

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval to) DOCKET NO. 940575-EI
change allowance for funds used) ORDER NO. PSC-94-1137-FOF-EI
during construction (AFUDC) from) ISSUED: September 15, 1994
7.70% to 7.28% effective 3/1/94)
by TAMPA ELECTRIC COMPANY.)
_____)

The following Commissioners participated in the disposition of this matter:

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

NOTICE OF PROPOSED AGENCY ACTION

ORDER APPROVING REVISED ALLOWANCE FOR FUNDS
USED DURING CONSTRUCTION RATE FOR TAMPA ELECTRIC COMPANY

BY THE COMMISSION:

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

Tampa Electric Company (TECO) has requested a reduction in its Allowance for Funds Used During Construction (AFUDC) rate from 7.7% to 7.28%. The requested rate was calculated in accordance with Rule 25-6.0141, Florida Administrative Code (F.A.C.). The reduction in the rate reflects a decline in the cost of long-term debt, short-term debt, and common equity since the last AFUDC rate was established. The rate calculation and supporting data have been audited and reviewed by the Commission Staff.

Reducing the AFUDC rate from 7.70% to 7.28% will result in a lower AFUDC accrual. Based on the projected level of Construction Work in Progress eligible to earn AFUDC, the 1994 accrual will be decreased by \$635,216.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

Therefore, we find that the appropriate AFUDC rate for TECO is 7.28% resulting from a 13-month average capital structure for the period ended February 28, 1994. The appropriate monthly compounding rate to maintain a simple rate of 7.28% is .005873.

The AFUDC rate was calculated using a 13-month average capital structure for the period ending February 28, 1994. Rule 25-6.0141(5), F.A.C., provides the new AFUDC rate shall be effective the month following the end of the 12-month period used to establish the rate. Since February 28, 1994 was used as the closing date to calculate the rate, we find that the effective date for the new rate is March 1, 1994.

Based on the foregoing, it is

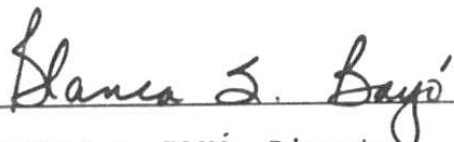
ORDERED that Tampa Electric Company's Allowance for Funds Used During Construction (AFUDC) rate shall be decreased from 7.70% to 7.28%, effective March 1, 1994. It is further

ORDERED that the monthly compounding rate to achieve an annual AFUDC rate of 7.28% is .005873. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event this Order becomes final, this Docket should be closed.

By ORDER of the Florida Public Service Commission, this 15th day of September, 1994.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

VDJ

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, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on October 6, 1994.

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

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

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