

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request to change) DOCKET NO. 930516-EI
allowance for funds used during) ORDER NO. PSC-93-1219-FOF-EI
construction (AFUDC) rates from) ISSUED: August 24, 1993
7.93% to 7.70% as of 12/31/92 by)
Tampa Electric Company.)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
THOMAS M. BEARD
SUSAN F. CLARK
JULIA L. JOHNSON

NOTICE OF PROPOSED AGENCY ACTION

ORDER GRANTING REVISED AFUDC RATE

BY THE COMMISSION:

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

On May 25, 1993, Tampa Electric Company (TECO or the company) requested that its Allowance for Funds Used During Construction Rate (AFUDC) of 7.93% be reduced to 7.70%. Since the company's last AFUDC filing in Docket No. 900072-EI, the utility's equity ratio has increased from 54.08% as of December 31, 1990 to 55.74% as of December 31, 1992. For AFUDC purposes, the authorized return on equity has decreased from 12.50% to 12.00%. The cost rates for long-term and short-term debt have decreased significantly, and the cost rate for preferred stock has essentially remained the same. Because the cost rates for TECO's common equity, long-term debt, and short-term debt have decreased, the increase to its equity ratio has been more than offset, with the final result being a decrease to its AFUDC rate. The reduction to the company's AFUDC rate will also result in a lower AFUDC accrual. The projected 1993 annual accrual will be decreased by approximately \$135,700.

We find that TECO's request is reasonable and in accord with Rule 25-6.0141, Florida Administrative Code, and we approve it.

DOCUMENT DATE

09090 AUG 24 1993

FILED IN THE OFFICE OF THE CLERK OF THE COMMISSION

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It is, therefore,

ORDERED by the Florida Public Service Commission that effective January 1, 1993, the AFUDC rate for Tampa Electric Company is hereby set at 7.70% based upon the 13-month average capital structure for the period ended December 31, 1992. It is further

ORDERED that the appropriate compounding monthly rate to maintain a simple rate of 7.70% is .620076%. It is further

ORDERED that this Order shall become final and this docket shall be closed unless an appropriate petition for formal proceeding is received by the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date indicated in the Notice of Further Proceedings or Judicial Review.

By ORDER of the Florida Public Service Commission this 24th day of August, 1993.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)
MAH:bmi

by: Kay Flynn
Chief, Bureau of Records

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that

is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on September 14, 1993.

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

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

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