(1,084)	The budgeted deferred capacity revenue is calculated by comparing capacity revenues billed with recoverable capacity expense, then deferring the over-recoveries in accordance with current FPSC and FERC policy.
		Deferred Conservation Revenues	(3,438)	The budgeted deferred conservation revenue is calculated by comparing conservation revenues billed with recoverable conservation expense, then deferring the over-recoveries in accordance with current FPSC and FERC policy.
		Deferred Environmental Revenues	(7,116)	The budgeted deferred environmental revenue is calculated by comparing environmental revenues billed with recoverable environmental expense, then deferring the over-recoveries in accordance with current FPSC and FERC policy.
		Unbilled Revenues	(215)	Represents the net change in unbilled revenues between December 31, 2013 and December 31, 2014.
	Total Sales of Electricity		<u>1,921,779</u>	

103

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 5
 PAGE 1 OF 5
 FILED: 04/05/2013

FORECASTED
INCOME STATEMENT
TWELVE MONTHS ENDED DECEMBER 31, 2014
BUDGET METHODOLOGY

Line No.	Caption / Account	Components	Amount (\$000)	Budget Methodology / Source
2	Other Operating Revenues	Misc Service Revenues	21,595	Miscellaneous Service Revenues -- Bill Copy Fees and Returned Check Fees are budgeted by Billing Data Management based on previous history and customer growth projections from Load Forecasting. Late Pay Fees are budgeted by Business Planning based on previous history and customer revenue projections from Load Forecasting, Turn-on charges are budgeted by Business Planning based on previous history and pertinent inputs concerning economic trends. Reconnect Fees, Tampering Fees, and Field Credit Fees are budgeted by Field Services based on previous history and planned deployment of department resources. Temporary Poles are budgeted by Energy Delivery Business Planning based on actual trends.
		Rent from Electric Property	10,240	Rent from electric property consist primarily of rent for pole attachments and Metro-Link. Rental revenues from pole attachments and Metro-Link are based on known contracts.
		Other Electric Revenues	19,890	"Other electric revenues consist primarily of point to point transmission, wheeling, gypsum and sulfuric acid revenues. Point to point transmission revenue assumptions were based on existing contracts that are expected to remain through 2014. Wheeling revenue was based on expected activity plus the projected Capacity Rate and Short Term Power Rate. Gypsum and Sulfuric acid revenues were primarily based on estimated production of plant (from Promod) and current market conditions and/or contract agreements."
			<u>51,725</u>	
	Total Operating Revenues		<u>1,973,504</u>	

104

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. _____ (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 5
PAGE 2 OF 5
FILED: 04/05/2013

FORECASTED
INCOME STATEMENT
TWELVE MONTHS ENDED DECEMBER 31, 2014
BUDGET METHODOLOGY

Line No.	Caption / Account	Components	Amount (\$000)	Budget Methodology / Source
OPERATING EXPENSES				
3	Operation-Fuel		734,209	The detail budget amount for fuel was derived from the Fuel and Interchange Budget supported by the testimony of witness Caldwell and witness Young. Fuel cost was adjusted for deferred fuel expense calculated in accordance with current FPSC and FERC policy.
4	-Purchased Power		48,410	The detail budget amount for purchased power was derived from the fuel and interchange budget supported by the testimony of witness Young.
5	-Other & Maintenance		442,671	The process for budgeting other operation and maintenance expense is based on detailed estimates of each operating department throughout the Company. This was adjusted for deferred environmental and conservation computed in accordance with current FPSC and FERC policy.
6	Depreciation & Amortization		256,151	Depreciation and amortization expense is computed by applying the rates in the last depreciation study approved by the FPSC to the budgeted beginning monthly plant-in-service balances in the same manner that actual depreciation and amortization expense is computed.
7	Taxes-Other		150,005	Regulatory Assessment fee assumes no rate change from the current .072% rate and no change in fee base operating revenue from retail sales. Property tax assumes the level of assesment (Property value & tax rate) is consistent with prior years. Gross Receipts tax assumes no rate change from current 2.5% and no change in tax base retail sales of electrical energy. Franchise Fee assumes no new franchise fee agreements and no change in existing agreements, basis or rates. Miscellaneous other taxes assumes no change from prior years regarding tax base and tax rates. Payroll taxes are based on 2014 payroll budget and all estimated applicable rates/limits for employment taxes.
8	Total Operating Expenses		<u>1,631,446</u>	
9	Total Operating Income		<u>342,058</u>	
OTHER INCOME AND (DEDUCTIONS)				

105

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. _____ (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 5
PAGE 3 OF 5
FILED: 04/05/2013

FORECASTED
INCOME STATEMENT
TWELVE MONTHS ENDED DECEMBER 31, 2014
BUDGET METHODOLOGY

Line No.	Caption / Account	Components	Amount (\$000)	Budget Methodology / Source
10	Allowance for Other Funds		10,677	Allowance for Funds Used During Construction (AFUDC) is estimated by applying the last FPSC approved AFUDC rate to the average monthly balances of eligible Construction Work in Progress (CWIP). The split between "Borrowed Funds" and "Other Funds" is based on the ratio of debt and other sources of funds used in arriving at the overall AFUDC rate. The rate of 8.16% was the most recent rate approved by the FPSC.
11	Miscellaneous Other Income/(Deductions)		2,208	This classification primarily consists of Zap Cap revenue and expense, charitable contributions, dues and expenditures for certain civic related activities. Zap Cap revenues/expense are created based on sales expectations (marketing efforts, weather, and sales trends), product price, and program expense expectations (labor, depreciation, marketing, I/T, etc.). Charitable contributions, dues and expenditures for certain related activities are based on historical levels. Also included are amortizations of the gains of sales related to property held for future use.
12	OTHER INCOME AND (DEDUCTIONS)		<u>12,885</u>	
13	INCOME BEFORE INTEREST AND TAXES		<u>354,943</u>	

106

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. _____ (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 5
PAGE 4 OF 5
FILED: 04/05/2013

FORECASTED
INCOME STATEMENT
TWELVE MONTHS ENDED DECEMBER 31, 2014
BUDGET METHODOLOGY

Line No.	Caption / Account	Components	Amount (\$000)	Budget Methodology / Source
INTEREST EXPENSE				
14	Interest on Long-Term Debt		91,593	Interest on long-term debt is computed based on the embedded cost of debt at December 31, 2013, adjusted for additional amounts of long-term debt forecasted to be issued during 2014.
15	Amortization Premium/Discount		2,895	Amortization of discounts & premiums as well as issuance and call premiums have been computed using the required monthly amortization schedules to project future debt expense.
16	Interest on Short-Term Debt		421	Interest on short-term debt was estimated by applying a projected interest rate of 1.5% to the average balance of short-term debt expected to be outstanding for each month of 2014.
17	Other Interest Expense		2,903	Customer deposit interest expense budget is based on the results of the customer deposit budget by Billing Data Management. Interest rates are applied according to the split between residential and non-residential deposits. Other interest expense reflects interest costs on counter party deposits. It is calculated by applying an estimated 3.25% FERC interest rate to the average cumulative deposit balances.
18	Allowance for Borrowed Funds		(6,198)	The calculation of allowance for borrowed funds used during construction is discussed in connection with previous comments on AFUDC - Other Funds, shown on Line 10.
19	Total Interest Expense		<u>91,614</u>	
20	INCOME BEFORE INCOME TAXES		263,329	
21	Income Taxes		97,092	Income taxes are calculated based on U.S. tax principles defined in the Internal Revenue Code.
22	NET INCOME		<u>\$ 166,237</u>	

107

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. _____ (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 5
PAGE 5 OF 5
FILED: 04/05/2013

FORECASTED INCOME STATEMENT
TWELVE MONTHS ENDED DECEMBER 31, 2013
(\$000)

<u>Line No.</u>		
	OPERATING REVENUES	
1	Total Sale of Electricity	\$ 1,900,717
2	SO2 Allowance Sales	0
3	Other Operating Revenues	<u>58,700</u>
	Total Operating Revenues	<u>1,959,417</u>
	OPERATING EXPENSES	
4	Operation-Fuel	709,908
5	-Purchased Power	60,115
6	-Other & Maintenance	422,281
7	Depreciation & Amortization	246,099
8	Taxes-Other	141,130
9	Gain on Disposal Property	<u>0</u>
10	Total Operating Expenses	<u>1,579,533</u>
11	Total Operating Income	<u>379,884</u>
	OTHER INCOME AND (DEDUCTIONS)	
12	Allowance for Other Funds	6,340
13	Miscellaneous Other Income/(Deductions)	<u>5,666</u>
14	OTHER INCOME AND (DEDUCTIONS)	<u>12,006</u>
15	INCOME BEFORE INTEREST AND TAXES	<u>391,890</u>
	INTEREST EXPENSE	
16	Interest on Long-Term Debt	90,121
17	Amortization Premium/Discount	2,945
18	Interest on Short-Term Debt	152
19	Other Interest Expense	2,896
20	Allowance for Borrowed Funds	<u>(3,680)</u>
21	Total Interest Expense	<u>92,434</u>
22	INCOME BEFORE INCOME TAXES	299,456
23	Income Taxes	<u>114,457</u>
24	NET INCOME	<u>\$ 184,999</u>

ACTUAL INCOME STATEMENT
TWELVE MONTHS ENDED DECEMBER 31, 2012
(\$000)

<u>Line No.</u>		
	OPERATING REVENUES	
1	Total Sale of Electricity	\$ 1,921,749
2	SO2 Allowance Sales	1
3	Other Operating Revenues	<u>59,629</u>
	Total Operating Revenues	<u>1,981,379</u>
	OPERATING EXPENSES	
4	Operation-Fuel	694,736
5	-Purchased Power	105,305
6	-Other & Maintenance	374,202
7	Depreciation & Amortization	237,252
8	Taxes-Other	151,185
9	Gain on Disposal Property	<u>0</u>
10	Total Operating Expenses	<u>1,562,680</u>
11	Total Operating Income	<u>418,699</u>
	OTHER INCOME AND (DEDUCTIONS)	
12	Allowance for Other Funds	2,562
13	Miscellaneous Other Income/(Deductions)	<u>1,939</u>
14	OTHER INCOME AND (DEDUCTIONS)	<u>4,501</u>
15	INCOME BEFORE INTEREST AND TAXES	<u>423,200</u>
	INTEREST EXPENSE	
16	Interest on Long-Term Debt	100,021
17	Amortization Premium/Discount	5,369
18	Interest on Short-Term Debt	117
19	Other Interest Expense	5,800
20	Allowance for Borrowed Funds	<u>(1,487)</u>
21	Total Interest Expense	<u>109,820</u>
22	INCOME BEFORE INCOME TAXES	313,380
23	Income Taxes	<u>120,220</u>
24	NET INCOME	<u>\$ 193,160</u>

FORECASTED
MONTHLY BALANCE SHEET
2014
ASSETS
(\$000)

Line No.		BUDGET Dec-13	BUDGET Jan-14	BUDGET Feb-14	BUDGET Mar-14	BUDGET Apr-14	BUDGET May-14	BUDGET Jun-14	BUDGET Jul-14	BUDGET Aug-14	BUDGET Sep-14	BUDGET Oct-14	BUDGET Nov-14	BUDGET Dec-14
1	Utility Plant in Service	6,985,917	6,996,576	7,004,416	7,049,678	7,058,813	7,082,703	7,110,609	7,134,239	7,144,378	7,158,381	7,175,089	7,184,812	7,258,418
2	Accumulated Depreciation	(2,521,936)	(2,530,496)	(2,542,364)	(2,554,301)	(2,568,712)	(2,570,972)	(2,581,193)	(2,586,582)	(2,599,850)	(2,613,132)	(2,623,494)	(2,638,983)	(2,634,824)
	Net Utility Plant in Service	4,463,981	4,466,079	4,462,052	4,495,377	4,490,101	4,511,731	4,529,416	4,547,656	4,544,528	4,545,249	4,551,595	4,545,829	4,623,595
3	Construction Work in Progress	246,752	270,075	313,062	331,565	361,516	365,261	370,614	374,472	397,694	440,309	475,927	522,500	486,668
	Total Net Utility Plant	4,710,733	4,736,154	4,775,114	4,826,942	4,851,617	4,876,991	4,900,030	4,922,128	4,942,222	4,985,558	5,027,522	5,068,328	5,110,263
	Other Property & Investments													
4	Other Investments & Special Funds													
5	Non-Utility Plant-Net	5,093	5,047	5,014	5,006	4,998	5,014	5,023	5,031	5,031	5,019	4,980	4,940	4,900
	Total Other Property & Investments	5,093	5,047	5,014	5,006	4,998	5,014	5,023	5,031	5,031	5,019	4,980	4,940	4,900
	Current Assets													
6	Cash and Cash Equivalents	1,000	1,000	1,000	1,000	21,144	1,000	1,000	8,424	14,362	1,000	1,000	1,000	1,000
7	Funds Held By Trustee	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Working Funds	58	57	57	57	57	57	57	57	57	57	57	57	57
9	Special Deposits	185	185	185	185	185	185	185	185	185	185	185	185	185
	Accounts Receivable From:													
10	Customers	115,835	129,849	121,505	107,642	111,116	121,036	141,675	156,810	151,523	166,819	146,336	129,062	120,379
11	Associated Companies	4,665	4,665	4,665	4,665	4,665	4,665	4,665	4,665	4,665	4,665	4,665	4,665	4,665
12	Unbilled Utility Revenues	34,682	35,423	31,678	34,865	36,106	42,774	43,760	43,997	48,374	44,453	40,524	34,967	34,466
13	Interchange Sales & Other	17,800	17,200	21,400	17,900	18,500	19,200	17,800	17,200	21,400	17,900	18,500	19,200	17,800
14	Fuel Stock	104,608	101,468	104,882	113,819	112,163	108,822	110,739	104,205	97,140	105,842	106,165	106,523	108,223
15	Other Plant Materials & Supplies	70,495	65,396	65,305	65,214	65,305	65,396	65,486	65,577	65,486	65,396	65,305	65,214	65,123
16	Prepayments	6,953	8,915	7,397	5,891	13,150	11,587	10,077	13,390	11,805	10,274	8,941	7,357	5,915
17	Derivative	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Current Assets	356,281	364,159	358,074	351,238	382,391	374,723	395,445	414,510	414,998	416,591	391,679	368,231	357,814
	Other Assets:													
18	Unamortized Debt Expense	21,756	21,561	21,394	21,235	23,059	22,883	22,708	22,532	22,356	22,181	22,005	21,829	21,654
19	Preliminary Survey & Investigation	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Miscellaneous Deferred Debits	265,439	265,265	265,916	267,073	268,345	274,243	273,239	272,577	274,594	271,861	270,440	268,112	269,588
21	Regulatory Asset Tax Related	62,281	62,447	62,667	62,823	63,020	63,206	63,410	63,627	63,891	64,214	64,571	64,990	65,448
22	Deferred Income Tax	293,893	294,930	295,954	296,975	298,013	299,029	300,066	301,110	302,160	303,197	304,217	305,239	306,272
23	Long Term Derivative	181	193	193	143	106	61	22	29	20	20	20	20	-
24	Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Other Assets	643,549	644,395	646,124	648,249	652,543	659,422	659,444	659,876	663,022	661,473	661,253	660,190	662,962
	TOTAL ASSET	5,715,656	5,749,756	5,784,326	5,831,435	5,891,548	5,916,150	5,959,942	6,001,544	6,025,273	6,068,540	6,085,434	6,101,689	6,135,939

110

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 8
 PAGE 1 OF 2
 FILED: 04/05/2013

FORECASTED
MONTHLY BALANCE SHEET
2014
CAPITALIZATION & LIABILITIES
(\$000)

Line
No.

