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DIVISION OF  
ACCOUNTING & FINANCE

February 15, 2018

Bart Fletcher, Public Utilities Supervisor  
Division of Accounting and Finance  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Dear Mr. Fletcher:

Enclosed are copies of Tampa Electric Company's monthly rate of return computations for **December 2017**.

These computations have been made using the ratemaking practices and principles outlined in Commission Order No. PSC-93-0165-FOF-EI dated February 2, 1993, Order No. PSC-09-0283-FOF-EI dated April 30, 2009, Order No. PSC-09-0571-FOF-EI dated August 21, 2009, and Order No. PSC-13-0443-OF-EI dated September 30, 2013.

This report was calculated using updated jurisdictional separation factors based on forecasted levels of wholesale commitments, system rate base and operating expense items.

Please let me know if you have any questions.

Respectfully,

Jeffrey S. Chronister  
Controller

Enclosures

cc: Office of Public Counsel-J.R. Kelly

**TAMPA ELECTRIC COMPANY  
EARNINGS SURVEILLANCE REPORT SUMMARY  
December 2017**

**SCHEDULE 1**

|   | (1)<br>Actual<br>Per Books | (2)<br>FPSC<br>Adjustments | (3)<br>FPSC<br>Adjusted | (4)<br>Pro Forma<br>Adjustments | (5)<br>Pro Forma<br>Adjusted |
|---|----------------------------|----------------------------|-------------------------|---------------------------------|------------------------------|
| <b>I. Average Rate of Return<br/>(Jurisdictional)</b>   |                            |                            |                         |                                 |                              |
| Net Operating Income                                    | \$ 373,658,430 (a)         | (26,028,834) (b)           | 347,629,596             | 0                               | \$ 347,629,596               |
| Average Rate Base                                       | 5,917,165,046              | (492,517,019)              | 5,424,648,027           | 0                               | 5,424,648,027                |
| Average Rate of Return                                  | 6.31%                      |                            | 6.41%                   |                                 | 6.41%                        |
| <b>II. Year End Rate of Return<br/>(Jurisdictional)</b> |                            |                            |                         |                                 |                              |
| Net Operating Income                                    | \$ 373,658,430 (a)         | (25,986,955) (b)           | 347,671,475             | 0                               | \$ 347,671,475               |
| Year End Rate Base                                      | 6,041,746,120              | (450,164,381)              | 5,591,581,739           | 0                               | 5,591,581,739                |
| Year End Rate of Return                                 | 6.18%                      |                            | 6.22%                   |                                 | 6.22%                        |

(a) Includes AFUDC debt of \$752,451 and AFUDC equity of \$1,567,789

(b) Includes reversal of AFUDC earnings.

**III. Required Rate of Return  
Average Capital Structure  
(FPSC Adjusted Basis)**

|          |        |
|----------|--------|
| Low      | 5.60 % |
| Midpoint | 6.03 % |
| High     | 6.44 % |

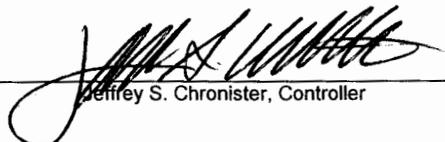
**IV. Financial Integrity Indicators**

|                                  |          |                            |          |        |
|----------------------------------|----------|----------------------------|----------|--------|
| A. TIE With AFUDC                | 5.23     | (System per books basis)   |          |        |
| B. TIE Without AFUDC             | 5.20     | (System per books basis)   |          |        |
| C. AFUDC To Net Income           | 0.75 %   | (System per books basis)   |          |        |
| D. Internally Generated Funds    | 112.53 % | (System per books basis)   |          |        |
| E. LTD To Total Investor Funds   | 41.10 %  | (FPSC adjusted basis)      |          |        |
| F. STD To Total Investor Funds   | 4.91 %   | (FPSC adjusted basis)      |          |        |
| G. Return On Common Equity (Avg) | 11.17 %  | (FPSC adjusted basis)      | Year End | 10.84% |
| H. Return On Common Equity (Avg) | 11.17 %  | (Pro Forma adjusted basis) | Year End | 10.84% |

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI, Order No. PSC-09-0283-FOF-EI, Order No. PSC-09-0571-FOF-EI, and Order No. PSC-13-0443-FOF-EI by the Florida Public Service Commission and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the Company's current financial status and that they should not be used for that purpose.

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

  
\_\_\_\_\_  
Jeffrey S. Chronister, Controller

\_\_\_\_\_  
2/13/18  
Date

**TAMPA ELECTRIC COMPANY**  
**AVERAGE RATE OF RETURN**  
**RATE BASE**  
**December 2017**

|  | (1)                 | (2)   | (3)                        | (4)                             | (5)                                 | (6)                   | (7)                  | (8)                | (9)                |
|--|---------------------|---|----------------------------|---------------------------------|-------------------------------------|-----------------------|----------------------|--------------------|--------------------|
|  | Plant In<br>Service | Accumulated<br>Depreciation &<br>Amortization | Net<br>Plant In<br>Service | Property Held<br>For Future Use | Construction<br>Work In<br>Progress | Nuclear Fuel<br>(Net) | Net<br>Utility Plant | Working<br>Capital | Total<br>Rate Base |
| System Per Books   | \$ 8,329,985,311    | \$ (2,727,194,356)                            | \$ 5,602,790,955           | \$ 49,596,071                   | \$ 227,530,899                      | \$ 0                  | \$ 5,879,917,925     | \$ 105,412,051     | \$ 5,985,329,976   |
| Jurisdictional Per Books   | 8,242,907,748       | (2,705,333,013)                               | 5,537,574,735              | 48,352,684                      | 226,231,249                         | 0                     | 5,812,158,668        | 105,006,378        | 5,917,165,046      |
| <b>FPSC Adjustments</b>  |                     |   |                            |                                 |                                     |                       |                      |                    |                    |
| Fuel and ECCR  | (36,666,951)        | 21,561,689                                    | (15,105,262)               |                                 |                                     |                       | (15,105,262)         | (10,404,798)       | (25,510,060)       |
| Other  |                     |   |                            |                                 |                                     |                       |                      | (19,838,698)       | (19,838,698)       |
| ECRC   | (549,925,569)       | 189,719,494                                   | (360,206,075)              |                                 |                                     |                       | (360,206,075)        | 0                  | (360,206,075)      |
| Fuel Inventory   |                     |   |                            |                                 |                                     |                       |                      | (27,183,124)       | (27,183,124)       |
| CWIP   |                     |   |                            |                                 | (226,231,249)                       |                       | (226,231,249)        |                    | (226,231,249)      |
| CWIP in Rate Base  |                     |   |                            |                                 | 168,784,884                         |                       | 168,784,884          |                    | 168,784,884        |
| Acquisition Book Values  | (1,618,021)         |   | (1,618,021)                |                                 |                                     |                       | (1,618,021)          |                    | (1,618,021)        |
| Acquisition Accumulated Amortizations                            |                     | 1,624,798                                     | 1,624,798                  |                                 |                                     |                       | 1,624,798            |                    | 1,624,798          |
| Acquisition Adjustments  | (7,406,580)         | 5,067,106                                     | (2,339,474)                |                                 |                                     |                       | (2,339,474)          |                    | (2,339,474)        |
| Total FPSC Adjustments   | (595,617,121)       | 217,973,087                                   | (377,644,034)              | 0                               | (57,446,365)                        | 0                     | (435,090,399)        | (57,426,620)       | (492,517,019)      |
| FPSC Adjusted  | 7,647,290,627       | (2,487,359,926)                               | 5,159,930,701              | 48,352,684                      | 168,784,884                         | 0                     | 5,377,068,269        | 47,579,758         | 5,424,648,027      |
| <b>Pro Forma Revenue Increase and Annualization Adjustments:</b> |                     |   |                            |                                 |                                     |                       |                      |                    |                    |
| Total Pro Forma Adjustments                                      | 0                   | 0   | 0                          | 0                               | 0                                   | 0                     | 0                    | 0                  | 0                  |
| Pro Forma Adjusted   | \$ 7,647,290,627    | \$ (2,487,359,926)                            | \$ 5,159,930,701           | \$ 48,352,684                   | \$ 168,784,884                      | \$ 0                  | \$ 5,377,068,269     | \$ 47,579,758      | \$ 5,424,648,027   |

