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April 17, 2000

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ORIGINAL

RECORDS AND REPORTING

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RECEIVED-FPSC

Ms. Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Investigation into Earnings for 1995 and 1996 of Tampa Electric Company; FPSC  
Docket No. 950379-EI

Dear Ms. Bayo:

Enclosed for filing in the above docket on behalf of Tampa Electric Company are the original and fifteen (15) copies of each of the following:

1. Prepared Direct Testimony and Exhibit (DMB-1) of Delaine M. Bacon. 04670-00
2. Prepared Direct Testimony of Phil L. Barringer. 04671-00
3. Prepared Direct Testimony and Exhibit (CRB-1) of Charles R. Black. 04672-00
4. Prepared Direct Testimony of Sandra W. Callahan. 04673-00

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning same to this writer.

Thank you for your assistance in connection with this matter.

Sincerely,

*James D. Beasley*  
James D. Beasley

*Slankovic*

AFA \_\_\_\_\_  
 AWP \_\_\_\_\_  
 CCF \_\_\_\_\_  
 CMU \_\_\_\_\_  
 CTR \_\_\_\_\_  
 EAG 2 \_\_\_\_\_  
 LEG 1 \_\_\_\_\_  
 MAS 3 \_\_\_\_\_  
 OPC \_\_\_\_\_  
 RRR \_\_\_\_\_  
 SEC 1 \_\_\_\_\_  
 WAW \_\_\_\_\_  
 OTH \_\_\_\_\_

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FPSC-BUREAU OF RECORDS

JDB/pp  
Enclosures  
cc: All Parties of Record (w/enc.)

04670-00

CERTIFICATE OF SERVICE


I HEREBY CERTIFY that a true copy of the foregoing Testimony and Exhibits has been furnished by U. S. Mail or hand delivery (\*) on this 17<sup>th</sup> day of April, 2000 to the following:

Mr. Robert V. Elias\*  
Staff Counsel  
Division of Legal Services  
Florida Public Service Commission  
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Tallahassee, FL 32399-0850

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\_\_\_\_\_  
ATTORNEY

1                                   BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2   PREPARED DIRECT TESTIMONY

3   OF

4   DELAINÉ M. BACON

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

7  
8   A.   My name is DeLaine Bacon. My business address is 702  
9       North Franklin Street, Tampa, Florida 33602. I am  
10      employed by TECO Energy (Tampa Electric's parent) in the  
11      position of Director - Utility Financial Analysis in the  
12      Regulatory Affairs Department. I am responsible for  
13      financial related regulatory issues before the Florida  
14      Public Service Commission ("Commission") for Tampa  
15      Electric, as well as developing the company's long-term  
16      financial forecasts.

17  
18   Q.   Please provide a brief outline of your educational  
19      background and business experience.

20  
21   A.   I received a Bachelor of Science in Accounting from St.  
22      Leo College and a Masters of Business Administration from  
23      the University of Tampa. I am a Certified Public  
24      Accountant and a member of the Florida Institute of  
25      Certified Public Accountants.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

1 Prior to joining Tampa Electric, I was employed at  
2 General Telephone of Florida in various departments  
3 including accounting, budgeting and regulatory. Since  
4 joining Tampa Electric in October 1984, I have held  
5 several positions within the Regulatory Affairs  
6 department and I am currently the Director of Utility  
7 Financial Analysis.

8  
9 Q. Have you previously testified before the Commission?

10  
11 A. Yes. I have testified before this Commission in this  
12 docket regarding the treatment of interest associated  
13 with the deferred revenues and the appropriate regulatory  
14 accounting separation for certain wholesale sales  
15 contracts.

16  
17 Q. Do you have an exhibit in support of your testimony?

18  
19 A. Yes. I sponsor an exhibit of DeLaine M. Bacon consisting  
20 of four documents.

21  
22 Q. What is the purpose of your testimony?

23  
24 A. The purpose of my testimony is to address certain  
25 concerns raised by the Florida Industrial Power Users

1 Group ("FIPUG") regarding the financial results filed in  
2 Tampa Electric's surveillance reports for 1997 and 1998,  
3 which were the basis for the deferred revenue  
4 calculations approved by the Commission. In doing so, I  
5 will confirm that the company's surveillance reports for  
6 1997 and 1998 were prepared consistently with this  
7 Commission's previous adjustments in Docket No. 920324-EI  
8 and Docket No. 950379-EI. I will also confirm that the  
9 adjustments made to credit the fuel and other clauses  
10 were correct and that costs remaining after these  
11 adjustments are appropriate for recovery in base rates.  
12 I will also address specific items within the  
13 surveillance report, which were questioned by FIPUG, such  
14 as non-recoverable fuel and working capital.

15  
16 I will then discuss the company's treatment of the  
17 Florida Municipal Power Agency ("FMPPA") contract and  
18 associated purchased power used to serve this contract in  
19 1997 and 1998. I will substantiate that this treatment  
20 was consistent with the separation requirement identified  
21 in Order No. PSC-96-1300-EI dated October 24, 1996.  
22 Finally, I will verify that the income tax expense  
23 included in the company's surveillance reports for 1997  
24 and 1998 was appropriate.

25

1 1997/1998 Surveillance Reports

2 Q. Were Tampa Electric's surveillance reports for 1997 and  
3 1998 consistent with the previous rate case orders and  
4 therefore appropriate for purposes of calculating the  
5 deferred revenues in 1997 and 1998?

6  
7 A. Yes. A provision in Order No. PSC-96-0670-EI dated May  
8 26, 1996 and Order No. PSC-96-1300-EI dated October 24,  
9 1996 ("Stipulations") provide that the calculation of  
10 actual return on equity for each calendar year will be on  
11 an "FPSC adjusted basis" using appropriate adjustments  
12 approved in Tampa Electric's last full revenue  
13 requirements proceeding.

14  
15 Tampa Electric followed these guidelines in preparing its  
16 surveillance reports for 1997 and 1998. All adjustments  
17 made in these surveillance reports can be traced back to  
18 either the company's last rate case in Docket No. 920324-  
19 EI, Order No. 93-0165-FOF-EI issued February 2, 1993, or  
20 to subsequent Commission orders within this docket. These  
21 surveillance reports are included in my exhibit as  
22 Documents 1 and 3, respectively.

23  
24 Q. Has the Commission reviewed these surveillance reports  
25 for accuracy?

1 A. As required by the Stipulations, the Commission's Staff  
2 has audited the surveillance reports for each year.  
3 These audits are the means by which the Commission  
4 confirms that the surveillance reports were prepared in  
5 accordance with the adjustments approved in the company's  
6 last rate case. In his direct testimony, Tampa Electric  
7 witness Barringer fully describes these audits and the  
8 audit procedures performed.

9  
10 Q. How were the company's 1997 and 1998 surveillance reports  
11 used in this docket?

12  
13 A. The Commission used the company's surveillance reports  
14 for 1997 and 1998 as beginning points to make adjustments  
15 following the Commission Staff's audits in order to  
16 derive the appropriate earnings in which to base the  
17 final deferred revenues.

18  
19 These final calculations of Tampa Electric's earnings for  
20 1997 and 1998 were included as attachments to Order Nos.  
21 PSC-99-1940-PAA-EI, issued October 1, 1999 and PSC-99-  
22 2007-PAA-EI, issued October 14, 1999, respectively and  
23 are included in my exhibit as Documents 2 and 4. The  
24 calculations in these attachments determine the final  
25 refund to customers to be \$11.2 million.

1 Q. FIPUG has raised a concern that costs included in the  
2 surveillance report earnings calculations are not  
3 appropriately adjusted for items such as the recovery  
4 clauses. Are the revenues and expenses, which comprise  
5 the earnings calculations, appropriately adjusted?  
6

7 A. Yes. The audits described above provide assurance that  
8 the costs are appropriately adjusted and reflect the  
9 Commission's previous decisions.  
10

11 Q. Please describe the adjusted revenues and expenses as  
12 they are used in the calculation of the final earnings in  
13 this docket.  
14

15 A. The revenues and expenses that remain after appropriate  
16 adjustments are made include only those items that should  
17 be above the line for base rate earnings. The final  
18 approved revenues amounts of \$655.4 million and \$714.2  
19 million in 1997 and 1998, respectively, include base  
20 revenues, unbilled revenues, deferred revenues, other  
21 revenues less job order revenues, and variable operations  
22 and maintenance ("O&M") recovery revenues for economy  
23 sales. The revenue amounts appropriately exclude  
24 wholesale revenues separated from the retail  
25 jurisdiction, fuel and other associated recovery clause



1 revenues, and revenues such as the 20 percent profit on  
2 economy sales placed below the line.

3  
4 The \$472.6 million and \$510.594 million of expenses  
5 remaining in 1997 and 1998 after regulatory adjustments  
6 include the following:

- 7
- 8 a) non-recoverable fuel handling,
  - 9 b) O&M expenses excluding conservation, fuel additives  
10 recoverable through the fuel and purchased power  
11 recovery clauses, O&M expenses recoverable through the  
12 Environmental Recovery Clause ("ECRC"), and additional  
13 adjustments to remove items related to Staff's audit  
14 findings,
  - 15 c) depreciation excluding recoverable costs through the  
16 ECRC clause and amortization for the Orlando Utilities  
17 Commission ("OUC") acquisition adjustment,
  - 18 d) other taxes including payroll, property, and  
19 miscellaneous other taxes, excluding OUC transmission  
20 related costs and
  - 21 e) income taxes excluding the tax effect of all  
22 regulatory adjustments, but including the tax true-up  
23 for appropriate interest.

24  
25 Finally, the expenses have been adjusted to remove the

1 costs separated to the wholesale jurisdiction for  
2 separable sales and the FMPA sale because it is served  
3 from non-retail resources.  
4

5 Q. FIPUG has specifically raised concerns regarding the  
6 appropriateness of the Operation and Maintenance - Fuel  
7 expense in 1997. Please describe this amount.  
8

9 A. The \$13.6 million expense in 1997 and the corresponding  
10 \$11.0 million in 1998 is related to non-recoverable fuel  
11 expense, primarily fuel handling costs. In accordance  
12 with Docket No. 850001-EI-B, Order No. 14546, these types  
13 of costs are not recoverable through the retail fuel  
14 clause but are recovered in base rates. These amounts  
15 exclude the fuel and purchased power costs recovered  
16 through the fuel and capacity cost recovery clauses. It  
17 also excludes any costs associated with the purchased  
18 power used to serve the FMPA contract.  
19

20 Q. Please describe the amounts included in rate base for  
21 1997 and 1998.  
22

23 A. After appropriate regulatory adjustments are made, the  
24 remaining rate base amounts of \$2,084.3 million and  
25 \$2,074.0 million for 1997 and 1998, respectively, include

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the following:

- a) plant in service, which excludes the OUC transmission line and the related acquisition adjustment, and excludes environmental projects recovered through the ECRC,
- b) accumulated depreciation reserve, excluding the accumulated reserve related to the OUC line and ECRC projects,
- c) property held for future use,
- d) construction work in progress ("CWIP"), except for CWIP that has accrued AFUDC, and
- e) adjusted working capital.

All of the rate base assets are reduced for the allocation of plant to the wholesale jurisdiction for separable sales.

Q. Please describe the working capital adjustments in more detail.

A. Working capital was adjusted for many items based on prior Commission decisions in the company's last rate case. These adjustments include the removal of assets and liabilities that have accrued interest from other sources such as temporary cash investments, under

1 recoveries of fuel, conservation, and ECRC clause  
2 revenues. Working capital was also adjusted to remove  
3 items treated as sources of capital in the capital  
4 structure, such as dividends declared, deferred revenues,  
5 unamortized debt expense and FAS 109 related regulatory  
6 assets and liabilities. Finally, working capital was  
7 adjusted to remove items such as fuel inventory exceeding  
8 the limit approved in the last rate case, and job order  
9 receivables that have been excluded along with the  
10 associated job order revenues that were ordered to be  
11 removed in previous rate cases.

