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RECORDS AND
REPORTING

August 26, 1998

HAND DELIVERED

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

981075-EI

Re: Application of Tampa Electric Company for authority to issue and sell securities pursuant to Section 366.04, Florida Statutes, and Chapter 25-8, Florida Administrative Code.

Dear Ms. Bayo:

Enclosed for filing in the above matter are the original and fifteen (15) copies of Tampa Electric Company's Application for Authority to Issue and Sell Securities.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning same to this writer.

Thank you for your assistance in connection with this matter.

Sincerely,


James D. Beasley

JDB/pp
Enclosures

DOCUMENT NUMBER-DATE

09273 AUG 26 98

PPSC-RECORDS/REPORTING

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of Tampa Electric Company for authority to issue and sell securities pursuant to Section 366.04, Florida Statutes and Chapter 25-8, Florida Administrative Code.

) DOCKET NO. 981075-EZ
)
) Submitted for
) filing on
) August 26, 1998
)

TAMPA ELECTRIC COMPANY'S
APPLICATION FOR AUTHORITY TO ISSUE AND SELL SECURITIES

Tampa Electric Company ("the company") files this, its Application under Section 366.04, Florida Statutes and Rule 25-8.001, et seq., Florida Administrative Code, for authority to issue and/or sell securities during the twelve months ending November 30, 1999, and says:

1. The exact name of the company and the address of its principal business office are as follows: Tampa Electric Company, 702 North Franklin Street, Tampa, Florida, 33602.

2. The company, a Florida corporation, was incorporated in 1899 and was reincorporated in 1949.

DOCUMENT NUMBER-DATE

09273 AUG 26 88

FPSC-RECORDS/REPORTING

3. The names and addresses of persons authorized to receive notices and communications with respect to this Application are as follows:

L. L. Willis
J. D. Beasley
Ausley & McMullen
P. O. Box 391
Tallahassee, FL 32302

P. K. Thompson
Regulatory Specialist
Tampa Electric Company
P. O. Box 111
Tampa, FL 33601

4. As of June 30, 1998, the date of the balance sheet submitted with this Application, the following information is shown for each class and series of capital stock:

Common Stock

- (a) Brief description: Common Stock, without par value
- (b) Authorized (face value and number of shares):
25,000,000 shares, without par value
- (c) Outstanding (exclusive of any amount held in treasury):
10 shares
- (d) Held as reacquired securities: None
- (e) Pledged by applicant: None
- (f) Owned by affiliated corporations:
10 shares
- (g) Held in any fund: None

Funded Debt ⁽³⁾

Brief Description	Authorized and Outstanding	Reacquired	Pledged	Owned by Affiliates	In Sinking and Other Funds
<u>Electric division</u>					
First Mortgage Bonds, 5-3/4% Series, due 2000	⁽²⁾ \$ 80,000,000	none	none	none	none
First Mortgage Bonds, 6-1/8% Series, due 2003	⁽²⁾ 75,000,000	"	"	"	"
First Mortgage Bonds, 7-3/4% Series, due 2022	⁽²⁾ 75,000,000	"	"	"	"
Total electric division	<u>\$230,000,000</u>				
<u>Peoples Gas division</u>					
Senior Term Note, 10.35%, due 2007	\$ 7,400,000	none	none	none	none
Senior Term Note, 10.33%, due 2008	9,200,000	"	"	"	"
Senior Term Note, 10.30%, due 2009	9,400,000	"	"	"	"
Senior Term Note, 9.93%, due 2010	9,600,000	"	"	"	"
Senior Term Note, 8.00%, due 2012	33,500,000	"	"	"	"
Total Peoples Gas division	<u>\$ 69,100,000</u>				

The company filed a shelf registration statement with the Securities and Exchange Commission, which became effective on July 17, 1998, allowing for the issuance of up to \$200 million of medium-term notes. On July 31, 1998, the company issued \$50 million of Remarketed Notes (the Notes) due 2038. The Notes are subject to mandatory tender on July 15, 2001, at which time they will be remarketed or redeemed. The coupon rate for the initial term is 5.94%. If the remarketing agent appointed by the company in connection with the issue of the Notes exercises its right to purchase the Notes on July 15, 2001, for the following ten years the Notes will bear interest at an annual rate of 5.41% plus a

premium based on Tampa Electric Company's then current credit spread above United States Treasury Notes with ten years to maturity. Otherwise, the Notes may be remarketed for interest periods selected by Tampa Electric Company at fixed or floating market rates of interest. Net proceeds to Tampa Electric Company were 102.1 percent of the principal amount and include a premium paid to Tampa Electric Company by the remarketing agent for the right to purchase the Notes in 2001. Proceeds from the Note issuance were used to repay short-term debt. Under this shelf registration statement, \$150 million remains available for issuance.