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI, Order No. PSC-09-0283-FOF-EI, Order No. PSC-09-0571-FOF-EI, and Order No. PSC-13-0443-FOF-EI by the Florida Public Service Commission and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the company's current financial status and that they should not be used for that purpose.

TAMPA ELECTRIC COMPANY  
AVERAGE RATE OF RETURN  
INCOME STATEMENT  
December 2017

SCHEDULE 2  
PAGE 2 OF 3

|   | (1)<br>Operating<br>Revenues | (2)<br>O & M<br>Fuel &<br>Net Interchange | (3)<br>O & M<br>Other | (4)<br>Depreciation &<br>Amortization | (5)<br>Taxes Other<br>Than Income | (6)<br>Income Taxes<br>Current | (7)<br>Deferred<br>Income Taxes<br>(Net) | (8)<br>Investment Tax<br>Credit<br>(Net) | (9)<br>(Gain)/Loss<br>On Disposition | (10)<br>Total<br>Operating<br>Expenses | (11)<br>Net<br>Operating<br>Income |
|---|------------------------------|---|-----------------------|---------------------------------------|-----------------------------------|--------------------------------|--|--|--------------------------------------|--|------------------------------------|
| System Per Books  | \$ 2,054,242,548             | \$ 659,098,297                            | \$ 391,938,401        | \$ 298,990,790                        | \$ 162,062,149                    | \$ (1,833,125)                 | \$ 159,848,200                           | \$ 10,480,017                            | \$ (23,738)                          | \$ 1,680,740,993                       | \$ 373,501,555                     |
| Jurisdictional Per Books                                  | 2,045,423,403                | 659,110,069                               | 389,414,337           | 296,321,482                           | 161,342,739                       | (1,888,991)                    | 159,191,989                              | 10,417,076                               | (23,488)                             | 1,674,085,213                          | 371,338,190 (a)                    |
| FPSC Adjustments  |                              |   |                       |                                       |                                   |                                |  |  |                                      |  |                                    |
| Recoverable Fuel  | (658,228,974)                | (653,480,141)                             | (117,193)             | (2,851,317)                           | (1,773,380)                       | 166,708                        |  |  |                                      | (658,055,323)                          | (173,651)                          |
| Recoverable Fuel - ROI                                    | (1,362,503)                  |   |                       |                                       | (4,183)                           | (523,972)                      |  |  |                                      | (528,155)                              | (634,348)                          |
| GPIF Revenues/Penalties                                   | (970,291)                    |   |                       |                                       | (698)                             | (374,020)                      |  |  |                                      | (374,718)                              | (595,573)                          |
| Recoverable ECCR  | (35,492,332)                 |   | (35,465,315)          |                                       | (27,015)                          | (4,749)                        |  |  |                                      | (35,497,079)                           | 4,747                              |
| Recoverable ECCR - ROI                                    | (243,508)                    |   |                       |                                       | (175)                             | (93,866)                       |  |  |                                      | (94,041)                               | (149,467)                          |
| Recoverable ECRC  | (38,265,965)                 | 182                                       | (18,467,779)          | (19,768,334)                          | (30,034)                          | 19,913                         |  |  |                                      | (38,246,052)                           | (19,913)                           |
| Recoverable ECRC - ROI                                    | (32,486,102)                 |   |                       |                                       | (23,375)                          | (12,514,782)                   |  |  |                                      | (12,538,157)                           | (19,927,945)                       |
| Industry Association Dues                                 |                              |   | (15,812)              |                                       |                                   | 6,099                          |  |  |                                      | (9,713)                                | 9,713                              |
| Solaris and Waterfall                                     |                              |   | (3,978)               |                                       |                                   | 1,534                          |  |  |                                      | (2,442)                                | 2,442                              |
| Stockholder Relations                                     |                              |   | (271,639)             |                                       |                                   | 104,785                        |  |  |                                      | (166,854)                              | 166,854                            |
| Civic Club Meals  |                              |   | 0                     |                                       |                                   | 0                              |  |  |                                      | 0                                      | 0                                  |
| Promotional Advertising                                   |                              |   | 0                     |                                       |                                   | 0                              |  |  |                                      | 0                                      | 0                                  |
| Franchise Fee Revenue and Expense                         | (44,595,004)                 |   |                       |                                       | (44,401,251)                      | (74,740)                       |  |  |                                      | (44,475,991)                           | (119,013)                          |
| Gross Receipts Tax  | (46,148,139)                 |   |                       |                                       | (46,065,018)                      | (32,064)                       |  |  |                                      | (46,097,082)                           | (51,057)                           |
| Income Tax True-up  |                              |   |                       |                                       |                                   | 2,887,009                      |  |  |                                      | 2,887,009                              | (2,887,009)                        |
| Opt Prov Revenue and Third Party Purchase                 | 0                            | 0   |                       |                                       |                                   | 0                              |  |  |                                      | 0                                      | 0                                  |
| Economic Development                                      |                              |   | (13,643)              |                                       |                                   | 5,263                          |  |  |                                      | (8,380)                                | 8,380                              |
| Acquisition Amortizations                                 |                              |   |                       | (242,415)                             | (104,886)                         | 133,971                        |  |  |                                      | (213,330)                              | 213,330                            |
| Incentive Compensation Plan                               |                              |   | (1,048,297)           |                                       |                                   | 404,381                        |  |  |                                      | (643,916)                              | 643,916                            |
| Rate Case Expense   |                              |   | 0                     |                                       |                                   | 0                              |  |  |                                      | 0                                      | 0                                  |
| Total FPSC Adjustments                                    | (857,772,818)                | (653,479,959)                             | (55,403,654)          | (22,862,086)                          | (92,430,015)                      | (9,888,530)                    | 0  | 0  | 0                                    | (834,064,224)                          | (23,708,594)                       |
| FPSC Adjusted   | 1,187,650,585                | 5,630,110                                 | 334,010,683           | 273,459,416                           | 68,912,724                        | (11,577,521)                   | 159,191,989                              | 10,417,076                               | (23,488)                             | 840,020,989                            | 347,629,596                        |
| Pro Forma Revenue Increase and Annualization Adjustments: |                              |   |                       |                                       |                                   |                                |  |  |                                      |  |                                    |
| Pro Forma R&D Tax Credit                                  |                              |   |                       |                                       |                                   |                                | 0  |  |                                      | 0                                      | 0                                  |
| Total Pro Forma Adjustments                               | 0                            | 0   | 0                     | 0                                     | 0                                 | 0                              | 0  | 0  | 0                                    | 0                                      | 0                                  |
| Pro Forma Adjusted  | \$ 1,187,650,585             | \$ 5,630,110                              | \$ 334,010,683        | \$ 273,459,416                        | \$ 68,912,724                     | \$ (11,577,521)                | \$ 159,191,989                           | \$ 10,417,076                            | \$ (23,488)                          | \$ 840,020,989                         | \$ 347,629,596                     |

