



September 16, 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 July 1, 2022, its rate used to account for Allowance For Funds Used During Construction ("AFUDC") from 5.98% to 6.09% calculated as of December 31, 2021 and updated with the company's revised return on equity that is effective as of July 1, 2022, as shown on the attached schedule.

The rate reflects a return on common equity of 10.20% as authorized by Commission Order No. PSC-2022-0322-FOF-EI issued September 12, 2022, in Docket No. 20220122-EI.

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", written in a cursive style.

Jeffrey S. Chronister  
VP Finance

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

**SCHEDULE A**

**Updated Pursuant to ROE Trigger Provision of 2021 Settlement Agreement**

AFUDC	Adjusted Average Balance	Ratio	Year End Average Cost Rate	Weighted Cost
Long Term Debt	\$ 2,352,903,208	33.472%	4.31%	1.443%
Short Term Debt	269,093,425	3.828%	0.62%	0.024%
Customer Deposits	86,592,589	1.232%	2.39%	0.029%
Common Equity	3,166,789,469	45.050%	10.20%	4.595%
Deferred Income Taxes	954,820,454	13.583%	0.00%	0.000%
Tax Credits - Weighted Cost	199,246,164	2.834%	0.00%	0.000%
Total	\$ 7,029,445,310	100.00%		6.09%

Note: The current AFUDC rate of 5.98% was approved in Order No. PSC-2022-0245-PAA-EI Docket No. 20220076-EI.

Debt Ratio	24.56%
Equity Ratio	75.44%

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

**SCHEDULE B**

**Updated Pursuant to ROE Trigger Provision of 2021 Settlement Agreement**

<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**

**Updated Pursuant to ROE Trigger Provision of 2021 Settlement Agreement**

Time Period	AFUDC Expenditures (\$)	AFUDC Base (\$)	Monthly AFUDC (\$)	Cumulative AFUDC (\$)
1	1.0	1.0000000	0.00493862	0.00493862
2	1.0	1.0049386	0.00496301	0.00990163
3	1.0	1.0099016	0.00498752	0.01488916
4	1.0	1.0148892	0.00501215	0.01990131
5	1.0	1.0199013	0.00503691	0.02493822
6	1.0	1.0249382	0.00506178	0.03000000
7	1.0	1.0300000	0.00508678	0.03508678
8	1.0	1.0350868	0.00511190	0.04019868
9	1.0	1.0401987	0.00513715	0.04533583
10	1.0	1.0453358	0.00516252	0.05049835
11	1.0	1.0504983	0.00518801	0.05568636
12	1.0	1.0556864	0.00521364	0.06090000

Annual Rate (R) = 0.0609

Monthly Rate =  $((1 + R)^{(1/12)}) - 1 = .00493862 \approx .004939$