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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Tampa Electric Company.	DOCKET NO. 20240026-EI
In re: Petition for approval of 2023 depreciation and dismantlement study, by Tampa Electric Company.	DOCKET NO. 20230139-EI
In re: Petition to implement 2024 generation base rate adjustment provisions in paragraph 4 of the 2021 stipulation and settlement agreement, by Tampa Electric Company.	DOCKET NO. 20230090-EI ORDER NO. PSC-2024-0351-PHO-EI ISSUED: August 14, 2024

PREHEARING ORDER

Pursuant to notice and in accordance with Rule 28-106.209, Florida Administrative Code (F.A.C.), a Prehearing Conference was held on August 8, 2024, in Tallahassee, Florida, before Commissioner Gary F. Clark, as Prehearing Officer.

APPEARANCES:

J. JEFFRY WAHLEN, MALCOM MEANS, and VIRGINIA PONDER, ESQUIRES, Ausley Law Firm, Post Office Box 391, Tallahassee, FL 32302
On behalf of Tampa Electric Company (TECO)

WALT TRIERWEILER, PATRICIA A. CHRISTENSEN, OCTAVIO SIMOES-PONCE, CHARLES REHWINKEL, MARY A. WESSLING, and AUSTIN A. WATROUS, ESQUIRES, Office of Public Counsel, c/o The Florida Legislature, 111 West Madison St., Suite 812, Tallahassee, FL 32399-1400
On behalf of the Office of Public Counsel (OPC)

BRADLEY MARHSALL and JORDAN LUEBKEMANN, ESQUIRES, Earthjustice, 111 S. Martin Luther King, Jr. Blvd., Tallahassee, FL 32301
HEMA LOCHAN, ESQUIRE, Earthjustice, 48 Wall St., 15th FL, New York, NY 10005
On behalf of Florida Rising, Inc. (Florida Rising) and League of United Latin American Citizens of Florida (LULAC)

JON C. MOYLE, JR., and KAREN A. PUTNAL, ESQUIRES, Moyle Law Firm, P.A., 118 North Gadsden Street., Tallahassee, FL 32301
On behalf of the Florida Industrial Power Users Group (FIPUG)

LESLIE R. NEWTON, ASHLEY N GEORGE, THOMAS A. JERNIGAN, and MICHAEL A. RIVERA ESQUIRES, 139 Barnes Drive, Suite 1, Tyndall Air force Base, FL 32403
On behalf of Federal Executive Agencies (FEA)

NIHAL SHRINATH, ESQUIRE, 2101 Webster Street, Suite 1300, Oakland, CA 94612
SARI AMIEL, ESQUIRE, Sierra Club, 50 F Street NW, Eighth Floor, Washington, DC 20001
On behalf of Sierra Club (Sierra Club)[*]

ROBERT SCHEFFEL WRIGHT and JOHN T. LAVIA, III, ESQUIRES, Gardner, Bist, Bowden, Dee, LaVia, Wright, Perry & Harper, P.A. 1300 Thomaswood Drive, Tallahassee, FL 32308
On behalf of the Florida Retail Federation (FRF)

FLOYD R. SELF and RUTH VAFEK, ESQUIRES, Berger Singerman, LLP, 313 North Monroe Street, Suite 301, Tallahassee, FL 32301
On behalf of Americans for Affordable Clean Energy, Inc. (AACE), Circle K Stores, Inc., RaceTrac Inc., and Wawa, Inc. (collectively hereinafter Fuel Retailers)

STEPHANIE U. EATON, ESQUIRE, Spilman, Thomas & Battle, PLLC, 110 Oakwood Drive, Suite 500, Winston-Salem, NC 27103
STEVEN W. LEE, ESQUIRE, Qualified Representative, Spilman, Thomas & Battle, PLLC, 1100 Bent Creek Blvd., Suite 101, Mechanicsburg, PA 17050
On behalf of Walmart, Inc. (Walmart)

TIMOTHY SPARKS, CARLOS MARQUEZ, and ADRIA HARPER, ESQUIRES, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0850
On behalf of the Florida Public Service Commission (Staff)

MARY ANNE HELTON, ESQUIRE, Deputy General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
Advisor to the Florida Public Service Commission.

KEITH C. HETRICK, ESQUIRE, General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
Florida Public Service Commission General Counsel

[*] Mr. William Garner, Esq. stood in for Mr. Shrinath and Ms. Amiel on behalf of Sierra Club.

I. CASE BACKGROUND

On April 2, 2024, Tampa Electric Company (TECO) filed its Petition for Rate Increase, minimum filing requirements (MFRs), and testimony. TECO provides service to approximately 844,000 customers in a 2,000 square mile service territory in Hillsborough and portions of Polk, Pasco, and Pinellas counties, Florida. In compliance with Section 366.06(3), Florida Statutes (F.S.), an administrative hearing was scheduled for these matters for August 26–30, 2024.

II. CONDUCT OF PROCEEDINGS

Pursuant to Rule 28-106.211, F.A.C., this Prehearing Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

III. JURISDICTION

The Florida Public Service Commission (Commission) is vested with jurisdiction over the subject matter of this proceeding by the provisions of Chapters 120 and 366, F.S. This hearing will be governed by said Chapter and Chapters 25-6, 25-22, and 28-106, F.A.C., as well as any other applicable provisions of law.

IV. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

Information for which proprietary confidential business information status is requested pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., shall be treated by the Commission as confidential. The information shall be exempt from Section 119.07(1), F.S., pending a formal ruling on such request by the Commission or pending return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been made a part of the evidentiary record in this proceeding, it shall be returned to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of this proceeding, it shall be returned to the person providing the information within the time period set forth in Section 366.093, F.S. The Commission may determine that continued possession of the information is necessary for the Commission to conduct its business.

It is the policy of this Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 366.093, F.S., to protect proprietary confidential business information from disclosure outside the proceeding. Therefore, any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, F.S., at the hearing shall adhere to the following:

(1) When confidential information is used in the hearing that has not been filed as prefiled testimony or prefiled exhibits, parties must have copies for the

Commissioners, necessary staff, and the court reporter, in red envelopes clearly marked with the nature of the contents and with the confidential information highlighted. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.

(2) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise confidentiality. Therefore, confidential information should be presented by written exhibit when reasonably possible.

At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the court reporter shall be retained in the Office of Commission Clerk's confidential files. If such material is admitted into the evidentiary record at hearing and is not otherwise subject to a request for confidential classification filed with the Commission, the source of the information must file a request for confidential classification of the information within 21 days of the conclusion of the hearing, as set forth in Rule 25-22.006(8)(b), F.A.C., if continued confidentiality of the information is to be maintained.

V. PREFILED TESTIMONY AND EXHIBITS; WITNESSES

Testimony of all witnesses to be sponsored by the parties and Staff has been prefiled and will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to timely and appropriate objections. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Summaries of testimony shall be limited to a total of seven minutes for each witness, including any witness presenting direct and rebuttal testimony together.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple “Yes” or “No” answer shall be so answered first, after which the witness may explain his or her answer. After all parties and Staff have had the opportunity to cross-examine the witness, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

The parties shall avoid duplicative or repetitious cross-examination. Further, friendly cross-examination will not be allowed. Cross-examination shall be limited to witnesses whose testimony is adverse to the party desiring to cross-examine. Any party conducting what appears to be a friendly cross-examination of a witness should be prepared to indicate why that witness' direct testimony is adverse to its interests.

VI. ORDER OF WITNESSES

Each witness whose name is preceded by a plus sign (+) will present direct and rebuttal testimony together.

Witness	Proffered By	Issues #
Direct		
Archie Collins	TECO	4, 69
Karen Sparkman	TECO	4, 16, 85, 87–89, 92, 115, 119
+ Carlos Aldazabal	TECO	4, 21–24, 30, 43–45, 97, 99–102, 116
+ Kris Stryker	TECO	14, 15, 18, 20, 43, 44, 95, 98, 116
+ Jose Aponte	TECO	18, 20, 22, 24, 95, 97, 98, 101
+ Chip Whitworth	TECO	4, 19, 25, 31, 46, 47, 96
+ David Lukcic	TECO	19, 96
Christopher Heck	TECO	17
+ Marian Cacciatore	TECO	3, 53
+ Lori Cifuentes	TECO	2, 3, 41, 42, 104
+ Ned Allis	TECO	5–9, 60
+ Jeff Kopp	TECO	5, 11, 60
+ Dylan D'Ascendis	TECO	39
+ John Heisey	TECO	18, 95, 113
+ Valerie Strickland	TECO	10, 33, 34, 62–66, 106
Jeff Chronister	TECO	1, 3, 5, 6, 10–13, 25–38, 40–69, 94–107, 109, 111, 112, 117, 120
Ashley Sizemore	TECO	114, 118
Jordan Williams	TECO	2, 41, 42, 70–93, 108–110, 115, 117, 119

