



September 10, 2009

Ms. Ann Cole, Director
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RECEIVED-FPSC
09 SEP 11 PM 1:34
COMMISSION
CLERK

090446 - EH

Re: Request to Change AFUDC Rate

Dear Ms. Cole:

Tampa Electric Company requests Commission approval to change, effective May 1, 2009, its rate used to account for Allowance For Funds Used During Construction (AFUDC) from 7.79% to 8.17% calculated as of April 30, 2009, as shown on the attached schedules.

The rate reflects a return on common equity of 11.25% as authorized in Order No. PSC-09-0283-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,

Sandra W. Callahan
VP Finance & Accounting & CFO

SWC/av

Enclosures

COM
ECR
GCL
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RCP
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ADM
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DOCUMENT NUMBER - DATE:
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TAMPA ELECTRIC COMPANY
P. O. BOX 111 TAMPA, FL 33601-0111

(813) 228-4111

AN EQUAL OPPORTUNITY COMPANY
HTTP://WWW.TAMPAELECTRIC.COM

CUSTOMER SERVICE:
HILLSBOROUGH COUNTY (813) 223-0800
OUTSIDE HILLSBOROUGH COUNTY 1 (888) 223-0800

TAMPA ELECTRIC COMPANY
Capital Structure Used for AFUDC Calculation
As of April 2009

SCHEDULE A

AFUDC	Adjusted Average Balance	Ratio %	Year End Average Cost Rate	Weighted Cost
Long Term Debt	\$ 1,370,916,433	41.45	6.81	2.82
Short Term Debt	-	-	2.72	-
Deferred Revenues	-	-	-	-
Customer Deposits	94,789,129	2.87	6.11	0.18
Preferred Stock	-	-	-	-
Common Equity	1,518,259,773	45.92	11.25	5.17
Deferred Income Taxes	313,334,952	9.47	-	-
Deferred Taxes - FAS 109	-	-	-	-
Tax Credits - Zero Cost	-	-	-	-
Tax Credits - Weighted Cost	9,718,779	0.29	-	-
Total	\$ 3,307,019,066	100.00		8.17

Note: The current AFUDC rate of 7.79% was authorized in Order No. PSC-95-1229-FOF-EI Docket No. 950621-EI, effective January 1, 1995.

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TAMPA ELECTRIC COMPANY
Capital Structure Adjustments
As of April 2009

SCHEDULE B

AFUDC	Unadjusted Average Balance	+	Specific Adjustments	=	Adjusted Specific Balance	+	Prorata Adjustments	=	Adjusted Average Balance
Long Term Debt	\$ 1,611,100,295		(27,418,950)		1,583,681,345		(212,764,913)		1,370,916,433
Short Term Debt	36,232,308		(36,232,308)		-		-		-
Deferred Revenues	-		-		-		-		-
Customer Deposits	108,929,604		-		108,929,604		(14,140,475)		94,789,129
Preferred Stock	-		-		-		-		-
Common Equity	1,745,147,791		8,738,384		1,753,886,175		(235,626,402)		1,518,259,773
Deferred Income Taxes	400,045,855		(39,968,148)		360,077,708		(46,742,755)		313,334,952
Deferred Taxes - FAS 109	-		-		-		-		-
Tax Credits - Zero Cost	-		-		-		-		-
Tax Credits - Weighted Cost	11,170,183		(1,574)		11,168,609		(1,449,830)		9,718,779
Total	\$ 3,912,626,037		(94,882,595)		3,817,743,441		(510,724,375)		3,307,019,066

TAMPA ELECTRIC COMPANY
Methodology for Compounding AFUDC Rate
As of April 2009

SCHEDULE C

Time Period	AFUDC Expenditures (\$)	AFUDC Base (\$)	Monthly AFUDC (\$)	Cumulative AFUDC (\$)
1	1.0	1.000000	0.0065660	0.0065660
2			0.0066091	0.0131750
3			0.0066525	0.0198275
4			0.0066961	0.0265236
5			0.0067401	0.0332637
6			0.0067844	0.0400481
7			0.0068289	0.0468770
8			0.0068737	0.0537507
9			0.0069189	0.0606696
10			0.0069643	0.0676339
11			0.0070100	0.0746439
12			0.0070561	0.0817000

Annual Rate (R) = .0817

Monthly Rate = $((1 + R)^{(1/12)} - 1) = .0065660$