12  
13 Q. FIPUG has raised concerns regarding the increase in  
14 working capital from 1997 (\$50.8 million) to 1998 (\$62.8  
15 million). Please explain the causes related to the  
16 change in working capital.

17  
18 A. The change in working capital from 1997 to 1998 is  
19 primarily due to increases in fuel inventory and  
20 receivables. The receivables and fuel inventory  
21 increased due to the increase in energy sales from 1997  
22 to 1998. Although total fuel inventory is higher in  
23 1998, it is less than the 98-day burn level established  
24 by the Commission in Docket No. 920324-EI. In fact, the  
25 burn level in both years was 90 days.

1 Q. How does working capital in 1997 and 1998 compare to  
2 years prior to the Stipulation period?

3  
4 A. The working capital in 1997 and 1998 compares very  
5 favorably to the two years prior to the Stipulation  
6 period; \$89 million in 1994 and \$113 million in 1993.  
7 These amounts represent a historical range of working  
8 capital for Tampa Electric and reflect that working  
9 capital can fluctuate due to the activities within each  
10 year. For example, in 1998 the company experienced sales  
11 significantly greater than in 1997. This type of change  
12 in activity will impact the receivables and other  
13 accounts, which can cause the working capital to change  
14 year to year.

15  
16 Q. Given the information provided above, is it clear that  
17 Tampa Electric's surveillance reports were prepared  
18 properly for 1997 and 1998?

19  
20 A. Yes. Only items consistent with the Commission's  
21 previous orders have been included for purposes of  
22 determining the deferred revenue and refund calculations.  
23 The non-recoverable fuel amounts are appropriate items  
24 for base rate recovery. Finally, the working capital  
25 levels are reasonable given the operating activities in

1 1997 and 1998 and are within the levels previously  
2 approved by the Commission.  
3

4 Regulatory Treatment of FMPA and Lakeland Wholesale Agreements

5 Q. What regulatory treatment did the Commission prescribe in  
6 1997 for the costs and revenues associated with the  
7 original FMPA and Lakeland wholesale agreements?  
8

9 A. During the February 1997 fuel adjustment hearing, an  
10 issue was raised regarding the cost recovery of non-fuel  
11 revenues associated with sales such as the FMPA and  
12 Lakeland wholesale agreements. The Commission opened  
13 Docket No. 970171-EU to establish the regulatory  
14 treatment of costs and revenues associated with such  
15 sales.  
16

17 In its Order No. PSC-97-0262-FOF-EI issued March 11, 1997  
18 the Commission established a policy on the regulatory  
19 treatment for the recovery of fuel costs of long-term,  
20 firm, wholesale power sales. Under this policy a utility  
21 is required to credit average system fuel costs through  
22 the fuel clause unless it demonstrates, on a case-by-case  
23 basis, that each new sale provides net benefits to retail  
24 ratepayers, in which case incremental costs can be  
25 credited.

1 During the hearing in Docket No. 970171-EU, Tampa  
2 Electric demonstrated that the sales to FMPA and Lakeland  
3 contributed net present value benefits of \$9 million  
4 (1997 dollars) to the company's retail customers. In  
5 making its decision in this docket, the Commission  
6 concluded that because of the terms of the Stipulation  
7 approved and ordered on October 24, 1996, Tampa Electric  
8 was required to separate the capital and O&M costs of the  
9 FMPA sales from the retail jurisdiction at average  
10 embedded cost. Since the Commission, in Order No. PSC-  
11 97-1273-FOF-EI, recognized that the FMPA and Lakeland  
12 sales provided overall net benefits to retail ratepayers,  
13 the company was permitted to credit the fuel clause and  
14 ECRC with revenue amounts equal to the system incremental  
15 fuel and SO<sub>2</sub> allowance costs, respectively, resulting from  
16 the FMPA and Lakeland sales. In the event that fuel  
17 revenues received under the contract were less than the  
18 differential costs for fuel and SO<sub>2</sub>, the company was  
19 ordered to reduce retail operating revenues by the amount  
20 of shortfall.

21  
22 Q. Has Tampa Electric followed the Commission's order for  
23 treating the costs and revenues associated with the FMPA  
24 wholesale power supply agreement during 1997 and 1998?

25

1 A. Yes. Tampa Electric separated the capital and O&M costs  
2 (excluding fuel and SO<sub>2</sub>) associated with the FMPA sale  
3 from the retail jurisdiction at average embedded costs  
4 during the period when the company's retail resources  
5 were used to supply FMPA. This was done from the  
6 inception of the agreement and through December 31, 1999.  
7 In addition, during the time periods such retail  
8 generating resources were used to serve the sale, the  
9 company credited the fuel clause with incremental fuel  
10 revenues and credited the ECRC with incremental SO<sub>2</sub>  
11 allowance revenues associated with the sale as described  
12 in the hearing in Docket No. 970171-EU. (The fuel and SO<sub>2</sub>  
13 costs were documented in the company's 1997 and 1998 fuel  
14 clause and ECRC filings.) Finally, if there was a  
15 shortfall between incremental fuel revenues and SO<sub>2</sub>  
16 revenues and incremental costs, the company made up the  
17 difference with additional credits from retail revenues.

18  
19 Q. What was the effect of separating the sale at average  
20 system embedded costs?

21  
22 A. This separation treatment resulted in the allocation of  
23 costs that exceeded the non-fuel revenues from the sale  
24 by approximately \$0.7 million to \$2.1 million per month  
25 depending upon the size of the contract at that time.



1 Tampa Electric has no obligation to enter contracts with  
2 wholesale customers such as FMPA, and would only do so in  
3 those cases where net benefits accrue to the general body  
4 of ratepayers and the company's shareholders are not  
5 harmed.

6  
7 Q. What did Tampa Electric do in response to the  
8 Commission's order to separate the agreements at system  
9 average embedded costs?

10  
11 A. In December 1997, Tampa Electric exited the Lakeland sale  
12 and began seeking alternative non-retail sources of  
13 energy to serve the FMPA contract.

14  
15 Q. Was Tampa Electric successful in finding alternative  
16 sources of power to serve the FMPA sale after February  
17 1998?

18  
19 A. Yes, in March 1998 Tampa Electric began serving FMPA  
20 partially through third-party resources. The third-party  
21 resources consisted of purchased power agreements with  
22 Florida Power Corporation ("FPC") and PECO Energy Company  
23 ("PECO") and by April 28, 1998, the total amount of  
24 third-party supplied purchase power equaled the entire  
25 amount of contracted capacity to be supplied to FMPA

1 under the its power supply agreement. Therefore, since  
2 April 28, 1998, every megawatt of generating capacity and  
3 every megawatt-hour of energy required to serve the sale  
4 were purchased from FPC and PECO.

5  
6 Q. How did Tampa Electric treat the purchased power costs  
7 and revenues associated with the FMPA wholesale power  
8 supply agreement after February 1998?

9  
10 A. In every month that Tampa Electric purchased sufficient  
11 capacity and energy from third-party suppliers to serve  
12 the FMPA contract, the purchased power costs and sales  
13 revenues were excluded from the retail jurisdiction. The  
14 amount of capacity and energy required to satisfy the  
15 FMPA sale commitment equaled the amount of capacity and  
16 energy purchased from third-party suppliers. Therefore,  
17 in each of those months the FMPA sale commitment was  
18 satisfied totally by third-party purchases, the retail  
19 generating system including the fuel cost recovery factor  
20 was not affected in any way.

21  
22 Q. Were all of the retail generating resources available to  
23 serve the retail customers?

1 A. Yes. The assets previously used to serve the FMPA  
2 contract were available to retail customers after the  
3 PECO and FPC sources began serving the FMPA contract.  
4 These assets were available to serve retail loads, make  
5 economy sales, and offset purchases including optional  
6 provision purchases for interruptible customers.

7  
8 Q. How did Tampa Electric treat transmission costs related  
9 to the FMPA sale?

10  
11 A. Because Tampa Electric's transmission system was used to  
12 deliver a portion of the power to FMPA from third  
13 parties, Tampa Electric continued to separate  
14 transmission costs at system embedded levels throughout  
15 1998. Again, this is consistent with the stipulation  
16 that required separation at system average embedded costs  
17 when retail assets are being utilized.

18  
19 Q. FIPUG has raised concerns that certain costs (i.e.,  
20 purchased power costs for the PECO and FPC contracts)  
21 have impacted the revenues associated with the deferred  
22 revenue plan. Were any of the costs associated with this  
23 purchased power from PECO and FPC included above the line  
24 for surveillance report purposes?  
25

1 A. No. None of the purchased power costs related to the  
2 energy and capacity from PECO and FPC used to serve the  
3 FMPA sale was included above the line for surveillance  
4 reporting purposes.

5  
6 Q. Where on the surveillance report were these amounts  
7 removed from the calculation of the company's retail  
8 above the line earnings?

9  
10 A. On Schedule 2, page 2 of 3, the revenues and associated  
11 purchased power expenses were removed as part of the  
12 separation of non-retail activities in the lines titled  
13 "Regulatory Base - System" and "Regulatory Base -  
14 Retail". For example, the revenues removed for 1998 for  
15 the FMPA contract were \$13.8 million and the purchased  
16 power costs removed were \$17.5 million. In addition to  
17 removing the purchased power expense, the company removed  
18 a credit of \$3.5 million related to the amortization of  
19 the previously accrued one time charge for the FMPA  
20 contract.

21  
22 Q. Please explain further.

23  
24 A. Since the charges related to the purchased power  
25 contracts from PECO and FPC were expected to exceed the

1 revenues from the FMPA contract in 1998, the company  
2 accrued a below-the-line charge equal to the expected  
3 difference. This one-time charge of \$9.6 million  
4 represented the difference in revenues and purchased  
5 power costs for both 1998 and 1999. The offsetting entry  
6 was a deferred credit account.  
7

8 As the FMPA contract was being served with the PECO and  
9 FPC purchased power, the one-time charge in the deferred  
10 credit account was amortized to the purchase cost. By  
11 removing the revenues and expenses, including the  
12 amortization of the deferred credit, any impact of  
13 serving FMPA with the PECO and FPC contracts was excluded  
14 from the above-the-line earnings.  
15

16 Q. What was the effect on Tampa Electric's level of service  
17 to interruptible customers as a result of entering into  
18 the PECO and FPC contracts?  
19

20 A. These contracts, which were charged below the line,  
21 improved the level of service to interruptible customers.  
22 These contracts reduced the amount of interruption and  
23 buy-through experienced by these customers.  
24  
25

1 1997 and 1998 Income Tax Expense

2 Q. FIPUG has indicated that Tampa Electric has collected for  
3 taxes from customers that are not being imposed on TECO  
4 Energy. Is this true?

5  
6 A. No. Tampa Electric's income tax provision in 1997 and  
7 1998 appropriately reflects all revenues and expenses  
8 associated with providing electric service to its  
9 customers and the provision is calculated correctly.  
10 TECO Energy's tax provision includes Tampa Electric's  
11 taxes, in addition to taxes reflecting the operations and  
12 tax situations of the other subsidiaries of TECO Energy.

13  
14 Furthermore, Tampa Electric's total tax provision for  
15 state and federal taxes in 1997 and 1998 was \$78.3  
16 million and \$76.1 million, respectively. TECO Energy's  
17 total tax provision was \$89.6 million in 1997 and \$84.9  
18 million in 1998. Clearly, the taxes expensed at Tampa  
19 Electric in 1997 and 1998 do not exceed the total tax  
20 provision of TECO Energy.

21  
22 Q. Please summarize your testimony.

23  
24 A. Tampa Electric's 1997 and 1998 surveillance reports  
25 include appropriate adjustments to remove items that

1 should not be included in the calculation of the  
2 company's regulated return on equity. These adjustments  
3 are consistent with those approved by the Commission in  
4 the company's last rate case and in the current deferred  
5 revenue docket. The resulting revenues, expenses and  
6 rate base are accurate and reflect the appropriate levels  
7 to establish the deferred revenues in 1997 and 1998.

8  
9 The company's treatment of the FMPA contract in 1997 and  
10 1998 is consistent with the Stipulation approved and  
11 ordered on October 24, 1996. To the extent the company  
12 used retail assets to serve the FMPA contract, the  
13 company has separated system average embedded costs from  
14 the retail jurisdiction.