(a) The addition of earnings from AFUDC would increase the System NOI by \$2,333,570 and Jurisdictional NOI by \$2,320,240

|                          |                |               |               |               |               |                |              |             |            |                |               |
|--------------------------|----------------|---------------|---------------|---------------|---------------|----------------|--------------|-------------|------------|----------------|---------------|
| Current Month Amount:    |                |               |               |               |               |                |              |             |            |                |               |
| System Per Books         | \$ 147,354,616 | \$ 46,893,001 | \$ 33,995,446 | \$ 25,579,185 | \$ 12,432,700 | \$ (1,470,821) | \$ 7,689,804 | \$ (67,231) | \$ (3,221) | \$ 125,028,863 | \$ 22,325,753 |
| Jurisdictional Per Books | 146,687,497    | 46,893,001    | 33,774,772    | 25,351,018    | 12,374,470    | (1,462,422)    | 7,638,318    | (66,955)    | (3,187)    | 124,499,015    | 22,188,482    |

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI, Order No. PSC-09-0283-FOF-EI, Order No. PSC-09-0571-FOF-EI, and Order No. PSC-13-0443-FOF-EI by the Florida Public Service Commission and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the company's current financial status and that they should not be used for that purpose.

TAMPA ELECTRIC COMPANY  
AVERAGE RATE OF RETURN  
SYSTEM ADJUSTMENTS  
December 2017

| Working Capital Adjustments   | System          | Retail          |
|-------------------------------|-----------------|-----------------|
| Fuel and ECCR                 | \$ (10,459,133) | \$ (10,404,798) |
| Other:                        |                 |                 |
| Other Return Provided         | (11,578,948)    | (11,518,796)    |
| Non-utility                   | (8,126,731)     | (8,084,513)     |
| Investor Funds                | 0               | 0               |
| Unamortized Rate Case Expense | (236,618)       | (235,389)       |
|                               | \$ (19,942,297) | \$ (19,838,898) |
| Fuel Inventory                | \$ (27,322,219) | \$ (27,183,124) |
| ECRC                          | \$ 0            | \$ 0            |
| Total Adjustments             | \$ (57,723,649) | \$ (57,426,620) |

| Net Utility Plant Adjustments          | System           | Retail           |
|--|------------------|------------------|
| ECRC - Plant In Service                | \$ (555,734,948) | \$ (549,925,569) |
| ECRC - Acc Deprec & Amortization       | 191,252,585      | 189,719,494      |
| Fuel PK1 Conversion - Plant In Service | (37,054,299)     | (36,668,951)     |
| Fuel PK1 Conversion - Acc Deprec & Amo | 21,735,926       | 21,561,689       |
| CWIP                                   | (227,530,899)    | (226,231,249)    |
| CWIP in Rate Base                      | 189,754,517      | 188,784,884      |
| Acquisition Book Value                 | (1,635,114)      | (1,618,021)      |
| Acquisition Accumulated Amortization   | 1,637,928        | 1,624,798        |
| Acquisition Adjustment - Plant         | (7,484,823)      | (7,406,580)      |
| Acquisition Adjustment - Acc Amortiz   | 5,108,052        | 5,067,106        |
| Total Adjustments                      | \$ (439,951,075) | \$ (435,090,399) |

| Income Statement Adjustments                              | System            |                              |                 |                             |                         |                      | Retail            |                              |                 |                             |                         |                      |
|---|-------------------|------------------------------|-----------------|-----------------------------|-------------------------|----------------------|-------------------|------------------------------|-----------------|-----------------------------|-------------------------|----------------------|
|   | Operating Revenue | O & M Fuel & Net Interchange | O & M Other     | Depreciation & Amortization | Taxes Other Than Income | Income Taxes Current | Operating Revenue | O & M Fuel & Net Interchange | O & M Other     | Depreciation & Amortization | Taxes Other Than Income | Income Taxes Current |
| FPSC Adjustments  |                   |                              |                 |                             |                         |                      |                   |                              |                 |                             |                         |                      |
| Recoverable Fuel  | (658,236,929)     | (653,468,369)                | (117,224)       | (2,851,317)                 | (1,773,380)             | 159,110              | (658,228,974)     | (653,480,141)                | (117,193)       | (2,851,317)                 | (1,773,380)             | 166,708              |
| Recoverable Fuel - ROI                                    | (1,362,503)       |                              |                 |                             | (4,183)                 | (523,972)            | (1,362,503)       |                              |                 |                             | (4,183)                 | (523,972)            |
| GPIF Revenues/Penalties                                   | (970,291)         |                              |                 |                             | (698)                   | (374,020)            | (970,291)         |                              |                 |                             | (698)                   | (374,020)            |
| Recoverable ECCR  | (35,492,332)      |                              | (35,465,315)    |                             | (27,015)                | (4,749)              | (35,492,332)      |                              | (35,465,315)    |                             | (27,015)                | (4,749)              |
| Recoverable ECCR - ROI                                    | (243,508)         |                              |                 |                             | (175)                   | (93,886)             | (243,508)         |                              |                 |                             | (175)                   | (93,866)             |
| Recoverable ECRC  | (38,265,965)      | 182                          | (18,472,565)    | (19,770,662)                | (30,034)                | 22,657               | (38,265,965)      | 182                          | (18,467,779)    | (19,768,334)                | (30,034)                | 19,913               |
| Recoverable ECRC - ROI                                    | (32,466,102)      |                              |                 |                             | (23,375)                | (12,514,782)         | (32,466,102)      |                              |                 |                             | (23,375)                | (12,514,782)         |
| Industry Association Dues                                 |                   |                              | (15,913)        |                             |                         | 6,138                |                   |                              | (15,812)        |                             |                         | 6,099                |
| Solaris and Waterfall                                     |                   |                              | (4,001)         |                             |                         | 1,543                |                   |                              | (3,976)         |                             |                         | 1,534                |
| Stockholder Relations                                     |                   |                              | (273,376)       |                             |                         | 105,455              |                   |                              | (271,839)       |                             |                         | 104,785              |
| Civic Club Meals  |                   |                              | 0               |                             |                         | 0                    |                   |                              | 0               |                             |                         | 0                    |
| Promotional Advertising                                   |                   |                              | 0               |                             |                         | 0                    |                   |                              | 0               |                             |                         | 0                    |
| Franchise Fee Revenue and Expense                         | (44,595,004)      |                              |                 |                             | (44,401,251)            | (74,740)             | (44,595,004)      |                              |                 |                             | (44,401,251)            | (74,740)             |
| Gross Receipts Tax  | (46,148,139)      |                              |                 |                             | (48,065,018)            | (32,064)             | (46,148,139)      |                              |                 |                             | (48,065,018)            | (32,064)             |
| Income Tax True-up  |                   |                              |                 |                             |                         | 2,920,541            |                   |                              |                 |                             |                         | 2,887,009            |
| Opt Prov Revenue and 3rd Party Purchase                   | 0                 | 0                            |                 |                             |                         | 0                    | 0                 | 0                            |                 |                             |                         | 0                    |
| Economic Development                                      |                   |                              | (13,730)        |                             |                         | 5,296                |                   |                              | (13,643)        |                             |                         | 5,263                |
| Acquisition Amortizations                                 |                   |                              |                 | (244,597)                   | (105,830)               | 135,177              |                   |                              |                 | (242,415)                   | (104,886)               | 133,971              |
| Incentive Compensation Plan                               |                   |                              | (1,055,000)     |                             |                         | 406,966              |                   |                              | (1,048,297)     |                             |                         | 404,381              |
| Rate Case Expense   |                   |                              | 0               |                             |                         | 0                    |                   |                              | 0               |                             |                         | 0                    |
| Total FPSC Adjustments                                    | \$ (857,780,773)  | \$ (653,468,187)             | \$ (55,417,124) | \$ (22,866,576)             | \$ (92,430,960)         | \$ (9,855,310)       | \$ (857,772,818)  | \$ (653,479,959)             | \$ (55,403,654) | \$ (22,862,066)             | \$ (92,430,015)         | \$ (9,888,530)       |
| Pro Forma Revenue Increase and Annualization Adjustments: |                   |                              |                 |                             |                         |                      |                   |                              |                 |                             |                         |                      |
| Total Pro Forma Adjustments                               | \$ 0              | \$ 0                         | \$ 0            | \$ 0                        | \$ 0                    | \$ 0                 | \$ 0              | \$ 0                         | \$ 0            | \$ 0                        | \$ 0                    | \$ 0                 |