The company filed a shelf registration statement with the Securities and Exchange Commission, which became effective on May 4, 1993, for the sale of up to \$200 million of first mortgage bonds. On May 24, 1993, the company issued \$80 million of bonds due in 2000 at a 5.75 percent interest rate. Under this shelf registration statement, \$120 million remains available for issuance.

Note (2): First mortgage bonds of these series and bonds of any series may be issued by the company, subject to the restrictions in the Indenture of Mortgage dated Aug. 1, 1946, as supplemented, without limit in amount except as from time to time limited by law or by the Restated Articles of Incorporation of the company. Such Restated Articles of Incorporation currently have no limit as to the amount of funded debt that the company may have outstanding at any time.

Note (3): Does not include obligations with respect to Pollution Control Revenue Bonds under the following contracts:

Hillsborough County Industrial Development Authority (HCIDA)

<u>Type of Contract</u>	<u>Series</u>	<u>Dated as of</u>	<u>Interest Rate</u>	<u>Amount</u>
<u>Electric division</u>				
Installment Purchase and Security Contract	1972	3/1/72	5 3/4%	\$ 23,530,000
Installment Purchase Contract	1994 Refunding Bonds	12/1/94	6.25%	85,950,000
Installment Purchase Contract	1990 Refunding Bonds	9/27/90	Var ^(a)	51,605,000
Installment Purchase Contract	1992 Refunding Bonds	10/27/92	Var ^(b)	54,200,000

Installment Purchase Contract	1991 Refunding Bonds	6/3/91	7 7/8%	25,000,000
Installment Purchase Contract	1992 Refunding Bonds	3/10/92	8.0%	100,000,000
Installment Purchase Contract	1993	6/21/93	Var ^(c)	<u>20,000,000</u> <u>\$360,285,000</u>

Note (a): Composite interest rate of 3.48% for the twelve months ended June 30, 1998.

Note (b): Composite interest rate of 3.43% for the twelve months ended June 30, 1998.

Note (c): Composite interest rate of 3.67% for the twelve months ended June 30, 1998.

Polk County Industrial Development Authority

<u>Type of Contract</u>	<u>Series</u>	<u>Dated as of</u>	<u>Interest Rate</u>	<u>Amount</u>
<u>Outstanding</u>				
<u>Electric division</u>				
Installment Purchase Contract	1996	12/12/96	5.85%	<u>\$ 75,000,000</u>

5. Statement of Proposed Transactions:

(a) The company seeks the authority to issue, sell and/or exchange equity securities and issue, sell, exchange and/or assume long-term debt securities and short-term unsecured promissory notes and/or to assume liabilities or obligations as guarantor, endorser or surety during the period covered by this Application. The company also seeks authority to enter into interest rate swaps on debt securities and notes.

The equity securities may take the form of preferred stock, preference stock, common stock, or options or rights with

respect to the foregoing with such par values, terms and conditions, conversion and relative rights and preferences as may be permitted by the company's Restated Articles of Incorporation as the same may be amended to permit the issuance of any such securities.

The long-term debt securities may take the form of first mortgage bonds, debentures, notes, convertible securities, installment contracts and/or other obligations underlying pollution control or sewage and solid waste disposal revenue bonds, or options, rights, interest rate swaps or other derivative instruments with respect to the foregoing with maturities ranging from nine months to fifty years and may be issued in both domestic and international markets.

The issuance and/or sale of equity securities and long-term debt requested may be through negotiated underwritten public offering, including medium term note issuance, public offering at competitive bidding, direct public or private sale, sale through agents, or distributions to security holders of the company or affiliated companies.

The short-term unsecured promissory notes may be sold through the commercial paper market. Notes sold in the commercial paper market may bear an interest rate as determined by the market price at the date of issuance, including discount and broker-dealer commissions. The short-term unsecured promissory notes sold through the

commercial paper market will mature not more than nine months from the date of issuance. The issuance of short-term notes may include the issuance of short-term tax-exempt notes.