15  
16 Finally, the income tax provision for Tampa Electric in  
17 1997 and 1998 reflects the revenues and expenses  
18 necessary to provide electric service to its customers  
19 and has been calculated properly.

20  
21 Q. Does this conclude your testimony?

22  
23 A. Yes, it does.  
24  
25

EXHIBIT NO. \_\_\_\_\_ (DMB-1)  
TAMPA ELECTRIC COMPANY  
DOCKET NO. 950379-EI  
WITNESS: BACON

**TAMPA ELECTRIC COMPANY**

**EXHIBIT**

**OF**

**DELAINE M. BACON**



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EXHIBIT NO. \_\_\_\_\_ (DMB-1)  
TAMPA ELECTRIC COMPANY  
DOCKET NO. 950379-EI  
WITNESS: BACON  
DOCUMENT NO. 1  
PAGE 1 OF 10

**Tampa Electric Company**  
**Surveillance Report**  
**1997**

TAMPA ELECTRIC COMPANY  
EARNINGS SURVEILLANCE REPORT SUMMARY  
DECEMBER 1997

SCHEDULE 1

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
<b>I. Average Rate of Return (Jurisdictional)</b>					
Net Operating Income	\$ 182,425,763 (a)	\$(211,354) (b)	\$ 182,214,409	\$ 0	\$ 182,214,409
Average Rate Base	2,094,307,484	(10,011,420)	2,084,296,064	0	2,084,296,064
Average Rate of Return	8.71%		8.74%		8.74%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
Net Operating Income	\$ 182,425,763 (a)	737,460 (b)	\$ 183,163,223	\$ 0	\$ 183,163,223
Year End Rate Base	2,091,599,930	(9,402,563)	2,082,197,367	0	2,082,197,367
Year End Rate of Return	8.72%		8.80%		8.80%
(a) Includes AFUDC debt of \$44,011 and AFUDC equity of \$114,703 (b) Includes reversal of AFUDC earnings					
<b>III. Required Rate of Return Average Capital Structure (FPSC Adjusted Basis)</b>					
Low	7.75 %				
Midpoint	8.25 %				
High	8.74 %				
<b>IV. Financial Integrity Indicators</b>					
A. TIE With AFUDC	4.80	(system per books basis)			
B. TIE Without AFUDC	4.80	(system per books basis)			
C. AFUDC To Net Income	0.11 %	(system per books basis)			
D. Internally Generated Funds	141.90 %	(system per books basis)			
E. LTD To Total Investor Funds	33.06 %	(FPSC adjusted basis)			
F. STD To Total Investor Funds	5.56 %	(FPSC adjusted basis)			
G. Return On Common Equity (avg)	12.78 %	(FPSC adjusted basis)			(year-end) 13.50%

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI by the Florida Public Service Commission staff and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the Company's current financial status and that they should not be used for that purpose.

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

  
Phil L. Bakinger - Assistant Controller

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2/11/98  
DATE

TAMPA ELECTRIC COMPANY  
AVERAGE RATE OF RETURN  
RATE BASE  
DECEMBER 1997

SCHEDULE 2  
PAGE 1 OF 3

	(1) Plant In Service	(2) Accumulated Depreciation & Amortization	(3) Net Plant In Service	(4) Property Held For Future Use	(5) Construction Work In Progress	(6) Nuclear Fuel (Net)	(7) Net Utility Plant	(8) Working Capital	(9) Total Rate Base
System Per Books	\$ 3,579,587,076	\$ (1,357,544,433)	\$ 2,222,042,643	\$ 33,066,997	\$ 7,525,179	\$ 0	\$ 2,262,634,819	\$ 88,638,262	\$ 2,351,273,081
Less: Fuel and ECCR								(22,394,275)	(22,394,275)
Other								(9,756,436)	(9,756,436)
ECRC	(13,883,189)	1,009,803	(12,873,386)				(12,873,386)	(249,551)	(13,122,937)
Regulatory Base - System	3,565,703,887	(1,356,534,630)	2,209,169,257	33,066,997	7,525,179	0	2,249,761,433	56,238,000	2,305,999,433
Regulatory Base - Retail	3,244,900,415	(1,241,463,740)	2,003,436,675	30,784,082	7,447,547	0	2,041,668,304	52,639,180	2,094,307,484
<b>FPSC Adjustments</b>									
Fuel Inventory									
CWIP								(258,350)	(258,350)
CWIP in Rate Base					(7,447,547)		(7,447,547)		(7,447,547)
Job Order Receivables					5,671,652		5,671,652		5,671,652
OUC Acquisition Book Value								(1,602,107)	(1,602,107)
OUC Acquisition Accumulated Amortization	(1,488,004)	421,865	(1,488,004)				(1,488,004)		(1,488,004)
OUC Acquisition Adjustment - Net	(5,308,929)		(5,308,929)				(5,308,929)		(5,308,929)
Total FPSC Adjustments	(6,796,933)	421,865	(6,375,068)	0	(1,775,895)	0	(8,150,963)	(1,860,457)	(10,011,420)
FPSC Adjusted	3,238,103,482	(1,241,041,875)	1,997,061,607	30,784,082	5,671,652	0	2,033,517,341	50,778,723	2,084,296,064
<b>Pro Forma Revenue Increase and Annualization Adjustments:</b>									
Total Pro Forma Adjustments	0	0	0	0	0	0	0	0	0
Pro Forma Adjusted	\$ 3,238,103,482	\$ (1,241,041,875)	\$ 1,997,061,607	\$ 30,784,082	\$ 5,671,652	\$ 0	\$ 2,033,517,341	\$ 50,778,723	\$ 2,084,296,064

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI by the Florida Public Service Commission staff and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the company's current financial status and that they should not be used for that purpose.

EXHIBIT NO. \_\_\_\_\_ (DMB-1)  
TAMPA ELECTRIC COMPANY  
DOCKET NO. 950379-EI  
WITNESS: BACON  
DOCUMENT NO. 1  
PAGE 3 OF 10

TAMPA ELECTRIC COMPANY  
AVERAGE RATE OF RETURN  
INCOME STATEMENT  
DECEMBER 1997

	(1) Operating Revenues	(2) O & M Fuel & Net Interchange	(3) O & M Other	(4) Depreciation & Amortization	(5) Taxes Other Than Income	(6) Income Taxes Current	(7) Deferred Income Taxes (Net)	(8) Investment Tax Credit (Net)	(9) Gain/Loss On Disposition	(10) Total Operating Expenses	(11) Net Operating Income
System Per Books	\$ 1,188,960,214	\$ 441,130,837	\$ 243,081,809	\$ 141,429,631	\$ 91,750,017	\$ 60,963,401	\$ 22,529,898	\$ (4,584,630)	\$ (44,030)	\$ 998,256,933	\$ 192,703,281
Less: Recoverable Fuel	(423,611,146)	(419,003,201)			(284,394)	(1,682,810)				(420,970,405)	(2,640,741)
GPIF Revenues/Penalties	302,044				251	116,417				116,668	185,376
Recoverable ECCR	(18,281,679)		(18,255,062)		(44,554)	6,919				(18,292,697)	11,018
Recoverable ECCR - ROI	(219,219)				(508)	(84,368)				(84,876)	(134,343)
Recoverable ECRC	(3,808,074)	(2,497,514)	(924,299)	(385,244)	(1,018)	(100)				(3,808,175)	101
Recoverable ECRC ROI	(1,387,970)				(311)	(535,289)				(535,600)	(852,370)
Regulatory Base - System	741,954,170	19,630,122	223,902,448	141,044,387	91,419,483	58,784,170	22,529,898	(4,584,630)	(44,030)	552,681,848	189,272,322 (a)
Regulatory Base - Retail	706,158,741	18,808,821	210,654,771	130,536,953	87,746,329	60,019,879	20,293,746	(4,129,593)	(39,214)	523,891,692	182,267,049 (a)
FPSC Adjustments											
Industry Association Dues			(38,628)			14,901				(23,727)	23,727
Solaris and Waterfall			(10,875)			4,195				(6,680)	6,680
Stockholder Relations			(202,911)			78,273				(124,638)	124,638
Civic Club Meals			(1,452)			560				(892)	892
Franchise Fee Revenue and Expense	(20,369,711)				(20,468,049)	37,934				(20,430,115)	60,404
Gross Receipts Tax	(24,689,831)				(24,689,831)	0				(24,689,831)	0
Income Tax True-up						78,767				78,767	(78,767)
Opt Prov Revenue and Third Party Purchase	(5,179,376)	(5,179,376)				0				(5,179,376)	0
Job Order Revenues	(559,171)					(215,700)				(215,700)	(343,471)
Economic Development			(10,457)			4,034				(6,423)	6,423
OUC Acquisition Amortization				(239,046)		92,212				(146,834)	146,834
Total FPSC Adjustments	(50,798,089)	(5,179,376)	(264,323)	(239,046)	(45,157,880)	95,176	0	0	0	(50,745,449)	(52,640)
FPSC Adjusted	655,360,652	13,629,445	210,390,448	130,297,907	42,588,449	60,115,055	20,293,746	(4,129,593)	(39,214)	473,146,243	182,214,409
Pro Forma Revenue Increase and Annualization Adjustments:											
Total Pro Forma Adjustments	0	0	0	0	0	0	0	0	0	0	0
Pro Forma Adjusted	\$ 655,360,652	\$ 13,629,445	\$ 210,390,448	\$ 130,297,907	\$ 42,588,449	\$ 60,115,055	\$ 20,293,746	\$ (4,129,593)	\$ (39,214)	\$ 473,146,243	\$ 182,214,409
(a) The addition of earnings from AFUDC would increase the System NOI by \$160,368 and Jurisdictional NOI by \$158,714											
Current Month Amount:											
System Per Books	\$ 89,487,077	\$ 36,499,225	\$ 22,006,573	\$ 12,006,466	\$ 7,199,972	\$ (2,320,829)	\$ 5,249,754	\$ (382,047)	\$ (3,335)	\$ 80,255,779	\$ 9,231,298
Jurisdictional Per Books	\$ 48,656,696	\$ 867,622	\$ 19,411,383	\$ 11,126,857	\$ 6,886,892	\$ (2,180,269)	\$ 4,705,394	\$ (342,432)	\$ (2,954)	\$ 40,492,493	\$ 8,184,202

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0185-FOF-EI by the Florida Public Service Commission staff and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the company's current financial status and that they should not be used for that purpose.