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0185-FOF-EI, Order No. PSC-09-0283-FOF-EI, Order No. PSC-09-0571-FOF-EI, and Order No. PSC-13-0443-FOF-EI by the Florida Public Service Commission and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the company's current financial status and that they should not be used for that purpose.

**TAMPA ELECTRIC COMPANY**  
**YEAR END RATE OF RETURN**  
**RATE BASE**  
**December 2017**

|  | (1)                     | (2)   | (3)                        | (4)                             | (5)                                 | (6)                   | (7)                     | (8)                  | (9)                     |
|--|-------------------------|---|----------------------------|---------------------------------|-------------------------------------|-----------------------|-------------------------|----------------------|-------------------------|
|  | Plant In<br>Service     | Accumulated<br>Depreciation &<br>Amortization | Net<br>Plant In<br>Service | Property Held<br>For Future Use | Construction<br>Work In<br>Progress | Nuclear Fuel<br>(Net) | Net<br>Utility Plant    | Working<br>Capital   | Total<br>Rate Base      |
| System Per Books   | \$ 8,555,524,407        | \$ (2,788,077,735)                            | \$ 5,767,446,672           | \$ 49,619,480                   | \$ 189,083,452                      | \$ 0                  | \$ 6,006,149,604        | \$ 105,412,051       | \$ 6,111,561,655        |
| Regulatory Base - Retail   | 8,466,089,170           | (2,765,728,347)                               | 5,700,360,823              | 48,375,506                      | 188,003,413                         | 0                     | 5,936,739,742           | 105,006,378          | 6,041,746,120           |
| <b>FPSC Adjustments</b>  |                         |   |                            |                                 |                                     |                       |                         |                      |                         |
| Fuel and ECCR  | (36,666,952)            | 25,238,364                                    | (11,428,588)               |                                 |                                     |                       | (11,428,588)            | (10,404,798)         | (21,833,386)            |
| Other  |                         |   |                            |                                 |                                     |                       |                         | (19,838,698)         | (19,838,698)            |
| ECRC   | (550,600,432)           | 199,532,418                                   | (351,068,014)              |                                 |                                     |                       | (351,068,014)           | 0                    | (351,068,014)           |
| Fuel Inventory   |                         |   |                            |                                 |                                     |                       |                         | (27,183,124)         | (27,183,124)            |
| CWIP   |                         |   |                            |                                 | (188,003,413)                       |                       | (188,003,413)           |                      | (188,003,413)           |
| CWIP in Rate Base  |                         |   |                            |                                 | 159,948,359                         |                       | 159,948,359             |                      | 159,948,359             |
| Acquisition Book Values  | (1,618,021)             |   | (1,618,021)                |                                 |                                     |                       | (1,618,021)             |                      | (1,618,021)             |
| Acquisition Accumulated Amortizations                            |                         | 1,653,986                                     | 1,653,986                  |                                 |                                     |                       | 1,653,986               |                      | 1,653,986               |
| Acquisition Adjustments  | (7,406,580)             | 5,184,510                                     | (2,222,070)                |                                 |                                     |                       | (2,222,070)             |                      | (2,222,070)             |
| <b>Total FPSC Adjustments</b>                                    | <b>(596,291,985)</b>    | <b>231,609,278</b>                            | <b>(364,682,707)</b>       | <b>0</b>                        | <b>(28,055,054)</b>                 | <b>0</b>              | <b>(392,737,761)</b>    | <b>(57,426,620)</b>  | <b>(450,164,381)</b>    |
| <b>FPSC Adjusted</b>   | <b>7,869,797,185</b>    | <b>(2,534,119,069)</b>                        | <b>5,335,678,116</b>       | <b>48,375,506</b>               | <b>159,948,359</b>                  | <b>0</b>              | <b>5,544,001,981</b>    | <b>47,579,758</b>    | <b>5,591,581,739</b>    |
| <b>Pro Forma Revenue Increase and Annualization Adjustments:</b> |                         |   |                            |                                 |                                     |                       |                         |                      |                         |
| <b>Total Pro Forma Adjustments</b>                               | <b>0</b>                | <b>0</b>                                      | <b>0</b>                   | <b>0</b>                        | <b>0</b>                            | <b>0</b>              | <b>0</b>                | <b>0</b>             | <b>0</b>                |
| <b>Pro Forma Adjusted</b>  | <b>\$ 7,869,797,185</b> | <b>\$ (2,534,119,069)</b>                     | <b>\$ 5,335,678,116</b>    | <b>\$ 48,375,506</b>            | <b>\$ 159,948,359</b>               | <b>\$ 0</b>           | <b>\$ 5,544,001,981</b> | <b>\$ 47,579,758</b> | <b>\$ 5,591,581,739</b> |

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI, Order No. PSC-09-0283-FOF-EI, Order No. PSC-09-0571-FOF-EI, and Order No. PSC-13-0443-FOF-EI by the Florida Public Service Commission and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the company's current financial status and that they should not be used for that purpose.