Witness	Proffered By	Issues #
David E. Dismukes, Ph.D. *Available on 8/29*	OPC	1–3, 41, 119
Kevin J. Mara, P.E.	OPC	19, 31, 52, 97
Bion C. Ostrander	OPC	55
J. Randall Woolridge, Ph.D.	OPC	36–40, 104
Lane Kollen	OPC	5, 7–8, 10–11, 18, 20, 26, 33–35, 40, 45, 53–56, 58, 62–65, 68–69, 95–96, 98–103, 105, 108, 112, 115
Karl Rábago *Available on 8/29 and 8/30*	Florida Rising & LULAC	14–25, 39, 53, 71–74, 76, 78–80, 96–103, 119, 120
MacKenzie Marcelin	Florida Rising & LULAC	119, 120
Jeff Pollock *Available on 8/29*	FIPUG	39,71–72,83,109–111
Jonathan Ly *Available on 8/29*	FIPUG	18
Christopher C. Walters	FEA	37–40
Brian C. Andrews	FEA	7
Michael P. Gorman	FEA	70–74
Devi Glick	Sierra Club	24, 32, 43–45, 59, 97, 102, 116
Steve W. Chriss *Available 8/28, 8/29, and 8/30*	FRF & Walmart	1, 39, 70–74, 79–83, 119
Tomer Kopelovich	Staff	49
Angela L. Calhoun	Staff	4
Rebuttal		
Jeff Chronister	TECO	1, 3, 5, 6, 10–13, 25–38, 40–69, 94–107, 109, 111, 112, 117, 120
Jordan Williams	TECO	2, 41, 42, 70–93, 108–110, 115, 117, 119

VII. BASIC POSITIONS

TECO: These consolidated dockets address three petitions filed by TECO: (1) a petition for approval of 2023 depreciation and dismantlement study [Docket No. 20230139-EI]; (2) a petition to implement 2024 generation base rate adjustment provisions in paragraph 4 of the 2021 stipulation and settlement agreement [Docket No. 20230090-EI]; and (3) a Petition for Rate Increase [Docket No. 20240026-EI]. These dockets were consolidated by the Order Establishing Procedure and Consolidating Dockets (OEP), Order No. PSC-2024-0096-PCO-EI, issued April 16, 2024.

Introduction

TECO is committed to being a trusted energy partner for its customers now and in the future. It focuses on carefully and prudently managing its operating expenses and capital spending to ensure that it meets the growing and changing energy needs in its service territory. Along the way, the company works diligently and thoughtfully to continuously improve the safety, reliability, and resilience of its electric system, improve efficiency in all areas of its operations—especially the generating efficiency of its existing power plants—and to ensure that it can continue serving customers at all times regardless of weather conditions.

The impacts of inflation, higher interest rates, increased insurance premiums, customer growth, and the investments the company is making to improve its efficiency, reliability, and resilience have impacted the operations of the company. TECO's original filing on April 2, 2024 requested a $293,634,910 annual increase in its general base rates and a $2,976,175 annual increase to its service charges for a total annual increase to its base rates and charges of $296,611,085 (Issue 69) to be effective with the first billing cycle of January 2025, plus incremental Subsequent Year Adjustments (SYA) of $100,074,841 and $71,847,925 (Issue 107) to become effective with the first billing cycles in January 2026 and 2027, respectively. On July 24, 2024, and August 1, 2024, the company filed updated revenue requirement calculations for its 2025 test year and 2026 and 2027 SYA to reflect changes identified and discussed during discovery and in the rebuttal testimony of Jeff Chronister (July Filing and August Filing). Its revised requests for the 2025 test year and 2026 and 2027 SYA are $295,521965, $95,257,228 and $69,007,620.

Safety, Reliability, and Customer Service

TECO's solid record of safety, reliability, and customer service is not in dispute. TECO's reportable U.S. Occupational Safety and Health Administration (OSHA) incidents declined from 24 in 2019 to a low of 17 in 2023. Its OSHA incident rate declined from 1.02 in 2019 to a low of 0.70 in 2023. The company scored better than industry average for all six J.D. Power measures of customer satisfaction in

2023, and its Commission complaint record and service hearings do not reveal systemic service problems. The company improved its system heat rate by 20% from 2017 to 2023, and during that same time period, reduced outage frequency and durations by 21% and 22%, respectively. The company's "flickers" were 30% less frequent and it provides 99.98% service reliability.

Issues

The Parties have identified over 120 issues in this case and divided them into 10 categories, all of which are important and seven of which are highlighted below.

1. Depreciation and Dismantlement (Issues 5 through 12)

Consistent with its 2021 Agreement, TECO filed a depreciation and dismantlement study on December 27, 2023. Based on this study and its projected plant balances, the company seeks recovery of approximately $531.4 million (revised to $530.9 million in Issue 60) of depreciation and amortization expense for its projected 2025 test year. The primary issues in this area include the company's proposed book depreciation lives for combined cycle generating assets, solar facilities, and energy storage devices. The company's proposed lives for these asset categories (35, 30, and 10 years, respectively) are reasonable and should not be lengthened as proposed by OPC and FEA. The company's proposed net salvage percentages are reasonable and should not be reduced as proposed by FEA. The company's proposed annual dismantlement expense accrual was calculated in accordance with Rule 25-6.04364, F.A.C., and properly considers escalation of costs, environmental remediation costs, and contingencies.

2. 2025 Rate Base (Issues 13 through 32)

The primary issues in this area include the company's proposed addition of 488.7 megawatts (MW) of Future Solar projects (Issue 18), Grid Reliability and Resilience Projects (GRR Projects) (Issue 19), 115 MW of Energy Storage Capacity projects (Issue 20), a new corporate headquarters building (Issue 21), the South Tampa Resilience project (Issue 22), and the Polk 1 Flexibility project (Issue 24). These projects are cost-effective; are based on analyses of available options; promote efficiency, reliability, and resilience of the company's system; provide other benefits such as fuel savings, fuel diversity, and better customer service; are prudent; and should be approved.

The company's proposed Future Environmental Compliance project, which assesses the viability of underground carbon storage at Polk Power Station (Issue 14), is a prudent step to protect the long-term viability of gas-fired generation at Polk and to evaluate whether the company can and should invest in carbon capture technology for Polk Unit 2.

Sierra Club's proposals to force early retirement of petcoke and coal generation assets at Polk Unit 1 and Big Bend Unit 4, respectively, are discussed in the "Other" issues and should be rejected because the assets provide needed operating flexibility and fuel diversity. These and other reasons are explained in Issues 43, 44, and 116.

3. 2025 Cost of Capital (Issues 33 through 40)

The two contested issues in this area are equity ratio (Issue 38) and Return on Equity (ROE) (Issue 39). TECO urges the Commission to approve the company's proposed midpoint ROE of 11.5%, an authorized range of allowed ROE of plus or minus 100 basis points, and its currently approved equity ratio of 54% (investor sources). The intervenor recommendations for a midpoint ROE of 9.5% are too low. FEA's proposed 52% equity ratio is not adequate to preserve TECO's financial integrity and a reduction to 52% from the company's long-standing 54% equity ratio would be viewed as credit-negative by credit rating agencies.

4. 2025 Net Operating Income (Issues 41 through 67)

The major issues in this area include the level of generation operations and maintenance (O&M) expense (Issue 45), the recovery of the company's short-term incentive plan (STIP), long-term incentive plan (LTIP), and supplemental employee retirement plan (SERP) as part of total salaries and benefits expense (Issue 53), adjustments for affiliate transactions (Issue 55), and the period for amortizing the regulatory liability associated with 2022 to 2024 solar production tax credits (PTCs) (Issue 64). Other contested issues include whether to (a) adjust the company's projected 2025 operating revenues (Issue 41), (b) disallow O&M expenses associated with coal assets at Polk Unit 1 and Big Bend Unit 4 (Issues 43 and 44), and (c) disallow a portion of the company's directors and officers insurance expense (Issue 56). Issue 65 on the amortization of investment tax credits (ITCs) includes OPC's proposal to reject normalization of ITC for energy storage devices and amortize those ITCs over three years, but otherwise is largely a fall out issue based on the lives approved for solar facilities and energy storage devices in Issue 7. The Commission should approve the company's proposals and reject the intervenor proposals for the reasons explained under each issue.

5. 2025 Cost of Service and Rates (Issues 70 through 93)

The major issues in this area revolve around the cost of service methodology to be used to allocate production (Issue 71), transmission (Issue 72), and distribution (Issue 73) to rate classes. The company filed cost of service studies for production and transmission costs using a four Coincident Peak (CP) methodology and distribution costs using a full Minimum Distribution System (MDS) approach as required by the 2021 Agreement. The company also presented a 12CP and 1/13th Average Demand (AD) method study for production as required by the

Commission's MFR rule. Although the company supports the cost of service methodologies as required by the 2021 Agreement, how to allocate production, transmission, and distribution costs to rate classes are issues to be decided by the Commission. In any event, the Big Bend Unit 4 scrubber and Polk 1 gasifier should continue to be allocated on an energy basis (not demand as advocated by FIPUG) (Issue 71). The Commission should approve the company's proposed tariff and program changes.