TAMPA ELECTRIC COMPANY  
AVERAGE RATE OF RETURN  
SYSTEM ADJUSTMENTS  
DECEMBER 1997

Working Capital Adjustments	System
Fuel and ECCR	\$ (22,394,275)
=====	
Other:	
Other Return Provided	(23,133,325)
Non Utility	2,250,632
Investor Funds	11,126,257
	\$ (9,756,436)
=====	
ECCR	\$ (249,551)
=====	

Other Rate Base Adjustments	System	Retail
Fuel Inventory	\$ (278,284)	\$ (258,350)
CWIP	(7,525,179)	(7,447,547)
CWIP In Rate Base	5,730,773	5,671,652
Job Order Receivables	(1,602,107)	(1,602,107)
OUC Acquisition Book Value	(1,635,114)	(1,488,004)
OUC Acquisition Accumulated Amortization	460,968	421,865
OUC Acquisition Adjustment - Net	(5,833,790)	(5,308,929)
Total Adjustments	\$ (10,682,733)	\$ (10,011,420)
=====		=====

Income Statement Adjustments	System					Retail				
	Operating Revenue	Fuel and O & M	Taxes Other Than Income	Income Tax Effect	Gain/Loss on Disposition	Operating Revenue	Fuel and O & M	Taxes Other Than Income	Income Tax Effect	Gain/Loss on Disposition
<b>FPSC Adjustments</b>										
Industry Association Dues		(41,057)		15,838			(38,628)		14,901	
Solaris and Waterfall		(11,559)		4,459			(10,875)		4,195	
Stockholder Relations		(215,672)		83,195			(202,911)		78,273	
Civic Club Meals		(1,544)		595			(1,452)		560	
Franchise Fee Revenue and Expense	(20,369,711)		(20,468,049)	37,934		(20,369,711)		(20,468,049)	37,934	
Gross Receipts Tax	(24,689,831)		(24,689,831)	0		(24,689,831)		(24,689,831)	0	
Income Tax True-up				86,741					78,767	
Opt Prov Revenue and 3rd Party Purchase	(5,179,376)	(5,179,376)		0		(5,179,376)	(5,179,376)		0	
Job Order Revenues	(559,171)			(215,700)		(559,171)			(215,700)	
Economic Development		(11,115)		4,288			(10,457)		4,034	
OUC Acquisition Amortization		(258,288)		99,635			(239,046)		92,212	
<b>Total FPSC Adjustments</b>	<b>(50,798,089)</b>	<b>(5,718,610)</b>	<b>(45,157,880)</b>	<b>116,985</b>	<b>0</b>	<b>(50,798,089)</b>	<b>(5,682,745)</b>	<b>(45,157,880)</b>	<b>95,176</b>	<b>0</b>
=====										

Pro Forma Revenue Increase and Annualization Adjustments:

Total Pro Forma Adjustments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
=====										

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TAMPA ELECTRIC COMPANY  
DOCKET NO. 950379-EI  
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TAMPA ELECTRIC COMPANY  
YEAR END RATE OF RETURN  
RATE BASE  
DECEMBER 1997

SCHEDULE 3  
PAGE 1 OF 3

	(1) Plant In Service	(2) Accumulated Depreciation & Amortization	(3) Net Plant In Service	(4) Property Held For Future Use	(5) Construction Work In Progress	(6) Nuclear Fuel (Net)	(7) Net Utility Plant	(8) Working Capital	(9) Total Rate Base
System Per Books	\$ 3,631,975,151	\$ (1,412,874,007)	\$ 2,219,101,144	\$ 32,660,288	\$ 7,975,337	\$ 0	\$ 2,259,736,769	\$ 88,638,282	\$ 2,348,375,031
Less: Fuel and ECCR								(22,394,275)	(22,394,275)
Other ECCR	(13,887,195)	1,218,040	(12,669,155)				(12,669,155)	(9,756,436)	(9,756,436)
Regulatory Base - System	3,618,087,956	(1,411,655,967)	2,206,431,989	32,660,288	7,975,337	0	2,247,067,614	56,238,000	2,303,305,614
Regulatory Base - Retail	3,282,571,532	(1,291,909,295)	2,000,662,237	30,405,452	7,893,061	0	2,038,960,750	52,639,180	2,091,599,930
FPSC Adjustments									
Fuel Inventory								(258,350)	(258,350)
CWIP					(7,893,061)		(7,893,061)		(7,893,061)
CWIP in Rate Base					6,616,754		6,616,754		6,616,754
Job Order Receivables								(1,602,107)	(1,602,107)
OUC Acquisition Book Value	(1,496,412)		(1,496,412)				(1,496,412)		(1,496,412)
OUC Acquisition Accumulated Amortization		448,793	448,793				448,793		448,793
OUC Acquisition Adjustment - Net	(5,218,180)		(5,218,180)				(5,218,180)		(5,218,180)
Total FPSC Adjustments	(6,714,592)	448,793	(6,265,799)	0	(1,276,307)	0	(7,542,106)	(1,860,457)	(9,402,563)
FPSC Adjusted	3,285,856,940	(1,291,460,502)	1,994,396,438	30,405,452	6,616,754	0	2,031,418,644	50,778,723	2,082,197,367
Pro Forma Revenue Increase and Annualization Adjustments:									
Total Pro Forma Adjustments	0	0	0	0	0	0	0	0	0
Pro Forma Adjusted	\$ 3,285,856,940	\$ (1,291,460,502)	\$ 1,994,396,438	\$ 30,405,452	\$ 6,616,754	\$ 0	\$ 2,031,418,644	\$ 50,778,723	\$ 2,082,197,367

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI by the Florida Public Service Commission

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TAMPA ELECTRIC COMPANY  
DOCKET NO. 950379-EI  
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TAMPA ELECTRIC COMPANY  
YEAR END RATE OF RETURN  
INCOME STATEMENT  
DECEMBER 1997

SCHEDULE 3  
PAGE 2 OF 3

	(1) Operating Revenues	(2) O & M Fuel & Net Interchange	(3) O & M Other	(4) Depreciation & Amortization	(5) Taxes Other Than Income	(6) Income Taxes Current	(7) Deferred Income Taxes (Net)	(8) Investment Tax Credit (Net)	(9) Gain/Loss On Disposition	(10) Total Operating Expenses	(11) Net Operating Income
System Per Books	\$ 1,188,960,214	\$ 441,130,837	\$ 243,081,809	\$ 141,429,631	\$ 91,750,017	\$ 60,963,401	\$ 22,529,898	\$ (4,584,630)	\$ (44,030)	\$ 896,256,933	\$ 192,703,281
Less: Recoverable Fuel	(423,611,146)	(419,003,201)			(284,394)	(1,682,810)				(420,970,405)	(2,640,741)
GPIF Revenues/Penalties	302,044				251	116,417				116,668	185,376
Recoverable ECCR	(18,281,679)		(18,255,062)		(44,554)	6,919				(18,292,697)	11,018
Recoverable ECCR - ROI	(219,219)				(508)	(84,368)				(84,876)	(134,343)
Recoverable ECRC	(3,808,074)	(2,497,514)	(924,299)	(385,244)	(1,018)	(100)				(3,808,175)	101
Recoverable ECRC ROI	(1,387,970)				(311)	(535,289)				(535,600)	(852,370)
Regulatory Base - System	741,954,170	19,630,122	223,902,448	141,044,387	91,419,483	58,784,170	22,529,898	(4,584,630)	(44,030)	552,681,848	189,272,322
Regulatory Base - Retail	706,158,741	18,808,821	210,654,771	130,536,953	87,746,329	60,019,879	20,293,746	(4,129,593)	(39,214)	523,891,692	182,267,049
FPSC Adjustments											
Industry Association Dues			(38,628)			14,901				(23,727)	23,727
Solaris and Waterfall			(10,875)			4,195				(6,680)	6,680
Stockholder Relations			(202,911)			78,273				(124,638)	124,638
Civic Club Meals			(1,452)			560				(892)	892
Franchise Fee Revenue and Expense	(20,369,711)				(20,468,049)	37,934				(20,430,115)	60,404
Gross Receipts Tax	(24,689,831)				(24,689,831)	0				(24,689,831)	0
Income Tax True-up						(870,047)				(870,047)	870,047
Opt Prov Revenue and Third Party Purchase	(5,179,376)	(5,179,376)				0				(5,179,376)	0
Job Order Revenues	(559,171)					(215,700)				(215,700)	(343,471)
Economic Development			(10,457)			4,034				(6,423)	6,423
OUC Acquisition Amortization				(239,046)		92,212				(146,834)	148,834
Total FPSC Adjustments	(50,798,089)	(5,179,376)	(264,323)	(239,046)	(45,157,880)	(853,638)	0	0	0	(51,694,263)	896,174
FPSC Adjusted	655,380,652	13,629,445	210,390,448	130,297,907	42,588,449	59,166,241	20,293,746	(4,129,593)	(39,214)	472,197,429	183,163,223
Pro Forma Revenue Increase and Annualization Adjustments:											
Total Pro Forma Adjustments	0	0	0	0	0	0	0	0	0	0	0
Pro Forma Adjusted	\$ 655,380,652	\$ 13,629,445	\$ 210,390,448	\$ 130,297,907	\$ 42,588,449	\$ 59,166,241	\$ 20,293,746	\$ (4,129,593)	\$ (39,214)	\$ 472,197,429	\$ 183,163,223

(a) The addition of earnings from AFUDC would increase the System NOI by \$180,368. and Jurisdictional NOI by \$158,714.

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TAMPA ELECTRIC COMPANY  
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TAMPA ELECTRIC COMPANY  
YEAR END RATE OF RETURN  
SYSTEM ADJUSTMENTS  
DECEMBER 1997

SCHEDULE 3  
PAGE 3 OF 3

Working Capital Adjustments	System
Fuel and ECCR	\$ (22,394,275)
Other:	
Other Return Provided	(23,133,325)
Non Utility	2,250,632
Investor Funds	11,126,257
	\$ (9,756,436)
ECRC	\$ (249,551)

Other Rate Base Adjustments	System	Retail
Fuel Inventory	\$ (278,284)	\$ (258,350)
CWIP	(7,975,337)	(7,893,061)
CWIP in Rate Base	6,685,726	6,616,754
Job Order Receivables	(1,602,107)	(1,602,107)
OUC Acquisition Book Value	(1,635,114)	(1,496,412)
OUC Acquisition Accumulated Amortization	490,392	448,793
OUC Acquisition Adjustment - Net	(5,734,070)	(5,218,180)
Total Adjustments	\$ (9,770,510)	\$ (9,144,213)

Income Statement Adjustments	System					Retail				
	Operating Revenue	Fuel and O & M	Taxes Other Than Income	Income Tax Effect	Gain/Loss on Disposition	Operating Revenue	Fuel and O & M	Taxes Other Than Income	Income Tax Effect	Gain/Loss on Disposition
<b>FPSC Adjustments</b>										
Industry Association Dues		(41,057)		15,838			(38,628)		14,901	
Solaris and Waterfall		(11,559)		4,459			(10,875)		4,195	
Stockholder Relations		(215,672)		83,195			(202,911)		78,273	
CMC Club Meals		(1,544)		595			(1,452)		560	
Franchise Fee Revenue and Expense	(20,369,711)		(20,468,049)	37,934		(20,369,711)		(20,468,049)	37,934	
Gross Receipts Tax	(24,689,831)		(24,689,831)	0		(24,689,831)		(24,689,831)	0	
Income Tax True-up				(958,236)					(870,047)	
Opt Prov Revenue and 3rd Party Purchase	(5,179,376)	(5,179,376)		0		(5,179,376)	(5,179,376)		0	
Job Order Revenues	(559,171)			(215,700)		(559,171)			(215,700)	
Economic Development		(11,115)		4,288			(10,457)		4,034	
OUC Acquisition Amortization		(258,288)		99,635			(239,046)		92,212	
<b>Total FPSC Adjustments</b>	<b>(50,798,089)</b>	<b>(5,718,610)</b>	<b>(45,157,880)</b>	<b>(927,992)</b>	<b>0</b>	<b>(50,798,089)</b>	<b>(5,682,745)</b>	<b>(45,157,880)</b>	<b>(853,638)</b>	<b>0</b>
<b>Pro Forma Revenue Increase and Annualization Adjustments:</b>										
<b>Total Pro Forma Adjustments</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI by the Florida Public Service Commission staff and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the company's current financial status and that they should not be used for that purpose.