**TAMPA ELECTRIC COMPANY  
YEAR END RATE OF RETURN  
INCOME STATEMENT  
December 2017**

**SCHEDULE 3  
PAGE 2 OF 3**

|  | (1)                     | (2)                          | (3)                   | (4)                         | (5)                     | (6)                    | (7)                         | (8)                         | (9)                        | (10)                     | (11)                  |
|--|-------------------------|------------------------------|-----------------------|-----------------------------|-------------------------|------------------------|-----------------------------|-----------------------------|----------------------------|--------------------------|-----------------------|
|  | Operating Revenues      | O & M Fuel & Net Interchange | O & M Other           | Depreciation & Amortization | Taxes Other Than Income | Income Taxes Current   | Deferred Income Taxes (Net) | Investment Tax Credit (Net) | (Gain)/Loss On Disposition | Total Operating Expenses | Net Operating Income  |
| System Per Books   | \$ 2,054,242,548        | \$ 659,098,297               | \$ 391,938,401        | \$ 298,990,790              | \$ 162,062,149          | \$ (1,633,125)         | \$ 159,848,200              | \$ 10,460,017               | \$ (23,736)                | \$ 1,680,740,993         | \$ 373,501,555        |
| Jurisdictional Per Books   | 2,045,423,403           | 659,110,069                  | 389,414,337           | 296,321,482                 | 161,342,739             | (1,688,991)            | 159,191,989                 | 10,417,076                  | (23,488)                   | 1,674,085,213            | 371,338,190 (a)       |
| <b>FPSC Adjustments</b>  |                         |                              |                       |                             |                         |                        |                             |                             |                            |                          |                       |
| Recoverable Fuel   | (658,228,974)           | (653,480,141)                | (117,193)             | (2,851,317)                 | (1,773,380)             | 166,708                |                             |                             |                            | (658,055,323)            | (173,651)             |
| Recoverable Fuel - ROI   | (1,362,503)             |                              |                       |                             | (4,183)                 | (523,972)              |                             |                             |                            | (528,155)                | (834,348)             |
| GPIF Revenues/Penalties  | (970,291)               |                              |                       |                             | (698)                   | (374,020)              |                             |                             |                            | (374,718)                | (595,573)             |
| Recoverable ECCR   | (35,492,332)            |                              | (35,465,315)          |                             | (27,015)                | (4,749)                |                             |                             |                            | (35,497,079)             | 4,747                 |
| Recoverable ECCR - ROI   | (243,508)               |                              |                       |                             | (175)                   | (93,866)               |                             |                             |                            | (94,041)                 | (149,467)             |
| Recoverable ECRC   | (38,265,965)            | 182                          | (18,467,779)          | (19,768,334)                | (30,034)                | 19,913                 |                             |                             |                            | (38,246,052)             | (19,913)              |
| Recoverable ECRC - ROI   | (32,466,102)            |                              |                       |                             | (23,375)                | (12,514,782)           |                             |                             |                            | (12,538,157)             | (19,927,945)          |
| Industry Association Dues  |                         |                              | (15,812)              |                             |                         | 6,099                  |                             |                             |                            | (9,713)                  | 9,713                 |
| Solaris and Waterfall  |                         |                              | (3,976)               |                             |                         | 1,534                  |                             |                             |                            | (2,442)                  | 2,442                 |
| Stockholder Relations  |                         |                              | (271,639)             |                             |                         | 104,785                |                             |                             |                            | (168,854)                | 168,854               |
| Civic Club Meals   |                         |                              | 0                     |                             |                         | 0                      |                             |                             |                            | 0                        | 0                     |
| Promotional Advertising  |                         |                              | 0                     |                             |                         | 0                      |                             |                             |                            | 0                        | 0                     |
| Franchise Fee Revenue and Expense                                | (44,595,004)            |                              |                       |                             | (44,401,251)            | (74,740)               |                             |                             |                            | (44,475,991)             | (119,013)             |
| Gross Receipts Tax   | (46,148,139)            |                              |                       |                             | (46,065,018)            | (32,064)               |                             |                             |                            | (46,097,082)             | (51,057)              |
| Income Tax True-up   |                         |                              |                       |                             |                         | 2,845,130              |                             |                             |                            | 2,845,130                | (2,845,130)           |
| Opt Prov Revenue and Third Party Purchase                        | 0                       | 0                            |                       |                             |                         | 0                      |                             |                             |                            | 0                        | 0                     |
| Economic Development   |                         |                              | (13,643)              |                             |                         | 5,263                  |                             |                             |                            | (8,380)                  | 8,380                 |
| Acquisition Amortizations  |                         |                              |                       | (242,415)                   | (104,886)               | 133,971                |                             |                             |                            | (213,330)                | 213,330               |
| Incentive Compensation Plan                                      |                         |                              | (1,048,297)           |                             |                         | 404,381                |                             |                             |                            | (643,916)                | 643,916               |
| Rate Case Expense  |                         |                              | 0                     |                             |                         | 0                      |                             |                             |                            | 0                        | 0                     |
| <b>Total FPSC Adjustments</b>                                    | <b>(857,772,818)</b>    | <b>(653,479,959)</b>         | <b>(55,403,654)</b>   | <b>(22,862,066)</b>         | <b>(92,430,015)</b>     | <b>(9,930,409)</b>     | <b>0</b>                    | <b>0</b>                    | <b>0</b>                   | <b>(834,106,103)</b>     | <b>(23,666,715)</b>   |
| <b>FPSC Adjusted</b>   | <b>1,187,650,585</b>    | <b>5,630,110</b>             | <b>334,010,683</b>    | <b>273,459,416</b>          | <b>68,912,724</b>       | <b>(11,619,400)</b>    | <b>159,191,989</b>          | <b>10,417,076</b>           | <b>(23,488)</b>            | <b>839,979,110</b>       | <b>347,671,475</b>    |
| <b>Pro Forma Revenue Increase and Annualization Adjustments:</b> |                         |                              |                       |                             |                         |                        |                             |                             |                            |                          |                       |
| Pro Forma R&D Tax Credit   |                         |                              |                       |                             |                         |                        | 0                           |                             |                            | 0                        | 0                     |
| <b>Total Pro Forma Adjustments</b>                               | <b>0</b>                | <b>0</b>                     | <b>0</b>              | <b>0</b>                    | <b>0</b>                | <b>0</b>               | <b>0</b>                    | <b>0</b>                    | <b>0</b>                   | <b>0</b>                 | <b>0</b>              |
| <b>Pro Forma Adjusted</b>  | <b>\$ 1,187,650,585</b> | <b>\$ 5,630,110</b>          | <b>\$ 334,010,683</b> | <b>\$ 273,459,416</b>       | <b>\$ 68,912,724</b>    | <b>\$ (11,619,400)</b> | <b>\$ 159,191,989</b>       | <b>\$ 10,417,076</b>        | <b>\$ (23,488)</b>         | <b>\$ 839,979,110</b>    | <b>\$ 347,671,475</b> |

(a) The addition of earnings from AFUDC would increase the System NOI by \$2,333,570 and Jurisdictional NOI by \$2,320,240

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI, Order No. PSC-09-0283-FOF-EI, Order No. PSC-09-0571-FOF-EI, and Order No. PSC-13-0443-FOF-EI by the Florida Public Service Commission and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the company's current financial status and that they should not be used for that purpose.

