



February 12, 2014

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

Re: Request to Change AFUDC Rate

Dear Ms. Stauffer:

Tampa Electric Company requests Commission approval to change, effective January 1, 2014, its rate used to account for Allowance For Funds Used During Construction (AFUDC) from 8.16% to 6.47% calculated as of December 31, 2013, as shown on the attached schedules.

The rate reflects a return on common equity of 10.25% as authorized in Order No. PSC-13-0443-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,

A handwritten signature in black ink, appearing to read "J.S. Chronister", written over a white background.

Jeffrey S. Chronister
Controller

JSC/av

Enclosures

TAMPA ELECTRIC COMPANY
Capital Structure Used for AFUDC Calculation
As of December 2013

SCHEDULE A

AFUDC	Adjusted Average Balance	Ratio %	Year End Average Cost Rate	Weighted Cost
Long Term Debt	\$ 1,442,503,126	36.29	5.61	2.04
Short Term Debt	0	0.00	0.60	0.00
Customer Deposits	107,365,922	2.70	2.24	0.06
Common Equity	1,693,609,735	42.60	10.25	4.37
Deferred Income Taxes	723,674,109	18.20	-	-
Tax Credits - Weighted Cost	8,177,269	0.21	-	-
Total	\$ 3,975,330,161	100.00		6.47

Note: The current AFUDC rate of 8.16% was authorized in Order No.
PSC-09-0798-PAA-EI Docket No. 090446-EI, effective December 2, 2009.

Debt Ratio 32.46%
Equity Ratio 67.54%

TAMPA ELECTRIC COMPANY
Capital Structure Adjustments
As of December 2013

SCHEDULE B

AFUDC	Unadjusted Average Balance	+	Specific Adjustments	=	Adjusted Specific Balance	+	Prorata Adjustments	=	Adjusted Average Balance
Long Term Debt	\$ 1,652,164,082		(2,732,612)		1,649,431,470		(233,628,344)		1,442,503,126
Short Term Debt	6,492,308		(6,492,275)		33		(33)		0
Customer Deposits	125,082,240		-		125,082,240		(17,716,318)		107,365,922
Common Equity	1,995,749,446		8,436,643		2,004,186,089		(283,876,354)		1,693,609,735
Deferred Income Taxes	848,242,342		(5,155,663)		843,086,679		(119,412,570)		723,674,109
Tax Credits - Weighted Cost	9,527,915		(1,325)		9,526,590		(1,349,321)		8,177,269
Total	\$ 4,637,258,332		(5,945,232)		4,631,313,100		(655,982,940)		3,975,330,161

Per Order No. PSC-13-0443-FOF-EI, a 54% equity ratio (investor sources with any difference to actual equity ratio spread ratably over long-term and short-term debt) shall be used.

TAMPA ELECTRIC COMPANY
Methodology for Compounding AFUDC Rate
As of December 2013

SCHEDULE C

Time Period	AFUDC Expenditures (\$)	AFUDC Base (\$)	Monthly AFUDC (\$)	Cumulative AFUDC (\$)
1	1.0	1.000000	0.0052381	0.0052381
2			0.0052655	0.0105036
3			0.0052931	0.0157967
4			0.0053208	0.0211176
5			0.0053487	0.0264663
6			0.0053767	0.0318430
7			0.0054049	0.0372479
8			0.0054332	0.0426811
9			0.0054617	0.0481428
10			0.0054903	0.0536330
11			0.0055190	0.0591521
12			0.0055479	0.0647000

Annual Rate (R) = .0647

Monthly Rate = $((1 + R)^{(1/12)} - 1) = .0052381$