	BUDGET Dec-13	BUDGET Jan-14	BUDGET Feb-14	BUDGET Mar-14	BUDGET Apr-14	BUDGET May-14	BUDGET Jun-14	BUDGET Jul-14	BUDGET Aug-14	BUDGET Sep-14	BUDGET Oct-14	BUDGET Nov-14	BUDGET Dec-14
Common Stock													
25	Shares Outstanding - 10	119,697	119,697	119,697	119,697	119,697	119,697	119,697	119,697	119,697	119,697	119,697	119,697
26	Misc Paid in Capital	1,725,840	1,725,840	1,765,840	1,765,840	1,765,840	1,795,840	1,795,840	1,795,840	1,795,840	1,795,840	1,905,840	1,905,840
27	Retained Earnings	190,002	157,209	164,971	172,644	148,501	164,756	184,903	175,941	200,267	219,370	166,799	173,884
28	Capital Stock Issuance Expense	(701)	(701)	(701)	(701)	(701)	(701)	(701)	(701)	(701)	(701)	(701)	(701)
29	Accum. Other Compre. Inc.	(5,977)	(5,925)	(5,874)	(5,822)	(5,770)	(5,719)	(5,667)	(5,615)	(5,564)	(5,512)	(5,460)	(5,357)
	Total Common Equity	2,028,861	1,996,120	2,043,933	2,051,659	2,027,567	2,073,874	2,094,072	2,085,162	2,109,540	2,128,694	2,076,174	2,193,311
30	Long-Term Debt	1,617,774	1,617,757	1,617,741	1,617,724	1,734,374	1,734,358	1,734,341	1,734,325	1,734,308	1,734,291	1,734,275	1,734,258
	Total Capitalization	3,646,635	3,613,878	3,661,674	3,669,383	3,761,941	3,808,232	3,828,413	3,819,487	3,843,848	3,862,985	3,810,449	3,927,570
Current Liabilities:													
31	Notes Payable:	47,453	58,808	78,304	51,656	-	11,084	1,858	-	-	422	16,425	51,261
	Other												86,047
32	Current Portion of Long-Term Debt	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333
33	Vouchers Payable	10,000	8,000	8,000	9,000	9,000	7,500	8,500	9,000	8,000	8,000	10,000	10,000
34	Other Payables & Deposits	126,964	118,725	110,796	126,082	121,053	121,600	134,690	133,054	130,554	145,722	125,159	118,376
35	Customer Deposits	127,849	128,030	128,571	128,854	128,932	129,193	129,512	129,751	130,007	130,413	130,484	131,398
36	Taxes Accrued	(56,154)	(46,710)	(42,000)	13,490	10,867	20,151	27,810	42,154	57,289	54,771	63,527	(13,587)
	Interest Accrued:												
37	Long-Term Debt	13,687	21,134	28,582	30,696	30,782	12,078	14,600	22,283	29,965	32,306	30,779	12,079
38	Other	1,731	1,877	2,111	2,321	2,486	2,676	2,893	3,067	3,246	3,428	3,620	3,834
39	Dividends Declared	-	46,535	-	-	30,955	-	-	30,741	-	-	66,252	-
40	Accrued Vacation Pay	16,308	16,370	16,432	16,493	16,555	16,617	16,679	16,741	16,802	16,864	16,926	17,049
41	Derivative	-	-	-	-	-	-	-	-	-	-	-	-
42	Other Misc. Liabilities	15,054	15,339	14,425	14,404	14,706	15,187	16,572	16,913	16,935	16,666	15,476	14,336
	Total Current Liabilities	386,225	451,442	428,555	476,329	448,669	419,418	436,448	487,036	476,131	491,925	560,981	455,178
Other Liabilities:													
43	Other Deferred Credits	294,525	290,847	294,846	280,653	269,929	269,849	271,380	266,132	270,112	274,068	269,364	269,611
44	Asset Retirement Obligation	6,788	6,938	7,088	7,238	7,388	7,538	7,688	7,838	7,988	8,138	8,288	8,438
45	Regulatory Liability Tax Related	13,237	13,135	13,033	12,931	12,829	12,727	12,624	12,522	12,420	12,317	12,215	12,112
46	Long Term Derivative	123	104	55	55	80	58	87	88	120	107	53	-
47	Investment Tax Credits	9,356	9,328	9,299	9,270	9,242	9,213	9,185	9,156	9,127	9,099	9,070	9,041
48	Deferred Income Taxes	1,280,521	1,285,090	1,290,029	1,295,079	1,300,223	1,307,117	1,311,368	1,315,785	1,321,277	1,325,000	1,329,263	1,333,239
49	Reserve for Injuries & Damages	78,245	78,996	79,747	80,497	81,248	81,999	82,749	83,500	84,251	85,001	85,751	86,501
	Total Other Liabilities	1,682,796	1,684,436	1,694,097	1,685,724	1,680,938	1,688,500	1,695,081	1,695,021	1,705,294	1,713,730	1,714,003	1,718,942
	TOTAL CAPITALIZATION & LIABILITIES	5,715,656	5,749,756	5,784,326	5,831,435	5,891,549	5,916,150	5,959,942	6,001,544	6,025,273	6,068,640	6,085,434	6,101,689

111

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 8
 PAGE 2 OF 2
 FILED: 04/05/2013

FORECASTED
THIRTEEN MONTH AVERAGE BALANCE SHEET
AS OF DECEMBER 31, 2014
ASSETS
(\$000)

<u>Line No.</u>		
1	Utility Plant in Service	7,103,387
2	Accumulated Depreciation	<u>(2,582,065)</u>
	Net Utility Plant in Service	4,521,322
3	Construction Work in Progress	<u>381,263</u>
	Total Net Utility Plant	<u>4,902,585</u>
	Other Property & Investments	
4	Other Investments & Special Funds	-
5	Non-Utility Plant-Net	<u>5,007</u>
	Total Other Property & Investments	<u>5,007</u>
	Current Assets	
6	Cash and Cash Equivalents	4,148
7	Funds Held By Trustee	-
8	Working Funds	57
9	Special Deposits	185
	Accounts Receivable From:	-
10	Customers	132,276
11	Associated Companies	4,665
12	Unbilled Utility Revenues	38,928
13	Interchange Sales & Other	18,600
14	Fuel Stock	106,508
15	Other Plant Materials & Supplies	65,746
16	Prepayments	9,358
17	Derivative	-
	Total Current Assets	<u>380,472</u>
	Other Assets:	
18	Unamortized Debt Expense	22,089
19	Preliminary Survey & Investigation	-
20	Miscellaneous Deferred Debits	269,746
21	Regulatory Asset Tax Related	63,584
22	Deferred Income Tax	300,081
23	Long Term Derivative	78
24	Other	-
	Total Other Assets	<u>655,577</u>
	TOTAL ASSET	<u>5,943,641</u>

FORECASTED
THIRTEEN MONTH AVERAGE BALANCE SHEET
AS OF DECEMBER 31, 2014
CAPITALIZATION & LIABILITIES
(\$000)

<u>Line No.</u>		
	Common Stock	
25	Shares Outstanding - 10	119,697
26	Misc Paid in Capital	1,795,071
27	Retained Earnings	177,000
28	Capital Stock Issuance Expense	(701)
29	Accum. Other Compre. Inc.	(5,667)
	Total Common Equity	2,085,400
30	Long-Term Debt	1,698,444
	Total Capitalization	3,783,844
	Current Liabilities:	
31	Notes Payable:	31,024
	Other	
32	Current Portion of Long-Term Debt	83,333
33	Vouchers Payable	8,769
34	Other Payables & Deposits	126,241
35	Customer Deposits	129,515
36	Taxes Accrued	11,274
	Interest Accrued:	
37	Long-Term Debt	22,583
38	Other	2,697
39	Dividends Declared	13,422
40	Accrued Vacation Pay	16,679
41	Derivative	-
42	Other Misc. Liabilities	15,359
	Total Current Liabilities	460,896
	Other Liabilities:	
43	Other Deferred Credits	276,376
44	Asset Retirement Obligation	7,688
45	Regulatory Liability Tax Related	12,624
46	Long Term Derivative	72
47	Investment Tax Credits	9,184
48	Deferred Income Taxes	1,310,208
49	Reserve for Injuries & Damages	82,749
	Total Other Liabilities	1,698,901
	TOTAL CAPITALIZATION & LIABILITIES	5,943,641

FORECASTED
THIRTEEN MONTH AVERAGE BALANCE SHEET
AS OF DECEMBER 31, 2014
BUDGET METHODOLOGY

Line No.	Caption / Account	Components	Amount (\$000)	Budget Methodology / Source
1	Utility Plant in Service		7,103,387	The projected balance for plant-in-service is derived by taking the forecasted ending balances as of the prior year-end, adding plant additions expected to be placed in-service and subtracting expected plant retirements. The amount shown for property held for future use is derived by adding expected purchases to the forecasted ending balance as of the prior year.
2	Accumulated Depreciation		(2,582,065)	The projected balance for accumulated depreciation and amortization is derived by adding monthly depreciation expense computed based on monthly depreciable plant-in-service balances to the balance at the forecasted prior year-end, and subtracting the cost of expected retirements of plant net of cost of removal/salvage values.
	Net Utility Plant in Service		<u>4,521,322</u>	
3	Construction Work in Progress		381,263	Construction expenditures are supported in the Construction Budget. The balance for construction work in progress is calculated by adding monthly construction expenditures to the forecasted prior year-end balance and subtracting plant additions expected to be placed in-service.
	Total Net Utility Plant		<u>4,902,585</u>	
4	Other Property & Investments Other Investments & Special Funds		0	
5	Non-Utility Plant-Net		5,007	The amounts for this classification are derived from December 31, 2013 balances, adjusted for estimated additions and retirements by month.
	Total Other Property & Investments		<u>5,007</u>	

114

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 10
PAGE 1 OF 9
FILED: 04/05/2013

FORECASTED
THIRTEEN MONTH AVERAGE BALANCE SHEET
AS OF DECEMBER 31, 2014
BUDGET METHODOLOGY

Line No.	Caption / Account	Components	Amount (\$000)	Budget Methodology / Source
	Current Assets			
6	Cash & Cash Equivalents		4,148	Assumed cash balances are set to meet liquidity needs.
7	Funds Held By Trustee		0	
8	Working Funds		57	The balance for Working Funds are assumed to remain constant from the December 31, 2013 balance.
9	Special Deposits		185	The balance for Special Deposits are assumed to remain constant from the December 31, 2013 balance.
	Accounts Receivable From:			
10	Customers		132,276	This balance is based on the last three years average ratio (2011 & 2012 actuals and 2013 budget) of monthly revenues billed compared to accounts receivable balances. This average ratio was then applied to the 2014 monthly revenue budget.
11	Associated Companies		4,665	Billings to associated companies are assumed to be collected in the month following the recording of the receivable.
12	Unbilled Utility Revenues		38,928	This balance represents an estimate of electric energy sales or Net Energy for Load (NEL) which remain unbilled at month-end. The budgeted unbilled MWHs are determined by taking the budgeted retail NEL MWHs and subtracting estimated line loss, company usage, and usage of interruptible customers to calculate the total MWHs to be billed. These MWHs are then divided into an estimated unbilled and billed MWH classification based on the timing of meter reads. The budgeted revenue rate is calculated by taking budgeted base revenues (excluding interruptible customers) divided by budgeted billed MWHs (excluding interruptible customers). The unbilled MWHs is then multiplied by the average rate per MWH.
13	Interchange Sales/Other		18,600	The monthly balances for interchange receivable are based on the current month's interchange sales. It is assumed that each month's sales will be collected in the subsequent month. Other customer receivable is based on 2012 actuals excluding unusual activities.

115

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. _____ (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 10
PAGE 2 OF 9
FILED: 04/05/2013

FORECASTED
THIRTEEN MONTH AVERAGE BALANCE SHEET
AS OF DECEMBER 31, 2014
BUDGET METHODOLOGY

Line No.	Caption / Account	Components	Amount (\$000)	Budget Methodology / Source
14	Fuel Stock		106,508	The projected balances for fuel stock were based on amounts expected to be on hand on December 31, 2013 by generating plant, increased for the projected cost of required monthly deliveries of fuel stock and reduced for the projected cost of fuel burned by plant each month based on the Fuel and Interchange Budget. Fuel prices, quantities delivered and quantities burned are supported by the testimony of witness Caldwell. MFR Schedule B18 details the monthly activity by station by fuel type.
15	Other Plant Materials & Supplies		65,746	The balance consists of materials and supplies inventory for general stores issues, major & minor materials, transformers, reclosers, bushings and generation related material and supplies. Projected inventory reductions are offset by projected increases for new parts for operating areas.
16	Prepayments		9,358	Primarily prepaid insurance, ammonia pipeline reservation/capacity (recovered thru ECRC) and LTSA for Polk unit 1. The prepaid insurance balance assumes the balance as of December 31, 2013 increased by the expected payments for insurance policy premiums then decreased by the monthly amortization over the life of the policy. The ammonia pipeline reservation/capacity balance assumes the balance as of December 31, 2013 decreased by the monthly amortization recognition of expense recovered thru ECRC. The LTSA balance assumes the balance as of December 31, 2013 increased by a cash payment made at the beginning of the year then reduced by the cost of O&M and capital related work performed monthly.
17	Derivative		0	
	Total Current Assets		380,471	
	Other Assets:			

116

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. _____ (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 10
PAGE 3 OF 9
FILED: 04/05/2013

FORECASTED
THIRTEEN MONTH AVERAGE BALANCE SHEET
AS OF DECEMBER 31, 2014
BUDGET METHODOLOGY

Line No.	Caption / Account	Components	Amount (\$000)	Budget Methodology / Source
18	Unamortized Debt Expense		22,089	The projected balance for unamortized debt expense was calculated based on required monthly amortization of existing bonds and an estimated issue cost of bonds to be issued in 2014.
19	Preliminary Survey & Investigation		0	
20	Miscellaneous Deferred Debits		269,746	This balance consists primarily of deferred clause under-recovery balances (fuel & PP, Capacity, Environmental) and FAS 158 balances which are accounted for in accordance with FPSC guidance.
21	Regulatory Asset Tax Related		63,584	Regulatory asset was created as a result of FAS 109 in 1993. This balance changes by permanent plant differences and plant related AFUDC items.
22	Deferred Income Tax		300,081	The budgeted balances for accumulated deferred income taxes are derived by adding the monthly deferred tax provisions estimated for income statement purposes to the forecast balance at the prior year-end. The monthly provisions are computed on estimates of difference in the recognition of items on income and expense for book versus tax purposes.
23	Long Term Derivative		78	Derivatives are projected based on the current natural gas mark-to-market swaps as of December 31, 2012.
24	Other		<u>0</u>	
	Total Other Assets		<u>655,578</u>	
	TOTAL ASSETS		<u><u>5,943,641</u></u>	

117

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. _____ (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 10
PAGE 4 OF 9
FILED: 04/05/2013

FORECASTED
THIRTEEN MONTH AVERAGE BALANCE SHEET
AS OF DECEMBER 31, 2014
BUDGET METHODOLOGY

Line No.	Caption / Account	Components	Amount (\$000)	Budget Methodology / Source
CAPITALIZATION				
25	Common Stock Shares Outstanding - 10		119,697	Common stock, premium on capital stock and gain on resale or cancellation of capital stock represents the amounts outstanding at December 31, 2013 as no additional sales of stock are expected in 2014.
26	Miscellaneous Paid in Capital		1,795,071	The projected balances are derived from the estimated December 31, 2013 balances increased by equity contributions to be made by TECO Energy, Inc. to the company.
27	Retained Earnings		177,000	The balance for this account is derived by adding to the December 31, 2013 balance monthly income projections developed in connection with the budgeted income statement and deducting expected dividend accruals based on the financing plan supported by witness Callahan.
28	Capital Stock Issuance Expense		(701)	No new issues of Tampa Electric capital stock are planned for 2014, so the amount for this classification represent December 31, 2013 balance.
29	Accumulated Other Comprehensive Income		(5,667)	Assumes the after tax loss on the interest rate swap derivative transaction associated with the \$100 million and \$250 million (Tampa Electric portion) long-term debt issuance in 2008 and 2012 respectively. This balance is being amortized over the life of the debt instrument.
	Total Common Equity		<u>2,085,400</u>	
30	Long-Term Debt		1,698,444	The budgeted balance represents amounts outstanding as of December 2013 increased by a projected \$200.0 million debt issuance @ 4.0% and decreased by \$83.3 million current portion of LTD . This issuance serves the Company's need for capital and maintenance expenditures consistent with capital structure goals.