6. 2026 and 2027 SYA (Issues 94 through 110)

Some of the company's proposed rate base additions in this case will be placed in service in 2025 but will not be in service for the entire year, so the company's 2025 proposed revenue increase (Issue 69) does not reflect the full annual revenue requirement for those projects.

Other proposed rate base additions will go into service in 2026 and are not included in the company's 2025 proposed revenue increase (Issue 69) at all; 2027 will be the first year that these additions will be in service for a full year.

The company's proposed 2026 SYA is designed to recover the portion of the annual revenue requirement for the additions going into service in 2025 not included in the company's proposed 2025 revenue increase (Issue 69) and the revenue requirement for additions going into service for the first time (but not a full year) in 2026.

The company's proposed 2027 SYA is designed to recover the portion of the annual revenue requirement for the additions going into service in 2026 for the first time that is not included in the company's proposed 2026 SYA.

The projects included in the company's proposed SYA are major projects, their costs are reasonable and prudent, placing them in service will have a material impact on the company's ability to earn within its authorized range of returns, and including them in the proposed SYA will mitigate the company's need for successive general rate increases; therefore, they should be approved. There is nothing in Section 366.076, F.S., that limits SYA to cost recovery for generation projects, thus OPC's proposal to disallow the GRR Projects (Issue 96) should be rejected.

The calculation of the company's proposed 2026 and 2027 SYAs should be updated to reflect the overall rate of return approved in Issue 40 (Issue 103) and the deprecation lives and ITC amortization periods approved for the 2025 test year (Issue 108). The Commission should also approve the company's positions on not imputing incremental revenue (Issue 104), including incremental O&M expenses (Issue 105), rate design and development (Issues 108 and 110), and effective date (Issue 109).

7. Other (Issues 111 to 121)

The Commission should approve the company's proposal for a corporate tax change provision (Issue 111), storm cost recovery provision (Issue 112), asset optimism mechanism (Issue 113), updated Clean Energy Transition Mechanism (CETM) factors (Issue 114), Senior Care program (Issue 115), and other administrative matters (Issues 17, 120, 121). The Commission should reject Sierra Club's proposals for future studies and actions for the company's coal assets at Polk Unit 1 and Big Bend Unit 4 (Issue 116). The company's energy conservation performance under the Florida Energy Efficiency and Conservation Act (FEECA) is outstanding and should be considered by the Commission when setting rates in this case (Issue 118).

OPC: The burden of proof in a Commission proceeding is always on a utility seeking a rate change, and upon other parties seeking to change established rates. *Fla. Power Corp. v. Cresse*, 413 So.2d 1187, 1191 (Fla. 1982). TECO has the burden to prove that every aspect of their requested rate increase is justified and supported by evidence at hearing. Further, pursuant to Section 366.06(1), F.S., the Commission may only approve the parts of TECO's rate request which result in rates that are fair, just, and reasonable for each customer class. TECO's requested rate increase would translate to an over 50% increase in base rate. The policy for energy in the State is now to "ensure an adequate, reliable, and cost-effective supply of energy for the state in a manner that promotes the health and welfare of the public . . ." with goals including "[e]nsuring a cost-effective and affordable energy supply." *See* Section 377.601 (1) and (2)(a), F.S. (2024). TECO's bloated revenue request is contrary to the State's goal of providing affordable, reasonable rates for each customer class.

TECO's request grossly overstates the revenue requirement needed to provide safe and reliable service without even considering either SYA for 2026 and 2027. OPC's experts will testify in depth about the flawed and excessive nature of TECO's requested rate increase. Below are summaries of OPC witnesses' major adjustments and areas of concern.

Revenue Forecast Increases

OPC witness Dr. David Dismukes recommends after reviewing TECO's retail revenue forecast that 2025 forecasted test year achieved revenues should be increased by at least $12 million and that the Commission should make the reasonable adjustment of simply excluding several proposed, yet poorly documented out-of-model adjustments. He also demonstrates that the forecasted achieved retail revenues should be increased of $20 million in 2026 and $26 million in 2027 by application of the same adjustment. He demonstrates that these adjustments are conservative based on historical under forecasting of TECO's retail revenues by 2.1%. These OPC recommendations result in a revenue requirement reduction of $12 million in 2025, and an additional reduction of $7.994 million in 2026, and $6.123 million in 2027. Dr. Dismukes also recommends that the Commission consider energy affordability in this proceeding, and all future utility base rate proceedings, in evaluating rate increase requests consistent with the trends in other U.S. regulatory jurisdictions.

SYAs—Grid Reliability and Resiliency Projects

OPC witness Kevin Mara reviewed TECO's proposal for projects in 2026 and 2027 that TECO included under its GRR Projects. He recommends that the total costs associated with the GRR Projects be excluded from the SYAs since the SYAs are not the proper funding mechanism for various reasons (i.e., not completed by end of the SYA period, otherwise routine replacements, and not Board approved). He also recommends that $7.94 million be excluded for the excess number of spare power transformers and that all the Distribution Feeder Hardening cost be included for consideration in the storm protection plan (SPP) process and its clause recovery for a decrease of $7.97 million. These OPC recommendations result in a revenue reduction of $0.718 million in the 2025 test year, and $4.599 million in SYA 2026, and $28.788 million in SYA 2027.

Cost of Capital

OPC witness Dr. Woolridge conducted a review of appropriate cost of equity and equity ratio for TECO. Based on his acceptance of TECO's requested high equity ratio of 54%, he recommends a ROE of 9.50% yielding an overall fair rate of return (ROR) from investor capital of 7.19%. OPC's ROE recommendation results in a revenue reduction of $126.379 million in 2025 and an additional revenue reduction of $9.273 million in SYA 2026 and $5.022 million in SYA 2027.

Affiliate Transactions

OPC witness Bion Ostrander reviewed TECO's affiliate transactions, the applicable Cost Allocation Manuals (CAMs) and reviewed TECO's procedures related to affiliate transactions. Based on deficiencies in TECO's affiliate processes, he recommends changing the allocation methodology factors in the Modified Massachusetts Method (MMM), putting into place a CAM for cost allocated from Emera to TECO, and disallowing one half of unsupported expense. He also recommends that the Commission require TECO to discontinue operating as the central service provider (CSP) or require the nine measures outlined more fully in his testimony. These are summarized as follows: (1) implement a plan for achieving recommendations; (2) identify costs saving as CSP and flow back to customers; (3) document and explain when affiliate takes back share service in-house; (4) change accounting to track and audit affiliate transactions easily; (5) reconcile accounting in (4) to FERC Form 1; (6) have an external audit of CSP role; (7) monthly invoices for CSP services; (8) Emera and TECO should have written internal controls; and (9) Emera should perform an internal audit of TECO as CSP. The overall effect of OPC's affiliate transactions recommendations results in a revenue reduction of $6.313 million in the 2025 test year.

Solar and Battery Lives, Investment and Production Tax Credits, and Other Adjustments

OPC witness Lane Kollen recommends maintaining the status quo for the lives of the Solar facilities at 35 years and Battery Storage at 20 years based on the utility planning. He also recommends adjustments for amortizing over three years the deferred ITCs and deferred PTCs with carrying costs. Mr. Kollen also makes adjustments to reduce the revenue requirement for expense related to planned generation maintenance for major outages expense, pensions, portion of active employee Other Post-retirement Employee Benefit (OPEB), long-term incentive compensation, SERP, 50% of Directors and Officers (D&O) insurance premiums, and 50% of Board of Directors expense. These OPC recommendations result in a revenue reduction of at least $75.734 million in the 2025 test year revenue requirement. Some of the recommended adjustments result in an additional revenue requirement reduction of at least $17.952 million in SYA 2026 and at least $13.699 million in SYA 2027.

OPC will demonstrate deficiencies in the testimony and evidence presented by TECO's witnesses. In today's tough economic climate, TECO's customers are already under great financial pressure, so any increase will have a significant impact on them. Now, more than ever, the Commission must consider affordability of the customer's bills when evaluating TECO's rate request. Ultimately, the Commission must hold TECO to its burden and only approve the portions of TECO's rate request which are fair, just, and reasonable.

FL RISING/ LULAC: The Commission should deny TECO's request for increased rates. Last year, TECO had the third highest residential electricity bills in the nation, out of 149 utilities with more than 100,000 residential customers. Despite its already-high bills, TECO now requests a $296.6 million revenue increase for 2025 and recommends it receive an astounding midpoint ROE of 11.5%. Moreover, under TECO's 4CP and MDS cost-of-service methodology, it wants to continue shifting a majority of its additional costs away from large commercial and industrial customers and onto residential customers.