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TAMPA ELECTRIC COMPANY  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
DECEMBER 1997

SCHEDULE 4

AVERAGE	System Per Books	Retail Per Books	Adjustments		Adjusted Retail	Ratio (%)	Low Point		MidPoint		High Point	
			Specific	Pro Rata			Cost Rate (%)	Weighted Cost (%)	Cost Rate (%)	Weighted Cost (%)	Cost Rate (%)	Weighted Cost (%)
Long Term Debt	\$ 645,349,616	\$ 645,349,616	\$ (7,386,865)	\$ (67,877,846)	\$ 570,084,905	27.35 %	6.73	1.84	6.73	1.84	6.73	1.84
Short Term Debt	107,241,809	107,241,809	(599)	(11,410,231)	95,830,979	4.60	5.59	0.26	5.59	0.26	5.59	0.26
Deferred Revenue	58,541,220	58,541,220	0	(6,228,658)	52,312,562	2.51	5.58	0.14	5.58	0.14	5.58	0.14
Preferred Stock	10,747,692	10,747,692	(123,790)	(1,130,360)	9,493,542	0.46	5.48	0.03	5.48	0.03	5.48	0.03
Customer Deposits	52,804,651	52,804,651	0	(5,618,300)	47,186,351	2.26	6.10	0.14	6.10	0.14	6.10	0.14
Common Equity	1,116,943,168	1,116,943,168	(1,656,674)	(118,664,051)	996,622,443	47.82	10.75	5.14	11.75	5.62	12.75	6.10
Deferred Income Taxes	296,692,731	296,692,731	1,781,272	(31,756,983)	266,717,020	12.79	-	-	-	-	-	-
Deferred Tax - FAS 109	0	0	0	0	0	0.00	-	-	-	-	-	-
Tax Credits - Zero Cost	0	0	0	0	0	0.00	-	-	-	-	-	-
Tax Credits - Weighted Cost	51,543,811	51,543,811	(12,758)	(5,482,792)	46,048,261	2.21	9.26	0.20	9.89	0.22	10.52	0.23
<b>Total</b>	<b>\$ 2,339,864,698</b>	<b>\$ 2,339,864,698</b>	<b>\$ (7,399,414)</b>	<b>\$ (248,169,220)</b>	<b>\$ 2,084,296,064</b>	<b>100.00 %</b>		<b>7.75</b>		<b>8.25</b>		<b>8.74</b>

YEAR END	System Per Books	Retail Per Books	Adjustments		Adjusted Retail	Ratio (%)	Low Point		MidPoint		High Point	
			Specific	Pro Rata			Cost Rate (%)	Weighted Cost (%)	Cost Rate (%)	Weighted Cost (%)	Cost Rate (%)	Weighted Cost (%)
Long Term Debt	\$ 646,173,794	\$ 646,173,794	\$ (7,437,462)	\$ (82,328,797)	\$ 556,407,535	26.72 %	6.95	1.86	6.95	1.86	6.95	1.86
Short Term Debt	180,221,566	180,221,566	(974)	(23,229,217)	156,991,375	7.54	5.59	0.42	5.59	0.42	5.59	0.42
Deferred Revenue	38,365,294	38,365,294	0	(4,945,027)	33,420,267	1.61	5.75	0.09	5.75	0.09	5.75	0.09
Preferred Stock	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Customer Deposits	52,500,323	52,500,323	0	(6,766,937)	45,733,386	2.20	6.10	0.13	6.10	0.13	6.10	0.13
Common Equity	1,116,888,102	1,116,888,102	(1,729,492)	(143,736,410)	971,422,200	46.65	10.75	5.01	11.75	5.48	12.75	5.95
Deferred Income Taxes	314,344,089	314,344,089	1,725,557	(40,739,242)	275,330,404	13.22	-	-	-	-	-	-
Deferred Tax - FAS 109	0	0	0	0	0	0.00	-	-	-	-	-	-
Tax Credits - Zero Cost	0	0	0	0	0	0.00	-	-	-	-	-	-
Tax Credits - Weighted Cost	49,250,917	49,250,917	(12,176)	(5,346,541)	42,892,200	2.06	9.37	0.19	10.00	0.21	10.64	0.22
<b>Total</b>	<b>\$ 2,397,744,085</b>	<b>\$ 2,397,744,085</b>	<b>\$ (7,454,547)</b>	<b>\$ (308,092,171)</b>	<b>\$ 2,082,197,367</b>	<b>100.00 %</b>		<b>7.70</b>		<b>8.19</b>		<b>8.67</b>

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI by the Florida Public Service Commission staff and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the company's current financial status and that they should not be used for that purpose.

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TAMPA ELECTRIC COMPANY  
FINANCIAL INTEGRITY INDICATORS  
DECEMBER 1997

EXHIBIT NO. \_\_\_\_\_ (DMB-1)  
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SCHEDULE 5

A. Times Interest Earned With AFUDC\*

Earnings Before Interest	191,615,774
AFUDC - Debt	44,470
Income Taxes	78,340,592
Total	270,000,836
Interest Charges (Before Deducting AFUDC - Debt)	56,237,207
Tie With AFUDC	4.80

B. Times Interest Earned Without AFUDC\*

Earnings Before Interest	191,615,774
AFUDC - Other	(115,898)
Income Taxes	78,340,592
Total	269,840,468
Interest Charges (Before Deducting AFUDC - Debt)	56,237,207
Tie Without AFUDC	4.80

C. Percent AFUDC to Net Income Available For Common Stockholders\*

AFUDC - Debt	44,470
x (Income Tax Rate of 38.575%)	(17,154)
Subtotal	27,316
AFUDC - Other	115,898
Total	143,214
Net Income Available For Common Stockholders	134,833,641
Percent AFUDC to Available Net Income	0.11%

\* Tampa Electric Company calculates AFUDC using the rate last authorized by the Florida Public Service Commission. On the company's books, AFUDC is allocated between debt and equity using the modified methodology in FERC Order No. 561. The information shown on Schedule 5 Parts A, B and C is stated as if AFUDC had been allocated using the FPSC methodology.

D. Percent Internally Generated Funds

Net Income	135,423,034
Preferred Dividends	(476,914)
Common Dividends	(100,127,362)
AFUDC (Debt & Other)	(180,369)
Depreciation & Amortization	141,429,631
Deferred Income Taxes	22,312,498
Investment Tax Credits	(4,585,794)
Deferred Clause Revenues (Expenses)	5,666,980
Deferred Revenues	(30,450,000)
Other	7,536,684
Total	176,568,388
Construction Expenditures (Excluding AFUDC Other & Debt)	124,434,808
Percent Internally Generated Funds	141.90%

E. Long Term Debt as Percent of Total Capital

F. Short Term Debt as Percent of Total Capital

Reconciled Average Retail Amounts	
Long Term Debt	570,084,905
Short Term Debt	95,830,979
Deferred Revenue	52,312,562
Preferred Stock	9,493,542
Common Equity	996,622,443
Total	1,724,344,431
% Long Term Debt to Total	33.06%
% Short Term Debt to Total	5.56%

G. FPSC Adjusted Average Jurisdictional Return On Common Equity

FPSC Adjusted Average Earned Rate Of Return	8.74
Less: Reconciled Average Retail Weighted Cost Rates For:	
Long Term Debt	1.84
Short Term Debt	0.26
Deferred Revenue	0.14
Preferred Stock	0.03
Customer Deposits	0.14
Tax Credits-Weighted Cost (Midpoint)	0.22
Subtotal	2.63
Total	6.11
Divided By Common Equity Ratio	47.82
Jurisdictional Return On Common Equity	12.78%

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**Florida Public Service Commission**

**Calculation of**

**Tampa Electric's 1997 Earnings**

**Order No. PSC 99-1940-PAA-EI**

ATTACHMENT A

TAMPA ELECTRIC COMPANY  
 DOCKET NO. 950379-EI

As Filed FPSC Adjusted Basis	Asset Transfers	Revenues	OUC Transmission Line	Industry Dues	Advertising	Allocation Subsidiarie	Interest Reconciliat	Total Adjustments	Adjusted Rate Base	Total
<b>RATE BASE</b>										
Plant in Service								\$0		\$3,238,103
Accumulated Depreciation	(1,241,041.87)	(33,025)						(33,025)		(1,241,074,900)
Net Plant in Service	1,997,061,607	(33,025)	0	0	0	0	0	(33,025)		1,997,028,582
Property Held for Future Use	30,784,082							0		30,784,082
Construction Work in Progress	5,671,652							0		5,671,652
Net Utility Plant	2,033,517,341	(33,025)	0	0	0	0	0	(33,025)		2,033,484,316
Working Capital	50,778,723	5,081						5,081		50,783,804
<b>Total Rate Base</b>	<b>\$2,084,296,06</b>	<b>(\$27,944)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$27,944)</b>		<b>\$2,084,268,120</b>
<b>INCOME STATEMENT</b>										
Operating Revenues	\$655,360,652		\$24,075					\$24,075		\$655,384,727
Operating Expenses:										
Operation & Maintenance - Fuel	13,629,445							0		13,629,445
Operation & Maintenance - Other	210,390,448		(14,521)	(30,358)	(9,005)	(42,795)		(96,679)		210,293,769
Depreciation & Amortization	130,297,907							0		130,297,907
Taxes Other Than Income	42,588,449		(50,393)					(50,393)		42,538,056
Income Taxes - Current	60,115,055	0	9,287	25,041	11,711	3,474	16,508	(431,217)	(365,197)	59,749,858
Deferred Income Taxes (Net)	20,293,746							0		20,293,746
Investment Tax Credit (Net)	(4,129,593)							0		(4,129,593)
(Gain)/Loss on Disposition	(39,214)							0		(39,214)
Total Operating Expenses	473,146,243	0	9,287	(39,873)	(18,647)	(5,531)	(26,287)	(431,217)	(512,269)	472,633,974
Net Operating Income	\$182,214,409	\$0	\$14,788	\$39,873	\$18,647	\$5,531	\$26,287	\$431,217	\$536,344	\$182,750,751
<b>OVERALL RATE OF RETURN</b>	<b>8.74%</b>								<b>0.03%</b>	<b>8</b>
<b>RETURN ON EQUITY</b>	<b>12.78%</b>								<b>0.19%</b>	<b>12.97%</b>

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ATTACHMENT C

TAMPA ELECTRIC COMPANY  
 DOCKET NO. 950379-EI  
REVIEW OF 1997 EARNINGS

INTEREST RECONCILIATION

	Amount	Cost Rate	Interest Exp.	Tax Rate	Effect on Income Tax
Long Term Debt	\$583,149,697	6.73%	\$39,245,975		
Short Term Debt	95,482,230	5.47%	5,222,878		
Customer Deposits	47,014,630	6.10%	2,867,892		
Deferred Revenue	58,541,220	5.60%	3,278,308		
Tax Credits - Weighted Cost	46,048,261	2.50%	1,151,207		
			<u>51,766,260</u>		
Interest Expense			50,648,394		
Adj. Company Interest Expense			<u>(\$1,117,866)</u>	38.575%	<u>(\$431,217)</u>
Adjustment					

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ATTACHMENT D

TAMPA ELECTRIC COMPANY  
 DOCKET NO. 950379-EI  
 REVIEW OF 1997 EARNINGS

Adjusted Rate Base		\$2,084,268,120
Adjusted Achieved Rate of Return	8.77%	
Allowed Maximum Rate of Return at 12.75% ROE	<u>8.67%</u>	
Excess Rate of Return		x <u>0.10%</u>
Excess Net Operating Income		2,084,268
Revenue Expansion Factor		x <u>1.62800</u>
Revenues in Excess of 12.75%		<u><u>\$3,393,193</u></u>
Company Reversal		\$30,450,000
Less: Revenues in Excess of 12.75% ROE		<u>(3,393,193)</u>
Maximum Allowed Revenue Reversal		<u><u>\$27,056,807</u></u>

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**Tampa Electric Company**  
**Surveillance Report**  
**1998**

TAMPA ELECTRIC COMPANY  
EARNINGS SURVEILLANCE REPORT SUMMARY  
DECEMBER 1998

SCHEDULE 1

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
<b>I. Average Rate of Return (Jurisdictional)</b>					
Net Operating Income	\$ 185,187,616 (a)	\$ (81,602) (b)	\$ 185,106,014	\$ 0	\$ 185,106,014
Average Rate Base	2,145,247,786	(8,384,174)	2,136,863,612	0	2,136,863,612
Average Rate of Return	8.63%		8.66%		8.66%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
Net Operating Income	\$ 185,187,616 (a)	\$ 91,072 (b)	\$ 185,278,688	\$ 0	\$ 185,278,688
Year End Rate Base	2,175,286,197	(8,263,307)	2,167,022,890	0	2,167,022,890
Year End Rate of Return	8.51%		8.55%		8.55%

(a) Includes AFUDC debt of \$0, and AFUDC equity of \$0.  
(b) Includes reversal of AFUDC earnings

**III. Required Rate of Return  
Average Capital Structure  
(FPSC Adjusted Basis)**

Low	7.71 %
Midpoint	8.21 %
High	8.72 %

**IV. Financial Integrity Indicators**

A. TIE With AFUDC	4.90	(system per books basis)		
B. TIE Without AFUDC	4.90	(system per books basis)		
C. AFUDC To Net Income	0.00 %	(system per books basis)		
D. Internally Generated Funds	102.63 %	(system per books basis)		
E. LTD To Total Investor Funds	34.62 %	(FPSC adjusted basis)		
F. STD To Total Investor Funds	3.98 %	(FPSC adjusted basis)		
G. Return On Common Equity (avg)	12.66 %	(FPSC adjusted basis)	(year-end)	12.76%

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI by the Florida Public Service Commission staff and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the Company's current financial status and that they should not be used for that purpose.