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. _____ (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 10
PAGE 5 OF 9
FILED: 04/05/2013

FORECASTED
THIRTEEN MONTH AVERAGE BALANCE SHEET
AS OF DECEMBER 31, 2014
BUDGET METHODOLOGY

Line No.	Caption / Account	Components	Amount (\$000)	Budget Methodology / Source
	Total Long-Term Debt		<u>1,698,444</u>	
	Total Capitalization		<u>3,783,844</u>	
	Current Liabilities:			
31	Notes Payable		31,024	The budgeted balances for Notes Payable are based on borrowing requirements determined by monthly cash requirements net of funds generated plus permanent financing. The 2014 cost rate is 1.5%.
32	Current Portion of Long-Term Debt		83,333	
33	Vouchers Payable		8,769	Based on a 3 year historical trend.
34	Other Payables & Deposits		126,241	Primarily manual accrual, payroll, fuel (including coal and oil), natural gas and purchased power accruals. Manual accrual balances are based on the sum of each business units percentage of completed but unpaid project costs at month end. Payroll accrual is calculated based on number of days accrued for each month (which is based on an employees work schedule & number of days from last pay period end date for the month to the end of the month) multiplied by the employee's rate of pay on their last payroll that month. Fuel, natural gas and purchased power accruals reflect current month purchases (Current month's activity is paid in the subsequent month). Other payable balances are based on historical activities and/or current forecasted activities.
35	Customer Deposits		129,515	The budgeted balances for customer deposits are calculated by applying growth factors based on actual monthly deposits for the previous year. An average percentage of the deposit balance is determined and the average percentage is applied to each month's balance for the budgeted year.

119

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. _____ (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 10
PAGE 6 OF 9
FILED: 04/05/2013

FORECASTED
THIRTEEN MONTH AVERAGE BALANCE SHEET
AS OF DECEMBER 31, 2014
BUDGET METHODOLOGY

Line No.	Caption / Account	Components	Amount (\$000)	Budget Methodology / Source
36	Taxes Accrued		11,274	The balance for federal and state income taxes is determined by adding to the forecasted prior year-end balance the monthly budgeted expense developed on the income statement, net of payments based on statutory requirements.
37	Interest Accrued: Long-Term Debt		22,583	The budgeted balance for interest accrued on long-term debt is derived by adding monthly interest expense to the balance as of December 31, 2013. Such amounts are then reduced by projected monthly payments of interest accruals based on required interest payment dates on each series of long-term debt.
38	Other		2,697	This balance is primarily interest on customer deposits. The accrued interest on customer deposit budget is based on the results of the customer deposit budget by Billing Data Management. Interest rates are applied according to the split between residential and non-residential deposits. Then monthly account balances are determined based on deposit growth offset by timing of deposit applications.
39	Dividends Declared		13,422	Reflects quarterly month-end balances for dividends accrued/payable to the parent company.
40	Accrued Vacation Pay		16,679	Projected balance based on 2014 estimated vacation liability analysis.
41	Derivative		0	
42	Other Miscellaneous Liabilities		15,359	Primarily Customer Tax Collections and FAS 158 balances. Customer tax collection is based on a two year historical average. The FAS 158 balances reflect the current portion of FAS 106 and SERP associated with FAS 158.

120

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. _____ (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 10
PAGE 7 OF 9
FILED: 04/05/2013

FORECASTED
THIRTEEN MONTH AVERAGE BALANCE SHEET
AS OF DECEMBER 31, 2014
BUDGET METHODOLOGY

Line No.	Caption / Account	Components	Amount (\$000)	Budget Methodology / Source
	Total Current Liabilities		460,896	
	Other Liabilities:			
43	Other Deferred Credits		276,376	This balance consists primarily of employee benefit plan cost including the impact of FAS 158, deferred clause, and contract retention balances. Projected monthly balances for pension plan costs are derived by adding monthly expense to the prior year's year end balance based on an actuarial valuation of pension costs and deducting payments made to fund such costs consistent with the Company's existing funding policies. Projected monthly balances for postretirement medical costs are derived by adding monthly expense based on an actuarial valuation of costs to the prior year's year end balance then deducting projected claims. Deferred clauses are calculated by comparing budgeted monthly revenues with budgeted monthly recoverable expense then deferring the excess amounts billed in accordance with current FERC/FPSC guidance. Contract Retention balances are based on contract requirements, projected completion & approval dates as well as potential letters of credit to be received.
44	Asset Retirement Obligation (ARO)		7,688	The projected balance for ARO is increased by taking the forecasted ending balance as of the prior year-end multiplied by the accretion amortization rate of 3%.
45	Regulatory Liability Tax Related		12,624	Reflects FAS 109 which was implemented in 1993. This assumes the December 31, 2013 balance increased or decreased by amortization of Income Tax Credit (ITC) and excess Deferred Income Tax (DIT).
46	Long Term Derivative		72	Derivatives are projected based on the current natural gas mark-to-market swaps as of December 31, 2012.

121

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. _____ (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 10
PAGE 8 OF 9
FILED: 04/05/2013

FORECASTED
THIRTEEN MONTH AVERAGE BALANCE SHEET
AS OF DECEMBER 31, 2014
BUDGET METHODOLOGY

Line No.	Caption / Account	Components	Amount (\$000)	Budget Methodology / Source
47	Investment Tax Credits		9,184	The investment tax credit is a reduction in income taxes based on the investment in qualifying property. These benefits are amortized over the period that the qualifying property is used.
48	Deferred Income Taxes		1,310,208	The budgeted balances for accumulated deferred income taxes are derived by adding the monthly deferred tax provisions estimated for income statement purposes to the forecast balance at the prior year-end. The monthly provisions are computed on estimates of differences in the recognition of items of income and expense for book versus tax purposes.
49	Reserve for Injuries & Damages (I&D)		82,749	The Reserve for I&D balance is based on the balance at December 31, 2013 and the year-end 2014 balance recommended by Towers Perrin.
	Total Other Liabilities		<u>1,698,901</u>	
	TOTAL CAPITALIZATION & LIABILITIES		<u><u>5,943,641</u></u>	

122

TAMPA ELECTRIC COMPANY
DOCKET NO. 130040-EI
EXHIBIT NO. _____ (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 10
PAGE 9 OF 9
FILED: 04/05/2013

FORECASTED
THIRTEEN MONTH AVERAGE BALANCE SHEET
AS OF DECEMBER 31, 2013
ASSETS
(\$000)

<u>Line No.</u>		
1	Utility Plant in Service	6,836,884
2	Accumulated Depreciation	<u>(2,455,843)</u>
	Net Utility Plant in Service	4,381,041
3	Construction Work in Progress	<u>247,246</u>
	Total Net Utility Plant	<u>4,628,287</u>
	Other Property & Investments	
4	Other Investments & Special Funds	
5	Non-Utility Plant-Net	<u>4,996</u>
	Total Other Property & Investments	<u>4,996</u>
	Current Assets	
6	Cash and Cash Equivalents	19,391
7	Funds Held By Trustee	-
8	Working Funds	58
9	Special Deposits	185
	Accounts Receivable From:	
10	Customers	127,180
11	Associated Companies	4,842
12	Unbilled Utility Revenues	40,475
13	Interchange Sales & Other	20,285
14	Fuel Stock	89,119
15	Other Plant Materials & Supplies	70,383
16	Prepayments	10,835
17	Derivative	<u>53</u>
	Total Current Assets	382,806
	Other Assets:	
18	Unamortized Debt Expense	22,930
19	Preliminary Survey & Investigation	51
20	Miscellaneous Deferred Debits	281,106
21	Regulatory Asset Tax Related	61,631
22	Deferred Income Tax	290,206
23	Long Term Derivative	181
24	Other	<u>1</u>
	Total Other Assets	656,106
	TOTAL ASSET	<u>5,672,195</u>

FORECASTED
THIRTEEN MONTH AVERAGE BALANCE SHEET
AS OF DECEMBER 31, 2013
CAPITALIZATION & LIABILITIES
(\$000)

Line No.		
	Common Stock	
25	Shares Outstanding - 10	119,697
26	Misc Paid in Capital	1,688,148
27	Retained Earnings	183,261
28	Capital Stock Issuance Expense	(701)
29	Accum. Other Compre. Inc.	<u>(6,287)</u>
	Total Common Equity	<u>1,984,118</u>
30	Long-Term Debt	<u>1,643,514</u>
	Total Capitalization	<u>3,627,632</u>
	Current Liabilities:	
31	Notes Payable:	12,589
	Other	
32	Current Portion of Long-Term Debt	57,692
33	Vouchers Payable	8,206
34	Other Payables & Deposits	121,609
35	Customer Deposits	125,994
36	Taxes Accrued	28,728
	Interest Accrued:	-
37	Long-Term Debt	22,124
38	Other	2,646
39	Dividends Declared	11,924
40	Accrued Vacation Pay	13,445
41	Derivative	(8,147)
42	Other Misc. Liabilities	<u>18,308</u>
	Total Current Liabilities	<u>415,119</u>
	Other Liabilities:	
43	Other Deferred Credits	343,997
44	Asset Retirement Obligation	5,888
45	Regulatory Liability Tax Related	13,901
46	Long Term Derivative	123
47	Investment Tax Credits	9,528
48	Deferred Income Taxes	1,182,255
49	Reserve for Injuries & Damages	<u>73,751</u>
	Total Other Liabilities	<u>1,629,442</u>
	TOTAL CAPITALIZATION & LIABILITIES	<u>5,672,194</u>

ACTUAL
THIRTEEN MONTH AVERAGE BALANCE SHEET
AS OF DECEMBER 31, 2012
ASSETS
(\$000)

<u>Line No.</u>		
1	Utility Plant in Service	\$ 6,631,378
2	Accumulated Depreciation	<u>(2,363,084)</u>
	Net Utility Plant in Service	4,268,294
3	Construction Work in Progress	<u>205,848</u>
	Total Net Utility Plant	<u>4,474,143</u>
	Other Property & Investments	
4	Other Investments & Special Funds	0
5	Non-Utility Plant-Net	<u>4,717</u>
	Total Other Property & Investments	<u>4,717</u>
	Current Assets	
6	Cash & Cash Equivalents	50,796
7	Funds Held By Trustee	0
8	Working Funds	57
9	Special Deposits	180
	Accounts Receivable From:	
10	Customers	128,489
11	Associated Companies	8,037
12	Unbilled Utility Revenues	41,808
13	Interchange Sales/Other	21,528
14	Fuel Stock	92,965
15	Other Plant Materials & Supplies	66,821
16	Prepayments	12,336
17	Derivative	<u>420</u>
	Total Current Assets	<u>423,436</u>
	Other Assets:	
18	Unamortized Debt Expense	23,238
19	Preliminary Survey & Investigation	691
20	Miscellaneous Deferred Debits	295,534
21	Regulatory Asset Tax Related	62,508
22	Deferred Income Tax	282,822
23	Long Term Derivative	195
24	Other	<u>(62)</u>
	Total Other Assets	<u>664,927</u>
	TOTAL ASSET	<u>\$ 5,567,223</u>

ACTUAL
THIRTEEN MONTH AVERAGE BALANCE SHEET
AS OF DECEMBER 31, 2012
CAPITALIZATION & LIABILITIES
(\$000)

<u>Line No.</u>			
	CAPITALIZATION		
	Common Stock		
25	Shares Outstanding - 10	\$	119,697
26	Miscellaneous Paid in Capital		1,594,840
27	Retained Earnings		193,134
28	Capital Stock Issuance Expense		(701)
29	Accumulated Other Comprehensive Income		<u>(5,357)</u>
	Total Common Equity		<u>1,901,613</u>
30	Long-Term Debt		<u>1,563,340</u>
	Total Long-Term Debt		<u>1,563,340</u>
	Total Capitalization		<u>3,464,954</u>
	Current Liabilities:		
31	Notes Payable		16,923
32	Current Portion of Long-Term Debt		174,386
33	Vouchers Payable		3,074
34	Other Payables & Deposits		136,867
35	Customer Deposits		122,312
36	Taxes Accrued		30,414
	Interest Accrued:		
37	Long-Term Debt		25,421
38	Other		4,233
39	Dividends Declared		5,510
40	Accrued Vacation Pay		15,298
41	Derivative		32,384
42	Other Miscellaneous Liabilities		<u>18,720</u>
	Total Current Liabilities		<u>585,542</u>
	Other Liabilities:		
43	Other Deferred Credits		341,682
44	Asset Retirement Obligation (ARO)		29,615
45	Regulatory Liability Tax Related		15,284
46	Long Term Derivative		2,635
47	Investment Tax Credits		9,869
48	Deferred Income Taxes		1,052,372
49	Reserve for Injuries & Damages		65,270
	Total Other Liabilities		<u>1,516,726</u>
	TOTAL CAPITALIZATION & LIABILITIES	\$	<u>5,567,223</u>

FORECASTED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2014
(\$000)

Line No.		
	CASH FLOWS FROM OPERATING ACTIVITIES	
1	Net Income	\$ 166,237
2	Depreciation	256,151
3	Deferred Income Taxes	41,524
4	Investment Tax Credit-Net	(343)
5	AFUDC	(16,875)
6	Deferred Clause Revenues (Expenses)	1,969
7	Receivables	(4,329)
8	Fuel Inventory	(3,615)
9	Materials and Supplies	5,372
10	Prepayments	1,038
11	Accounts Payable	1,417
12	Accrued Taxes	42,567
13	Accrued Interest	955
14	Deferred Taxes B/S	4,290
15	Regulated Assets	(4,099)
16	Regulated Liabilities	4,181
17	AOCI	620
18	Other Assets	3,322
19	Other Liabilities	(18,523)
	NET CASH FLOW - OPERATING ACTIVITIES	<u>481,857</u>
	CASH FLOWS FROM INVESTING ACTIVITIES:	
20	Capital Expenditures	(657,512)
21	AFUDC	16,875
	NET CASH - INVESTING ACTIVITIES	<u>(640,636)</u>
	CASH FLOWS FROM FINANCING ACTIVITIES:	
22	Addition/Reduction of Long-Term Debt	116,667
23	Incr/(Decr) in Short-Term Debt	38,594
24	Dividends	(174,482)
25	Contributed Capital	180,000
26	Debt Issue Costs	(2,000)
	NET CASH - FINANCING ACTIVITIES	<u>158,779</u>
	NET INCREASE (DECREASE) IN CASH CASH EQUIVALENTS	<u><u>(0)</u></u>

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For test year functionalized O & M expenses, provide the benchmark variances.

Type of data shown:

XX Projected Test Year Ended 12/31/2014

Projected Prior Year Ended 12/31/2013

Historical Prior Year Ended 12/31/2012

Witness: J.S. Chronister/M.J. Hornick

S.E. Young/J.B. Caldwell

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	(1) Function	(2)		(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	(12)
		Test Year Total Company Per Books 2014	O & M Adjustments 2014	Adjusted Test Year Year O & M 2014	Adjusted Test Year Year O & M 2014	Base Year Total Company Per Books 2007	Base Year O & M Adjustments 2007	Adjusted Base Year Year O & M 2007	Compound Multiplier	Per Books Base Year Benchmark (5) x (8)	Adjusted Base Year Benchmark (7) x (8)	Per Books Benchmark (2) - (9)	Adjusted Benchmark Variance (4) - (10)	
1														
2														
3	Production	\$ 945,313	\$ (809,307)	\$ 136,006	\$ 1,326,218	\$ (1,203,181)	\$ 123,037	1.18070	\$ 1,539,345	\$ 142,809	\$ (594,031)	\$ (6,803)		
4														
5	Transmission	13,749	-	13,749	11,770	-	11,770	1.22177	14,380	14,380	(631)	(631)		
6														
7	Distribution	51,284	-	51,284	47,280	-	47,280	1.22177	57,766	57,766	(6,482)	(6,482)		
8														
9	Customer Accounts	31,232	-	31,232	29,005	-	29,005	1.22177	35,438	35,438	(4,206)	(4,206)		
10														
11	Customer Service and Information	50,695	(49,428)	1,267	13,707	(12,273)	1,434	1.22177	16,747	1,752	33,949	(485)		
12														
13	Sales Expenses	1,371	(11)	1,360	1,823	(32)	1,791	1.22177	2,227	2,189	(857)	(828)		
14														
15	Administrative and General	131,645	(2,417)	129,228	(1) 103,435	(828)	102,607	1.22177	134,375	133,363	(2) (2,730)	(4,135)		
16														
17	Total O&M Expenses	\$ 1,225,289	\$ (861,163)	\$ 364,126	\$ 1,533,239	\$ (1,216,314)	\$ 316,925	1.22331	\$ 1,800,277	\$ 387,697	\$ (574,988)	\$ (23,570)		
18														
19														
20														
21														
22														
23														
24														
25														
26														
27														
28														
29														
30														
31														
32														
33														
34														
35														
36														
37														
38														
39	Totals may be affected due to rounding.													