- (b) The amount of all equity and long-term debt securities issued, sold, exchanged or assumed and all liabilities and obligations assumed as guarantor, endorser, or surety will not exceed in aggregate \$600 million during the period covered by this Application, including any amounts issued to retire existing long-term debt securities. The maximum amount of short-term unsecured promissory notes outstanding at any one time will be \$400 million.
- (c) The present estimate of the interest rate for the aforementioned debt securities, based upon 90-day dealer paper as published in The Wall Street Journal on August 7, 1998, is 5.50%.
- (d) Any actual dividend rate and actual interest rates will be determined at the time of the issuance and/or sale of the applicable securities.

6. Purpose of Issuance:

Any net proceeds to be received from any sale of additional securities will be added to the company's general funds and will be used for working capital requirements and for other general business purposes, including the financing of the

company's construction program or the acquisition of additional properties or businesses. The net proceeds received from any sale of these securities may also be used to repay short-term unsecured promissory notes or for the purchase or repayment of securities of the company.

(a) Construction

The electric division of the company has estimated that construction expenditures during the twelve months ending November 30, 1999 will be \$179 million.

The Peoples Gas division of the company has estimated that construction expenditures during the twelve months ending November 30, 1999 will be \$66 million.

(b) Reimbursement of the Treasury

Among the general business purposes for which any net proceeds may be used is the reimbursement of the treasury for expenditures by the company subsequent to the date of this Application against which securities will not have been issued in advance. At this time no expenditures have been made for which securities must be issued to reimburse the treasury.

(c) Refunding Obligations

One of the purposes of issuing the securities referred to herein will be to refund previously issued short-term unsecured promissory notes, of the type described in

Paragraph 5, which mature from time to time on a regular basis. Subject to market conditions, the company may refund such short-term debt with new short-term debt, long-term debt or preferred or preference stock.

In addition, the company is continuing to monitor and evaluate market conditions in anticipation of refunding long-term obligations where it is legally and economically feasible to do so. Recognizing that changes in market conditions could make such refunding transactions feasible, the company is requesting authority to issue long-term debt and/or preferred or preference stock within a limitation that provides the company with sufficient flexibility to respond to refunding opportunities.

7. The company submits that the proposed issuance and sale of securities is for lawful objectives within the corporate purposes of the company, is necessary for the proper performance by the company as a public utility, is compatible with the public interest and is reasonable, necessary and appropriate. The facts relied upon by the company in support of such statement are set out in Paragraphs 4 through 6 above.
8. The names and addresses of counsel who will pass upon the legality of the proposed issuance are: Sheila M. McDevitt, Vice President-Assistant General Counsel, TECO Energy,

Inc., Tampa, Florida; Holland & Knight, Tampa, Florida; and/or Palmer & Dodge, Boston, Massachusetts.

9. A Registration Statement with respect to each public sale of securities hereunder that is subject to and not exempt from the registration requirements of the Securities Act of 1933, as amended, will be filed with the Securities and Exchange Commission, 450 Fifth St. N.W., Washington, D.C. 20549.
10. There is no measure of control or ownership exercised by or over the company as to any other public utility except as noted below.

On April 14, 1981, the company's shareholders approved a restructuring plan under which the company and its subsidiaries became separate wholly owned subsidiaries of a holding company, TECO Energy, Inc., which is exempt from the requirements of registration as a holding company under the Public Utility Holding Company Act of 1935.

On June 16, 1997, TECO Energy, Inc., completed its merger with Lykes Energy, Inc. Concurrent with this merger, Lykes Energy's regulated gas distribution utility, Peoples Gas System, Inc., was merged with and into Tampa Electric Company and now operates as the Peoples Gas division of the company.

On June 30, 1997, TECO Energy, Inc., completed its merger with West Florida Gas Inc. Concurrent with this merger, West Florida's regulated gas distribution utility, West Florida Natural Gas Company, was merged with and into Tampa Electric Company and now operates as part of the Peoples Gas division.

TECO Power Services Corporation, also a subsidiary of TECO Energy, Inc., is engaged, through its subsidiaries, in domestic and foreign independent power generation. It expects to be engaged, with other members of a consortium, in foreign electric distribution as a result of the privatization of a central American utility.

11. The following exhibits required by Rule 25-8.003, Florida Administrative Code, are either attached hereto or incorporated by reference herein and made a part hereof:


Exhibit A: Financial Statements (balance sheets; summary of utility plant and accumulated provision for depreciation and amortization; income statement; statement of retained earnings; statement of known contingent liabilities)

Exhibit B: Projected financial information (sources and uses of funds statement and construction budget)

WHEREFORE, Tampa Electric Company respectfully requests that the Commission enter its Order approving this Application for authority to issue and sell securities during the twelve-month period ending November 30, 1999.