**TAMPA ELECTRIC COMPANY  
YEAR END RATE OF RETURN  
SYSTEM ADJUSTMENTS  
December 2017**

| Working Capital Adjustments   | System          | Retail          | Net Utility Plant Adjustments              | System           | Retail           |
|-------------------------------|-----------------|-----------------|--|------------------|------------------|
| Fuel and ECCR                 | \$ (10,459,133) | \$ (10,404,798) | ECRC - Plant In Service                    | \$ (556,416,941) | \$ (550,600,432) |
| Other:                        |                 |                 | ECRC - Acc Deprec & Amortization           | 201,144,806      | 199,532,418      |
| Other Return Provided         | (11,578,948)    | (11,518,796)    | Fuel PK1 Conversion - Plant In Service     | (37,054,299)     | (36,666,952)     |
| Non-utility                   | (8,126,731)     | (8,084,513)     | Fuel PK1 Conversion - Acc Deprec & Amortiz | 25,442,311       | 25,238,364       |
| Investor Funds                | 0               | 0               | CWIP                                       | (189,083,452)    | (188,003,413)    |
| Unamortized Rate Case Expense | (236,618)       | (235,389)       | CWIP in Rate Base                          | 160,867,228      | 159,948,359      |
|                               | \$ (19,942,297) | \$ (19,838,698) | Acquisition Book Value                     | (1,635,114)      | (1,618,021)      |
|                               | =====           | =====           | Acquisition Accumulated Amortization       | 1,667,352        | 1,653,986        |
| Fuel Inventory                | \$ (27,322,219) | \$ (27,183,124) | Acquisition Adjustment - Plant             | (7,484,823)      | (7,406,580)      |
|                               |                 |                 | Acquisition Adjustment - Acc Amortiz       | 5,226,405        | 5,184,510        |
| ECRC                          | \$ 0            | \$ 0            | Total Adjustments                          | \$ (397,326,527) | \$ (392,737,761) |
|                               |                 |                 |  | =====            | =====            |
| Total Adjustments             | \$ (57,723,649) | \$ (57,426,620) |  |                  |                  |
|                               | =====           | =====           |  |                  |                  |

| Income Statement Adjustments                              | System            |                              |                 |                             |                         | Retail               |                   |                              |                 |                             |                         |                      |
|---|-------------------|------------------------------|-----------------|-----------------------------|-------------------------|----------------------|-------------------|------------------------------|-----------------|-----------------------------|-------------------------|----------------------|
|   | Operating Revenue | O & M Fuel & Net Interchange | O & M Other     | Depreciation & Amortization | Taxes Other Than Income | Income Taxes Current | Operating Revenue | O & M Fuel & Net Interchange | O & M Other     | Depreciation & Amortization | Taxes Other Than Income | Income Taxes Current |
| FPSC Adjustments  |                   |                              |                 |                             |                         |                      |                   |                              |                 |                             |                         |                      |
| Recoverable Fuel  | (658,236,929)     | (653,468,369)                | (117,224)       | (2,851,317)                 | (1,773,380)             | 159,110              | (658,228,974)     | (653,480,141)                | (117,193)       | (2,851,317)                 | (1,773,380)             | 166,708              |
| Recoverable Fuel - ROI                                    | (1,362,503)       |                              |                 |                             | (4,183)                 | (523,972)            | (1,362,503)       |                              |                 |                             | (4,183)                 | (523,972)            |
| GPIF Revenues/Penalties                                   | (970,291)         |                              |                 |                             | (698)                   | (374,020)            | (970,291)         |                              |                 |                             | (698)                   | (374,020)            |
| Recoverable ECCR  | (35,492,332)      |                              | (35,465,315)    |                             | (27,015)                | (4,749)              | (35,492,332)      |                              | (35,465,315)    |                             | (27,015)                | (4,749)              |
| Recoverable ECCR - ROI                                    | (243,508)         |                              |                 |                             | (175)                   | (93,866)             | (243,508)         |                              |                 |                             | (175)                   | (93,866)             |
| Recoverable ECRC  | (38,265,965)      | 182                          | (18,472,565)    | (19,770,662)                | (30,034)                | 22,657               | (38,265,965)      | 182                          | (18,467,779)    | (19,768,334)                | (30,034)                | 19,913               |
| Recoverable ECRC - ROI                                    | (32,466,102)      |                              |                 |                             | (23,375)                | (12,514,782)         | (32,466,102)      |                              |                 |                             | (23,375)                | (12,514,782)         |
| Industry Association Dues                                 |                   |                              | (15,913)        |                             |                         | 6,138                |                   |                              | (15,812)        |                             |                         | 6,099                |
| Solans and Waterfall                                      |                   |                              | (4,001)         |                             |                         | 1,543                |                   |                              | (3,976)         |                             |                         | 1,534                |
| Stockholder Relations                                     |                   |                              | (273,376)       |                             |                         | 105,455              |                   |                              | (271,639)       |                             |                         | 104,785              |
| Civic Club Meals  |                   |                              | 0               |                             |                         | 0                    |                   |                              | 0               |                             |                         | 0                    |
| Promotional Advertising                                   |                   |                              | 0               |                             |                         | 0                    |                   |                              | 0               |                             |                         | 0                    |
| Franchise Fee Revenue and Expense                         | (44,595,004)      |                              |                 |                             | (44,401,251)            | (74,740)             | (44,595,004)      |                              |                 |                             | (44,401,251)            | (74,740)             |
| Gross Receipts Tax  | (46,148,139)      |                              |                 |                             | (46,065,018)            | (32,064)             | (46,148,139)      |                              |                 |                             | (46,065,018)            | (32,064)             |
| Income Tax True-up  |                   |                              |                 |                             |                         | 2,878,169            |                   |                              |                 |                             |                         | 2,845,130            |
| Opt Prov Revenue and 3rd Party Purchase                   | 0                 | 0                            |                 |                             |                         | 0                    | 0                 | 0                            |                 |                             |                         | 0                    |
| Economic Development                                      |                   |                              | (13,730)        |                             |                         | 5,296                |                   |                              | (13,643)        |                             |                         | 5,263                |
| Acquisition Amortizations                                 |                   |                              |                 | (244,597)                   | (105,830)               | 135,177              |                   |                              | (242,415)       | (104,886)                   |                         | 133,971              |
| Incentive Compensation Plan                               |                   |                              | (1,055,000)     |                             |                         | 406,966              |                   |                              | (1,048,297)     |                             |                         | 404,381              |
| Rate Case Expense   |                   |                              | 0               |                             |                         | 0                    |                   |                              | 0               |                             |                         | 0                    |
| Total FPSC Adjustments                                    | \$ (857,780,773)  | \$ (653,468,187)             | \$ (55,417,124) | \$ (22,866,576)             | \$ (92,430,960)         | \$ (9,897,682)       | \$ (857,772,818)  | \$ (653,479,959)             | \$ (55,403,654) | \$ (22,862,066)             | \$ (92,430,015)         | \$ (9,930,409)       |
| Pro Forma Revenue Increase and Annualization Adjustments: |                   |                              |                 |                             |                         |                      |                   |                              |                 |                             |                         |                      |
| Depreciation Adjustment                                   |                   |                              |                 |                             |                         |                      |                   |                              |                 |                             |                         |                      |
| Total Pro Forma Adjustments                               | \$ 0              | \$ 0                         | \$ 0            | \$ 0                        | \$ 0                    | \$ 0                 | \$ 0              | \$ 0                         | \$ 0            | \$ 0                        | \$ 0                    | \$ 0                 |

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI, Order No. PSC-09-0283-FOF-EI, Order No. PSC-09-0571-FOF-EI, and Order No. PSC-13-0443-FOF-EI by the Florida Public Service Commission and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the company's current financial status and that they should not be used for that purpose.

