



May 21, 1993

Mr. Steve Tribble  
Director, Division of Records and Reporting  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, FL 32304

EI 806

930516-EI

Re: Request to Change AFUDC Rate

Dear Mr. Tribble:

Tampa Electric Company requests Commission approval to change, effective February 1, 1993, its rate used to account for Allowance For Funds Used During Construction (AFUDC) from 7.93% to 7.70% calculated as of December 31, 1992 as shown on the attached schedules.

The rate reflects a return on common equity of 12% as authorized in Order No. PSC-93-0165-FOF-EI.

We will continue to monitor the cost of capital for material change and request a modification of the AFUDC rate as appropriate.

Please forward this request to the appropriate staff departments and let me know when this matter is scheduled for approval.

Sincerely,

L. L. Kefler  
Vice President - Controller

LLL/sgc

Attachments

05700 MAY 25 8

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TAMPA ELECTRIC COMPANY

P.O. Box 111 Tampa, Florida 33601-0111 (813) 228-4111  
P.O. Box 271 Winter Haven, Florida 33882-0271 (813) 294-4171  
P.O. Drawer N Plant City, Florida 33564-9009 (813) 752-1115  
P.O. Box 588 Dade City, Florida 33526-0588 (904) 567-5101

P.O. Box 69 Oldsmar, Florida 34677-0002 (813) 228-4111  
P.O. Box 907 Ruskin, Florida 33570-0907 (813) 645-6461  
(Ruskin Engineering & All Other Inquiries (813) 641-1411  
137 S Parsons Av Brandon, Florida 33511-5224 (813) 681-4451  
P.O. Box 215 Mulberry, Florida 33860-0215 (813) 425-4988

SCHEDULE A

TAMPA ELECTRIC COMPANY  
 Capital Structure Used for AFUDC Calculation  
 As of December 31, 1992

	Adjusted Average Balance	Ratio	Cost Rate	Weighted Cost (%)
	-----	-----	-----	-----
Long-Term Debt	\$500,578,496	27.57%	7.24%	2.00%
Preferred Stock	53,306,511	2.94%	6.49%	0.19%
Common Equity	782,125,834	43.08%	12.00%	5.17%
Customer Deposits	42,100,383	2.32%	8.02%	0.19%
Short-Term Debt	67,217,104	3.70%	4.00%	0.15%
Deferred Taxes	298,213,018	16.43%	-	-
Job Development Credits	71,855,042	3.96%	-	-
Total	----- \$1,815,396,388 =====	----- 100.00% =====	----- ----- -----	----- 7.70% =====

TAMPA ELECTRIC COMPANY  
Capital Structure Adjustments  
As of December 31, 1992

	Unadjusted Average Balance Per Books	Common Dividends Declared	Non-Utility Items	Adjusted Average Balance Before Prorata
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Long-Term Debt	\$527,715,272		(11,787,354)	\$515,927,918
Preferred Stock	54,956,000		(14,932)	54,941,068
Common Equity	798,142,265	8,183,026	(216,847)	806,108,444
Customer Deposits	43,433,291		(41,969)	43,391,322
Short-Term Debt	69,297,039		(18,832)	69,278,207
Deferred Taxes	302,381,137		1,741,159	304,122,296
Job Development Credits	73,297,449		(18,554)	73,278,895
Total	<u>\$1,869,222,453</u>	<u>\$8,183,026</u>	<u>(\$10,357,329)</u>	<u>\$1,867,048,150</u>
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TAMPA ELECTRIC COMPANY  
Capital Structure Adjustments  
As of December 31, 1992

	Adjusted Average Balance Before Prorata	Company Prorata Adjustments	Commission Prorata Adjustments	Adjusted Average Balance
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Long-Term Debt	\$515,927,918	(\$10,024,789)	(\$5,324,633)	\$500,578,496
Preferred Stock	54,941,068	(1,067,538)	(567,019)	53,306,511
Common Equity	806,108,444	(15,663,170)	(8,319,440)	782,125,834
Customer Deposits	43,391,322	(843,119)	(447,820)	42,100,383
Short-Term Debt	69,278,207	(1,346,117)	(714,986)	67,217,104
Deferred Taxes	304,122,296	(5,909,278)	-	298,213,018
Job Development Credits	73,278,895	(1,423,853)	-	71,855,042
Total	<u>\$1,867,048,150</u>	<u>(\$36,277,864)</u>	<u>(\$15,373,898)</u>	<u>\$1,815,396,388</u>
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SCHEDULE C

TAMPA ELECTRIC COMPANY  
 Methodology for Compounding AFUDC Rate  
 As of December 31, 1992

Time Period	AFUDC Expenditures (\$)	AFUDC Base (\$)	Monthly AFUDC (\$)	Cumulative AFUDC (\$)
1	1.0	1.000000	0.006201	0.006201
2			0.006239	0.012440
3			0.006278	0.018718
4			0.006317	0.025035
5			0.006356	0.031391
6			0.006396	0.037787
7			0.006435	0.044222
8			0.006475	0.050697
9			0.006515	0.057212
10			0.006556	0.063768
11			0.006596	0.070364
12			0.006636	0.077000

Annual Rate (R) = .0770

Monthly Rate =  $((1 + R/12)^{(1/12)} - 1) = .006201$