DATED this 25th day of August, 1998.

TAMPA ELECTRIC COMPANY

By: 
S. W. Callahan
Treasurer

702 North Franklin Street
Tampa, Florida 33602

Post Office Box 111
Tampa, Florida 33601

TAMPA ELECTRIC COMPANY
ELECTRIC DIVISION
BALANCE SHEETS
ASSETS AND OTHER DEBITS
(THOUSANDS)

	JUNE 30, 1998	DEC. 31, 1997
UTILITY PLANT		
101 Electric Plant in Service	\$ 3,572,430	\$ 3,547,481
105 Electric Plant Held for Future Use	32,415	32,660
106 Completed Construction Not Classified-- Electric	97,512	78,761
107 Construction Work in Progress--Electric	14,378	7,975
108 Accumulated Provision for Depreciation of Electric Utility Plant	(1,469,556)	(1,410,575)
111 Accumulated Provision for Amortization of Electric Utility Plant	(2,309)	(2,299)
114 Acquisition Adjustment	<u>5,634</u>	<u>5,734</u>
	<u>2,250,504</u>	<u>2,259,737</u>
OTHER PROPERTY AND INVESTMENTS		
121 Non-Utility Property	8,434	6,839
122 Accumulated Provision for Depreciation and Amortization of Non-Utility Property	(417)	(353)
123 Investment in Associated Companies	<u>(11)</u>	<u>(4)</u>
	<u>8,006</u>	<u>6,482</u>
CURRENT AND ACCRUED ASSETS		
131 Cash	(3,357)	(122)
134 Other Special Deposits	133	133
135 Working Funds	67	63
136 Temporary Cash Investments	3,714	760
142 Customer Accounts Receivable	86,931	76,813
143 Other Accounts Receivable	15,832	30,528
144 Accumulated Provision for Uncollectible Accounts	(873)	(801)
146 Accounts Receivable from Associated Companies	7,919	8,601
151 Fuel Stock	80,871	68,002
152 Fuel Stock Expense Undistributed	--	--
154 Plant Materials and Operating Supplies	45,253	44,134
158 Clean Air Act Amendments-Allowances	1,642	1,467
163 Stores Expense Undistributed	--	(1)
165 Prepayments	9,414	6,663
171 Interest and Dividends Receivable	41	47
173 Accrued Utility Revenues	<u>32,650</u>	<u>23,914</u>
	<u>280,237</u>	<u>260,201</u>
DEFERRED DEBITS		
181 Unamortized Debt Expense	6,838	7,025
182 Other Regulatory Assets	81,374	84,248
183 Preliminary Survey and Investigation Charges	3,543	2,296
184 Clearing Accounts	425	588
186 Miscellaneous Deferred Debits	16,130	21,852
188 Research, Development and Demonstration Expenditures	258	216
190 Accumulated Deferred Income Taxes	<u>109,586</u>	<u>107,678</u>
	<u>218,154</u>	<u>223,903</u>
	<u>\$ 2,756,901</u>	<u>\$ 2,750,323</u>

TAMPA ELECTRIC COMPANY
ELECTRIC DIVISION
BALANCE SHEETS
LIABILITIES AND OTHER CREDITS
(THOUSANDS)