First, the MDS approach TECO uses is economically regressive, defies cost causation principles, and forces lower energy usage customers—typically low-income customers—to subsidize wealthier, higher usage customers. The MDS approach classifies demand costs as customer-related despite the fact that these extrapolated costs do not reflect the actual cost of connecting a customer to the grid. TECO's approach thus uses inflated fixed residential electricity charges, creating greater impacts on low-income customers given the high correlation among TECO customers between low usage rates and lower household income. The 4CP approach used by TECO also unduly burdens residential customers. 4CP focuses narrowly on peak demand, allowing residential customers to subsidize large commercial and industrial customers with relatively flat loads. For instance, use of 4CP creates an additional $71 million in costs residential customers would not otherwise have to pay under a 12CP and 1/13th AD method, without the use of MDS.

Additionally, TECO's Future Solar Investments, totaling $786.4 million, reflect the bulk of its recent generation investments. Under its current cost-of-service methodology, TECO seeks to allocate *all* of these investment costs based on capacity demands, pushing more of the costs onto residential customers contributing to peak load. This methodology does not promote just and reasonable rates. TECO readily acknowledges that the value of its solar investments comes from the total energy solar produces throughout the day, not its small contributions to peak demand. For instance, a 74.5 MW solar power plant placed in service in 2027 will contribute a mere 1.5% of its total nameplate capacity to meet the summer peak and will contribute nothing to the winter peak. Thus, to effect just and reasonable rates, TECO should not allocate most of these costs to residential customers when large commercial and industrial customers consistently use large amounts of energy throughout the day.

In addition to TECO charging residential customers for solar investments that minimally contribute to peak demand, TECO requests that residential customers pay for the bulk of other new generating projects they will derive little to no benefit from and that are unnecessary for maintaining adequate reserve margins. For example, TECO wants to recover costs for the roughly $200 million fossil-fueled South Tampa Resilience Project, which essentially acts like a subsidy to the U.S. government. TECO also wants to spend almost $54 million to increase TECO's dependence on oil with its Polk Fuel Diversity Project, and TECO seeks to recover for its Polk 1 Flexibility Project even though retirement of the unit will yield savings for customers.

TECO additionally requests rate recovery from mostly residential customers for other non-generating portions of its recent spending spree. TECO wants to recover the costs for a new Corporate Headquarters—coming in at a revenue requirement of over $1 billion—that weighs the importance of employee parking and nearby amenities above that of grid resilience and reliability. TECO also wants to charge customers over $33 million annually for short- and long-term employment compensation packages that encourage employees to forego affordability considerations and promote cost increases. Additionally, in 2025 alone, TECO will spend $716 million on new transmission and distribution projects. These projects include the GRR Projects, expensive transmission investments destined for quick obsolescence. Among other increased service charges, TECO also proposes to increase its Initial Service Connection fee to $168.00, well above Florida's inflation rate last year and well above the other Florida investor-owned utilities (IOUs) and public utilities.

The Commission should prohibit TECO from using its out-of-step and regressive MDS method that yields a $1.07 per customer per day charge, when that charge should be no higher than $0.43 per customer per day. The Commission should also approve a midpoint ROE of no higher than 9.50% to provide significant affordability improvements without sacrificing reliability. Additionally, the Commission should reject TECO's use of 4CP and MDS and instead permit a 12CP and 50% AD method, given, among other reasons, that most of TECO's new generation is solar and thus contributes only minimally to capacity at peak load. As it stands, TECO's current proposals in this rate case will result in unjust and unreasonable rates in defiance of basic ratemaking principles and Florida law.

FIPUG: TECO's total rate case request is overstated, as the company seeks to increase customer rates by nearly 30% during the next three years, featuring a significant 20% rate increase in 2025 alone. A host of adjustments are in order that will meaningfully reduce TECO's total ask of $296.6 million dollars, adjustments that will be detailed by evidence adduced at the upcoming rate case hearing. For example, TECO's requested ROE of 11.5% is 130 basis points, or approximately $130 million dollars higher than the 10.2% percent ROE that was unanimously agreed to by all the parties in the 2021 Settlement Agreement. The nationwide average for vertically-integrated electric IOUs in rate case decisions during 2023 and through May of 2024 is 9.78%, 172 basis points less or approximately $106 million dollars less than TECO's ROE request.

FIPUG supports the allocation of production and transmission plant using the 4CP approach, an approach that was agreed to unanimously in the 2021 Settlement Agreement and approved by the Commission. Put simply, 4CP measures TECO's system peaks once a month during the system peak during the hottest months of June, July, and August, and once during the coldest month, January. Importantly, TECO's cost of service study witness Jordon Williams states that the 4CP method reflects cost causation in relation to TECO's peak demands. The 4CP approach is supported in this case by TECO, FIPUG, and FEA, and was supported in the 2021 rate case by Walmart and also the West Central Florida Hospital Utility Association, who has not intervened in the 2024 rate case.

FIPUG also supports the use of the MDS rate design approach, a methodology that the Commission has previously approved and which more fairly allocates utility costs to provide distribution service. The MDS approach recognizes that the distribution network must be ready to serve customers, irrespective of the amount of power and energy used by customers. Allocating a portion of distribution network costs on the number of customers recognizes the readiness to serve. Accordingly, using MDS to allocate distribution network costs based on the number of customers, which is consistent with cost causation, is the proper approach.

FIPUG does not support the drastic changes in the time-of-use rating periods proposed by TECO. Specifically, the proposed Super Off-Peak period would set very low energy prices during daytime hours. The proposal, which relies solely on speculative projections of marginal energy prices, lacks foundation. It would also be unprecedented. No other utility in Florida (which also have significant solar capacity) has a similar low-cost rating period during daytime hours. This change would be both disruptive (requiring customers to fundamentally change their usage patterns), and it would encourage more energy usage during daytime hours when TECO generally experiences its highest electricity demand, which is contrary to long-standing practice.

TECO's cost-effectiveness analysis of its proposed solar projects is lacking and not robust. The benefits are overstated because it uses inflated natural gas prices and assumes a value for carbon emissions, a misplaced assumption given that a tax on fossil fuel emissions has not been enacted in Florida or at the federal level. Additionally, TECO has not provided any assurance or guarantee that it will not exceed the projected construction costs and that it will earn production tax credits as projected. Absent such guarantees, customers have no certainty of receiving the promised benefits.

Should the Commission approve TECO's Solar Projects, it should impose consumer protections, including a $1,609/kW cost cap, ensure that TECO credits at least 100% of the production tax credits projected by TECO in its cost-effectiveness analysis (regardless of actual performance), and establish a minimum 26% annual operating capacity factor to ensure that customers receive the projected benefits as suggested by FIPUG witness Ly.

FEA: FEA recommends TECO be awarded a ROE of 9.60%; a capital structure equity ratio of 52.0%; and an overall ROR of 6.36% which reduces TECO's electric retail revenue requirements by approximately $134.7 million.

FEA also proposes several adjustments to TECO's proposed depreciation rates. These adjustments include a recommendation to: (1) increase the life of the Big Bend and Bayside combined cycle plant from a 35-year life to 40 years; (2) make adjustments to the interim retirement survivor cure for Production plant accounts 312, 341, 342, and 343; (3) maintain the Average Service Life of Account 367 at the current 45-year life and TECO's proposal to shorten it; and (4) make adjustments to the net salvage rates for Transmission, Distribution and General Plant (TD&G) accounts 356, 362, 363, 365, 367, 392.02, 392.03, 392.12, and 392.13. These adjustments are captured in FEA Exhibit BCA-6 and result in a decrease in TECO's 2024 depreciation expense by $31.38 million.

Lastly, FEA supports TECO's class cost of service study and TECO's proposed revenue spread. However, FEA recommends an adjustment to the proposed rate design for the time-of-day rates. Specifically, FEA recommends the GSLDPR demand charge be increased, and the energy charge be reduced to appropriately reflect the demand-related cost that should be collected through demand rates.

SIERRA CLUB: TECO customers face some of the highest electricity rates in the country, in part due to TECO's continued operation of uneconomic and obsolete fossil-fueled generating units. In particular, it is no longer reasonable for TECO's ratepayers to shoulder the costs of maintaining outdated coal and petcoke combustion equipment at the Polk Unit 1 and Big Bend Unit 4 generating stations. Both plants have already been retrofitted such that they can run exclusively on gas, a lower-cost and less polluting fuel than coal and petcoke, yet TECO seeks to continue recovering O&M costs to keep coal and petcoke equipment available, in addition to saddling TECO customers with the additional costs of fuel volatility and environmental compliance associated with coal production going forward. TECO should be required to retire all integrated gasification (IG) components at Polk Unit 1 by 2024 and cease all coal combustion at Big Bend Unit 4 by 2025.

Even once coal combustion is retired at those plants, it is still unreasonable for TECO customers to shoulder the financial risks of operating Polk Unit 1 and Big Bend Unit 4 past 2030, due to projected operation costs and the risk of high environmental compliance costs. TECO should be required to shift the Polk Unit 1 and Big Bend Unit 4 retirement dates to 2030. At the very least, TECO should be required to study different retirement scenarios for Polk Unit 1 and Big Bend Unit 4, as compared against the costs of alternative replacement resources, and TECO should be prevented from recovering capital and O&M costs for these units until it completes such analysis.