(1) Columns 5 & 7, A&G excludes \$4M Storm Reserve

(2) Columns 9 & 10, A&G adjusted Storm Reserve of \$8M

128

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 14
 PAGE 1 OF 1
 FILED: 04/05/2013

Bonus Depreciation Chronology

Legislation	Covers Assets Placed in Service	Percent
Stimulus Act February 13, 2008	01/01/2008 – 12/31/2008	50%
American Recovery & Reinvestment Act, February 17, 2009	01/01/2009 – 12/31/2009	50%
Small Business Jobs Act of 2010 September 27, 2010	01/01/2010 – 12/31/2010	50%
*Shortened 09/08/2010 to 50% by 2010 Tax Act		
2010 Tax Act December 10, 2010	01/01/2010 – 09/08/2010	50%
	09/09/2010 –	100%
	12/31/2011	50%
	01/01/2012 – 12/31/2012 and placed in service 2013 for expenditures made in 2012	
Fiscal Cliff Bill January 10, 2013	Spent in 2013 and placed in service in 2013 and 2014	50% 50%

SCHEDULE C-2

NET OPERATING INCOME ADJUSTMENTS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of net operating income adjustments for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule C-3.

Type of data shown:

XX Projected Test Year Ended 12/31/2014

Projected Prior Year Ended 12/31/2013

Historical Prior Year Ended 12/31/2012

Witness: J. S. Chronister

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Account Number	Account Name	Jurisdictional Per Books Schedule C-1 Col. 5	Commission Adjustments							(9) Incentive Compensation Plan	
				(1) Conservation Revenues & Expenses	(2) Environmental Revenues & Expenses	(3) Franchise Fees / Gross Receipts Tax	(4) Fuel Rev & Exp	(5) Industry Assoc. Dues	(6) Solaris and Waterfall	(7) Stockholder Relations		(8) GPIF Revenues/ Penalties
1												
2												
3		Revenue From Sales	\$ 1,941,801	\$ (54,496)	\$ (94,835)	\$ (83,258)	\$ (796,484)	\$ -	\$ -	\$ -	\$ (1,501)	\$ -
4												
5		Other Operating	30,557	3,438	7,116	-	9,252	-	-	-	-	-
6												
7		Total Operating Revenues	1,972,358	(51,058)	(87,719)	(83,258)	(787,232)	-	-	-	(1,501)	-
8												
9		Other O&M	434,028	(50,620)	(28,873)	-	(769)	(64)	(6)	(219)	-	(946)
10												
11		Fuel	759,164	-	-	-	(749,883)	-	-	-	-	-
12												
13		Purchased Power	48,410	-	(21)	-	(48,389)	-	-	-	-	-
14												
15		Deferred Costs	(16,808)	-	-	-	16,608	-	-	-	-	-
16												
17		Depreciation & Amortization	255,853	-	(18,790)	-	(2,938)	-	-	-	-	-
18												
19		Taxes Other Than Income Taxes	149,908	(39)	(68)	(83,347)	(567)	-	-	-	-	-
20												
21		Income Taxes	96,108	(151)	(18,190)	34	(512)	25	2	84	(579)	365
22												
23		(Gain)/Loss on Disposal of Plant	(132)	-	-	-	-	-	-	-	-	-
24		Total Operating Expenses	1,728,731	(50,810)	(61,942)	(83,313)	(786,429)	(39)	(4)	(134)	(579)	(581)
25												
26		Net Operating Income	\$ 245,627	\$ (248)	\$ (25,777)	\$ 55	\$ (803)	\$ 39	\$ 4	\$ 134	\$ (922)	\$ 581
27												
28												
29												
30												
31												
32												
33												
34												
35												
36												
37												
38												
39												
40												
41		Totals may be affected due to rounding.										

Supporting Schedules: C-3

Recap Schedules: C-1

130

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 16
 PAGE 1 OF 22
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of net operating income adjustments for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule C-3.

Type of data shown:

XX Projected Test Year Ended 12/31/2014
 Projected Prior Year Ended 12/31/2013
 Historical Prior Year Ended 12/31/2012
 Witness: J. S. Chronister

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Account Number	Account Name	Commission Adjustments			(13)
			(10) OUC Acq Adj	(11) Income Tax True-Up	(12) Total Adjustments	Jurisdictional Adjusted Per Commission
1						
2						
3		Revenue From Sales	\$ -	\$ -	\$ (1,030,573)	\$ 911,228
4						
5		Other Operating	-	-	19,808	50,363
6						
7		Total Operating Revenues	-	-	(1,010,767)	961,591
8						
9		Other O&M	-	-	(79,497)	354,531
10						
11		Fuel	-	-	(749,863)	9,301
12						
13		Purchased Power	-	-	(48,410)	-
14						
15		Deferred Costs	-	-	16,608	-
16						
17		Depreciation & Amortization	(244)	-	(21,972)	233,881
18						
19		Taxes Other Than Income Taxes	(97)	-	(84,119)	65,789
20						
21		Income Taxes	132	2,288	(14,500)	81,608
22						
23		(Gain)/Loss on Disposal of Plant	-	-	-	(132)
24		Total Operating Expenses	(209)	2,288	(981,753)	744,978
25						
26		Net Operating Income	\$ 209	\$ (2,288)	\$ (29,014)	\$ 216,813
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						

41 Totals may be affected due to rounding.

Supporting Schedules: C-3

Recap Schedules: C-1

131

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 16
 PAGE 2 OF 22
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of net operating income adjustments for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule C-3.

Type of data shown:

XX Projected Test Year Ended 12/31/2014
 Projected Prior Year Ended 12/31/2013
 Historical Prior Year Ended 12/31/2012
 Witness: J. S. Chronister

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Account Number	Account Name	Company Adjustments					Jurisdictional Adjusted Per Company
			Adjusted Per Commission Schedule C-2 Col. 14	(1) Base Revenue Adjustment	(2) Calpine Contract Adjustment	(3) Auburndale Wheeling Revenue	Total Adjustments	
1								
2								
3		Revenue From Sales	\$ 911,228	\$ (3,419)	\$ -	\$ -	\$ (3,419)	\$ 907,809
4								
5		Other Operating	50,363	-	(3,969)	(3,540)	(7,509)	42,854
6								
7		Total Operating Revenues	961,591	(3,419)	(3,969)	(3,540)	(10,928)	950,663
8								
9		Other O&M	354,531	-	-	-	-	354,531
10								
11		Fuel	9,301	-	-	-	-	9,301
12								
13		Purchased Power	-	-	-	-	-	-
14								
15		Deferred Costs	-	-	-	-	-	-
16								
17		Depreciation & Amortization	233,881	-	-	-	-	233,881
18								
19		Taxes Other Than Income Taxes	65,789	-	-	-	-	65,789
20								
21		Income Taxes	81,608	(1,319)	(1,531)	(1,366)	(4,215)	77,392
22								
23		(Gain)/Loss on Disposal of Plant	(132)	-	-	-	-	(132)
24		Total Operating Expenses	744,978	(1,319)	(1,531)	(1,366)	(4,215)	740,762
25								
26		Net Operating Income	\$ 216,813	\$ (2,100)	\$ (2,438)	\$ (2,174)	\$ (6,713)	\$ 209,901
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								
41		Totals may be affected due to rounding.						

Supporting Schedules: C-3

Recap Schedules: C-1

132

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 16
 PAGE 3 OF 22
 FILED: 04/05/2013

SCHEDULE C-2

NET OPERATING INCOME ADJUSTMENTS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of net operating income adjustments for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule C-3.

Type of data shown:

Projected Test Year Ended 12/31/2014
 XX Projected Prior Year Ended 12/31/2013
 Historical Prior Year Ended 12/31/2012
 Witness: J. S. Chronister

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Account No.	Account Name	Jurisdictional Per Books Schedule C-1 Col. 5	Commission Adjustments										
				(1) Conservation Revenues & Expenses	(2) Environmental Revenues & Expenses	(3) Franchise Fees / Gross Receipts Tax	(4) Fuel Rev & Exp	(5) Industry Assoc. Dues	(6) Solaris and Waterfall	(7) Stockholder Relations	(8) GPIF Revenues/ Penalties	(9) Incentive Compensation Plan		
1														
2														
3		Revenue From Sales	\$ 1,857,065	\$ (49,395)	\$ (101,183)	\$ (79,005)	\$ (719,834)	\$ -	\$ -	\$ -	\$ -	\$ 538	\$ -	
4														
5		Other Operating	88,000	(25)	5,943	-	(52,870)	-	-	-	-	-	-	
6														
7		Total Operating Revenues	1,945,065	(49,419)	(95,240)	(79,005)	(772,704)	-	-	-	-	538	-	
8														
9		Other O&M	411,236	(49,069)	(35,033)	-	(612)	(63)	(6)	(209)	-	-	(910)	
10														
11		Fuel	727,253	-	-	-	(718,320)	-	-	-	-	-	-	
12														
13		Purchased Power	60,115	-	(23)	-	(60,092)	-	-	-	-	-	-	
14														
15		Deferred Costs	(9,408)	-	-	-	9,408	-	-	-	-	-	-	
16														
17		Depreciation & Amortization	243,038	-	(18,188)	-	(1,714)	-	-	-	-	-	-	
18														
19		Taxes Other Than Income Taxes	140,165	(36)	(73)	(78,979)	(513)	-	-	-	-	-	-	
20														
21		Income Taxes	110,249	(119)	(16,187)	(10)	(293)	24	2	81	208	351		
22														
23		(Gain)/Loss on Disposal of Plant	(302)	-	-	-	-	-	-	-	-	-	-	
24		Total Operating Expenses	1,682,346	(49,223)	(69,504)	(78,989)	(772,136)	(39)	(4)	(128)	208	(559)		
25														
26		Net Operating Income	\$ 262,719	\$ (196)	\$ (25,736)	\$ (16)	\$ (569)	\$ 39	\$ 4	\$ 128	\$ 330	\$ 559		
27														
28														
29														
30														
31														
32														
33														
34														
35														
36														
37														
38														
39														
40														
41		Totals may be affected due to rounding.												

Supporting Schedules: C-3

Recap Schedules: C-1

133

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 16
 PAGE 4 OF 22
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of net operating income adjustments for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule C-3.

Type of data shown:

Projected Test Year Ended 12/31/2014
 XX Projected Prior Year Ended 12/31/2013
 Historical Prior Year Ended 12/31/2012
 Witness: J. S. Chronister

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Account Number	Account Name	Commission Adjustments			(13)
			(10) OUC Acq Adj	(11) Income Tax True-Up	(12) Total Adjustments	Jurisdictional Adjusted Per Commission
1						
2						
3		Revenue From Sales	\$ -	\$ -	\$ (948,878)	\$ 908,187
4						
5		Other Operating	-	-	(46,952)	41,048
6						
7		Total Operating Revenues	-	-	(995,830)	949,235
8						
9		Other O&M	-	-	(85,902)	325,334
10						
11		Fuel	-	-	(718,320)	8,933
12						
13		Purchased Power	-	-	(60,115)	-
14						
15		Deferred Costs	-	-	9,408	-
16						
17		Depreciation & Amortization	(241)	-	(20,143)	222,895
18						
19		Taxes Other Than Income Taxes	(96)	-	(79,697)	60,468
20						
21		Income Taxes	130	3,014	(12,799)	97,450
22						
23		(Gain)/Loss on Disposal of Plant	-	-	-	(302)
24		Total Operating Expenses	(207)	3,014	(967,568)	714,778
25						
26		Net Operating Income	\$ 207	\$ (3,014)	\$ (28,263)	\$ 234,457
27						
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41 Totals may be affected due to rounding.

Supporting Schedules: C-3

Recap Schedules: C-1

134

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 16
 PAGE 5 OF 22
 FILED: 04/05/2013

SCHEDULE C-2

NET OPERATING INCOME ADJUSTMENTS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of net operating income adjustments for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule C-3.

Type of data shown:

Projected Test Year Ended 12/31/2014

Projected Prior Year Ended 12/31/2013

XX Historical Prior Year Ended 12/31/2012

Witness: J. S. Chronister

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Account Name	Jurisdictional Per Books Schedule C-1 Col. 5	Commission Adjustments									
			(1) Conservation Revenues & Expenses	(2) Environmental Revenues & Expenses	(3) Franchise Fees / Gross Receipts Tax	(4) Fuel Rev & Exp	(5) Industry Assoc. Dues	(6) Solaris and Waterfall	(7) Stockholder Relations	(8) GPIF Revenues/ Penalties	(9) Incentive Compensation Plan	
1												
2												
3	Revenue From Sales	\$ 1,943,555	\$ (49,475)	\$ (84,244)	\$ (91,101)	\$ (818,547)	\$ -	\$ -	\$ -	\$ (2,056)	\$ -	
4												
5	Other Operating	15,732	5,271	819	-	19,031	-	-	-	-	-	
6												
7	Total Operating Revenues	1,959,287	(44,204)	(83,425)	(91,101)	(799,516)	-	-	-	(2,056)	-	
8												
9	Other O&M	364,229	(43,868)	(19,083)	-	(921)	(63)	(6)	(191)	-	(551)	
10												
11	Fuel	711,404	-	-	-	(705,266)	-	-	-	-	-	
12												
13	Purchased Power	105,306	-	0	-	(105,306)	-	-	-	-	-	
14												
15	Deferred Costs	(13,650)	-	-	-	13,650	-	-	-	-	-	
16												
17	Depreciation & Amortization	229,765	-	(17,721)	-	-	-	-	-	-	-	
18												
19	Taxes Other Than Income Taxes	149,447	(36)	(61)	(91,052)	(580)	-	-	-	-	-	
20												
21	Income Taxes	117,826	(115)	(17,966)	(19)	(398)	24	2	74	(793)	212	
22												
23	(Gain)/Loss on Disposal of Plant	(366)	-	-	-	-	-	-	-	-	-	
24	Total Operating Expenses	1,663,961	(44,019)	(54,830)	(91,071)	(798,822)	(39)	(4)	(117)	(793)	(338)	
25												
26	Net Operating Income	\$ 295,326	\$ (185)	\$ (28,595)	\$ (31)	\$ (694)	\$ 39	\$ 4	\$ 117	\$ (1,263)	\$ 338	
27												
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40												
41	Totals may be affected due to rounding.											

Supporting Schedules: C-3

Recap Schedules: C-1

135

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 16
 PAGE 6 OF 22
 FILED: 04/05/2013

SCHEDULE C-2

NET OPERATING INCOME ADJUSTMENTS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of net operating income adjustments for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule C-3.

Type of data shown:

Projected Test Year Ended 12/31/2014

Projected Prior Year Ended 12/31/2013

XX Historical Prior Year Ended 12/31/2012

Witness: J. S. Chronister

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line Account No. Number	Account Name	Commission Adjustments				(14) Jurisdictional Adjusted Per Commission
		(10) OUC Acq Adj	(11) Income Tax True-Up	(12) Parent Debt Adjustment	(13) Total Adjustments	
1						
2						
3	Revenue From Sales	\$ -	\$ -	\$ -	\$ (1,045,423)	\$ 898,132
4						
5	Other Operating	-	-	-	25,121	40,853
6						
7	Total Operating Revenues	-	-	-	(1,020,302)	938,985
8						
9	Other O&M	-	-	-	(64,683)	299,546
10						
11	Fuel	-	-	-	(705,266)	6,138
12						
13	Purchased Power	-	-	-	(105,306)	-
14						
15	Deferred Costs	-	-	-	13,650	(0)
16						
17	Depreciation & Amortization	(236)	-	-	(17,957)	211,808
18						
19	Taxes Other Than Income Taxes	(94)	-	-	(91,822)	57,625
20						
21	Income Taxes	127	4,338	(214)	(14,726)	103,100
22						
23	(Gain)/Loss on Disposal of Plant	-	-	-	-	(366)
24	Total Operating Expenses	(203)	4,338	(214)	(986,111)	677,850
25						
26	Net Operating Income	\$ 203	\$ (4,338)	\$ 214	\$ (34,190)	\$ 261,135
27						
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41 Totals may be affected due to rounding.