	JUNE 30, 1998	DEC. 31, 1997
PROPRIETARY CAPITAL		
201 Common Stock Issued--10 Shares Outstanding	\$ 119,697	\$ 119,697
204 Preferred Stock Issued-- Redemption Not Required	--	--
207 Premium on Capital Stock	--	--
211 Miscellaneous Paid-in Capital	860,579	816,579
214 Capital Stock Expense	(701)	(701)
216+299 Unappropriated Retained Earnings	<u>188,534</u>	<u>181,313</u>
	<u>1,168,109</u>	<u>1,116,888</u>
LONG-TERM DEBT		
221 Bonds	665,285	665,595
225 Unamortized Premium on Long-Term Debt	--	--
226 Unamortized Discount on Long-Term Debt	<u>(3,375)</u>	<u>(3,498)</u>
	<u>661,910</u>	<u>662,097</u>
CURRENT AND ACCRUED LIABILITIES		
231 Notes Payable	98,100	180,900
232 Accounts Payable	51,355	54,441
234 Accounts Payable to Associated Companies	23,443	20,601
235 Customer Deposits	52,761	52,500
236 Taxes Accrued	37,893	7,595
237 Interest Accrued	17,080	14,989
241/246 Tax Collections Payable	4,077	3,705
242 Miscellaneous Current and Accrued Liabilities	<u>8,952</u>	<u>8,670</u>
	<u>293,661</u>	<u>343,401</u>
DEFERRED CREDITS AND OTHER NONCURRENT LIABILITIES		
228.1 Accumulated Provision for Property Insurance	18,000	16,000
228.2 Accumulated Provision for Injuries and Damages	5,385	5,454
228.3 Accumulated Provision for Pensions and Benefits	42,943	41,875
253 Other Deferred Credits	21,363	14,778
254 Other Regulatory Liabilities	95,491	112,800
255 Accumulated Deferred Investment Tax Credits	46,963	49,251
256 Deferred Gains from Disposition of Utility Plant	253	256
257 Unamortized Gain on Reacquired Debt	<u>18</u>	<u>18</u>
	<u>230,416</u>	<u>240,432</u>
ACCUMULATED DEFERRED INCOME TAXES		
281 Accumulated Deferred Income Taxes-- Accelerated Amortization Property	8,358	8,331
282 Accumulated Deferred Income Taxes-- Other Property	427,255	414,534
283 Accumulated Deferred Income Taxes--Other	<u>(32,808)</u>	<u>(35,360)</u>
	<u>402,805</u>	<u>387,505</u>
	<u>\$ 2,756,901</u>	<u>\$ 2,750,323</u>

TAMPA ELECTRIC COMPANY
ELECTRIC DIVISION
SUMMARY OF UTILITY PLANT
(THOUSANDS)

		JUNE 30, <u>1998</u>	DEC. 31, <u>1997</u>
101	Electric Plant in Service	\$ 3,572,430	\$ 3,547,481
105	Electric Plant Held for Future Use	32,415	32,660
106	Completed Construction Not Classified-- Electric	97,512	78,761
107	Construction Work in Progress--Electric	14,378	7,975
114	Acquisition Adjustment	<u>5,634</u>	<u>5,734</u>
		<u>\$ 3,722,369</u>	<u>\$ 3,672,611</u>

TAMPA ELECTRIC COMPANY
ELECTRIC DIVISION
STATEMENT OF PROVISION FOR DEPRECIATION
AND AMORTIZATION OF PROPERTY
(THOUSANDS)

		JUNE 30, <u>1998</u>	DEC. 31, <u>1997</u>
108	Accumulated Provision for Depreciation of Electric Utility Plant	\$ (1,469,556)	\$ (1,410,575)
111	Accumulated Provision for Amortization of Electric Utility Plant	<u>(2,309)</u>	<u>(2,299)</u>
		<u>\$ (1,471,865)</u>	<u>\$ (1,412,874)</u>

TAMPA ELECTRIC COMPANY
ELECTRIC DIVISION
INCOME STATEMENT
(THOUSANDS)

	12 MONTHS ENDED	YEAR ENDED
	<u>JUNE 30, 1998</u>	<u>DEC. 31, 1997</u>
UTILITY OPERATING INCOME		
400	\$ 1,217,690	\$ 1,201,704
	Operating Expenses:	
401	626,730	614,414
402	85,051	78,247
403	143,339	140,863
404	1,005	809
406	Amortization of Electric Plant	
	Acquisition Adjustments	(242)
407	Amortization of Property Losses, Unrecoverable	
	Plant and Regulatory Study Costs	1,255
408.1	Taxes Other Than Income Taxes, Utility	
	Operating Income	92,393
409.1	45,177	60,963
410.1	Provision for Deferred Income Taxes,	
	Utility Operating Income	58,719
411.1	Provision for Deferred Income Taxes--	
	Credit, Utility Operating Income	(22,200)
411.4	Investment Tax Credit Adjustments,	
	Utility Operations	(4,580)
411.6	(41)	(44)
	Gain on Disposition of Utility Plant	1,026,606
	Total Operating Expenses	1,008,655
	Operating Income	191,084
OTHER INCOME		
415	Revenues from Merchandising,	
	Jobbing & Contract Work	589
416	Costs and Expenses of Merchandising,	
	Jobbing, and Contract Work	(517)
418	(418)	(345)
419	Nonoperating Rental Income	
	Interest and Dividend Income	327
421	35	42
OTHER INCOME DEDUCTIONS		
426.1-.5	(2,636)	(1,704)
408.2	Taxes Other than Income Taxes, Other	
	Income and Deductions	(143)
409.2	371	350
410.2	Income Taxes, Other Income and Deductions	
	Provision for Deferred Income Taxes, Other	(109)
	Income and Deductions	(104)
411.2	Provision for Deferred Income Taxes, Other	
	Income and Deductions	45
411.5	Investment Tax Credit Adjustments,	
	Nonutility Operations	1
	Total Other Income(Loss)--Net	(1,435)
	Income Before Interest Charges	188,629
INTEREST EXPENSE		
427	41,490	41,622
428	Interest on Long-Term Debt	
	Amortization of Debt Discount and Expense	1,794
429	(2)	(2)
	Amortization of Premium on Debt--Credit	(2)
431	12,733	12,823
432	Other Interest Expense	
	Allowance for Borrowed Funds	(37)
	Used During Construction--Credit	(45)
	Total Interest Expense	55,978
	Net Income	\$ 132,651
	\$ 135,423	\$ 135,423