It would be unjust and unreasonable for customers to pay for costs associated with the proposed Polk Unit 1 Flexibility project. Polk Unit 1 is a 220 MW dual-fuel plant that is capable of burning coal or petcoke using integrated gasification combined-cycle (IGCC) technology, but has combusted only gas since 2018. Through the Polk Unit 1 Flexibility project, TECO seeks to recover $80.5 million to convert Polk Unit 1 into a simple-cycle combustion turbine (CT), while retaining IG technology to burn petcoke or coal in the event of a gas crisis. TECO has not justified incurring the steep costs of converting a relatively small unit with a low capacity factor from one gas combustion technology to another. Moreover, it has certainly not justified keeping IG components in long-term standby, with or without the CT conversion. And it has not justified the costs of keeping the IGCC steam turbine (ST) and heat recovery steam generators (HRSG) online after the CT conversion is completed. In fact, if TECO does convert Polk Unit 1 to a CT, it would only be able to burn petcoke after an additional year-long upgrade. TECO is unable or unwilling to offer an estimate of the cost of that upgrade. Nor has

TECO provided analysis demonstrating the reliability needs of a unit as small, expensive, and rarely utilized as Polk Unit 1. Nonetheless, TECO unreasonably expects ratepayers to finance the ongoing O&M costs of obsolete coal- and petcoke-burning equipment, which it has not used since 2018. TECO further unreasonably expects ratepayers to finance an expensive conversion project without showing its cost-effectiveness compared to alternative replacement resources. If the Commission approves the Polk Unit 1 Flexibility project, TECO should nonetheless be required to immediately retire the IG, ST, and HRSG components at Polk Unit 1.

It would be unjust and unreasonable for TECO to recover the costs of burning coal at Big Bend Unit 4 past 2025 and to recover the costs of keeping Big Bend Unit 4 online past 2030. Big Bend Unit 4 is a dual-fuel 486 MW generating unit that has historically burned both coal and gas, but which TECO plans to primarily power with gas due to coal's high fuel costs. For three of the past five years, Big Bend Unit 4 has been uneconomic for TECO's ratepayers, with a net negative value. TECO's conservative projections illustrate that Big Bend Unit 4 will continue to be uneconomic, as its costs will exceed its value to ratepayers over the period from 2024 to 2033, largely because the plant has high costs and a low utilization factor. These projections do not factor in the very real risk of additional environmental compliance costs stemming from federal regulations.

Retiring Polk Unit 1 and Big Bend Unit 4 early would enable TECO to avoid the significant and unaffordable risk of incurring costs to comply with the U.S. Environmental Protection Agency's (EPA) Section 111 greenhouse gas, Mercury and Air Toxics Standards, Effluent Limitation Guidelines (ELG), and Coal Combustion Residuals rules, each of which were finalized earlier this year. As an illustration, EPA projects that, to comply with the federal ELG guidelines, which require zero discharges of coal combustion wastewaters by 2028, TECO could incur $129 million in capital costs at Big Bend Unit 4 and $9 million in capital costs at Polk Unit 1. TECO claims it can avoid these costs by utilizing deep injection wells, but it has not confirmed with EPA that such a plan is legally compliant, nor has it disclosed the costs of operating those wells or the risks and associated costs of leakage or other forms of well failure. EPA's recently finalized Section 111 greenhouse gas standards may impose additional costs and restrictions on the operation and flexibility of Polk Unit 1 and Big Bend Unit 4. These rules require co-firing with gas at least 40% of the time by 2030 or installing prohibitively expensive carbon capture and storage technology if plants operate past 2032.

Last, TECO is not only saddling customers with unjust and unreasonable costs from uneconomic coal units; it has also has failed to capitalize on billions of dollars available under the federal Energy Infrastructure Reinvestment (EIR) program. The EIR, administered by the U.S. Department of Energy's Loan Programs Office, could assist TECO in financing additional clean energy resources in lieu of Polk Unit 1 and Big Bend Unit 4. EIR funds take the form of long-duration, low-cost loans for retiring fossil assets—which can assist utilities in financing the undepreciated capital costs of a plant—coupled with investments in clean renewable energy resources.

In sum, Sierra Club urges the Commission to reject the recovery of O&M costs associated with Polk Unit 1's IG components and to require TECO to retire those components by 2024. The Commission should further reject recovery of the Polk Unit 1 Flexibility project unless TECO demonstrates that the $80.5 million price tag to convert this unit to a simple cycle is lower-cost than replacing it with clean energy. And even if the Flexibility project is approved, the Commission should require TECO to immediately retire the IG, ST, and HSRG components at Polk Unit 1. The Commission should similarly reject recovery of any spending on coal operations at Big Bend Unit 4 and require TECO to cease coal combustion at Big Bend Unit 4 by 2025. Finally, the Commission should direct TECO to apply for EIR funding to retire Polk Unit 1 and Big Bend Unit 4, study clean replacement resources, and replace their capacity with clean energy resources by 2030.

FRF: FRF is a statewide organization with more than 8,000 members in Florida, many of whom are retail customers of TECO. FRF and its members support utilities' needs for sufficient revenues to enable them to provide safe, adequate, and reliable service, and to earn a reasonable return on their prudently incurred investments in assets used and useful in providing that service. However, as customers in their own right and recognizing the needs of all Florida citizens for safe and reliable electric service at fair, just, and reasonable prices, the FRF opposes rates that are greater than necessary for the utility to provide safe and reliable service. The Commission's statutory task is to serve the public interest by ensuring that utilities provide safe and reliable service at the lowest possible cost.

Thus, the question in this proceeding, as in all general public utility rate cases, is how much revenue TECO actually *needs* to provide safe and reliable service and to earn a reasonable return on its investment. The evidence shows that TECO's proposed rates would, if approved by the Commission, produce grossly excessive revenues to the detriment of TECO's customers and to the Florida economy generally, and that TECO's proposed rates are contrary to the public interest for these reasons. Specifically, where TECO has requested $296.6 million per year in 2025, TECO can provide safe and reliable service and earn a reasonable return, consistent with the returns on common equity approved by regulatory bodies for many other electric utilities in the United States, with a total revenue increase of only $75.3 million per year in 2025. This is roughly one-fourth, or only 25%, of TECO's excessive request. The evidence also demonstrates that TECO's requested SYAs for 2026 and 2027 are also excessive and should be limited to the minimum amounts necessary for TECO to provide safe and reliable service, including a reasonable return on its investment.

TECO's requested ROE is particularly excessive and accounts for a significant amount of its overstated and over-reaching rate increase request. TECO has requested a midpoint ROE of 11.50%, which is 155 basis points greater than its last authorized midpoint, 130 basis points greater than its current ROE, which was increased pursuant to a "trigger" provision in its 2021 settlement, and 200 basis points greater than the ROE recommended by OPC witness Professor J. Randall Woolridge. Providing a return of TECO's current "Trigger ROE" instead of its excessive request would save customers almost $80 million a year; providing a return based on Professor Woolridge's recommendation, which is based on extensive analysis of other regulatory commissions, other utilities, and the risks that TECO actually faces, would save customers well over $100 million a year as opposed to TECO's excessive request. Regarding the risks that TECO faces, the Commission must recognize that the use of a projected test year reduces TECO's risk, and that allowing TECO to recover nearly 40% of its total revenues through cost recovery clause charges—Fuel, Environmental, Energy Conservation, Capacity Cost, Storm, and so on—similarly reduces TECO's risks, and these factors must be recognized in setting an ROE upon which retail rates are to be based.

TECO has also overstated its expenses in many areas. The combined evidence submitted by witnesses for OPC, FRF, and other parties representing customer interests demonstrates that TECO can fulfill its job, and that the Commission can fulfill its statutory mandate of serving the public interest by ensuring that TECO has *sufficient* revenues but *not excessive* revenues, by basing TECO's 2025 rates on a revenue increase of no more than $43.8 million per year.

FUEL RETAILERS: The Fuel Retailers sought intervention in this matter for two purposes. First, to ensure that as electric retail customers of TECO that the rates and charges being proposed for large customers such as Circle K Stores, Inc., RaceTrac Inc., and Wawa, Inc. were being fairly and reasonable set. Second, the Fuel Retailers had a special interest and concern regarding the Electric Vehicle (EV) Charging Pilot Program of TECO, especially given the actions in the company's 2021 rate case, and, specifically, whether in this rate case TECO was proposing any changes that could be in violation of the requirements of HB 1645, Section 6 (to be codified at 366.94, F.S.) (Chapter 2024-186, Laws of Florida), which would adversely impact the Fuel Retailers as retail electric customers and as providers of EV charging services. Just one day before filing its MFRs and other required documents were filed in this general rate case docket, TECO on April 1, 2024, filed in Docket No. 20240054-EI a request to extend and expand its EV Charging Pilot Program. Before the Fuel Retailers could file an intervention in this new EV charging docket, given the Fuel Retailers' notice to TECO of their intent to intervene and challenge that extension and expansion, TECO withdrew its request in Docket 20240054-EI. The Fuel Retailers appreciate this action by TECO. Consistent with the scope of the Order granting the Fuel Retailers intervention into this rate case, the Fuel Retailers believe that thus far TECO has not pursued any EV charging activities in this docket that would be in violation of HB 1645 or the order granting intervention. Going forward, the Fuel Retailers intend to continue to participate in these proceedings to ensure that actions are not taken that would adversely impact or otherwise discriminate against the electric services that the Fuel Retailers take from TECO.