Supporting Schedules: C-3

Recap Schedules: C-1

136

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 16
 PAGE 7 OF 22
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: List and explain all proposed adjustments to net operating income for the test year, the prior year and the most recent historical year.

Type of data shown:

XX Projected Test Year Ended 12/31/2014

Projected Prior Year Ended 12/31/2013

Historical Prior Year Ended 12/31/2012

Witness: J. S. Chronister/W. R. Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	(1) Total Adjustment	(2) Jurisdictional Factor	(3) Jurisdictional Adjustment
1	Commission Adjustments				
2	Conservation Revenues and Expenses	To remove conservation revenues and expenses that are recoverable through the ECCR	\$ (248)	1.000000	\$ (248)
3					
4	Environmental Revenues and Expenses	To remove environmental revenues and expenses that are recoverable through the ECRC clause	(25,777)	1.000000	(25,777)
5					
6	Franchise Fees and Gross receipts Tax	To remove franchise fee and gross receipt tax	55	1.000000	55
7					
8	Fuel Revenues and Expenses	To remove fuel revenues and expenses which are recoverable through the fuel adjustment clause	(803)	1.000000	(803)
9					
10					
11	Industry Assoc.Dues/Economic Development	To remove industry association dues and 5% of economic development expenses that have been determined to be non-utility related and one-third of EEI dues consistent with past Commission policy	39	0.999355	39
12					
13	Solaris and Waterfall	To remove the portion of lease expenses associated with the Solaris and the waterfall which were disallowed in Order No. 12663	4	0.999228	4
14					
15					
16	Stockholders Relations	To remove A&G expenses associated with stockholders relations	135	0.999228	134
17					
18	GPIF Revenues/Penalties	To remove income/expenses associated with GPIF revenues/penalties	(922)	1.000000	(922)
19					
20	Incentive Compensation Plan	To remove incentive compensation pay tied directly to TECO Energy's results	582	0.999228	582
21					
22	Acquisition Amortization	To remove amortization expense associated with the OUC acquisition of transmission line	210	0.998828	210
23					
24	Income Tax True-Up - Commission Adjs.	To synchronize interest supported by the capital structure after reconciling to rate base	(2,292)	0.998166	(2,288)
25					
26					
27	Total Commission Adjustments		\$ (29,017)		\$ (29,014)
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42	Totals may be affected due to rounding.				

Supporting Schedules:

Recap Schedules: C-2

137

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 16
 PAGE 8 OF 22
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: List and explain all proposed adjustments to net operating income for the test year, the prior year and the most recent historical year.

Type of data shown:

XX Projected Test Year Ended 12/31/2014
 Projected Prior Year Ended 12/31/2013
 Historical Prior Year Ended 12/31/2012
 Witness: J. S. Chronister/W. R. Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	(1) Total Adjustment	(2) Jurisdictional Factor	(3) Jurisdictional Adjustment
1	Company Adjustments				
2	Base Revenue Adjustment	To adjust budget revenues to calculation using detailed billing determinants and revenue development per the MFRs E-13-a - E13-d.	\$ (2,100)	1.000000	\$ (2,100)
3					
4	Calpine Contract Adjustment	To adjust revenues to remove the budgeted contracted revenues associated with the Calpine Transmission Contract which expires in May 2014.	(2,438)	1.000000	(2,438)
5					
6	Auburdale Wheeling Revenue	To adjust revenues to remove transmission wheeling revenues associated with agreement that ends at the end of 2013.	(2,174)	1.000000	(2,174)
7					
8	Total Company Adjustments		<u>\$ (6,712)</u>		<u>\$ (6,712)</u>
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42	Totals may be affected due to rounding.				

Supporting Schedules:

Recap Schedules: C-2

138

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 16
 PAGE 9 OF 22
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION List and explain all proposed adjustments to net operating income for the test year, the prior year and the most recent historical year.

Type of data shown:

Projected Test Year Ended 12/31/2014
 XX Projected Prior Year Ended 12/31/2013
 Historical Prior Year Ended 12/31/2012
 Witness: J. S. Chronister/W. R. Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	(1) Total Adjustment	(2) Jurisdictional Factor	(3) Jurisdictional Adjustment
1	Commission Adjustments				
2	Conservation Revenues and Expenses	To remove conservation revenues and expenses that are recoverable through the ECCR	\$ (196)	1.000000	\$ (196)
3					
4	Environmental Revenues and Expenses	To remove environmental revenues and expenses that are recoverable through the ECRC clause	(25,736)	1.000000	(25,736)
5					
6	Franchise Fees and Gross receipts Tax	To remove franchise fee and gross receipt tax	(16)	1.000000	(16)
7					
8	Fuel Revenues and Expenses	To remove fuel revenues and expenses which are recoverable through the fuel adjustment clause	(569)	1.000000	(569)
9					
10					
11	Industry Assoc. Dues/Economic Development	To remove industry association dues and 5% of economic development expenses that have been determined to be non-utility related and one-third of EEI dues consistent with past Commission policy	39	0.988975	39
12					
13					
14	Solaris and Waterfall	To remove the portion of lease expenses associated with the Solaris and the waterfall which were disallowed in Order No. 12663	4	0.988975	4
15					
16					
17	Stockholders Relations	To remove A&G expenses associated with stockholders relations	130	0.988975	128
18					
19	GPIF Revenues/Penalties	To remove income/expenses associated with GPIF revenues/penalties	330	1.000000	330
20					
21	Incentive Compensation Plan	To remove incentive compensation pay tied directly to TECO Energy's results	565	0.988975	559
22					
23	Acquisition Amortization	To remove amortization expense associated with the OUC acquisition of transmission line	210	0.985856	207
24					
25	Income Tax True-Up - Commission Adjs.	To synchronize interest supported by the capital structure after reconciling to rate base	(3,074)	0.980636	(3,014)
26					
27	Total Commission Adjustments		<u>\$ (28,313)</u>		<u>\$ (28,264)</u>

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42 Totals may be affected due to rounding.

Supporting Schedules:

Recap Schedules: C-2

139

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 16
 PAGE 10 OF 22
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION List and explain all proposed adjustments to net operating income for the test year, the prior year and the most recent historical year.

Type of data shown:

Projected Test Year Ended 12/31/2014

Projected Prior Year Ended 12/31/2013

XX Historical Prior Year Ended 12/31/2012

Witness: J. S. Chronister/W. R. Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	(1)	(2)	(3)
			Total Adjustment	Jurisdictional Factor	Jurisdictional Adjustment
1	Commission Adjustments				
2	Conservation Revenues and Expenses	To remove conservation revenues and expenses that are recoverable through the ECCR	\$ (185)	1.000000	\$ (185)
3					
4	Environmental Revenues and Expenses	To remove environmental revenues and expenses that are recoverable through the ECRC clause	(28,595)	1.000000	(28,595)
5					
6	Franchise Fees and Gross receipts Tax	To remove franchise fee and gross receipt tax	(31)	1.000000	(31)
7					
8	Fuel Revenues and Expenses	To remove fuel revenues and expenses which are recoverable through the fuel adjustment clause	(694)	1.000000	(694)
9					
10					
11	Industry Assoc.Dues/Economic Development	To remove industry association dues and 5% of economic development expenses that have been determined to be non-utility related and one-third of EEI dues consistent with past Commission policy	43	0.904320	39
12					
13					
14	Solaris and Waterfall	To remove the portion of lease expenses associated with the Solaris and the waterfall which were disallowed in Order No. 12663	4	0.983384	4
15					
16					
17	Stockholders Relations	To remove A&G expenses associated with stockholders relations	119	0.983384	116
18					
19	GPIF Revenues/Penalties	To remove income/expenses associated with GPIF revenues/penalties	(1,263)	1.000000	(1,263)
20					
21	Incentive Compensation Plan	To remove incentive compensation pay tied directly to TECO Energy's results	344	0.983384	338
22					
23	Acquisition Amortization	To remove amortization expense associated with the OUC acquisition of transmission line	210	0.966823	203
24					
25	Income Tax True-Up - Commission Adjs.	To synchronize interest supported by the capital structure after reconciling to rate base	(4,515)	0.960877	(4,338)
26					
27	Parent Debt Adjustment	To remove the income tax expense related to the parent company's investment in the subsidiary	224	0.955815	214
28					
29	Total Commission Adjustments		<u>\$ (34,339)</u>		<u>\$ (34,192)</u>
30					
31					
32					
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39					
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41					
42	Totals may be affected due to rounding.				

Supporting Schedules:

Recap Schedules: C-2

140

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 16
 PAGE 11 OF 22
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the most recent historical year if the test year is projected.

Type of data shown:

XX Projected Test Year Ended 12/31/2014

Projected Prior Year Ended 12/31/2013

Historical Prior Year Ended 12/31/2012

Witness: J. S. Chronister/W. R. Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Account No.	Account Title	(1) Total Company	(2) FPSC Jurisdictional	(3) Jurisdictional Separation Factor
1					
2	440-447	Operating Revenues	\$ 1,973,504	\$ 1,972,358	0.99942
3					
4					
5		Oper & Maint Exp			
6		Steam Production Exp			
7		Operations			
8	500	Oper, Supv & Eng	4,876	4,876	1.000000
9	501	Fuel	349,274	349,274	1.000000
10	502	Steam Expense	26,869	26,869	1.000000
11	503	Steam From Oth Sources	-	-	-
12	505	Electric Expense	2,953	2,953	1.000000
13	506	Misc Steam Expense	10,391	10,391	1.000000
14	507	Rents	-	-	-
15	509	Allowances	-	-	-
16		Total Steam Oper Exp	<u>394,363</u>	<u>394,363</u>	1.000000
17		Maintenance			
18	510	Mtce, Supv & Eng	542	542	1.000000
19	511	Mtce Of Structures	5,519	5,519	1.000000
20	512	Mtce Of Boiler Plant	44,780	44,780	1.000000
21	513	Mtce Of Electric Plt	5,258	5,258	1.000000
22	514	Mtce Misc Plant	2,101	2,101	1.000000
23		Total Steam Mtce Exp	<u>58,200</u>	<u>58,200</u>	1.000000
24					
25		Other Production Exp			
26		Operations			
27	546	Oper, Supv & Eng	2,688	2,688	1.000000
28	547	Fuel	409,891	409,891	1.000000
29	548	Generation Expense	17,767	17,767	1.000000
30	549	Misc Other Power Exp	6,389	6,389	1.000000
31	550	Rents	-	-	-
32		Total Other Oper Exp	<u>436,735</u>	<u>436,735</u>	1.000000
33		Maintenance			
34	551	Mtce, Supv & Eng	1,133	1,133	1.000000
35	552	Mtce Of Structures	9,056	9,056	1.000000
36	553	Mtce Of General Plant	12,462	12,462	1.000000
37	554	Mtce Other Misc	530	530	1.000000
38	555	Purchased Power	48,410	48,410	1.000000
39	556	Load Dispatching	955	955	1.000000
40		Total Other Mtce Exp	<u>72,545</u>	<u>72,545</u>	1.000000
41					
42					
43					
44					
45					
46					
47					
48					

49 Totals may be affected due to rounding.

Supporting Schedules: C-19, C-20, C-21, C-22

Recap Schedules: C-1

141

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 16
 PAGE 12 OF 22
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the most recent historical year if the test year is projected.

Type of data shown:

XX Projected Test Year Ended 12/31/2014
 Projected Prior Year Ended 12/31/2013
 Historical Prior Year Ended 12/31/2012
 Witness: J. S. Chronister/W. R. Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Account No.	Account Title	(1) Total Company	(2) FPSC Jurisdictional	(3) Jurisdictional Separation Factor
1					
2		Deferred Revenues And Expenses			
3	40730	Amortization Deferred Fuel	-	-	-
4	40732	Amortization Deferred Capacity	-	-	-
5	40736	Amortization Deferred Eorc	3,457	3,457	1.000000
6	40738	Amortization Deferred Eocrc	-	-	-
7	40740	Credit Deferred Fuel	(15,139)	(15,139)	1.000000
8	40742	Credit Deferred Capacity	(1,469)	(1,469)	1.000000
9	40744	Credit Deferred Fuel Wholesale	-	-	-
10	40746	Credit Amortization Deferred Eorc	(3,378)	(3,378)	1.000000
11	40748	Credit Amortization Deferred Eocrc	(1,303)	(1,303)	1.000000
12		Total Deferred Revenues And Expenses	<u>(17,831)</u>	<u>(17,831)</u>	1.000000
13		Total Production O&M	<u>944,012</u>	<u>944,012</u>	1.000000
14					
15		Transmission			
16		Operations			
17	560	Supv & Eng	672	662	0.985850
18	561	Load Dispatching	2,312	2,279	0.985850
19	562	Station Expenses	1,125	1,109	0.985850
20	563	OH Line Expense	515	508	0.985850
21	564	UG Line Expense	-	-	-
22	565	Transm Of Elec By Others	-	-	-
23	566	Misc Transmission Exp	1,179	1,162	0.985850
24	567	Rents	107	106	0.985850
25		Total Transm Oper Exp	<u>5,910</u>	<u>5,827</u>	0.985850
26					
27		Maintenance			
28	568	Supv & Eng	-	-	-
29	569	Structures	3,597	3,546	0.985747
30	570	Station Equipment	1,460	1,439	0.985850
31	571	OH Line Expense	2,782	2,742	0.985850
32	572	UG Line Expense	-	-	-
33	573	Misc Transmission Exp	-	-	-
34		Total Transmission Exp	<u>7,839</u>	<u>7,727</u>	0.985803
35		Total Transmission Oper Exp	<u>13,749</u>	<u>13,554</u>	
36		Distribution			
37		Operations			
38	580	Oper, Supv & Eng Exp	438	438	1.000000
39	581	Load Dispatching	498	498	1.000000
40	582	Station Expense	1,118	1,118	1.000000
41	583	OH Line Expense	5,533	5,533	1.000000
42	584	UG Line Expense	523	523	1.000000
43	585	St Lighting & Sign Exp	310	310	1.000000
44	586	Meter Expense	2,877	2,877	1.000000
45	587	Cust Installn Exp	585	585	1.000000
46	588	Misc Distr Exp	10,330	10,330	1.000000
47	589	Rents	503	503	1.000000
48		Total Distrib Oper Exp	<u>22,714</u>	<u>22,714</u>	1.000000

49 Totals may be affected due to rounding.

Supporting Schedules: C-19, C-20, C-21, C-22

Recap Schedules: C-1

142

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 16
 PAGE 13 OF 22
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the most recent historical year if the test year is projected

Type of data shown:

XX Projected Test Year Ended 12/31/2014
 Projected Prior Year Ended 12/31/2013
 Historical Prior Year Ended 12/31/2012
 Witness: J. S. Chronister/W. R. Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Account No.	Account Title	(1) Total Company	(2) FPSC Jurisdictional	(3) Jurisdictional Separation Factor
1		Maintenance			
2	590	Mtce, Supv & Eng	-	-	-
3	591	Mtce Of Structures	377	377	1.000000
4	592	Mtce Of Sta Eqp	1,233	1,233	1.000000
5	593	Mtce Of OH Lines	19,790	19,790	1.000000
6	594	Mtce Of UG Lines	3,741	3,741	1.000000
7	595	Mtce Of Transformers	347	347	1.000000
8	596	Mtce Of St Lighting	2,150	2,150	1.000000
9	597	Mtce Of Meters	932	932	1.000000
10	598	Misc Mtce	-	-	-
11		Total Distrib Mtce Exp	<u>28,570</u>	<u>28,570</u>	1.000000
12		Total Distribution Exp	<u>51,284</u>	<u>51,284</u>	1.000000
13					
14		Customer Accts Expenses			
15	901	Supervision	4,854	4,854	1.000000
16	902	Meter Reading	2,685	2,685	1.000000
17	903	Cust Records & Coll	20,070	20,070	1.000000
18	904	Uncollectible Accts	3,623	3,623	1.000000
19	905	Misc Cust Accts	-	-	-
20		Total Customer Accts Exp	<u>31,232</u>	<u>31,232</u>	1.000000
21					
22		Cust Service & Info Expenses			
23	907	Supervision	-	-	-
24	908	Customer Assistance	50,922	50,922	1.000000
25	909	Info & Instructional	1,076	1,076	1.000000
26	910	Misc Cust Svc	-	-	-
27		Total Cust Service & Info	<u>51,998</u>	<u>51,998</u>	1.000000
28					
29		Sales Expenses			
30	911	Supervision	-	-	-
31	912	Demonstrating & Selling	1,371	1,371	1.000000
32	913	Advertising	-	-	-
33	916	Misc Sales Exp	-	-	-
34		Total Sales Expense	<u>1,371</u>	<u>1,371</u>	1.000000
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49 Totals may be affected due to rounding.