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

  
Phil L. Baringer - Assistant Controller

2/15/99  
DATE

TAMPA ELECTRIC COMPANY  
AVERAGE RATE OF RETURN  
RATE BASE  
DECEMBER 1998

SCHEDULE 2  
PAGE 1 OF 3

	(1) Plant In Service	(2) Accumulated Depreciation & Amortization	(3) Net Plant In Service	(4) Property Hold For Future Use	(5) Construction Work In Progress	(6) Nuclear Fuel (Net)	(7) Net Utility Plant	(8) Working Capital	(9) Total Rate Base
System Per Books	\$ 3,676,578,249	\$ (1,471,190,876)	\$ 2,205,387,373	\$ 32,551,854	\$ 17,257,324	\$ 0	\$ 2,255,166,551	\$ 95,704,000	\$ 2,350,900,551
Less: Fuel and ECCR								(20,317,741)	(20,317,741)
Other ECRC	(14,171,162)	1,438,364	(12,734,798)				(12,734,798)	(7,024,065)	(7,024,065)
								0	(12,734,798)
Regulatory Base - System	3,662,407,087	(1,469,754,512)	2,192,652,575	32,551,854	17,257,324	0	2,242,461,753	68,362,194	2,310,823,947
Regulatory Base - Retail	3,404,946,549	(1,372,430,580)	2,032,515,969	30,750,290	17,117,984	0	2,080,384,243	64,863,543	2,145,247,786
FPSC Adjustments									
Fuel Inventory								(797,047)	(797,047)
CWMP					(17,117,984)		(17,117,984)		(17,117,984)
CWMP In Rate Base					17,117,984		17,117,984		17,117,984
Job Order Receivables								(1,289,018)	(1,289,018)
OUC Acquisition Book Value	(1,584,936)		(1,584,936)				(1,584,936)		(1,584,936)
OUC Acquisition Accumulated Amortization		504,024	504,024				504,024		504,024
OUC Acquisition Adjustment - Net	(5,217,197)		(5,217,197)				(5,217,197)		(5,217,197)
Total FPSC Adjustments	(6,802,133)	504,024	(6,298,109)	0	0	0	(6,298,109)	(2,086,065)	(8,384,174)
FPSC Adjusted	3,398,144,416	(1,371,926,556)	2,026,217,860	30,750,290	17,117,984	0	2,074,086,134	62,777,478	2,136,863,612
Pro Forma Revenue Increase and Annualization Adjustments:									
Total Pro Forma Adjustments	0	0	0	0	0	0	0	0	0
Pro Forma Adjusted	\$ 3,398,144,416	\$ (1,371,926,556)	\$ 2,026,217,860	\$ 30,750,290	\$ 17,117,984	\$ 0	\$ 2,074,086,134	\$ 62,777,478	\$ 2,136,863,612

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI by the Florida Public Service Commission staff and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the company's current financial status and that they should not be used for that purpose.

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TAMPA ELECTRIC COMPANY  
AVERAGE RATE OF RETURN  
INCOME STATEMENT  
DECEMBER 1998

	(1) Operating Revenues	(2) O & M Fuel & Net Interchange	(3) O & M Other	(4) Depreciation & Amortization	(5) Taxes Other Than Income	(6) Income Taxes Current	(7) Deferred Income Taxes (Net)	(8) Investment Tax Credit (Net)	(9) Gain/Loss On Disposition	(10) Total Operating Expenses	(11) Net Operating Income
System Per Books	\$ 1,234,441,309	\$ 451,284,424	\$ 260,158,911	\$ 146,113,063	\$ 87,248,237	\$ 57,194,731	\$ 30,864,563	\$ (4,574,485)	\$ (33,722)	\$ 1,038,255,722	\$ 196,185,587
Less: Recoverable Fuel	(421,340,660)	(416,188,352)	(1,009,523)		(275,673)	(1,468,944)				(419,030,492)	(2,310,188)
GPIF Revenues/Penalties	487,442				414	191,729				192,143	305,299
Recoverable ECCR	(19,841,853)		(19,725,474)		(14,123)	37,782				(19,701,815)	60,162
Recoverable ECCR - ROI	(253,149)				(171)	(97,586)				(97,757)	(155,392)
Recoverable ECRC	(4,419,068)	(2,526,692)	(1,510,755)	(410,290)	(1,526)	12,661				(4,436,602)	17,534
Recoverable ECRC ROI	(1,405,204)				(475)	(541,874)				(542,349)	(862,855)
Regulatory Base - System	787,879,017	32,571,380	237,823,159	145,702,773	98,956,883	55,328,499	30,864,563	(4,574,485)	(33,722)	594,838,850	193,240,167 (a)
Regulatory Base - Retail	740,818,535	17,768,083	227,283,420	137,196,129	93,899,174	55,033,348	28,506,796	(4,225,036)	(30,993)	555,430,919	185,187,816 (a)
FPSC Adjustments											
Industry Association Dues			(45,057)			17,381				(27,876)	27,876
Solaris and Waterfall			(10,413)		4,017	(6,396)				(6,396)	6,396
Stockholder Relations			(170,893)			65,845				(104,848)	104,848
Civic Club Meals			(813)			314				(499)	499
Franchise Fee Revenue and Expense	(20,881,370)				(20,857,869)	(9,066)				(20,866,935)	(14,435)
Gross Receipts Tax	(26,692,803)				(26,741,778)	18,892				(26,722,886)	30,083
Income Tax True-up						35,482				35,482	(35,482)
Opt Prov Revenue and Third Party Purchase	(6,726,435)	(6,726,435)				0				(6,726,435)	0
Job Order Revenues	(586,580)					(226,273)				(226,273)	(360,307)
Economic Development			(8,390)			3,236				(5,154)	5,154
OUC Acquisition Amortization				(250,657)		96,891				(153,968)	153,966
Total FPSC Adjustments	(54,887,188)	(6,726,435)	(235,366)	(250,657)	(47,599,647)	6,519	0	0	0	(54,805,586)	(81,602)
FPSC Adjusted	685,731,347	11,041,648	227,048,054	136,945,472	46,299,527	55,039,865	28,506,796	(4,225,036)	(30,993)	500,625,333	185,106,014
Pro Forma Revenue Increase and Annualization Adjustments:											
Total Pro Forma Adjustments	0	0	0	0	0	0	0	0	0	0	0
Pro Forma Adjusted	\$ 685,731,347	\$ 11,041,648	\$ 227,048,054	\$ 136,945,472	\$ 46,299,527	\$ 55,039,865	\$ 28,506,796	\$ (4,225,036)	\$ (30,993)	\$ 500,625,333	\$ 185,106,014
(a) The addition of earnings from AFUDC would increase the System NOI by \$0, and Jurisdictional NOI by \$0.											
Current Month Amount:											
System Per Books	\$ 81,264,938	\$ 32,190,847	\$ 31,050,839	\$ 11,710,772	\$ 7,784,883	\$ (3,578,383)	\$ 2,441,513	\$ (381,208)	\$ (2,160)	\$ 81,217,103	\$ 10,047,833
Jurisdictional Per Books	\$ 59,085,432	\$ 2,518,265	\$ 28,880,518	\$ 11,875,294	\$ 7,758,756	\$ (3,685,395)	\$ 2,441,513	\$ (381,208)	\$ (2,160)	\$ 49,205,583	\$ 9,879,849

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0185-FOF-EI by the Florida Public Service Commission staff and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the company's current financial status and that they should not be used for that purpose.

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TAMPA ELECTRIC COMPANY  
AVERAGE RATE OF RETURN  
SYSTEM ADJUSTMENTS  
DECEMBER 1999

Working Capital Adjustments	System		Other Rate Base Adjustments	System		Retail	
Fuel and ECCR	\$	(20,317,741)	Fuel Inventory	\$	(843,938)	\$	(797,047)
		=====	CWP		(17,257,324)		(17,117,004)
Other:			CWP In Rate Base		17,257,325		17,117,004
Other Return Provided		(19,755,178)	Job Order Receivables		(1,289,018)		(1,289,018)
Non Utility		2,334,809	OUC Acquisition Book Value		(1,835,114)		(1,584,938)
Investor Funds		10,398,304	OUC Acquisition Accumulated Amortization		519,816		504,024
	\$	(7,024,085)	OUC Acquisition Adjustment - Net		(5,834,350)		(5,217,197)
		=====					
ECRC	\$	0	Total Adjustments	\$	(8,882,603)	\$	(8,384,174)
		=====			=====		=====

Income Statement Adjustments	System					Retail				
	Operating Revenue	Fuel and O & M	Taxes Other Than Income	Income Tax Effect	Gain/Loss on Disposition	Operating Revenue	Fuel and O & M	Taxes Other Than Income	Income Tax Effect	Gain/Loss on Disposition
<b>FPSC Adjustments</b>										
Industry Association Dues		(47,155)		18,190			(45,057)	0	17,381	
Solaris and Waterfall		(10,898)		4,204			(10,413)		4,017	
Stockholder Relations		(178,640)		68,910			(170,693)		65,845	
Civic Club Meals		(851)		328			(813)		314	
Franchise Fee Revenue and Expense	(20,661,370)		(20,857,869)	(9,066)		(20,881,370)		(20,857,869)	(9,066)	
Gross Receipts Tax	(26,692,803)		(26,741,778)	18,892		(26,692,803)		(26,741,778)	18,892	
Income Tax True-up				38,224					35,482	
Opt Prov Revenue and 3rd Party Purchase	(6,726,435)	(6,726,435)		0		(6,726,435)	(6,726,435)		0	
Job Order Revenues	(586,580)			(226,273)		(586,580)			(226,273)	
Economic Development		(6,781)		3,387			(8,390)		3,236	
OUC Acquisition Amortization		(258,288)		99,635			(250,657)		96,691	
<b>Total FPSC Adjustments</b>	<b>(54,887,188)</b>	<b>(7,231,048)</b>	<b>(47,599,647)</b>	<b>16,431</b>	<b>0</b>	<b>(54,887,188)</b>	<b>(7,212,458)</b>	<b>(47,599,647)</b>	<b>6,519</b>	<b>0</b>
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
<b>Pro Forma Revenue Increase and Annualization Adjustments:</b>										
<b>Total Pro Forma Adjustments</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-03-0165-FOF-EI by the Florida Public Service Commission staff and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the company's current financial status and that they should not be used for that purpose.