WALMART: Walmart adopts FRF's Statement of Basic Position except where noted otherwise in the Issues below.

STAFF: Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

VIII. ISSUES AND POSITIONS

2025 TEST PERIOD AND FORECASTING

ISSUE 1: **Is TECO's projected test period for the twelve months ending December 31, 2025, appropriate?**

TECO: Yes. TECO’s proposed test period of the twelve months ending December 31, 2025 is appropriate for use as a test year because (1) 2025 is the first year the company’s proposed rates are proposed to be in effect and (2) the company’s financial budget for that period is representative of TECO’s projected revenues and costs of service, capital structure, and rate base needed to provide safe, reliable and cost-effective electric service to its customers. (Chronister)

OPC: Yes, with adjustments.

FL RISING/ LULAC: Yes, with adjustments.

FIPUG: Yes. However, adjustments recommended by OPC should be made.

FEA: No position.

SIERRA CLUB: No position.

FRF: A projected test year is consistent with Commission practice. The Commission must recognize that using a projected test year reduces risks faced by the utility, TECO in this case, and this reduced risk must be reflected in the ROE used to set rates.

FUEL RETAILERS: Agrees with OPC.

WALMART: Adopts the position of FRF.

STAFF: No position at this time.

ISSUE 2: Are TECO's forecasts of customers, KWH, and KW by revenue and rate class, appropriate?

TECO: Yes. The company's customer, demand, and energy forecast for 2025 was based on assumptions developed by industry experts that were the most recent assumptions available at the time the forecasts were prepared. The company used theoretically and statistically sound forecasting methods previously reviewed and approved by the Commission. The company's use of "out of model" adjustments for changes in energy efficiency, electric vehicle charging, and private rooftop solar is reasonable and appropriate. OPC's proposed base revenue adjustments for 2025, 2026, and 2027 rely on a methodology that overlooks key facts, has severe shortcomings, is inaccurate, and therefore should be rejected. (Cifuentes, Williams)

OPC: No. TECO's forecasting fails to conform to historic trends and is biased by TECO's usage of out-of-model adjustments. As a result, TECO's forecasts are consistently lower than actuals. For example, the average forecast variance in TECO's prior two rate cases was 2.1%, which, if applied to this case, would result in higher forecasted achieved retail revenue of $31 million in 2025, $37 million in 2026, and $39 million in 2027.

FL RISING/ LULAC: No.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: No. Agrees with OPC as to appropriate corrections to TECO's forecasts.

FUEL RETAILERS: No position.

WALMART: Adopts the position of FRF.

STAFF: No position at this time.

ISSUE 3: **What are the inflation, customer growth, and other trend factors that should be approved for use in forecasting the test year budget?**

TECO: TECO's 2025 forecast was prepared using a 2.1% inflation rate, a 1.7% increase in customer growth, a 3.75% increase for non-union labor, and a 3.5% increase for union labor. These factors are reasonable and should be approved. (Cifuentes, Chronister, Cacciatore)

OPC: A moderate sales/revenue adjustment which simply excludes several of TECO's proposed out-of-model adjustments is reasonable.

FL RISING/ LULAC: Assumptions used for forecasting customer growth should include Hillsborough County population estimates, Hillsborough County Commercial and Manufacturing employment, building permits, and time-trend variables. Inflation continues to come down and should be assumed to be approximately 2%. Energy sales growth assumptions must not rely on 20-year normalized weather patterns, but should assume that the increasing heat that the Tampa-area is experiencing from climate change will continue and will continue to get worse. If it is TECO's position that this pattern will not continue, then none of the investments TECO is making for "resiliency" (the vast majority of their investments) should be allowed. Customer growth should be assumed to continue at approximately at least 1% per year.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: The inflation, customer growth, sales growth, and other trend factors used in forecasting for TECO's test year budget are those recommended by OPC's witnesses.

FUEL RETAILERS: No position.

WALMART: Adopts the position of FRF.

STAFF: No position at this time.

QUALITY OF SERVICE

ISSUE 4: Is the quality of electric service provided by TECO adequate?

TECO: Yes. TECO provides excellent customer service. The company scored better than industry average for all six J.D. Power measures of customer satisfaction in 2023. Its Commission complaint record and service hearings do not reveal systemic service problems. The company improved its system heat rate by 20 percent from 2017 to 2023. Since 2017, TECO reduced the frequency of power outages by 21% and shortened the duration of those outages by 22%. It's "flickers" were 30% less frequent and it provides 99.98% service reliability. (Sparkman, Aldazabal, Whitworth, Collins)

OPC: The Commission held several customer service meetings in this matter in which the sworn testimony provided by TECO's customers was overwhelmingly negative. While TECO's electric service may be adequate for ratemaking purposes, the Commission should bear this testimony in mind.

**FL RISING/
LULAC:** No. Per the customer service hearings, there is significant room for improvement. (Service hearing witnesses).

FIPUG: Yes.

FEA: No position.

**SIERRA
CLUB:** No position.

FRF: Agrees with OPC.

**FUEL
RETAILERS:** No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

DEPRECIATION AND DISMANTLEMENT STUDY

ISSUE 5: Should currently prescribed depreciation rates and provision for dismantlement of TECO be revised?

TECO: Yes. The 2023 Depreciation Study filed by TECO on December 27, 2023 shows that the company's currently prescribed depreciation rates and provision for dismantlement should be revised. (Allis, Kopp, Chronister)

OPC: The present approved service life for solar assets is a 35-year service life and should be retained.

FL RISING/ LULAC: Yes. The depreciation rates should be revised to reflect the presently approved service lives for solar assets. The provision for dismantlement should be reduced to remove post-test year escalations of estimated costs, reduce estimated solar site restoration costs, and reflect longer service lives for solar and battery assets. (Kollen)

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: The Commission should ensure that Account 370.7 – EV Charging Stations, should include only EV charging stations and related equipment associated with TECO's public offering of EV charging consistent with the intent of HB 1645, Section 6 (to be codified at 366.94, F.S.) (Chapter 2024-186, Laws of Florida).

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 6: What should be the implementation date for new depreciation rates and the provision for dismantlement?

TECO: January 1, 2025. This effective date matches the proposed effective date of the company's proposed new 2025 customer rates. (Chronister, Allis)

OPC: The new depreciation and dismantlement rates should be implemented with the change in base rates upon approval of the Commission.

FL RISING/ LULAC: January 1, 2025.

FIPUG: The implementation date should be effective on the date that rate adjustments in this case are effective.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: Agrees with OPC.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 7: **What depreciation parameters and resulting depreciation rates for each depreciable plant account should be approved?**

TECO: The Commission should approve the parameters and depreciation rates for plant accounts as specified in Document 4 of Exhibit NA-1. The Commission should reject intervenor proposals and approve 35, 30, and 10 year lives for combined cycle, solar, and energy storage, respectively. The Commission should also reject FEA's proposed interim survivor curves, its proposed survivor curve for account 367, and its net salvage estimates. As noted in Issues 43 and 44, the Commission should reject Sierra Club's proposals to early retire the IGCC components at Polk Unit 1 and the coal combustion assets at Big Bend Unit 4, so it should also reject Sierra Club's proposed adjustments to depreciation parameters. (Allis)

OPC: The present approved service life for solar assets is a 35-year service life and should be retained. While TECO has requested an acceleration of capital recovery through a reduction in the current depreciation study to a 30-year service life, TECO has relied on 35-year service life for planning purposes in its 2024 Ten Year Site Plan filed April 1, 2024. TECO has not provided evidence that solar assets will not operate 35-years and would not be harmed by continuing the currently approved service life.

Further, the battery storage assets should reflect a 20-year service life. The 10-year service life proposed by TECO for battery storage is unduly short and inconsistent with the industry trend of a 15–20-year service life for planning and ratemaking. The depreciation expense should be reduced by $5.942 million for using 20-year service life for Battery Storage assets. Decrease the depreciation expense by $9.519 million by using the currently approved 35-year service life for solar assets.

The Commission should also consider reasonable production plant life spans and other parameters set forth by FEA's witness.

FL RISING/ LULAC: A 20-year service life should be used for Battery Energy Storage System assets. A 35-year service life should be used for solar assets. For the depreciation rates for each depreciable plant account, we adopt OPC's position.