**TAMPA ELECTRIC COMPANY
ELECTRIC DIVISION
STATEMENT OF RETAINED EARNINGS
(THOUSANDS)**

		12 MONTHS ENDED <u>JUNE 30, 1998</u>	YEAR ENDED <u>DEC. 31, 1997</u>
CREDITS			
216	Unappropriated Retained Earnings (at beginning of period)	\$ 192,308	\$ 191,662
433	Balance Transferred from Income	<u>132,651</u> <u>324,959</u>	<u>135,423</u> <u>327,085</u>
DEBITS			
437	Dividends Declared--Preferred Stock	149	589
438	Dividends Declared--Common Stock	135,734	144,641
439	Adjustments to Retained Earnings (1)	<u>542</u> <u>136,425</u>	<u>542</u> <u>145,772</u>
216	Unappropriated Retained Earnings (at end of period)	<u>\$ 188,534</u>	<u>\$ 181,313</u>

Note (1): The \$.5 million adjustment to Retained Earnings was related to the retirement of Series A, Series B and Series D preferred stock in July, 1997.

**TAMPA ELECTRIC COMPANY
ELECTRIC DIVISION
CONTINGENT LIABILITIES**

Tampa Electric's electric division has made certain commitments in connection with its continuing construction program. Total construction expenditures are estimated to be \$179 million for the twelve months ended Nov. 30, 1999.

TAMPA ELECTRIC COMPANY
PEOPLES GAS DIVISION
BALANCE SHEETS
ASSETS AND OTHER DEBITS
(THOUSANDS)

	JUNE 30, 1998	DEC. 31, 1997
UTILITY PLANT		
101 Gas Plant in Service	\$ 472,372	\$ 459,829
105 Gas Plant Held for Future Use	229	229
107 Construction Work in Progress--Gas	15,838	6,021
108 Accumulated Provision for Depreciation of Gas Utility Plant	(187,370)	(179,468)
111 Accumulated Provision for Amortization of Gas Utility Plant	(1,333)	(1,274)
114 Acquisition Adjustment	5,249	5,249
115 Accumulated Provision for Amortization of Plant Acquisition Adjustment	(1,785)	(1,707)
	<u>303,200</u>	<u>288,879</u>
CURRENT AND ACCRUED ASSETS		
131 Cash	252	1,309
134 Other Special Deposits	9,476	8,232
135 Working Funds	0	(281)
136 Temporary Cash Investments	791	613
142 Customer Accounts Receivable	12,801	18,019
143 Other Accounts Receivable	879	(11)
144 Accumulated Provision for Uncollectible Accounts	(110)	(107)
146 Accounts Receivable from Associated Companies	--	4,801
154 Plant Materials and Operating Supplies	1,681	1,475
163 Stores Expense Undistributed	(337)	--
165 Prepayments	446	659
171 Interest and Dividends Receivable	(2)	6
173 Accrued Utility Revenues	9,654	12,558
	<u>35,531</u>	<u>47,273</u>
DEFERRED DEBITS		
181 Unamortized Debt Expense	1,414	1,547
184 Clearing Accounts	5	--
186 Miscellaneous Deferred Debits	7,924	9,454
191 Unrecovered Purchased Gas Cost	(4,709)	1,705
	<u>4,634</u>	<u>12,706</u>
	<u>\$ 343,365</u>	<u>\$ 348,858</u>