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TAMPA ELECTRIC COMPANY  
 YEAR END RATE OF RETURN  
 RATE BASE  
 DECEMBER 1998

SCHEDULE 3  
 PAGE 1 OF 3

	(1) Plant In Service	(2) Accumulated Depreciation & Amortization	(3) Net Plant In Service	(4) Property Held For Future Use	(5) Construction Work In Progress	(6) Nuclear Fuel (Net)	(7) Net Utility Plant	(8) Working Capital	(9) Total Rate Base
System Per Books	\$ 3,742,544,419	\$ (1,527,911,711)	\$ 2,214,632,708	\$ 33,442,961	\$ 38,048,870	\$ 0	\$ 2,286,124,539	\$ 95,704,000	\$ 2,381,828,539
Less: Fuel and ECCR								(20,317,741)	(20,317,741)
Other								(7,024,065)	(7,024,065)
ECCR	(14,210,947)	1,655,939	(12,555,008)				(12,555,008)	0	(12,555,008)
Regulatory Base - System	3,728,333,472	(1,526,255,772)	2,202,077,700	33,442,061	38,048,870	0	2,273,569,531	68,382,194	2,341,931,725
Regulatory Base - Retail	3,466,127,322	(1,425,170,189)	2,040,957,153	31,652,076	37,741,653	0	2,110,350,882	64,935,315	2,175,286,197
FPSC Adjustments									
Fuel Inventory								(797,047)	(797,047)
CWP					(37,741,653)		(37,741,653)		(37,741,653)
CWP in Rate Base					37,741,653		37,741,653		37,741,653
Job Order Receivables								(1,289,018)	(1,289,018)
OUC Acquisition Book Value	(1,584,936)		(1,584,936)				(1,584,936)		(1,584,936)
OUC Acquisition Accumulated Amortization		532,554	532,554				532,554		532,554
OUC Acquisition Adjustment - Net	(5,124,860)		(5,124,860)				(5,124,860)		(5,124,860)
Total FPSC Adjustments	(8,709,796)	532,554	(6,177,242)	0	0	0	(6,177,242)	(2,086,065)	(8,263,307)
FPSC Adjusted	3,459,417,526	(1,424,637,615)	2,034,779,911	31,652,076	37,741,653	0	2,104,173,640	62,849,250	2,167,022,890
Pro Forma Revenue Increase and Annualization Adjustments:									
Total Pro Forma Adjustments	0	0	0	0	0	0	0	0	0
Pro Forma Adjusted	\$ 3,459,417,526	\$ (1,424,637,615)	\$ 2,034,779,911	\$ 31,652,076	\$ 37,741,653	\$ 0	\$ 2,104,173,640	\$ 62,849,250	\$ 2,167,022,890

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TAMPA ELECTRIC COMPANY  
YEAR END RATE OF RETURN  
INCOME STATEMENT  
DECEMBER 1998

SCHEDULE 3  
PAGE 2 OF 3

	(1) Operating Revenues	(2) O & M Fuel & Net Interchange	(3) O & M Other	(4) Depreciation & Amortization	(5) Taxes Other Than Income	(6) Income Taxes Current	(7) Deferred Income Taxes (Net)	(8) Investment Tax Credit (Net)	(9) Gain/Loss On Disposition	(10) Total Operating Expenses	(11) Net Operating Income
System Per Books	\$ 1,234,441,309	\$ 451,284,424	\$ 260,158,911	\$ 148,113,063	\$ 97,248,237	\$ 57,194,731	\$ 30,864,563	\$ (4,574,485)	\$ (33,722)	\$ 1,038,255,722	\$ 196,185,587
Less: Recoverable Fuel	(421,340,660)	(418,186,352)	(1,099,523)		(275,673)	(1,468,944)				(419,030,492)	(2,310,168)
GPIF Revenues/Penalties	497,442				414	191,729				192,143	305,299
Recoverable ECCR	(19,841,853)		(18,725,474)		(14,123)	37,782				(19,701,815)	60,162
Recoverable ECCR - ROI	(253,149)				(171)	(97,586)				(97,757)	(155,392)
Recoverable ECRC	(4,419,068)	(2,526,692)	(1,510,755)	(410,290)	(1,526)	12,661				(4,438,602)	17,534
Recoverable ECRC ROI	(1,405,204)				(475)	(541,874)				(542,349)	(862,855)
<b>Regulatory Base - System</b>	<b>787,879,017</b>	<b>32,571,380</b>	<b>237,823,159</b>	<b>145,702,773</b>	<b>98,958,683</b>	<b>55,328,499</b>	<b>30,864,563</b>	<b>(4,574,485)</b>	<b>(33,722)</b>	<b>584,838,850</b>	<b>193,240,167 (e)</b>
<b>Regulatory Base - Retail</b>	<b>740,618,535</b>	<b>17,788,083</b>	<b>227,283,420</b>	<b>137,196,129</b>	<b>93,899,174</b>	<b>55,033,346</b>	<b>28,506,798</b>	<b>(4,225,036)</b>	<b>(30,993)</b>	<b>555,430,919</b>	<b>185,187,616 (e)</b>
<b>FPSC Adjustments</b>											
Industry Association Dues			(45,057)			17,381				(27,678)	27,676
Solaris and Waterfall			(10,413)			4,017				(6,396)	6,396
Stockholder Relations			(170,693)			85,845				(104,848)	104,848
Civic Club Meals			(813)			314				(499)	499
Franchise Fee Revenue and Expense	(20,881,370)				(20,857,869)	(9,066)				(20,866,935)	(14,435)
Gross Receipts Tax	(26,692,803)				(26,741,778)	18,892				(26,722,886)	30,083
Income Tax True-up						(137,192)				(137,192)	137,192
Opt Prov Revenue and Third Party Purchase	(6,726,435)	(6,726,435)				0				(6,726,435)	0
Job Order Revenues	(586,580)					(226,273)				(226,273)	(360,307)
Economic Development			(8,390)			3,236				(5,154)	5,154
OUC Acquisition Amortization				(250,657)		96,691				(153,966)	153,966
<b>Total FPSC Adjustments</b>	<b>(54,887,188)</b>	<b>(6,726,435)</b>	<b>(235,368)</b>	<b>(250,657)</b>	<b>(47,599,647)</b>	<b>(166,155)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(54,978,260)</b>	<b>91,072</b>
<b>FPSC Adjusted</b>	<b>685,731,347</b>	<b>11,041,648</b>	<b>227,048,054</b>	<b>136,945,472</b>	<b>48,299,527</b>	<b>54,867,191</b>	<b>28,506,798</b>	<b>(4,225,036)</b>	<b>(30,993)</b>	<b>500,452,659</b>	<b>185,278,688</b>
<b>Pro Forma Revenue Increase and Annualization Adjustments:</b>											
<b>Total Pro Forma Adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Pro Forma Adjusted</b>	<b>\$ 685,731,347</b>	<b>\$ 11,041,648</b>	<b>\$ 227,048,054</b>	<b>\$ 136,945,472</b>	<b>\$ 48,299,527</b>	<b>\$ 54,867,191</b>	<b>\$ 28,506,798</b>	<b>\$ (4,225,036)</b>	<b>\$ (30,993)</b>	<b>\$ 500,452,659</b>	<b>\$ 185,278,688</b>

(a) The addition of earnings from AFUDC would increase the System NOI by \$0, and Jurisdictional NOI by \$0.

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI by the Florida Public Service Commission staff and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the company's current financial status and that they should not be used for that purpose.

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TAMPA ELECTRIC COMPANY  
YEAR END RATE OF RETURN  
SYSTEM ADJUSTMENTS  
DECEMBER 1998

Working Capital Adjustments	System
Fuel and ECCR	\$ (20,317,741)
Other:	
Other Return Provided	(10,755,178)
Non Utility	2,334,809
Investor Funds	10,390,304
	\$ (7,024,065)
ECRC	\$ 0

Other Rate Base Adjustments	System	Retail
Fuel Inventory	\$ (843,938)	\$ (707,047)
CWIP	(38,048,870)	(37,741,653)
CWIP in Rate Base	38,048,870	37,741,653
Job Order Receivables	(1,289,018)	(1,289,018)
OUC Acquisition Book Value	(1,835,114)	(1,584,936)
OUC Acquisition Accumulated Amortization	549,240	532,554
OUC Acquisition Adjustment - Net	(5,534,630)	(5,124,860)
Total Adjustments	\$ (8,753,460)	\$ (8,263,307)

Income Statement Adjustments	System					Retail				
	Operating Revenue	Fuel and O & M	Taxes Other Than Income	Income Tax Effect	Gain/Loss on Disposition	Operating Revenue	Fuel and O & M	Taxes Other Than Income	Income Tax Effect	Gain/Loss on Disposition
<b>FPSC Adjustments</b>										
Industry Association Dues		(47,155)		18,180			(45,057)		17,381	
Solaris and Waterfall		(10,898)		4,204			(10,413)		4,017	
Stockholder Relations		(178,840)		68,910			(170,693)		65,845	
Civic Club Meals		(851)		328			(813)		314	
Franchise Fee Revenue and Expense	(20,881,370)		(20,857,869)	(9,066)		(20,881,370)		(20,857,869)	(9,066)	
Gross Receipts Tax	(26,692,803)		(26,741,778)	18,892		(26,692,803)		(26,741,778)	18,892	
Income Tax True-up				(147,711)					(137,192)	
Opt Prov Revenue and 3rd Party Purchase	(8,726,435)	(8,726,435)		0		(8,726,435)	(8,726,435)		0	
Job Order Revenues	(586,580)			(226,273)		(586,580)			(226,273)	
Economic Development		(8,781)		3,387			(8,390)		3,236	
OUC Acquisition Amortization		(258,288)		99,635			(250,657)		96,691	
<b>Total FPSC Adjustments</b>	<b>(54,887,188)</b>	<b>(7,231,048)</b>	<b>(47,599,647)</b>	<b>(169,504)</b>	<b>0</b>	<b>(54,887,188)</b>	<b>(7,212,458)</b>	<b>(47,599,647)</b>	<b>(166,155)</b>	<b>0</b>
<b>Pro Forma Revenue Increase and Annualization Adjustments:</b>										
<b>Total Pro Forma Adjustments</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

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TAMPA ELECTRIC COMPANY  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
DECEMBER 1998

SCHEDULE 4

AVERAGE	System Per Books	Retail Per Books	Adjustments		Adjusted Retail	Ratio (%)	Low Point		MidPoint		High Point	
			Specific	Pro Rata			Cost Rate (%)	Weighted Cost (%)	Cost Rate (%)	Weighted Cost (%)	Cost Rate (%)	Weighted Cost (%)
Long Term Debt	\$ 667,444,138	\$ 667,444,138	\$ (6,458,419)	\$ (57,335,516)	\$ 603,650,203	28.25 %	6.61	1.87	6.61	1.87	6.61	1.87
Short Term Debt	75,897,735	75,897,735	(380)	(6,583,522)	69,313,833	3.24	5.56	0.18	5.56	0.18	5.56	0.18
Deferred Revenue	20,723,028	20,723,028	0	0	20,723,028	0.97	5.44	0.05	5.44	0.05	5.44	0.05
Preferred Stock	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Customer Deposits	52,806,382	52,806,382	0	(4,580,555)	48,225,827	2.26	6.09	0.14	6.09	0.14	6.09	0.14
Common Equity	1,150,449,248	1,150,449,248	(733,566)	(99,729,148)	1,049,986,534	49.14	10.75	5.26	11.75	5.77	12.75	6.27
Deferred Income Taxes	329,106,607	329,106,607	1,671,248	(28,692,479)	302,085,376	14.13	-	-	-	-	-	-
Deferred Tax - FAS 109	0	0	0	0	0	0.00	-	-	-	-	-	-
Tax Credits - Zero Cost	0	0	0	0	0	0.00	-	-	-	-	-	-
Tax Credits - Weighted Cost	46,963,093	46,963,093	(11,594)	(4,072,688)	42,878,811	2.01	9.24	0.19	9.87	0.20	10.51	0.21
<b>Total</b>	<b>\$ 2,343,390,231</b>	<b>\$ 2,343,390,231</b>	<b>\$ (5,532,711)</b>	<b>\$ (200,993,908)</b>	<b>\$ 2,136,863,612</b>	<b>100.00 %</b>		<b>7.71</b>		<b>8.21</b>		<b>8.72</b>

