



April 14, 2022

Mr. Adam Teitzman, Director  
Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: Request to Change AFUDC Rate

Dear Mr. Teitzman,

Tampa Electric Company requests Commission approval to change, effective January 1, 2022, its rate used to account for Allowance For Funds Used During Construction ("AFUDC") from 6.46% to 5.97% calculated as of December 31, 2021, as shown on the attached schedules.

The rate reflects a return on common equity of 9.95% as authorized in Order No. PSC-2021-0423-S-EI, Paragraph 2(a) of the 2021 Stipulation and Settlement Agreement.

The company 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,

A handwritten signature in black ink, appearing to read "Jeffrey S. Chronister", is written over a light blue horizontal line.

Jeffrey S. Chronister  
VP Finance

**TAMPA ELECTRIC COMPANY**  
**Capital Structure Used for AFUDC Calculation**  
**As of December 2021**

**SCHEDULE A**

AFUDC	Adjusted Average Balance	Ratio %	Year End Average Cost Rate	Weighted Cost
Long Term Debt	\$ 2,352,903,208	33.47	4.31	1.44
Short Term Debt	269,093,425	3.83	0.62	0.02
Customer Deposits	86,592,589	1.23	2.39	0.03
Common Equity	3,166,789,469	45.06	9.95	4.48
Deferred Income Taxes	954,820,454	13.58	-	-
Tax Credits - Weighted Cost	199,246,164	2.83	-	-
Total	\$ 7,029,445,310	100.00		5.97

Note: The current AFUDC rate of 6.46% was authorized in Order No. PSC-14-0176-PAA-EI Docket No. 140033-EI, effective January 1, 2014.

Debt Ratio 24.96%  
Equity Ratio 75.04%

**TAMPA ELECTRIC COMPANY**  
**Capital Structure Adjustments**  
**As of December 2021**

**SCHEDULE B**

<b>AFUDC</b>	Unadjusted Average Balance	+	Specific Adjustments	=	Adjusted Specific Balance	+	Prorata Adjustments	=	Adjusted Average Balance
Long Term Debt	\$ 2,824,401,872		(126)		2,824,401,746		(471,498,538)		2,352,903,208
Short Term Debt	353,983,416		(30,966,331)		323,017,085		(53,923,660)		269,093,425
Customer Deposits	103,944,894		-		103,944,894		(17,352,304)		86,592,589
Common Equity	3,796,379,595		5,003,172		3,801,382,767		(634,593,297)		3,166,789,469
Deferred Income Taxes	1,155,881,298		(9,724,204)		1,146,157,094		(191,336,640)		954,820,454
Tax Credits - Weighted Cost	239,174,063		(925)		239,173,138		(39,926,974)		199,246,164
Total	\$ 8,473,765,138		(35,688,414)		8,438,076,723		(1,408,631,413)		7,029,445,310

**TAMPA ELECTRIC COMPANY**  
**Methodology for Compounding AFUDC Rate**  
**As of December 2021**

**SCHEDULE C**

Time Period	AFUDC Expenditures (\$)	AFUDC Base (\$)	Monthly AFUDC (\$)	Cumulative AFUDC (\$)
1	1.0	1.000000	0.0048440	0.0048440
2			0.0048670	0.0097110
3			0.0048910	0.0146020
4			0.0049150	0.0195170
5			0.0049390	0.0244560
6			0.0049630	0.0294190
7			0.0049870	0.0344060
8			0.0050110	0.0394170
9			0.0050350	0.0444520
10			0.0050590	0.0495110
11			0.0050840	0.0545950
12			0.0051090	0.0597040

Annual Rate (R) = .0597

Monthly Rate =  $((1 + R)^{(1/12)} - 1) = .0048440$