



September 22, 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 6.07% calculated as of June 30, 2022 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 over a horizontal line.

Jeffrey S. Chronister  
VP Finance

**TAMPA ELECTRIC COMPANY**  
**Capital Structure Used for AFUDC Calculation**  
**As of June 2022**  
**Updated Pursuant to ROE Trigger Provision of 2021 Settlement Agreement**

**SCHEDULE A**

AFUDC	Adjusted Average Balance	Ratio	Year End Average Cost Rate	*	Weighted Cost
Long Term Debt	\$ 2,405,038,465	33.210%	4.29%	*	1.425%
Short Term Debt	362,462,257	5.005%	0.77%		0.038%
Customer Deposits	86,333,308	1.192%	2.39%		0.028%
Common Equity	3,248,805,195	44.861%	10.20%		4.576%
Deferred Income Taxes	925,971,334	12.786%	0.00%		0.000%
Tax Credits - Weighted Cost	213,283,979	2.945%	0.00%		0.000%
Total	\$ 7,241,894,538	100.00%			6.07%

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

Debt Ratio            24.58%  
Equity Ratio            75.42%

**TAMPA ELECTRIC COMPANY**  
**Capital Structure Adjustments**  
**As of June 2022**

**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 Prorata Balance	+	Adjusted 54% Equity Ratio	=	Adjusted Average Balance
Long Term Debt	\$ 2,866,405,808		(215)		2,866,405,593		(515,918,260)		2,350,487,333		54,551,131		2,405,038,465
Short Term Debt	507,076,288		(75,081,607)		431,994,681		(77,753,800)		354,240,881		8,221,376		362,462,257
Customer Deposits	105,282,975		-		105,282,975		(18,949,667)		86,333,308		0		86,333,308
Common Equity	4,031,699,747		6,749,946		4,038,449,693		(726,871,991)		3,311,577,703		(62,772,508)		3,248,805,195
Deferred Income Taxes	1,153,697,961		(24,481,216)		1,129,216,745		(203,245,410)		925,971,334		0		925,971,334
Tax Credits - Weighted Cost	260,099,509		(916)		260,098,593		(46,814,613)		213,283,979		0		213,283,979
<b>Total</b>	<b>\$ 8,924,262,287</b>		<b>(92,814,008)</b>		<b>8,831,448,280</b>		<b>(1,589,553,741)</b>		<b>7,241,894,538</b>		<b>0</b>		<b>7,241,894,538</b>

**TAMPA ELECTRIC COMPANY**  
**Methodology for Compounding AFUDC Rate**  
**As of June 2022**  
**Updated Pursuant to ROE Trigger Provision of 2021 Settlement Agreement**

**SCHEDULE C**

Time Period	AFUDC Expenditures (\$)	AFUDC Base (\$)	Monthly AFUDC (\$)	Cumulative AFUDC (\$)
1	1.0	1.0000000	0.00492283	0.00492283
2	1.0	1.0049228	0.00494707	0.00986990
3	1.0	1.0098699	0.00497142	0.01484132
4	1.0	1.0148413	0.00499589	0.01983722
5	1.0	1.0198372	0.00502049	0.02485770
6	1.0	1.0248577	0.00504520	0.02990291
7	1.0	1.0299029	0.00507004	0.03497295
8	1.0	1.0349729	0.00509500	0.04006795
9	1.0	1.0400679	0.00512008	0.04518803
10	1.0	1.0451880	0.00514529	0.05033331
11	1.0	1.0503333	0.00517062	0.05550393
12	1.0	1.0555039	0.00519607	0.06070000

Annual Rate (R) = 0.0607

Monthly Rate =  $((1 + R)^{(1/12)}) - 1 = .00492283 \approx .004923$