**TAMPA ELECTRIC COMPANY
PEOPLES GAS DIVISION
BALANCE SHEETS
LIABILITIES AND OTHER CREDITS
(THOUSANDS)**

	<u>JUNE 30,</u> <u>1998</u>	<u>DEC. 31,</u> <u>1997</u>
PROPRIETARY CAPITAL		
201 Common Stock	\$ --	\$ 6,369
207 Premium on Capital Stock	5,575	5,575
211 Miscellaneous Paid-in Capital	30,975	24,606
216 Unappropriated Retained Earnings	<u>108,232</u>	<u>108,312</u>
	<u>144,782</u>	<u>144,862</u>
LONG-TERM DEBT		
224 Other Long-Term Debt	<u>69,100</u>	<u>69,100</u>
CURRENT AND ACCRUED LIABILITIES		
231 Notes Payable	28,300	38,200
232 Accounts Payable	15,175	21,609
234 Accounts Payable to Associated Companies	6,973	--
235 Customer Deposits	24,767	24,837
236 Taxes Accrued	2,104	(1,242)
237 Interest Accrued	4,420	3,707
241/246 Tax Collections Payable	2,309	2,289
242 Miscellaneous Current and Accrued Liabilities	<u>10,948</u>	<u>9,671</u>
	<u>94,996</u>	<u>99,071</u>
DEFERRED CREDITS AND OTHER NONCURRENT LIABILITIES		
228.3 Accumulated Provision for Pensions and Benefits	5,963	5,608
252 Customer Advances for Construction	764	847
253 Other Deferred Credits	254	509
254 Other Regulatory Liabilities	613	261
255 Accumulated Deferred Investment Tax Credits	<u>424</u>	<u>446</u>
	<u>8,018</u>	<u>7,671</u>
ACCUMULATED DEFERRED INCOME TAXES		
282 Accumulated Deferred Income Taxes-- Other Property	<u>26,469</u>	<u>28,154</u>
	<u>\$ 343,365</u>	<u>\$ 348,858</u>

TAMPA ELECTRIC COMPANY
PEOPLES GAS DIVISION
SUMMARY OF UTILITY PLANT
(THOUSANDS)

	JUNE 30, <u>1998</u>	DEC. 31, <u>1997</u>
101 Gas Plant in Service	\$ 472,372	\$ 459,829
105 Gas Plant Held for Future Use	229	229
107 Construction Work in Progress--Gas	15,838	6,021
114 Acquisition Adjustment	<u>5,249</u>	<u>5,249</u>
	<u>\$ 493,688</u>	<u>\$ 471,328</u>

TAMPA ELECTRIC COMPANY
PEOPLES GAS DIVISION
STATEMENT OF PROVISION FOR DEPRECIATION
AND AMORTIZATION OF PROPERTY
(THOUSANDS)

	JUNE 30, <u>1998</u>	DEC. 31, <u>1997</u>
108 Accumulated Provision for Depreciation of Gas Utility Plant	\$ (187,370)	\$ (179,468)
111 Accumulated Provision for Amortization of Gas Utility Plant	(1,333)	(1,274)
115 Accumulated Provision for Amortization of Plant Acquisition Adjustment	<u>(1,785)</u>	<u>(1,707)</u>
	<u>\$ (190,488)</u>	<u>\$ (182,449)</u>

TAMPA ELECTRIC COMPANY
PEOPLES GAS DIVISION
INCOME STATEMENT
(THOUSANDS)

	12 MONTHS ENDED <u>JUNE 30, 1998</u>	YEAR ENDED <u>DEC. 31, 1997</u>
UTILITY OPERATING INCOME		
400	\$ 253,909	\$ 249,553
	Operating Expenses:	
401	174,720	170,150
402	4,606	5,157
403	19,658	19,362
404	Amortization of Limited Term Gas	
	Utility Plant 92	93
406	Amortization of Gas Utility Plant	
	Acquisition Adjustments 196	156
407.3	165	199
408.1	Regulatory Debits-Environmental Amortization	
	Taxes Other Than Income Taxes, Utility	
	Operating Income 21,845	20,856
409.1	12,298	10,103
410.1	Income Taxes, Utility Operating Income	
	Provision for Deferred Income Taxes, Utility Operating Income (3,525)	(1,106)
411.4	Investment Tax Credit Adjustments, Utility Operations	
	(47)	(43)
	<u>230,008</u>	<u>224,927</u>
	<u>23,901</u>	<u>24,626</u>
	Total Operating Expenses	
	Operating Income	
OTHER INCOME		
419	144	145
421	(1,013)	54
	Interest and Dividend Income	
	Miscellaneous Nonoperating Income	
OTHER INCOME DEDUCTIONS		
425	654	--
426.1-.5	1,070	2,075
409.2	(1,001)	(724)
	<u>(1,592)</u>	<u>(1,152)</u>
	Income Taxes, Other Income and Deductions	
	Total Other Income (Loss) --Net	
	<u>22,309</u>	<u>23,474</u>
	Income Before Interest Charges	
INTEREST EXPENSE		
427	6,268	7,245
428	218	166
431	3,471	2,846
	<u>9,957</u>	<u>10,257</u>
	Total Interest Expense	
	<u>\$ 12,352</u>	<u>\$ 13,217</u>
	Net Income	