FIPUG: Adopts the position of OPC.

FEA: The depreciation parameters and depreciation rates presented in Exhibit BCA-6 should be approved.

SIERRA CLUB: Depreciation parameters and rates should be adjusted to reflect the 2024 retirement of IG technology at Polk Unit 1, along with 2030 retirement dates for Polk Unit 1 and Big Bend Unit 4.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 8: **Based on the application of the depreciation parameters and resulting depreciation rates that the Commission approves, and a comparison of the theoretical reserves to the book reserves, what are the resulting imbalances?**

TECO: As of December 31, 2024, the company's book reserve is approximately $167 million lower than the theoretical reserve shown in the 2023 Depreciation Study, so the reserve imbalance is approximately negative $167 million. (Allis)

OPC: This is a fall out based on the resolution of Issue 7.

FL RISING/
LULAC: The Commission has not deemed any specific depreciation rates as appropriate yet, and therefore we cannot calculate the resulting imbalance. That being said, a 35-year depreciation life for solar assets should be used, and a 20-year depreciation life for battery assets.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA
CLUB: No position.

FRF: Agrees with OPC.

FUEL
RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 9: **What, if any, corrective reserve measures should be taken with respect to the imbalances identified in Issue 8?**

TECO: The theoretical reserve balance identified in Issue 8 should be addressed through remaining life depreciation rates. There is no need for reserve balance transfers. (Allis)

OPC: All imbalances should be corrected using the remaining life technique in this case.

FL RISING/
LULAC: Remaining life technique.

FIPUG: Imbalances should be via the remaining life approach.

FEA: No position.

SIERRA
CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 10: Should the current amortization of investment tax credits (ITCs) and flow back of excess deferred income taxes (EDITs) be revised to reflect the approved depreciation rates?

TECO: Yes. (Chronister, Strickland)

OPC: Yes, the ITCs and EDITs should reflect OPC's recommendation to retain the current 35-year service life for solar assets and the 20-year service life for batteries.

FL RISING/ LULAC: Yes, although the flowback of ITCs should be accelerated.

FIPUG: Yes.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 11: What annual accrual for dismantlement should be approved?

TECO: $17,442,392 effective January 1, 2025. This amount was calculated in accordance with Rule 25-6.04364, F.A.C., and properly considers escalation of costs, environmental remediation costs, and contingencies. (Chronister, Kopp)

OPC: The annual accrual for dismantlement should exclude the cost and expense escalations after the end of the test year for dismantlement which reduces revenue requirement by $7.110 million. The dismantlement expense also should be reduced by $2.614 million to remove the solar site restoration environmental costs. Further, the dismantlement cost should be reduced by $0.955 million with the continuation of the currently approved 35-year service life for solar as recommend by OPC.

FL RISING/ LULAC: $10,325,056 (Kollen), adjusted to reflect removal of projects that should be disallowed as per the other issues.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 12: **What, if any, corrective dismantlement reserve measures should be approved?**

TECO: None. (Chronister)

OPC: All imbalances should be flowed back over the useful lives of the assets in this case.

FL RISING/ LULAC: The Commission should limit the dismantlement expense to costs escalated only through the test year and exclude all forecast growth in the dismantlement cost and expense beyond the end of the test year. (Kollen)

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

2025 RATE BASE

ISSUE 13: Has TECO made the appropriate adjustments to remove all non-utility activities from Plant in Service, Accumulated Depreciation, and Working Capital in the 2025 projected test year? What, if any, adjustments should be made?

TECO: Yes. (Chronister)

OPC: No position.

FL RISING/ LULAC: No. Plant in Service, Accumulated Depreciation, and Working Capital should be adjusted to reflect the removal of at least the following projects from TECO's proposed rate base: Future Environmental Compliance; Research and Development; Customer Experience Enhancement; Information Technology Capital; Grid Reliability and Resilience; Corporate Headquarters; South Tampa Resilience; Bearss Operation Center; and Polk 1 Flexibility.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: No position.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 14: Should TECO's proposed Future Environmental Compliance Project be included in the 2025 projected test year? What, if any, adjustments should be made?

TECO: Yes. The company's Future Environmental Compliance Project at Polk Power Station involves a detailed geological feasibility assessment of carbon storage at Polk Power Station. Since the future of environmental regulations for carbon is uncertain, the project is a prudent step to protect the long-term viability of gas-fired generation at Polk Power Station at a significantly reduced cost to customers. The total cost of the project is estimated to be $126.5 million, of which $98.4 million will be paid for by a grant from the U.S. Department of Energy, leaving only $28.1 million to be paid by TECO and $18.2 million of which the company proposes to be recovered through customer rates in this case. (Stryker)

OPC: No position.

FL RISING/ LULAC: No, TECO has not met its burden to show this project is in the customer interest and is reasonable and prudent.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: No position.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 15: Should TECO's proposed Research and Development Projects be included in the 2025 projected test year? What, if any, adjustments should be made?

TECO: Yes. The company is exploring a long duration energy storage project and a microgrid project, both of which will likely be used in the future. The approximately $7.1 million of costs associated with these projects are prudent because they will help the company better understand their possibilities and limitations before it is necessary to implement them on a larger scale; therefore, they should be included in test year rate base. (Stryker)

OPC: No, all costs should be excluded.

FL RISING/ LULAC: No, TECO has not met its burden to show that these projects are in the customer interest and are reasonable and prudent.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: Agrees with OPC.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 16: **Should TECO's proposed Customer Experience Enhancement Projects be included in the 2025 projected test year? What, if any, adjustments should be made?**

TECO: Yes. The company's proposed Customer Digitization, Operational Efficiency, and Other Customer Programs are prudent and should be included in test year rate base. They will improve customer access to services, information, and support; allow the company to proactively present energy management solutions to customers; and give customers more choice and flexibility in how they use electric services. (Sparkman)

OPC: No, all costs should be excluded.

FL RISING/ LULAC: No, TECO has not met its burden to show that these projects are in the customer interest and are reasonable and prudent.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: Agrees with OPC.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 17: Should TECO's proposed Information Technology Capital Projects be included in the 2025 projected test year? What, if any, adjustments should be made?

TECO: Yes. The company's proposed expenditures for IT capital projects are prudent and should be included in test year rate base. They will help create a modern, cloud-based IT Service platform, replace/upgrade end of life data center hardware and software, enhance cybersecurity, comply with NERC/CIP requirements, maintain the company's Enterprise Resource Planning and Customer Systems platform, and improve other IT applications. (Heck)

OPC: No, all costs should be excluded.

FL RISING/ LULAC: No, TECO has not met its burden to show that these projects are in the customer interest and are reasonable and prudent.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: Agrees with OPC.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 18: Should TECO's proposed Solar Projects be included in the 2025 projected test year? What, if any, adjustments should be made?

TECO: Yes. The company's 488.7 MW of Future Solar Projects are prudent and should be included in test year rate base. The projects will reduce customer exposure to volatile fuel prices, provide fuel diversity, and be built at the lowest reasonable cost. They are cost-effective additions to the company's generating fleet that will moderate fuel costs to customers. The company's cost-effectiveness analyses for Future Solar are based on a reasonable fuel forecast, include reasonable sensitivities, and show that the proposed solar additions will benefit customers. FIPUG's proposed conditions are not reasonable and should not be imposed by the Commission. (Stryker, Aponte, Heisey)

OPC: OPC takes no position at this time on the prudence or cost-effectiveness or need of the Solar Projects, but to the extent they are included in rates, the depreciable lives should be increased from 30 to 35 years to maintain the current 35-year service lives. OPC is still conducting discovery and certain other specific adjustments may be required.

**FL RISING/
LULAC:** Yes, as long as TECO can show the projects are cost effective. Any costs associated with these projects that TECO cannot demonstrate are prudent and reasonable should be removed from rate base thus adjusting rate base downward.

FIPUG: No. TECO has not demonstrated that the proposed Solar Projects are cost effective. Further, TECO's cost-effectiveness analysis used inflated natural gas prices and assumed a value for carbon emissions, despite the fact that a tax on fossil fuel emissions has never been enacted at the state or federal level and there is no pending legislation to do so. Further, accounting for reduced emissions while also recognizing production tax credits effectively disadvantages fossil fuel generation.

In the event that the Commission approves the Solar Projects, it should impose various consumer protections, including a $1,609/kW cost cap, ensure that TECO credits at least 100% of the PTCs projected by TECO in its cost-effectiveness analysis (regardless of actual performance), and establish a minimum 26% annual operating capacity factor to ensure that customers receive the projected benefits as suggested by FIPUG witness Ly.

FEA: No position.

SIERRA CLUB: Sierra Club supports the inclusion of TECO's proposed Solar Projects in the 2025 projected test year.

FRF: The FRF supports the addition of solar generating resources into Florida's power supply grid, provided that such resources satisfy normal standards of cost-effectiveness, and reasonableness and prudence of capital and operating costs.

FUEL RETAILERS: No position.