Supporting Schedules: C-19, C-20, C-21, C-22

Recap Schedules: C-1

143

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 16
 PAGE 14 OF 22
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the most recent historical year if the test year is projected.

Type of data shown:

XX Projected Test Year Ended 12/31/2014
 Projected Prior Year Ended 12/31/2013
 Historical Prior Year Ended 12/31/2012
 Witness: J. S. Chronister/W. R. Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Account No.	Account Title	(1) Total Company	(2) FPSC Jurisdictional	(3) Jurisdictional Separation Factor
1		Administrative & General Exp			
2	920	A&G Salaries	20,046	20,030	0.999221
3	921	Ofc Supplies & Exp	7,140	7,134	0.999203
4	922	Admin Exp Transferred - Credit	(4,757)	(4,753)	0.999264
5	923	Outside Svc Employed	2,102	2,100	0.999168
6	924	Property Insurance	16,535	16,523	0.999250
7	925	Injuries & Damages	8,355	8,349	0.999226
8	926	Employee Pensions & Benefits	46,890	46,855	0.999256
9	928	Regulatory Commission Exp	3,248	3,246	0.999372
10	929	Dupl Charges - Fringe Alloc	(4,781)	(4,778)	0.999331
11	930	Misc General Expenses	33,001	32,976	0.999240
12	931	Rents	1,180	1,179	0.999491
13	935	Mtce Of General Plant	2,686	2,684	0.999112
14		Total Admin & General Exp	<u>131,645</u>	<u>131,545</u>	0.999239
15					
16					
17		Total Oper And Maintenance Exp	<u>1,225,290</u>	<u>1,224,995</u>	0.999759
18					
19		Depreciation And Amortization Exp	<u>256,151</u>	<u>255,853</u>	0.998840
20					
21		Taxes Other Than Income Taxes			
22		Payroll Taxes	11,712	11,702	0.999149
23		Franchise Fees	36,301	36,301	1.000000
24		Property Taxes	53,325	53,238	0.998384
25		Misc Taxes	202	202	0.998167
26		Regulatory Assessment Fees	1,420	1,419	0.999303
27		Revenue Taxes	<u>47,046</u>	<u>47,046</u>	1.000000
28			<u>150,005</u>	<u>149,908</u>	0.999350
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49	Totals may be affected due to rounding.				

Supporting Schedules: C-19, C-20, C-21, C-22

Recap Schedules: C-1

144

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 16
 PAGE 15 OF 22
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the most recent historical year if the test year is projected.

Type of data shown:

XX Projected Test Year Ended 12/31/2014
 Projected Prior Year Ended 12/31/2013
 Historical Prior Year Ended 12/31/2012
 Witness: J. S. Chronister/W. R. Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Account No.	Account Title	(1) Total Company	(2) FPSC Jurisdictional	(3) Jurisdictional Separation Factor
1					
2					
3		Income Taxes			
4		Federal	83,077	82,981	0.998847
5		State	13,815	13,799	0.998847
6		Investment Tax Credits, True-ups, and Adjustments	(674)	(672)	0.998166
7			96,218	96,108	0.998852
8					
9		(Gain)/Loss On Disposition Of Assets	(132)	(132)	1.000000
10					
11		Total Operating Expenses	1,727,532	1,726,731	0.999536
12					
13		Total Net Operating Income	\$ 245,972	\$ 245,627	0.998599
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49 Totals may be affected due to rounding.

Supporting Schedules: C-19, C-20, C-21, C-22

Recap Schedules: C-1

145

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 16
 PAGE 16 OF 22
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the most recent historical year if the test year is projected.

Type of data shown:

Projected Test Year Ended 12/31/2014

Projected Prior Year Ended 12/31/2013

XX Historical Prior Year Ended 12/31/2012

Witness: J. S. Chronister/W. R. Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Account No.	Account Title	(1) Total Company	(2) FPSC Jurisdictional	(3) Jurisdictional Separation Factor
1					
2	440-447	Operating Revenues	\$1,981,387	\$1,959,287	0.98885
3					
4					
5		Oper & Maint Exp			
6		Steam Production Exp			
7		Operations			
8	500	Oper, Supv & Eng	3,313	3,248	0.980379
9	501	Fuel	353,783	353,634	0.999579
10	502	Steam Expense	25,115	25,065	0.998029
11	503	Steam From Oth Sources	-	-	-
12	505	Electric Expense	2,673	2,641	0.988208
13	506	Misc Steam Expense	21,129	20,714	0.980343
14	507	Rents	-	-	-
15	508	Allowances	(1)	(1)	0.965426
16		Total Steam Oper Exp	406,012	405,301	0.998250
17		Maintenance			
18	510	Mtce, Supv & Eng	270	264	0.978531
19	511	Mtce Of Structures	5,695	5,583	0.980330
20	512	Mtce Of Boiler Plant	30,958	30,516	0.985713
21	513	Mtce Of Electric Plt	4,269	4,186	0.980638
22	514	Mtce Misc Plant	1,473	1,445	0.981136
23		Total Steam Mtce Exp	42,665	41,994	0.984263
24					
25		Other Production Exp			
26		Operations			
27	546	Oper, Supv & Eng	1,615	1,583	0.980343
28	547	Fuel	357,841	357,771	0.999802
29	548	Generation Expense	12,758	12,513	0.980778
30	549	Misc Other Power Exp	6,021	5,905	0.980750
31	550	Rents	-	-	-
32		Total Other Oper Exp	378,236	377,772	0.998774
33		Maintenance			
34	551	Mtce, Supv & Eng	748	733	0.980343
35	552	Mtce Of Structures	7,666	7,516	0.980357
36	553	Mtce Of General Plant	12,276	12,034	0.980343
37	554	Mtce Other Misc	325	318	0.980343
38	555	Purchased Power	105,306	105,306	1.000000
39	556	Load Dispatching	975	955	0.980343
40		Total Other Mtce Exp	127,295	126,863	0.996605
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48					
49	Totals may be affected due to rounding				

Supporting Schedules: C-19, C-20, C-21, C-22

Recap Schedules: C-1

146

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 16
 PAGE 17 OF 22
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the most recent historical year if the test year is projected.

Type of data shown:

Projected Test Year Ended 12/31/2014

Projected Prior Year Ended 12/31/2013

XX Historical Prior Year Ended 12/31/2012

Witness: J. S. Chronister/AW. R. Ashburn

DOCKET No. 130040-EI

(Dollars in 000's)

Line No	Account No.	Account Title	(1) Total Company	(2) FPSC Jurisdictional	(3) Jurisdictional Separation Factor
1					
2		Deferred Revenues And Expenses			
3	40730	Amortization Deferred Fuel	-	-	-
4	40732	Amortization Deferred Capacity	431	431	1.000000
5	40736	Amortization Deferred Ecrc	3,082	3,082	1.000000
6	40738	Amortization Deferred Ecrc	-	-	-
7	40740	Credit Deferred Fuel	(5,715)	(5,715)	1.000000
8	40742	Credit Deferred Capacity	(8,368)	(8,368)	1.000000
9	40744	Credit Deferred Fuel Wholesale	-	-	-
10	40748	Credit Amortization Deferred Ecrc	(16,129)	(16,129)	1.000000
11	40748	Credit Amortization Deferred Ecrc	(2,843)	(2,843)	1.000000
12		Total Deferred Revenues And Expenses	(29,539)	(29,539)	1.000000
13		Total Production O&M	924,669	922,392	0.997538
14					
15		Transmission			
16		Operations			
17	560	Supv & Eng	622	512	0.822945
18	561	Load Dispatching	3,030	2,494	0.822945
19	562	Station Expenses	484	398	0.822945
20	563	OH Line Expense	58	48	0.822945
21	564	UG Line Expense	-	-	-
22	565	Transm Of Elec By Others	14	11	0.822945
23	566	Misc Transmission Exp	1,748	1,439	0.822945
24	567	Rents	33	27	0.822945
25		Total Transm Oper Exp	5,989	4,928	0.822945
26					
27		Maintenance			
28	568	Supv & Eng	-	-	-
29	569	Structures	3,322	2,734	0.822945
30	570	Station Equipment	1,901	1,564	0.822945
31	571	OH Line Expense	3,037	2,499	0.822945
32	572	UG Line Expense	3	2	0.743536
33	573	Misc Transmission Exp	251	207	0.822945
34		Total Transmission Exp	8,514	7,008	0.822917
35		Total Transmission Oper Exp	14,503	11,935	
36		Distribution			
37		Operations			
38	580	Oper, Supv & Eng Exp	585	583	0.995942
39	581	Load Dispatching	59	59	1.000000
40	582	Station Expense	1,990	1,990	1.000000
41	583	OH Line Expense	750	750	1.000000
42	584	UG Line Expense	275	275	1.000000
43	585	St Lighting & Sign Exp	355	355	1.000000
44	586	Meter Expense	2,322	2,319	0.998935
45	587	Cust Installtn Exp	2,433	2,433	1.000000
46	588	Misc Distr Exp	9,557	9,557	1.000000
47	589	Rents	451	451	1.000000
48		Total Distrib Oper Exp	18,776	18,771	0.999742

49 Totals may be affected due to rounding.

Supporting Schedules: C-19, C-20, C-21, C-22

Recap Schedules: C-1

147

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 16
 PAGE 18 OF 22
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the most recent historical year if the test year is projected

Type of data shown:

Projected Test Year Ended 12/31/2014

Projected Prior Year Ended 12/31/2013

XX Historical Prior Year Ended 12/31/2012

Witness: J. S. Chronister/W. R. Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Account No.	Account Title	(1) Total Company	(2) FPSC Jurisdictional	(3) Jurisdictional Separation Factor
1		Maintenance			
2	590	Mtce, Supv & Eng	3	3	1.000000
3	591	Mtce Of Structures	111	111	1.000000
4	592	Mtce Of Sta Eqp	1,310	1,310	1.000000
5	593	Mtce Of OH Lines	18,206	18,206	1.000000
6	594	Mtce Of UG Lines	3,352	3,352	1.000000
7	595	Mtce Of Transformers	141	141	1.000000
8	596	Mtce Of St Lighting	1,484	1,484	1.000000
9	597	Mtce Of Meters	520	520	0.999280
10	598	Misc Mtce	-	-	-
11		Total Distrib Mtce Exp	25,127	25,128	0.999985
12		Total Distribution Exp	43,903	43,898	0.999881
13					
14		Customer Accts Expenses			
15	901	Supervision	4,806	4,806	0.999955
16	902	Meter Reading	1,865	1,865	0.999955
17	903	Cust Records & Coll	14,515	14,514	0.999909
18	904	Uncollectible Accts	2,321	2,321	0.999955
19	905	Misc Cust Accts	-	-	-
20		Total Customer Accts Exp	23,507	23,505	0.999927
21					
22		Cust Service & Info Expenses			
23	907	Supervision	-	-	-
24	908	Customer Assistance	46,335	46,335	0.999987
25	909	Info & Instructional	494	494	1.000000
26	910	Misc Cust Svc	-	-	-
27		Total Cust Service & Info	46,829	46,829	0.999987
28					
29		Sales Expenses			
30	911	Supervision	-	-	-
31	912	Demonstrating & Selling	1,168	1,168	1.000000
32	913	Advertising	1	1	1.000000
33	916	Misc Sales Exp	130	130	1.000000
34		Total Sales Expense	1,300	1,300	1.000000
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49	Totals may be affected due to rounding.				

Supporting Schedules: C-19, C-20, C-21, C-22

Recap Schedules: C-1

148

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 16
 PAGE 19 OF 22
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the most recent historical year if the test year is projected

Type of data shown:

Projected Test Year Ended 12/31/2014

Projected Prior Year Ended 12/31/2013

XX Historical Prior Year Ended 12/31/2012

Witness: J. S. Chronister/W. R. Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Account No.	Account Title	(1) Total Company	(2) FPSC Jurisdictional	(3) Jurisdictional Separation Factor
1		Administrative & General Exp			
2	920	A&G Salaries	21,053	20,704	0.983384
3	921	Ofc Supplies & Exp	7,746	7,615	0.983172
4	922	Admin Exp Transferred - Credit	(3,097)	(3,046)	0.983384
5	923	Outside Svc Employed	918	903	0.983384
6	924	Property Insurance	15,687	15,426	0.983384
7	925	Injuries & Damages	8,057	7,923	0.983384
8	928	Employee Pensions & Benefits	50,950	50,119	0.983696
9	928	Regulatory Commission Exp	2,225	2,195	0.986596
10	929	Dupl Charges - Fringe Alloc	(6,479)	(6,372)	0.983384
11	930	Misc General Expenses	18,474	18,167	0.983384
12	931	Rents	1,243	1,222	0.983384
13	935	Mtce Of General Plant	2,617	2,573	0.983384
14		Total Admin & General Exp	<u>119,393</u>	<u>117,431</u>	0.983563
15					
16					
17		Total Oper And Maintenance Exp	<u>1,174,103</u>	<u>1,167,289</u>	0.994196
18					
19		Depreciation And Amortization Exp	<u>237,246</u>	<u>229,765</u>	0.968465
20					
21		Taxes Other Than Income Taxes			
22		Payroll Taxes	10,766	10,432	0.969007
23		Franchise Fees	44,334	44,334	1.000000
24		Property Taxes	47,846	46,369	0.969121
25		Misc Taxes	189	183	0.969100
26		Regulatory Assessment Fees	1,437	1,412	0.982653
27		Revenue Taxes	46,718	46,718	1.000000
28			<u>151,289</u>	<u>149,447</u>	0.987826
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49		Totals may be affected due to rounding			

Supporting Schedules: C-19, C-20, C-21, C-22

Recap Schedules: C-1

149

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 16
 PAGE 20 OF 22
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the most recent historical year if the test year is projected.

Type of data shown:

Projected Test Year Ended 12/31/2014
 Projected Prior Year Ended 12/31/2013
 XX Historical Prior Year Ended 12/31/2012
 Witness: J. S. Chronister/W. R. Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Account No.	Account Title	(1) Total Company	(2) FPSC Jurisdictional	(3) Jurisdictional Separation Factor
1					
2					
3		Income Taxes			
4		Federal	102,776	102,200	0.994389
5		State	17,091	16,995	0.994388
6		Investment Tax Credits, True-ups, and Adjustments	(1,432)	(1,368)	0.955815
7			118,435	117,826	0.994855
8					
9		(Gain)/Loss On Disposition Of Assets	(380)	(366)	0.963258
10					
11		Total Operating Expenses	1,680,693	1,663,961	0.990044
12					
13		Total Net Operating Income	\$ 300,694	\$ 295,326	0.982148
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49 Totals may be affected due to rounding.
 Supporting Schedules: C-19, C-20, C-21, C-22

150

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 16
 PAGE 21 OF 22
 FILED: 04/05/2013

SCHEDULE C-5

OPERATING REVENUES DETAIL

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of operating revenue by primary account for the test year. Provide the per books amounts and the adjustments required to adjust the per books amounts to reflect the requested test year operating revenues.