YEAR END	System Per Books	Retail Per Books	Adjustments		Adjusted Retail	Ratio (%)	Low Point		MidPoint		High Point	
			Specific	Pro Rata			Cost Rate (%)	Weighted Cost (%)	Cost Rate (%)	Weighted Cost (%)	Cost Rate (%)	Weighted Cost (%)
Long Term Debt	\$ 686,089,186	\$ 686,089,186	\$ (6,548,168)	\$ (48,523,430)	\$ 631,017,588	29.12 %	6.73	1.96	6.73	1.96	6.73	1.96
Short Term Debt	50,291,728	50,291,728	(252)	(3,591,122)	46,700,354	2.16	5.56	0.12	5.56	0.12	5.56	0.12
Deferred Revenue	3,046,891	3,046,891	0	0	3,046,891	0.14	4.90	0.01	4.90	0.01	4.90	0.01
Preferred Stock	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Customer Deposits	52,689,347	52,689,347	0	(3,762,345)	48,927,002	2.26	6.09	0.14	6.09	0.14	6.09	0.14
Common Equity	1,156,581,588	1,156,581,588	(643,945)	(82,541,095)	1,073,396,548	49.53	10.75	5.32	11.75	5.82	12.75	6.32
Deferred Income Taxes	345,655,472	345,655,472	1,600,292	(24,796,209)	322,459,555	14.88	-	-	-	-	-	-
Deferred Tax - FAS 109	0	0	0	0	0	0.00	-	-	-	-	-	-
Tax Credits - Zero Cost	0	0	0	0	0	0.00	-	-	-	-	-	-
Tax Credits - Weighted Cost	44,675,268	44,675,268	(11,012)	(3,189,304)	41,474,952	1.91	9.26	0.18	9.89	0.19	10.52	0.20
<b>Total</b>	<b>\$ 2,339,029,480</b>	<b>\$ 2,339,029,480</b>	<b>\$ (5,603,085)</b>	<b>\$ (166,403,505)</b>	<b>\$ 2,167,022,890</b>	<b>100.00 %</b>		<b>7.73</b>		<b>8.24</b>		<b>8.75</b>

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TAMPA ELECTRIC COMPANY  
 FINANCIAL INTEGRITY INDICATORS  
 DECEMBER 1998

SCHEDULE 5

A. Times Interest Earned With AFUDC\*

Earnings Before Interest	184,091,181
AFUDC - Debt	0
Income Taxes	76,774,344
<b>Total</b>	<b>260,865,525</b>
Interest Charges (Before Deducting AFUDC - Debt)	53,245,733
<b>Tie With AFUDC</b>	<b>4.90</b>

B. Times Interest Earned Without AFUDC\*

Earnings Before Interest	184,091,181
AFUDC - Other	0
Income Taxes	76,774,344
<b>Total</b>	<b>260,865,525</b>
Interest Charges (Before Deducting AFUDC - Debt)	53,245,733
<b>Tie Without AFUDC</b>	<b>4.90</b>

C. Percent AFUDC to Net Income Available For Common Stockholders\*

AFUDC - Debt	0
x (Income Tax Rate of 38.575%)	0
<b>Subtotal</b>	<b>0</b>
AFUDC - Other	0
<b>Total</b>	<b>0</b>
Net Income Available For Common Stockholders	130,845,446
<b>Percent AFUDC to Available Net Income</b>	<b>0.00%</b>

\* Tampa Electric Company calculates AFUDC using the rate last authorized by the Florida Public Service Commission. On the company's books, AFUDC is allocated between debt and equity using the modified methodology in FERC Order No. 561. The information shown on Schedule 5 Parts A, B and C is stated as if AFUDC had been allocated using the FPSC methodology.

D. Percent Internally Generated Funds

Net Income	130,845,446
Preferred Dividends	0
Common Dividends	(104,323,815)
AFUDC (Debt & Other)	0
Depreciation & Amortization	146,113,063
Deferred Income Taxes	29,586,857
Investment Tax Credits	(4,575,649)
Deferred Clause Revenues (Expenses)	11,382,894
Deferred Revenues	(38,300,000)
Other	8,134,341
<b>Total</b>	<b>178,863,137</b>
Construction Expenditures (Excluding AFUDC Other & Debt)	174,282,493
<b>Percent Internally Generated Funds</b>	<b>102.63%</b>

E. Long Term Debt as Percent of Total Capital

F. Short Term Debt as Percent of Total Capital

<u>Reconciled Average Retail Amounts</u>	
Long Term Debt	603,650,203
Short Term Debt	69,313,833
Deferred Revenue	20,723,028
Preferred Stock	0
Common Equity	1,049,986,534
<b>Total</b>	<b>1,743,673,598</b>
<b>% Long Term Debt to Total</b>	<b>34.62%</b>
<b>% Short Term Debt to Total</b>	<b>3.98%</b>

G. FPSC Adjusted Average Jurisdictional Return On Common Equity

FPSC Adjusted Average Earned Rate Of Return	8.66
<b>Less: Reconciled Average Retail Weighted Cost Rates For:</b>	
Long Term Debt	1.87
Short Term Debt	0.18
Deferred Revenue	0.05
Preferred Stock	0.00
Customer Deposits	0.14
Tax Credits-Weighted Cost (Midpoint)	0.20
<b>Subtotal</b>	<b>2.44</b>
<b>Total</b>	<b>6.22</b>
Divided By Common Equity Ratio	49.14
<b>Jurisdictional Return On Common Equity</b>	<b>12.66%</b>

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI by the Florida Public Service Commission staff and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the Company's current financial status and that they should not be used for that purpose.

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**Florida Public Service Commission**

**Calculation of**

**Tampa Electric's 1998 Earnings**

**Order No. PSC 99-2007-PAA-EI**

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ATTACHMENT A

TAMPA ELECTRIC  
 DOCKET NO. 950379-  
 REVIEW OF 1998

As Filed FPSC Adjusted Basis	Asset Transfer	Deferred Revenue Refund	Temporary Base Rate Reduction	OUG Transmis Line	Industry Dues	Advertis	Allocati Subsidia	Interest Reconci	Total Adjustme	Total Adjusted Rate Base
<b>RATE BASE</b>										
Plant in Service	\$3,398,14								\$0	\$3,398,144
Accumulated	(1,371,92)	(66,050)							(66,050)	(1,371,992)
Net Plant in Service	2,026,217	(66,050)	0	0	0	0	0	0	(66,050)	2,026,151.8
Property Held for	30,750,290								0	30,750,290
Construction Work in	17,117,984								0	17,117,984
Net Utility Plant	2,074,086	(66,050)	0	0	0	0	0	0	(66,050)	2,074,020.0
Working Capital	62,777,478								0	62,777,478
<b>Total Rate Base</b>	<b>\$2,136,86</b>	<b>(\$66,050)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$66,050)</b>	<b>\$2,136,797</b>
<b>INCOME STATEMENT</b>										
Operating Revenues	\$685,731,	\$3,046,8	\$25,422,0						\$28,468,	\$714,200,23
Operating Expenses:									0	11,041,648
Operation	& 11,041,648				(28,074)	(7,699)	(45,818)		(81,591)	226,966,463
Operation	& 227,048.0								0	136,945,472
Depreciation	& 136,945,4								(46,914)	46,252,613
Taxes Other Than	46,299,527			(46,914)					0	65,136,930
Income Taxes	- 55,039,865	1,175,33	9,806,537	18,097	10,830	2,970	17,674	(934,381)	10,097,0	28,506,796
Deferred Income Taxes	28,506,796								0	(4,225,036)
Investment Tax Credit	(4,225,03								0	(30,993)
(Gain)/Loss on	(30,993)								0	
<b>Total Operating</b>	<b>500,625,3</b>	<b>1,175,33</b>	<b>9,806,537</b>	<b>(28,817)</b>	<b>(17,244)</b>	<b>(4,729)</b>	<b>(28,144)</b>	<b>(934,381)</b>	<b>9,968,56</b>	<b>510,593,893</b>
<b>Net Operating Income</b>	<b>\$185,106</b>	<b>\$0</b>	<b>\$1,871.5</b>	<b>\$15,615.4</b>	<b>\$28,817</b>	<b>\$17,244</b>	<b>\$4,729</b>	<b>\$28,144</b>	<b>\$934,381</b>	<b>\$18,500</b>
<b>OVERALL RATE OF</b>	<b>8.66%</b>								<b>0.87%</b>	<b>9.53%</b>
<b>RETURN ON EQUITY</b>	<b>12.66%</b>								<b>2.06%</b>	<b>14.72%</b>

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ATTACHMENT B

DOCKET NO. 950379-EI  
 TAMPA ELECTRIC  
 COMMISSION APPROVED CAPITAL STRUCTURE  
 AVERAGE YEAR ENDING DECEMBER 31, 1998  
 TEST YEAR

ADJUSTMENTS

	RETAIL PER BOOKS	COMPANY SPECIFIC	COMPANY PRO RATA	COMPANY ADJUSTED	EQUITY ADJUSTMENT	COMMISSION PRO RATA	COMMISSION ADJUSTED	WEIGHT	COST RATE	WEIGHTED COST
LONG TERM DEBT	\$667,444.1	(\$6,458.41)	(\$57,335.5	\$603,650.2	\$38,614.50	(\$23,951)	\$642,240.7	30.06%	6.61%	1.99%
SHORT TERM DEBT	75,897,735	(380)	(6,583,522	69,313,833		(2,585)	\$69,311,24	3.24%	5.38%	0.17%
PREFERRED STOCK	0			0		0	\$0	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	52,806,382		(4,580,555	48,225,827		(1,798)	\$48,224.02	2.26%	6.09%	0.14%
COMMON EQUITY	1,150,449.	(733,566)	(99,729.14	1,049,986.	(38,614.50	(37,716)	\$1,011,334	47.33%	12.75%	6.03%
DEFERRED REVENUE	20,723,028			20,723,028			\$20,723,02	0.97%	5.49%	0.05%
DEFERRED TAXES	329,106,60	1,671,248	(28,692,47	302,085,37			\$302,085.3	14.14%	0.00%	0.00%
FAS 109 DEFERRED TAXES	0		0	0			\$0	0.00%	0.00%	0.00%
TAX CREDITS - ZERO COST	0		0	0			\$0	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED	46,963,093	(11,594)	(4,072,688	42,878,811			\$42,878.81	2.01%	10.37%	0.21%
	\$2,343,390	(\$5,532.71)	(\$200,993,	\$2,136,863		\$0	(\$66,050)	100%		8.59%
			EQUITY	60.94%		EQUITY	58.70000%			

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ATTACHMENT C

TAMPA ELECTRIC  
 DOCKET NO. 950379-EI  
 REVIEW OF 1998

INTEREST RECONCILIATION

	Amount	Cost Rate	Interest	Tax Rate	Effect on Income Tax
Long Term Debt	\$642,240,7	6.61%	\$42,452,1		
Short Term Debt	69,311,248	5.38%	3,728,945		
Customer Deposits	48,224,029	6.09%	2,936,843		
Deferred Revenue	20,723,028	5.49%	1,137,694		
Tax Credits - Weighted	42,878,811	2.57%	1,100,825		
Interest Expense			<u>51,356,42</u>		
Adj. Company Interest			48,934,17		
Adjustment			<u>(\$2,422,2</u>	38.575%	<u>(\$934,381)</u>

ATTACHMENT D

TAMPA ELECTRIC COMPANY  
DOCKET NO. 950379-EI  
REVIEW OF 1998 EARNINGS

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Adjusted Rate	\$2,136,797,5
Adjusted Achieved Rate of	9.53%
Allowed Maximum Rate of	
at 12.75%	<u>8.59%</u>
Excess Rate of Return	
Excess Net Operating Income	20,085,897
Revenue Expansion Factor	
Revenues in Excess of 12.75% ROE	32,699,881
Less Temporary Reduction	(25,422,000)
Less Company Adjustment	<u>(3,046,891)</u>
1998 Revenues in Excess of 12.75% ROE	<u>\$4,230,990</u>
Company Reversal	<u>\$38,300,000</u>
Less: Revenues in Excess of 12.75% ROE	<u>(4,230,990)</u>
Maximum Allowed Revenue Reversal	<u>\$34,069,010</u>

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ATTACHMENT E

TAMPA ELECTRIC COMPANY  
DOCKET NO. 950379-EI  
DEFERRED REVENUE SUMMARY

1995 Revenue Deferral per Order No. PSC-97-0436-FOF-EI	\$50,517,063
1996 Revenue Deferral per Order No. PSC-99-0683-FOF-EI	37,081,064
1996-1997 Refund	(25,737,978)
1997 Revenue Reversal per Order No. PSC-99-1940-PAA-EI	(27,056,807)
1998 Revenue Reversal per 09/07/99 Commission Decision	(34,069,010)
1995-1998 Interest	10,492,266
Refund as of 12/31/98	<u>\$11,226,598</u>