TAMPA ELECTRIC COMPANY  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
December 2017

SCHEDULE 4

| AVERAGE                     | System<br>Per Books | Retail<br>Per Books | Adjustments    |                  | Adjusted<br>Retail | Ratio<br>(%) | Low Point        |                      | Mid Point        |                      | High Point       |                      |
|-----------------------------|---------------------|---------------------|----------------|------------------|--------------------|--------------|------------------|----------------------|------------------|----------------------|------------------|----------------------|
|                             |                     |                     | Specific       | Pro Rata         |                    |              | Cost Rate<br>(%) | Weighted Cost<br>(%) | Cost Rate<br>(%) | Weighted Cost<br>(%) | Cost Rate<br>(%) | Weighted Cost<br>(%) |
| Long Term Debt              | \$ 1,895,013,383    | \$ 1,895,013,383    | \$ (334)       | \$ (175,477,420) | \$ 1,719,535,629   | 31.70        | 5.11             | 1.62                 | 5.11             | 1.62                 | 5.11             | 1.62                 |
| Short Term Debt             | 230,887,100         | 230,887,100         | (4,724,529)    | (20,942,559)     | 205,220,013        | 3.78         | 1.91             | 0.07                 | 1.91             | 0.07                 | 1.91             | 0.07                 |
| Customer Deposits           | 109,146,444         | 109,146,444         | -              | (10,106,935)     | 99,039,509         | 1.83         | 2.43             | 0.04                 | 2.43             | 0.04                 | 2.43             | 0.04                 |
| Common Equity               | 2,489,302,804       | 2,489,302,804       | (439)          | (230,508,363)    | 2,258,794,002      | 41.64        | 9.25             | 3.85                 | 10.25            | 4.27                 | 11.25            | 4.68                 |
| Deferred Income Taxes       | 1,241,343,922       | 1,241,343,922       | (2,373,689)    | (114,728,347)    | 1,124,241,887      | 20.72        | -                | -                    | -                | -                    | -                | -                    |
| Tax Credits - Weighted Cost | 19,636,319          | 19,636,319          | (1,117)        | (1,818,215)      | 17,816,987         | 0.33         | 7.46             | 0.02                 | 8.03             | 0.03                 | 8.60             | 0.03                 |
| Total                       | \$ 5,985,329,973    | \$ 5,985,329,973    | \$ (7,100,107) | \$ (553,581,838) | \$ 5,424,648,027   | 100.00       |                  | 5.60                 |                  | 6.03                 |                  | 6.44                 |
|                             |                     |                     |                |                  | 0                  |              |                  |                      |                  |                      |                  |                      |

| YEAR END                    | System<br>Per Books | Retail<br>Per Books | Adjustments    |                  | Adjusted<br>Retail | Ratio<br>(%) | Low Point        |                      | Mid Point        |                      | High Point       |                      |
|-----------------------------|---------------------|---------------------|----------------|------------------|--------------------|--------------|------------------|----------------------|------------------|----------------------|------------------|----------------------|
|                             |                     |                     | Specific       | Pro Rata         |                    |              | Cost Rate<br>(%) | Weighted Cost<br>(%) | Cost Rate<br>(%) | Weighted Cost<br>(%) | Cost Rate<br>(%) | Weighted Cost<br>(%) |
| Long Term Debt              | \$ 1,896,323,372    | \$ 1,896,323,372    | \$ (835)       | \$ (193,721,253) | \$ 1,702,601,284   | 30.45        | 5.11             | 1.56                 | 5.11             | 1.56                 | 5.11             | 1.56                 |
| Short Term Debt             | 300,000,000         | 300,000,000         | (4,724,488)    | (30,164,378)     | 265,111,135        | 4.74         | 1.91             | 0.09                 | 1.91             | 0.09                 | 1.91             | 0.09                 |
| Customer Deposits           | 103,903,389         | 103,903,389         | -              | (10,614,429)     | 93,288,960         | 1.67         | 2.43             | 0.04                 | 2.43             | 0.04                 | 2.43             | 0.04                 |
| Common Equity               | 2,586,157,995       | 2,586,157,995       | (1,140)        | (264,192,159)    | 2,321,964,696      | 41.53        | 9.25             | 3.84                 | 10.25            | 4.26                 | 11.25            | 4.67                 |
| Deferred Income Taxes       | 1,326,595,867       | 1,326,595,867       | (2,354,422)    | (135,280,161)    | 1,188,961,284      | 21.26        | -                | -                    | -                | -                    | -                | -                    |
| Tax Credits - Weighted Cost | 21,891,750          | 21,891,750          | (1,092)        | (2,236,278)      | 19,654,380         | 0.35         | 7.50             | 0.03                 | 8.07             | 0.03                 | 8.65             | 0.03                 |
| Total                       | \$ 6,234,872,373    | \$ 6,234,872,373    | \$ (7,081,976) | \$ (636,208,658) | \$ 5,591,581,739   | 100.00       |                  | 5.56                 |                  | 5.98                 |                  | 6.39                 |
|                             |                     |                     |                |                  | 0                  |              |                  |                      |                  |                      |                  |                      |

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI, Order No. PSC-09-0283-FOF-EI, Order No. PSC-09-0571-FOF-EI, and Order No. PSC-13-0443-FOF-EI by the Florida Public Service Commission and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the company's current financial status and that they should not be used for that purpose.

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**  
**FINANCIAL INTEGRITY INDICATORS**  
December 2017

**SCHEDULE 5**

A. Times Interest Eamed With AFUDC

|   |             |
|---|-------------|
| Earnings Before Interest                            | 376,965,000 |
| AFUDC - Debt  | 756,774     |
| Income Taxes  | 170,501,833 |
|   | -----       |
| Total   | 548,223,607 |
| Interest Charges (Before Deducting<br>AFUDC - Debt) | 104,918,109 |
|   | -----       |
| Tie With AFUDC                                      | 5.23        |
|   | =====       |

B. Times Interest Earned Without AFUDC

|   |             |
|---|-------------|
| Earnings Before Interest                            | 376,965,000 |
| AFUDC - Other                                       | (1,576,796) |
| Income Taxes  | 170,501,833 |
|   | -----       |
| Total   | 545,890,037 |
| Interest Charges (Before Deducting<br>AFUDC - Debt) | 104,918,109 |
|   | -----       |
| Tie Without AFUDC                                   | 5.20        |
|   | =====       |

C. Percent AFUDC to Net Income Available For Common Stockholders

|   |             |
|---|-------------|
| AFUDC - Debt                                    | 756,774     |
| x (Income Tax Rate of 38.575%)                  | (291,926)   |
|   | -----       |
| Subtotal  | 464,848     |
| AFUDC - Other                                   | 1,576,796   |
|   | -----       |
| Total   | 2,041,644   |
| Net Income Available For<br>Common Stockholders | 273,352,194 |
|   | -----       |
| Percent AFUDC to Available Net Income           | 0.75%       |
|   | =====       |