Type of data shown:

XX Projected Test Year Ended 12/31/2014
 Projected Prior Year Ended 12/31/2013
 Historical Prior Year Ended 12/31/2012
 Witness: J. S. Chronister/W. R. Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line Account No. Number	Account Title	Jurisdictional Adjustments												
		(1) Per Books	(2) Non-Jurisdictional	(3) Jurisdictional (1)-(2)	(4) Conservation	(5) ECRC	(6) Franchise Fees / Gross Receipts Tax	(7) GPIF	(8) Fuel	(9) Base Revenue Adjustment	(10) Calpine Contract Adjustment	(11) Auburndale Wheeling Revenue	(12) Total (4) thru (11)	(13) Total Adjusted
1														
2	SALES OF ELECTRICITY													
3 440	Residential Sales	\$ 1,941,801	-	\$ 1,941,801	\$ (54,496)	\$ (94,835)	\$ (83,258)	\$ (1,501)	\$ (796,484)	\$ (3,419)	\$ -	\$ -	\$ (1,033,993)	\$ 907,808
4 442	Commercial Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
5 442	Industrial Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
6 444	Public Street & Highway Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-
7 445	Other Sales to Public Authorities	-	-	-	-	-	-	-	-	-	-	-	-	-
8 446	Sales to Railroads & Railways	-	-	-	-	-	-	-	-	-	-	-	-	-
9 448	Interdepartmental Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Total Sales to Ultimate Consumers	1,941,801	-	1,941,801	(54,496)	(94,835)	(83,258)	(1,501)	(796,484)	(3,419)	-	-	(1,033,993)	907,808
11 447	Sales for Resale	-	-	-	-	-	-	-	-	-	-	-	-	-
12	TOTAL SALES OF ELECTRICITY	1,941,801	-	1,941,801	(54,496)	(94,835)	(83,258)	(1,501)	(796,484)	(3,419)	-	-	(1,033,993)	907,808
13 449.1	(Less) Provision for Rate Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-
14	TOTAL REVENUE NET OF REFUND PROVISION	1,941,801	-	1,941,801	(54,496)	(94,835)	(83,258)	(1,501)	(796,484)	(3,419)	-	-	(1,033,993)	907,808
15														
16	OTHER OPERATING REVENUES													
17 450	Forfeited Discounts	-	-	-	-	-	-	-	-	-	-	-	-	-
18 451	Miscellaneous Service Revenues	21,595	-	21,595	-	-	-	-	-	-	-	-	-	21,595
19 453	Sales of Water and Water Power	-	-	-	-	-	-	-	-	-	-	-	-	-
20 454	Rent from Electric Property	9,852	13	9,839	-	-	-	-	-	-	-	-	-	9,839
21 455	Interdepartmental Rents	388	1	387	-	-	-	-	-	-	-	-	-	387
22 407	Deferred Fuel Revenue	(8,168)	-	(8,168)	-	-	-	-	8,168	-	-	-	8,168	-
23 407	Deferred Capacity Revenue	(1,084)	-	(1,084)	-	-	-	-	1,084	-	-	-	1,084	-
24 407	Deferred Environmental	(7,116)	-	(7,116)	-	7,116	-	-	-	-	-	-	7,116	-
25 456	Unbilled Revenue	(215)	-	(215)	-	-	-	-	-	-	-	-	-	(215)
26 456	Wheeling	3,540	-	3,540	-	-	-	-	-	-	(3,540)	(3,540)	-	-
27 456	S02 Allowance Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
28 407	Deferred Conservation Revenue	(3,438)	-	(3,438)	3,438	-	-	-	-	-	-	-	3,438	-
29 456	Other Electric Revenues (1)	16,350	1,133	15,217	-	-	-	-	-	(3,969)	-	-	(3,969)	11,248
30	TOTAL OTHER OPERATING REVENUES	31,704	1,147	30,557	3,438	7,116	-	-	9,252	-	(3,969)	(3,540)	12,297	42,854
31														
32	TOTAL ELECTRIC OPERATING REVENUES	\$ 1,973,505	\$ 1,147	\$ 1,972,358	\$ (51,058)	\$ (87,719)	\$ (83,258)	\$ (1,501)	\$ (787,232)	\$ (3,419)	\$ (3,969)	\$ (3,540)	\$ (1,021,696)	\$ 950,662
33														
34														
35														
36														
37														
38														
39														
40														
41	Totals may be affected due to rounding.													

(1) Firm Transmission Service provided to customers under TEC's Open Access Transmission Tariff is treated as a separated revenue in 2009 in contrast to previous treatment of revenue crediting other transmission services.

Supporting Schedules:

Recap Schedules:

151

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 16
 PAGE 22 OF 22
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide 13-month average system balance sheets by primary account for the most recent two historical calendar years not including the historical test year if provided elsewhere

Type of data shown:

Projected Test Year Ended 12/31/2014
 Projected Prior Year Ended 12/31/2013
 XX Historical Prior Year Ended 12/31/2012
 Witness: J. S. Chronister

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Account Number	Account Name	(A)	(B)	
			13 Month Average 2011	13 Month Average 2012	
1	101,106	Utility Plant In Service	\$ 8,407,145	\$ 8,592,833	
2	102	Electric Plant Purchased or Sold	(322)	-	
3	105	Property Held For Future Use	36,118	34,252	
4	107	Construction Work In Progress	159,500	205,848	
5	108,111,115	Accumulated Depreciation & Amortization	(2,243,228)	(2,363,084)	
6	114	Acquisition Adjustment	<u>3,797</u>	<u>4,493</u>	
7		Utility Plant In Service	4,383,009	4,474,143	
8					
9		Other Property Investments			
10					
11	121	Non-Utility Property	6,336	7,343	
12	122	Accum Depr Non-Utility Prop	(2,539)	(2,826)	
13	123	Investment in Assoc Company	<u>253</u>	<u>-</u>	
14		Other Property and Investments	4,050	4,717	
15					
16		Current and Accrued Assets			
17					
18	131	Cash	33,785	50,796	
19	134	Other Special Deposits	154	180	
20	135	Working Fund	57	57	
21	136	Temporary Investments	-	-	
22	141	Notes Receivable	-	-	
23	142	Customer Receivables	133,276	128,845	
24	143	Total Accounts Receivable	20,189	21,323	
25	144	Accum Prov Uncollect Accts	(2,210)	(456)	
26	145	Notes Receivable from Associated Companies	-	1,089	
27	146	Accts Receivable-Assoc Co & Others	11,218	6,967	
28	151	Fuel Stock	100,807	92,955	
29	152	Fuel Stock Expense	0	10	
30	153,154	Materials & Supplies	60,902	66,821	
31	158	CAAA Allowances	-	-	
32	163	Stores Clearing	(1)	0	
33	165	Prepayments	10,300	12,336	
34					
35					
36					
37					
38					
39	Totals may be affected due to rounding.				

Supporting Schedules:

Recap Schedules:

152

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 17
 PAGE 1 OF 12
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide 13-month average system balance sheets by primary account for the most recent two historical calendar years not including the historical test year if provided elsewhere

Type of data shown:

Projected Test Year Ended 12/31/2014

Projected Prior Year Ended 12/31/2013

XX Historical Prior Year Ended 12/31/2012

COMPANY: TAMPA ELECTRIC COMPANY

Witness: J. S. Chronister

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Account Number	Account Name	(A)	(B)	
			13 Month Average 2011	13 Month Average 2012	
1					
2	171	Interest Receivable	-	-	
3	173	Unbilled Revenue Rec (17301,17303 GTE)	45,208	42,013	
4	176	Derivative	<u>22,357</u>	<u>31,870</u>	
5		Current and Accrued Assets	438,041	454,885	
6					
7					
8					
9		Deferred Debits			
10	181	Unamortized Debt Expense	14,862	13,778	
11	182	Regulatory Assets	299,940	323,557	
12	183	Preliminary Survey & Investigation	512	691	
13	184	Clearing Accounts	164	(62)	
14	186	Deferred Debits	5,054	3,231	
15	189	Regulatory Unamortized Debt Expense	11,774	9,460	
16	190	Deferred Income Taxes	<u>282,189</u>	<u>283,254</u>	
17		Deferred Debits	594,495	633,910	
18		TOTAL ASSETS AND OTHER DEBITS	<u>\$ 5,397,594</u>	<u>\$ 5,567,656</u>	
19					
20		Proprietary Capital			
21	201	Common Stock	\$ 119,697	119,697	
22	211	End Bal Misc Paid In Capital	1,587,840	1,594,840	
23	214	Capital Stock Expense	(701)	(701)	
24	218	Unappropriated Retained Earnings	202,479	193,134	
25	219	OCI - Interest Rate Swap	<u>(3,329)</u>	<u>(5,357)</u>	
26		Proprietary Capital	1,885,986	1,901,613	
27					
28		Long Term Debt			
29					
30	221	Bonds Payable	1,786,143	1,738,739	
31	225	Unamortized Bond Premium	2,531	2,081	
32	226	Unamortized Bond Discount	<u>(3,221)</u>	<u>(3,094)</u>	
33		Long Term Debt	1,785,452	1,737,726	
34					
35					
36					
37					
38					
39	Totals may be affected due to rounding.				

Supporting Schedules:

Recap Schedules:

153

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 17
 PAGE 2 OF 12
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide 13-month average system balance sheets by primary account for the most recent two historical calendar years not including the historical test year if provided elsewhere

Type of data shown:

Projected Test Year Ended 12/31/2014

Projected Prior Year Ended 12/31/2013

XX Historical Prior Year Ended 12/31/2012

COMPANY: TAMPA ELECTRIC COMPANY

Witness: J. S. Chronister

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Account Number	Account Name	(A)	(B)	
			13 Month Average 2011	13 Month Average 2012	
1		Other Noncurrent Liabilities			
2					
3	228.1	T & D Property Reserve	40,431	47,030	
4	228.2	Accum Provision - Injuries & Damages	18,713	18,241	
5	228.3	Accum Provision - Pension & Deferred Benefits	258,245	288,987	
6	229	Accum Provision for Rate Refund	802	2,387	
7	230	Asset Retirement Obligation	31,969	29,615	
8		Other Noncurrent Liabilities	348,180	366,259	
9					
10		Current and Accrued Liabilities			
11					
12	231	Notes Payable	2,308	16,923	
13	232	Accounts Payable	126,147	127,083	
14	233	Notes Payable - I/C	-	5,382	
15	234	Accts Payable-Assoc Co	9,308	7,496	
16	235	Customer Deposits	118,833	122,312	
17	236	Accrued Taxes	24,144	30,414	
18	237	Interest Accrued	30,931	29,654	
19	238	Dividends Payable	-	5,510	
20	241	Tax Collections Payable	5,956	5,910	
21	242	Current & Accrued Liabilities	25,342	25,722	
22	245	Derivative	22,357	35,117	
23	246	Sales Taxes	-	-	
24		Current and Accrued Liabilities	365,324	411,503	
25					
26		Deferred Credits			
27					
28	253	Other Deferred Credits	10,636	7,730	
29	254	Regulatory Liabilities	92,999	81,033	
30	255	Deferred ITC	10,227	9,869	
31	256	Deferred Credit PHFFU	(564)	(882)	
32	281	Accumulated Deferred Taxes	26,206	33,706	
33	282	Accumulated Deferred Taxes	801,247	928,447	
34	283	Accumulated Deferred Taxes	73,921	90,652	
35		Deferred Credits	1,014,672	1,150,554	
36					
37		TOTAL LIABILITIES AND OTHER CREDITS	\$ 5,397,594	\$ 5,567,656	
38					
39	Totals may be affected due to rounding.				

Supporting Schedules:

Recap Schedules:

154

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 17
 PAGE 3 OF 12
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the data listed below regarding all changes in rate base primary accounts that exceed 1/20th of one percent (.0005) of total rate base and ten percent from the prior year to the test year. Quantify each reason for the change.

Type of data shown:

XX Projected Test Year Ended 12/31/2014

XX Projected Prior Year Ended 12/31/2013

Historical Prior Year Ended 12/31/2012

Witness: J. S. Chronister

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Account Number	Account Name	(1)	(2)	Increase/Decrease		Reason(s) for Change	
			Test Year Ended 12/31/2014	Prior Year Ended 12/31/2013	Amount (1)-(2)	Percent (3)/(2) %		
1								
2	107	Construction Work in Progress	381,263	247,246	134,016	54.20%	Primarily due to the increase in major project spend related to the AFUDC eligible Polk Combined Cycle 2-5 for Other Production and Transm	
3								
4								
5								
6	111	Accumulated Amortization - Plant in Service	(27,109)	(30,142)	3,033	-10.06%	Due to the annual retirements of \$20.2M in assets and annual amortization of (\$10.1M) into the reserve	
7								
8								
9								
10	151	Fuel Stock	106,508	89,118	17,390	19.51%	Increase in fuel stock is due mainly to the increase in coal inventory in 2014 due to the completion of an upgrade to the coal field equipment.	
11								
12								
13								
14	236	Taxes Accrued	11,274	28,728	(17,454)	-60.76%	Accrued taxes are a function of pre tax income and book to tax differences which can drive taxable income up or down. This decrease is mostly due to the impact of generation unit of property §481(a) deduction between 2013 and 2014	
15								
16								
17								
18								
19	245	Derivatives	72	3,900	(3,829)	-98.17%	Decrease is due to the monthly settlement of unrealized derivatives. Derivatives are projected based on the current natural gas mark-to-market swaps as of Dec 31, 2012.	
20								
21								
22								
23								
24	254	Other Regulatory Liabilities	6,439	42,633	(36,194)	-84.90%	Decrease is due to \$32.3M lower Fuel and Purchased Power Over-recovery.	
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39	Totals may be affected due to rounding.							

Supporting Schedules:

Recap Schedules: B-6

155

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 17
 PAGE 4 OF 12
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a development of jurisdictional separation factors for rate base for the test year and the most recent historical year.

Type of data shown:

XX Projected Test Year Ended 12/31/2014

Projected Prior Year Ended 12/31/2013

Historical Prior Year Ended 12/31/2012

Witness: J. S. Chronister/W. R. Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Description	(1) Total Company	(2) FPSC Jurisdictional	(3) Jurisdictional Factor
1	Electric Plant in Service:			
2	Intangible	\$ 58,866	\$ 58,805	0.998968
3				
4	Production:			
5	Steam	2,072,937	2,072,937	1.000000
6	Nuclear	-	-	-
7	Other	2,013,074	2,013,074	1.000000
8	Total Production	<u>4,088,011</u>	<u>4,088,011</u>	1.000000
9				
10	Transmission:			
11	Land and Land Rights	28,305	25,907	0.984887
12	Structure and Improvements	4,429	4,362	0.984887
13	Station Equipment	268,558	264,499	0.984887
14	Towers & Fixtures	4,498	4,430	0.984887
15	Poles & Fixtures	216,539	213,266	0.984887
16	OH Conductors and Devices	134,042	132,016	0.984887
17	UG Conduit	3,535	3,482	0.984887
18	UG Conductors and Devices	7,009	6,903	0.984887
19	Roads and Trails	5,328	5,247	0.984887
20	Total Transmission	<u>670,243</u>	<u>660,113</u>	0.984887
21				
22	Distribution:			
23	Land and Land Rights	8,772	8,772	1.000000
24	Structure and Improvements	3,862	3,862	1.000000
25	Station Equipment	208,830	208,830	1.000000
26	Poles and Fixtures	249,726	249,726	1.000000
27	OH Conductors	234,715	234,715	1.000000
28	UG Conduit	172,526	172,526	1.000000
29	UG Conductors	234,775	234,775	1.000000
30	Line Transformers	497,335	497,335	1.000000
31	Services	194,385	194,385	1.000000
32	Meters	80,375	80,375	1.000000
33	Street Lighting	176,898	176,898	1.000000
34	Total Distribution	<u>2,062,199</u>	<u>2,062,199</u>	1.000000
35				
36	General Plant	190,209	190,013	0.998968
37				
38	Total Electric Gross Plant	<u>7,067,528</u>	<u>7,057,141</u>	0.998530
39	Totals may be affected due to rounding.			

Supporting Schedules: B-5, B-7, B-9, B-15, B-16, B-17

Recap Schedules: B-1

156

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 17
 PAGE 5 OF 12
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a development of jurisdictional separation factors for rate base for the test year and the most recent historical year.

Type of data shown:

XX Projected Test Year Ended 12/31/2014

Projected Prior Year Ended 12/31/2013

Historical Prior Year Ended 12/31/2012

Witness: J. S. Chronister/W. R. Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Description	(1) Total Company	(2) FPSC Jurisdictional	(3) Jurisdictional Factor
1	Accumulated Depreciation:			
2	Intangible	\$ 27,109	\$ 27,078	0.998866
3				
4	Production:			
5	Steam	747,201	747,201	1.000000
6	Nuclear	-	-	-
7	Other	677,283	677,283	1.000000
8	Total Production	1,424,483	1,424,483	1.000000
9				
10	Transmission:			
11	Land and Land Rights	3,431	3,380	0.985124
12	Structure and Improvements	952	938	0.985124
13	Station Equipment	70,515	69,466	0.985124
14	Towers & Fixtures	3,921	3,863	0.985124
15	Poles & Fixtures	67,221	66,221	0.985124
16	OH Conductors and Devices	48,791	48,065	0.985124
17	UG Conduit	1,202	1,184	0.985124
18	UG Conductors and Devices	3,167	3,120	0.985124
19	Roads and Trails	1,522	1,499	0.985124
20	Total Transmission	200,722	197,736	0.985124
21				
22	Distribution:			
23	Land and Land Rights	-	-	-
24	Structure and Improvements	105	105	1.000000
25	Station Equipment	51,699	51,699	1.000000
26	Poles and Fixtures	143,997	143,997	1.000000
27	OH Conductors	115,836	115,836	1.000000
28	UG Conduit	45,459	45,459	1.000000
29	UG Conductors	59,446	59,446	1.000000
30	Line Transformers	213,342	213,342	1.000000
31	Services	90,801	90,801	1.000000
32	Meters	26,497	26,497	1.000000
33	Street Lighting	84,458	84,458	1.000000
34	Total Distribution	831,640	831,640	1.000000
35				
36	General Plant	98,111	98,000	0.998866
37				
38	Total Accumulated Reserve for Depreciation	2,582,065	2,578,938	0.998789
39	Totals may be affected due to rounding.			