TAMPA ELECTRIC COMPANY
PEOPLES GAS DIVISION
STATEMENT OF RETAINED EARNINGS
(THOUSANDS)

		12 MONTHS ENDED <u>JUNE 30, 1998</u>	YEAR ENDED <u>DEC. 31, 1997</u>
CREDITS			
216	Unappropriated Retained		
	Earnings (at beginning of period)	\$ 106,145	\$ 94,106
	Add: West Florida Natural Gas Company's		
	Retained Earnings as of Dec. 31, 1996	<u> --</u>	<u> 2,280</u>
	Adjusted Unappropriated retained		
	Earnings (at beginning of period)	106,145	96,386
433	Balance Transferred from Income	<u>12,352</u>	<u>13,217</u>
		118,497	109,603
DEBITS			
438	Dividends Declared	<u>10,265</u>	<u>1,291</u>
216	Unappropriated Retained		
	Earnings (at end of period)	<u>\$ 108,232</u>	<u>\$ 108,312</u>

TAMPA ELECTRIC COMPANY
PEOPLES GAS DIVISION
CONTINGENT LIABILITIES

Tampa Electric's Peoples Gas division has made certain commitments in connection with its continuing construction program. Total construction expenditures are estimated to be \$66 million for the twelve months ended Nov. 30, 1999.

TAMPA ELECTRIC COMPANY
ELECTRIC DIVISION
PROJECTED STATEMENT OF SOURCES AND USES OF FUNDS
FOR THE TWELVE MONTHS ENDED NOV. 30, 1999
(MILLIONS)

FUNDS PROVIDED BY

Operations:

Depreciation	\$153
Deferred Income Taxes	(9)
Investment Tax Credit -- Net	(5)
Other	<u>37</u>
	176

Financing:

Changes in Short-Term Debt	<u>3</u>
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TOTAL FUNDS AVAILABLE	<u>\$179</u>
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FUNDS APPLIED TO

Construction (excluding AFUDC)	<u>\$179</u>
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TOTAL FUNDS APPLIED	<u>\$179</u>
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TAMPA ELECTRIC COMPANY
ELECTRIC DIVISION
CONSTRUCTION EXPENDITURE FORECAST
FOR THE TWELVE MONTHS ENDED NOV. 30, 1999
(MILLIONS)

Transmission	\$ 6
Distribution	60
Production	83
General	<u>29</u>
	178
Cost of Removal, Net of Salvage	<u>1</u>
Total Projected Construction	
Expenditures (excluding AFUDC)	<u>\$179</u>

TAMPA ELECTRIC COMPANY
PEOPLES GAS DIVISION
PROJECTED STATEMENT OF SOURCES AND USES OF FUNDS
FOR THE TWELVE MONTHS ENDED NOV. 30, 1999
(MILLIONS)

FUNDS PROVIDED BY

Operations:

Depreciation	\$ 25
Deferred Income Taxes	1
Investment Tax Credit -- Net	--
Other	<u>25</u>
	51

Financing:

Changes in Short-Term Debt	<u>15</u>
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TOTAL FUNDS AVAILABLE \$ 66

FUNDS APPLIED TO

Construction	<u>\$ 66</u>
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TOTAL FUNDS APPLIED \$ 66

TAMPA ELECTRIC COMPANY
PEOPLES GAS DIVISION
CONSTRUCTION EXPENDITURE FORECAST
FOR THE TWELVE MONTHS ENDED NOV. 30, 1999
(MILLIONS)

Total Projected Construction Expenditures--Distribution System	<u>\$ 66</u>
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