D. Percent Internally Generated Funds

|   |               |
|---|---------------|
| Net Income  | 273,352,194   |
| Common Dividends  | (103,932,400) |
| AFUDC (Debt & Other)  | (2,333,600)   |
| Depreciation & Amortization                                 | 298,990,200   |
| Deferred Income Taxes                                       | 159,838,200   |
| Investment Tax Credits                                      | 10,460,100    |
| Deferred Clause Revenues (Expenses)                         | (73,183,700)  |
| Other   | 0             |
|   | -----         |
| Total   | 563,190,994   |
| Construction Expenditures<br>(Excluding AFUDC Other & Debt) | 500,467,501   |
|   | -----         |
| Percent Internally Generated Funds                          | 112.53%       |
|   | =====         |

E. Long Term Debt as Percent of Total Capital

F. Short Term Debt as Percent of Total Capital

|  |               |
|--|---------------|
| <u>Reconciled Average Retail Amounts</u> |               |
| Long Term Debt                           | 1,719,535,629 |
| Short Term Debt                          | 205,220,013   |
| Common Equity                            | 2,258,794,002 |
|  | -----         |
| Total                                    | 4,183,549,644 |
|  | -----         |
| % Long Term Debt to Total                | 41.10%        |
|  | -----         |
| % Short Term Debt to Total               | 4.91%         |
|  | =====         |

G. FPSC Adjusted Average Jurisdictional Return On Common Equity

|   |        |
|---|--------|
| FPSC Adjusted Average Earned Rate Of Return                 | 6.41   |
|   | -----  |
| Less: Reconciled Average Retail Weighted<br>Cost Rates For: |        |
| Long Term Debt  | 1.62   |
| Short Term Debt   | 0.07   |
| Customer Deposits   | 0.04   |
| Tax Credits-Weighted Cost (Midpoint)                        | 0.03   |
|   | -----  |
| Subtotal  | 1.76   |
|   | -----  |
| Total   | 4.65   |
|   | -----  |
| Divided By Common Equity Ratio                              | 41.64  |
|   | -----  |
| Jurisdictional Return On Common Equity                      | 11.17% |
|   | =====  |

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI, Order No. PSC-09-0283-FOF-EI, Order No. PSC-09-0571-FOF-EI, and Order No. PSC-13-0443-FOF-EI by the Florida Public Service Commission and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the Company's current financial status and that they should not be used for that purpose.

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

**TAMPA ELECTRIC COMPANY**  
**Capital Structure Used for AFUDC Calculation**  
**As of December 2017**

**SCHEDULE A**

| AFUDC                       | Adjusted<br>Average<br>Balance | Ratio<br>% | Year End<br>Average<br>Cost Rate | Weighted<br>Cost |
|-----------------------------|--------------------------------|------------|----------------------------------|------------------|
| Long Term Debt              | \$ 1,719,535,629               | 31.70      | 5.11                             | 1.62             |
| Short Term Debt             | 205,220,013                    | 3.78       | 1.91                             | 0.07             |
| Customer Deposits           | 99,039,509                     | 1.83       | 2.43                             | 0.04             |
| Common Equity               | 2,258,794,002                  | 41.64      | 10.25                            | 4.27             |
| Deferred Income Taxes       | 1,124,241,887                  | 20.72      | -                                | -                |
| Tax Credits - Weighted Cost | 17,816,987                     | 0.33       | -                                | -                |
| Total                       | \$ 5,424,648,027               | 100.00     |                                  | 6.00             |

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 28.83%  
Equity Ratio 71.17%

**TAMPA ELECTRIC COMPANY**  
**Capital Structure Adjustments**  
**As of December 2017**

**SCHEDULE B**

| AFUDC                       | Unadjusted<br>Average<br>Balance | + | Specific<br>Adjustments | = | Adjusted<br>Specific<br>Balance | + | Prorata<br>Adjustments | = | Adjusted<br>Average<br>Balance |
|-----------------------------|----------------------------------|---|-------------------------|---|---------------------------------|---|------------------------|---|--------------------------------|
| Long Term Debt              | \$ 1,895,013,383                 |   | (334)                   |   | 1,895,013,049                   |   | (175,477,420)          |   | 1,719,535,629                  |
| Short Term Debt             | 230,887,100                      |   | (4,724,529)             |   | 226,162,571                     |   | (20,942,559)           |   | 205,220,013                    |
| Customer Deposits           | 109,146,444                      |   | -                       |   | 109,146,444                     |   | (10,106,935)           |   | 99,039,509                     |
| Common Equity               | 2,489,302,804                    |   | (439)                   |   | 2,489,302,365                   |   | (230,508,363)          |   | 2,258,794,002                  |
| Deferred Income Taxes       | 1,241,343,922                    |   | (2,373,689)             |   | 1,238,970,234                   |   | (114,728,347)          |   | 1,124,241,887                  |
| Tax Credits - Weighted Cost | 19,636,319                       |   | (1,117)                 |   | 19,635,202                      |   | (1,818,215)            |   | 17,816,987                     |
| <b>Total</b>                | <b>\$ 5,985,329,973</b>          |   | <b>(7,100,107)</b>      |   | <b>5,978,229,865</b>            |   | <b>(553,581,838)</b>   |   | <b>5,424,648,027</b>           |

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 2017**

**SCHEDULE C**

| Time<br>Period | AFUDC<br>Expenditures<br>(\$) | AFUDC<br>Base<br>(\$) | Monthly<br>AFUDC<br>(\$) | Cumulative<br>AFUDC<br>(\$) |
|----------------|-------------------------------|-----------------------|--------------------------|-----------------------------|
| 1              | 1.0                           | 1.000000              | 0.0048676                | 0.0048676                   |
| 2              |                               |                       | 0.0048912                | 0.0097588                   |
| 3              |                               |                       | 0.0049151                | 0.0146738                   |
| 4              |                               |                       | 0.0049390                | 0.0196128                   |
| 5              |                               |                       | 0.0049630                | 0.0245758                   |
| 6              |                               |                       | 0.0049872                | 0.0295630                   |
| 7              |                               |                       | 0.0050115                | 0.0345745                   |
| 8              |                               |                       | 0.0050358                | 0.0396103                   |
| 9              |                               |                       | 0.0050604                | 0.0446707                   |
| 10             |                               |                       | 0.0050850                | 0.0497557                   |
| 11             |                               |                       | 0.0051097                | 0.0548654                   |
| 12             |                               |                       | 0.0051346                | 0.0600000                   |

Annual Rate (R) = .0600

Monthly Rate =  $((1 + R)^{(1/12)} - 1) = .0048676$

TAMPA ELECTRIC COMPANY  
SUPPLEMENTAL SURVEILLANCE REPORT INFORMATION  
COMMERCIAL/INDUSTRIAL SERVICE RIDER  
DECEMBER 2017

The information listed below is presented to comply with FPSC Order No. PSC-14-0197-PAA-EI in reference to reporting requirements for electric investor-owned utilities with Commercial/Industrial Service Rider (CISR) tariffs.

For the period ended December 2017, the total difference for all executed Contract Service Arrangements (CSAs) between the calendar year revenues that would have been received under the otherwise applicable tariff rate(s) and the CISR rate is \$18,458,96.