Supporting Schedules: B-5, B-7, B-9, B-15, B-16, B-17

Recap Schedules: B-1

157

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 17
 PAGE 6 OF 12
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a development of jurisdictional separation factors for rate base for the test year and the most recent historical year.

Type of data shown:

XX Projected Test Year Ended 12/31/2014

Projected Prior Year Ended 12/31/2013

Historical Prior Year Ended 12/31/2012

Witness: J. S. Chronister/W. R. Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Description	(1) Total Company	(2) FPSC Jurisdictional	(3) Jurisdictional Factor
1				
2	NET PLANT IN SERVICE	<u>\$4,485,463</u>	<u>\$4,478,204</u>	0.998382
3				
4	CWIP			
5	Production	310,960	310,960	1.000000
6	Transmission	50,289	49,468	0.983677
7	Distribution	2,033	2,033	1.000000
8	Customer Accounts	-	-	-
9	Customer Services	<u>17,981</u>	<u>17,966</u>	0.999191
10	Total CWIP	<u>381,263</u>	<u>380,427</u>	0.997807
11				
12	PLANT HELD FOR FUTURE USE	<u>35,859</u>	<u>35,409</u>	0.987451
13				
14	UNAMORTIZED NUCLEAR SITE	-	-	-
15				
16	WORKING CAPITAL			
17	Current and Accrued Assets:			
18	Cash	-	-	-
19	Other Special Deposits	185	185	0.998366
20	Working Funds	57	57	0.998366
21	Temporary Cash Investments	4,148	4,142	0.998366
22	Customer Accounts Receivable	132,688	132,471	0.998366
23	Other Accounts Receivable	18,600	18,570	0.998366
24	Accum. Provision for Uncollectible Accounts	(412)	(412)	0.998366
25	Accounts Receivable from Associated Companies	4,641	4,633	0.998366
26	Fuel Stock	106,508	106,508	1.000000
27	Fuel Stock Expenses Undistributed	-	-	-
28	Residuals	-	-	-
29	Plant Materials and Operating Supplies	65,748	65,841	0.998403
30	CAAA Allowances	-	-	-
31	Stores Expense Undistributed	-	-	-
32	Prepayments	9,358	9,343	0.998366
33	Interest and Dividends Receivable	-	-	-
34	Unbilled Revenue Receivable	36,928	36,865	0.998366
35	Derivatives	<u>78</u>	<u>77</u>	0.998366
36	Total Current and Accrued Assets	<u>380,525</u>	<u>380,080</u>	0.998630
37				
38				
39	Totals may be affected due to rounding.			

Supporting Schedules: B-5, B-7, B-9, B-15, B-18, B-17

Recap Schedules: B-1

158

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 17
 PAGE 7 OF 12
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a development of jurisdictional separation factors for rate base for the test year and the most recent historical year.

Type of data shown:

XX Projected Test Year Ended 12/31/2014

Projected Prior Year Ended 12/31/2013

Historical Prior Year Ended 12/31/2012

Witness: J. S. Chronister/W. R. Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000's)

Line No.	Description	(1) Total Company	(2) FPSC Jurisdictional	(3) Jurisdictional Factor	
1					
2	Deferred Debits:				
3	Regulatory Assets	\$ 269,747	\$ 269,324	0.998432	
4	Preliminary Survey & Investigation Charges	-	-	-	
5	Clearing Accounts	-	-	-	
6	Deferred Debits	-	-	-	
7	Total Deferred Debits	<u>269,747</u>	<u>269,324</u>	0.998432	
8					
9	Total Assets and Other Debits	<u>650,272</u>	<u>649,403</u>	0.998665	
10					
11	Current and Accrued Liabilities:				
12	Miscellaneous Current Liabilities	346,824	346,258	0.998368	
13	Provision for Refund	-	-	-	
14	ARO	7,688	7,675	0.998368	
15	Accounts Payable	127,130	126,923	0.998368	
16	Accounts Payable to Associated Companies	7,880	7,887	0.998368	
17	Taxes Accrued	11,274	11,255	0.998368	
18	Interest Accrued	25,280	25,238	0.998368	
19	Dividends Declared - Common Equity	13,422	13,400	0.998368	
20	Tax Collections Payable	5,128	5,119	0.998368	
21	Current & Accrued Liabilities	26,910	26,866	0.998368	
22	Sales Tax Payable	-	-	-	
23	Total Current and Accrued Liabilities	<u>571,534</u>	<u>570,601</u>	0.998368	
24					
25	Deferred Credits:				
26	Derivatives	72	71	0.998368	
27	Other Deferred Credits	5,942	5,933	0.998368	
28	Regulatory Liabilities	6,439	6,433	0.999028	
29	Deferred Credit - Property Held for Future Use	(80)	(80)	0.998368	
30	Unamortized Gain on LTD	-	-	-	
31	Total Deferred Credits	<u>12,373</u>	<u>12,357</u>	0.998712	
32					
33	Total Liabilities and Other Credits	<u>583,907</u>	<u>582,959</u>	0.998375	
34					
35	Total Working Capital	<u>66,364</u>	<u>66,445</u>	1.001221	
36					
37	Total Unadjusted Rate Base	<u>\$4,968,949</u>	<u>\$4,960,484</u>	0.998296	
38					
39	Totals may be affected due to rounding.				

Supporting Schedules: B-5, B-7, B-9, B-15, B-16, B-17

Recap Schedules: B-1

159

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 17
 PAGE 8 OF 12
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a development of jurisdictional separation factors for rate base for the test year and the most recent historical year.

Type of data shown:

Projected Test Year Ended 12/31/2014

Projected Prior Year Ended 12/31/2013

XX Historical Prior Year Ended 12/31/2012

Witness: J. S. Chronister/W. R. Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000')

Line No.	Description	(1) Total Company	(2) FPSC Jurisdictional	(3) Jurisdictional Factor
1	Electric Plant in Service:			
2	Intangible	\$ 56,225	\$ 55,209	0.981943
3				
4	Production:			
5	Steam	1,912,889	1,853,440	0.968922
6	Nuclear	-	-	-
7	Other	1,915,580	1,858,028	0.968922
8	Total Production	3,828,469	3,709,468	0.968922
9				
10	Transmission:			
11	Land and Land Rights	26,022	21,154	0.812936
12	Structure and Improvements	4,096	3,330	0.812936
13	Station Equipment	252,245	205,059	0.812936
14	Towers & Fixtures	4,166	3,387	0.812936
15	Poles & Fixtures	194,281	157,938	0.812936
16	OH Conductors and Devices	123,764	100,612	0.812936
17	UG Conduit	3,534	2,873	0.812936
18	UG Conductors and Devices	7,009	5,698	0.812936
19	Roads and Trails	5,299	4,308	0.812936
20	Total Transmission	620,416	504,359	0.812936
21				
22	Distribution:			
23	Land and Land Rights	9,041	9,041	1.000000
24	Structure and Improvements	2,560	2,560	1.000000
25	Station Equipment	194,778	194,778	1.000000
26	Poles and Fixtures	231,263	231,263	1.000000
27	OH Conductors	228,001	228,001	1.000000
28	UG Conduit	160,722	160,722	1.000000
29	UG Conductors	216,676	216,676	1.000000
30	Line Transformers	449,984	449,984	1.000000
31	Services	186,985	186,985	1.000000
32	Meters	70,413	70,361	0.999260
33	Street Lighting	166,969	166,969	1.000000
34	Total Distribution	1,917,371	1,917,319	0.999973
35				
36	General Plant	174,665	171,512	0.981943
37				
38	Total Electric Gross Plant	6,597,127	6,357,867	0.963733
39	Totals may be affected due to rounding.			

Supporting Schedules: B-5, B-7, B-9, B-15, B-16, B-17

Recap Schedules: B-1

160

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 17
 PAGE 9 OF 12
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide a development of jurisdictional separation factors for rate base for the test year and the most recent historical year.

Type of data shown:

Projected Test Year Ended 12/31/2014

Projected Prior Year Ended 12/31/2013

XX Historical Prior Year Ended 12/31/2012

Witness: J. S. Chronister/W. R. Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000')

Line No.	Description	(1) Total Company	(2) FPSC Jurisdictional	(3) Jurisdictional Factor
1	Accumulated Depreciation:			
2	Intangible	\$ 22,634	\$ 22,217	0.981554
3				
4	Production:			
5	Steam	683,757	662,202	0.968478
6	Nuclear	-	-	-
7	Other	621,176	601,594	0.968476
8	Total Production	<u>1,304,933</u>	<u>1,263,796</u>	0.968478
9				
10	Transmission:			
11	Land and Land Rights	3,386	2,749	0.811893
12	Structure and Improvements	945	767	0.811893
13	Station Equipment	63,452	51,516	0.811893
14	Towers & Fixtures	3,920	3,183	0.811893
15	Poles & Fixtures	59,539	48,340	0.811893
16	OH Conductors and Devices	41,659	33,823	0.811893
17	UG Conduit	1,240	1,007	0.811893
18	UG Conductors and Devices	2,860	2,322	0.811893
19	Roads and Trails	1,401	1,138	0.811893
20	Total Transmission	<u>178,404</u>	<u>144,845</u>	0.811893
21				
22	Distribution:			
23	Land and Land Rights	-	-	-
24	Structure and Improvements	619	619	1.000000
25	Station Equipment	50,772	50,772	1.000000
26	Poles and Fixtures	129,085	129,085	1.000000
27	OH Conductors	112,086	112,086	1.000000
28	UG Conduit	42,086	42,086	1.000000
29	UG Conductors	57,535	57,535	1.000000
30	Line Transformers	230,914	230,914	1.000000
31	Services	43,658	43,658	1.000000
32	Meters	16,189	16,177	0.999260
33	Street Lighting	78,212	78,212	1.000000
34	Total Distribution	<u>761,158</u>	<u>761,146</u>	0.999984
35				
36	General Plant	95,955	94,185	0.981554
37				
38	Total Accumulated Reserve for Depreciation	<u>2,363,084</u>	<u>2,288,188</u>	0.967460
39	Totals may be affected due to rounding.			

Supporting Schedules: B-5, B-7, B-9, B-15, B-16, B-17

Recap Schedules: B-1

161

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 17
 PAGE 10 OF 12
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide a development of jurisdictional separation factors for rate base for the test year and the most recent historical year.

Type of data shown:

Projected Test Year Ended 12/31/2014

Projected Prior Year Ended 12/31/2013

XX Historical Prior Year Ended 12/31/2012

Witness: J. S. Chronister/W. R. Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000')

Line No.	Description	(1) Total Company	(2) FPSC Jurisdictional	(3) Jurisdictional Factor
1				
2	NET PLANT IN SERVICE	\$4,234,043	\$4,071,679	0.961653
3				
4	CWIP			
5	Production	172,638	166,388	0.963799
6	Transmission	8,977	7,197	0.801725
7	Distribution	11,029	11,029	0.999972
8	Customer Accounts	-	-	-
9	Customer Services	13,204	13,009	0.985203
10	Total CWIP	205,848	197,623	0.960042
11				
12	PLANT HELD FOR FUTURE USE	34,252	29,075	0.848656
13				
14	UNAMORTIZED NUCLEAR SITE	-	-	-
15				
16	WORKING CAPITAL			
17	Current and Accrued Assets:			
18	Cash	50,796	48,897	0.96262
19	Other Special Deposits	180	173	0.962623
20	Working Funds	57	55	0.962623
21	Temporary Cash Investments	-	-	-
22	Customer Accounts Receivable	128,945	124,126	0.962623
23	Other Accounts Receivable	21,322	20,525	0.962623
24	Accum. Provision for Uncollectible Accounts	(456)	(439)	0.962623
25	Note Receivable I/C	1,069	1,029	0.962623
26	Accounts Receivable from Associated Companies	5,757	5,542	0.962623
27	Fuel Stock	92,955	89,484	0.962655
28	Fuel Stock Expenses Undistributed	10	10	0.962623
29	Residuals	-	-	-
30	Plant Materials and Operating Supplies	66,821	64,323	0.962623
31	CAAA Allowances	-	-	-
32	Stores Expense Undistributed	-	-	-
33	Prepayments	12,336	11,875	0.962623
34	Interest and Dividends Receivable	-	-	-
35	Unbilled Revenue Receivable	42,013	40,443	0.962623
36	Derivatives	31,870	30,679	0.962623
37	Total Current and Accrued Assets	453,675	436,721	0.962630
38				

39 Totals may be affected due to rounding.

Supporting Schedules: B-5, B-7, B-9, B-15, B-16, B-17

Recap Schedules: B-1

162

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 17
 PAGE 11 OF 12
 FILED: 04/05/2013

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide a development of jurisdictional separation factors for rate base for the test year and the most recent historical year.

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Projected Prior Year Ended 12/31/2013

XX Historical Prior Year Ended 12/31/2012

Witness: J. S. Chronister/W. R. Ashburn

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET No. 130040-EI

(Dollars in 000')

Line No.	Description	(1) Total Company	(2) FPSC Jurisdictional	(3) Jurisdictional Factor
1				
2	Deferred Debits:			
3	Regulatory Assets	\$ 261,049	\$ 251,292	0.962623
4	Preliminary Survey & Investigation Charges	691	666	0.962623
5	Clearing Accounts	(62)	(60)	0.968899
6	Deferred Debits	3,231	3,110	0.962623
7	Total Deferred Debits	264,909	255,007	0.962622
8				
9	Total Assets and Other Debits	718,585	691,729	0.962627
10				
11	Current and Accrued Liabilities:			
12	Miscellaneous Current Liabilities	334,257	321,764	0.962623
13	Provision for Refund	2,367	2,298	0.962623
14	ARO	29,615	28,508	0.962623
15	Accounts Payable	127,083	122,333	0.962623
16	Notes Payable - I/C	5,362	5,161	0.962623
17	Accounts Payable to Associated Companies	7,496	7,216	0.962623
18	Taxes Accrued	30,414	29,277	0.962623
19	Interest Accrued	29,654	28,545	0.962623
20	Dividends Declared - Common Equity	5,510	5,304	0.962623
21	Tax Collections Payable	5,910	5,689	0.962623
22	Current & Accrued Liabilities	25,722	24,761	0.962623
23	Sales Tax Payable	-	-	-
24	Total Current and Accrued Liabilities	603,409	580,855	0.962623
25				
26	Deferred Credits:			
27	Derivatives	35,117	33,805	0.962623
28	Other Deferred Credits	7,730	7,441	0.962623
29	Regulatory Liabilities	65,749	63,291	0.962623
30	Deferred Credit - Property Held for Future Use	(682)	(849)	0.962623
31	Unamortized Gain on LTD	-	-	-
32	Total Deferred Credits	107,714	103,688	0.962623
33				
34	Total Liabilities and Other Credits	711,123	684,543	0.962623
35				
36	Total Working Capital	7,462	7,186	0.962975
37				
38	Total Unadjusted Rate Base	\$4,481,605	\$4,305,561	0.960719
39	Totals may be affected due to rounding.			

Supporting Schedules: B-5, B-7, B-9, B-15, B-16, B-17

Recap Schedules: B-1

163

TAMPA ELECTRIC COMPANY
 DOCKET NO. 130040-EI
 EXHIBIT NO. _____ (JSC-1)
 WITNESS: CHRONISTER
 DOCUMENT NO. 17
 PAGE 12 OF 12
 FILED: 04/05/2013