WALMART: In accordance with Walmart's significant and company-wide renewable energy goals set forth in the direct testimony of Steve W. Chriss in Docket No. 20240014-EG, Walmart supports solar and other renewable energy projects to the extent those projects are prudent, cost-effective, and are relevant to Walmart's renewable energy goals.

STAFF: No position at this time.

ISSUE 19: **Should TECO's proposed Grid Reliability and Resilience Projects be included in the 2025 projected test year? What, if any, adjustments should be made?**

TECO: Yes. The proposed GRR Projects are prudent and should be included in test year rate base. Adding a dedicated grid communication network, intelligent field devices, and associated back-office control systems will enhance reliability by reducing the frequency, duration, and impact of outages; improve operational performance by enabling "self-healing" features to mitigate adverse grid events; provide more and better data for billing and planning purposes; and facilitate the addition of more customer-owned, distributed generation on the company's system. (Lukcic, Whitworth)

OPC: No.

FL RISING/ LULAC: No, TECO has not met its burden to show that these projects are in the customer interest and are reasonable and prudent. (Rábago)

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: Agrees with OPC.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 20: Should TECO's proposed Energy Storage projects be included in the 2025 projected test year? What, if any, adjustments should be made?

TECO: Yes. The company's 115 MW of Future Energy Storage Capacity projects are prudent and should be included in test year rate base. They are cost-effective plant additions needed to maintain the company's required winter capacity reserve margin and to avoid the costs of certain transmission upgrades. (Stryker, Aponte)

OPC: OPC takes no position at this time on the prudence or cost-effectiveness or need of the Energy Storage projects, but to the extent they are included in rates, the depreciable lives should be increased from 10 to 20 years. OPC is still conducting discovery and certain other specific adjustments may be required.

FL RISING/ LULAC: Yes, as long as TECO can show the projects are cost effective. Any costs associated with these projects that TECO cannot demonstrate are prudent and reasonable should be removed from rate base thus adjusting rate base downward.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: Sierra Club supports the inclusion of TECO's proposed Energy Storage Projects in the 2025 projected test year.

FRF: FRF supports the addition of battery energy storage systems into Florida's power supply grid, provided that such resources satisfy normal standards of cost-effectiveness, and reasonableness and prudence of capital and operating costs. FRF agrees with OPC that the appropriate depreciation life for battery energy storage systems is 20 years.

FUEL RETAILERS: Agrees with OPC.

WALMART: In accordance with Walmart's significant and company-wide renewable energy goals set forth in the direct testimony of Steve W. Chriss in Docket No. 20240014-EG, Walmart supports solar and other renewable energy projects to the extent those projects are prudent, cost-effective and are relevant to Walmart's renewable energy goals.

STAFF: No position at this time.

ISSUE 21: Should TECO's proposed Corporate Headquarters project be included in the 2025 projected test year? What, if any, adjustments should be made?

TECO: Yes. The company's new corporate headquarters project is supported by a detailed analysis of the costs and benefits of alternative space options, is prudent, and should be included in test year rate base. The company is moving from its current location in downtown Tampa ("TECO Plaza") to the mid-town Tampa area because its current lease is expiring and the net present value revenue requirement of moving to the new building was about the same as other options. The new building location is not subject to flooding, has better parking, is safer for employees and the public, and has space to grow that is not available in TECO Plaza. (Aldazabal)

OPC: No position.

**FL RISING/
LULAC:** No, TECO has not met its burden to show that this project is in the customer interest and is reasonable and prudent.

FIPUG: No position.

FEA: No position.

**SIERRA
CLUB:** No position.

FRF: No position.

**FUEL
RETAILERS:** No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 22: Should TECO's proposed South Tampa Resilience project be included in the 2025 projected test year? What, if any, adjustments should be made?

TECO: Yes. The South Tampa Resilience Project (STRP) consists of four reciprocating internal combustion engines located on land leased at no cost to TECO from MacDill Air Force Base and is prudent. The STRP will be a system asset that serves all customers during normal operations, provides quick start capability to enhance the flexibility and resilience of the company's generating fleet, supports the company's winter reserve margin, is cost-effective, and is expected to generate fuel savings of $137.9 million for the company's general body of ratepayers. The generators will only be isolated to serve MacDill during rare national emergencies. (Aldazabal, Aponte)

OPC: No. The proposal will receive no direct funding support from the U.S. Department of Defense or federal government despite being sited at McDill Air Force Base and only has a 33-year cost-free lease for land.

FL RISING/ LULAC: No, TECO has not met its burden to show that this project is in the customer interest and is reasonable and prudent.

FIPUG: No, not at this time as the project has materially changed.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: Agrees with OPC.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 23: Should TECO's proposed Bearss Operations Center project be included in the 2025 projected test year? What, if any, adjustments should be made?

TECO: Yes. The Bearss Operations Center is a modern, storm hardened secure operations center that will replace the company's current energy control center (ECC) and IT functions at the Ybor Data Center, is prudent, and should be included in test year rate base. The new facility is designed to withstand major tropical storms, protect the company's cyber assets, and operate utility command and control functions for the next 40 years. The ECC and Ybor Data Center are not storm hardened, were not built to current standards, are located in flood-prone areas and need to be replaced to promote reliability and resilience. (Aldazabal)

OPC: No position.

FL RISING/ LULAC: No, TECO has not met its burden to show that this project is in the customer interest and is reasonable and prudent.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: No position.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 24: Should TECO's proposed Polk 1 Flexibility project be included in the 2025 projected test year? What, if any, adjustments should be made?

TECO: Yes. The Polk 1 Flexibility Project will convert the existing Polk Unit 1 combined cycle unit into a highly efficient simple cycle unit, is prudent, and should be included in test year rate base. The project will increase the unit's flexibility, allow faster start times, increase ramp rates, and reduce turndowns; and will generate an estimated $40 million of fuel cost benefits and a CPVRR benefit of $166.9 million. Sierra Club's proposal to early retire the IGCC components at Polk Unit 1 ignores the importance of the IGCC for present and future customers and should be rejected. (Aldazabal, Aponte)

OPC: No position.

FL RISING/ LULAC: No, TECO has not met its burden to show that this project is in the customer interest and is reasonable and prudent.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: Sierra Club opposes the inclusion of the costs of the Polk 1 Flexibility project in the 2025 projected test year. The Commission should disallow recovery unless TECO provides an analysis demonstrating the CT conversion is lower cost than retiring the unit and replacing it with alternative resources by 2030 or another date. If the Commission approves costs associated with converting Polk Unit 1 to a CT, it should still require that TECO immediately retire its IG, ST, and HRSG components.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 25: What amount of Plant in Service for the 2025 projected test year should be approved?

TECO: The Commission should approve Jurisdictional Adjusted Plant in Service totaling $13.4 billion as shown on MFR Schedule B-1, adjusted by the company's July and August Filings. OPC's proposed adjustment for spare transformers should be rejected. (Whitworth, Chronister)

OPC: This is largely a fall out issue, but TECO has the burden of proof to demonstrate the reasonableness or prudence of all costs to be included in rate base. OPC is still conducting discovery and certain other specific adjustments to Plant in Service may be required. The Distribution Feeder Hardening costs should be disallowed and considered in the SPP. This would require a reduction of $0.356 million in revenue requirement. Plant in Service for the 2025 projected test year should reflect OPC's recommended adjustments.

FL RISING/ LULAC: $12,774,719.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 26: **What amount of Accumulated Depreciation for the 2025 projected test year should be approved?**

TECO: The Commission should approve Jurisdictional Adjusted Accumulated Depreciation and Amortization totaling $4.0 billion as shown on MFR Schedule B-1, adjusted for the company's July and August Filings. (Chronister)

OPC: Accumulated depreciation should be adjusted to reflect the current 35-year service life of the solar plants and adjusting the Battery Storage lives from 10 to 20 years. This requires an adjustment to reduce Accumulated Depreciation of $0.440 million and $0.275 million respectively.

FL RISING/ LULAC: TECO's requested accumulated depreciation amount should be adjusted to reflect removal of the projects that should be disallowed.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 27: What amount of Construction Work in Progress for the 2025 projected test year should be approved?

TECO: The Commission should approve Jurisdictional Adjusted Construction Work in Progress (CWIP) totaling $230.2 million as shown on MFR Schedule B-1. (Chronister)

OPC: CWIP should be adjusted for any disallowance of the GRR Projects.

FL RISING/ LULAC: $0.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 28: What amount of level of Property Held for Future Use for the 2025 projected test year should be approved?

TECO: The Commission should approve Jurisdictional Adjusted Property Held for Future Use totaling $68.0 million as shown on MFR Schedule B-1. (Chronister)

OPC: No position.

FL RISING/ LULAC: $0.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: No position.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 29: What amount of unfunded Other Post-retirement Employee Benefit (OPEB) liability and any associated expense should be included in rate base?

TECO: The amount of unfunded OPEB liability that should be included in rate base is the 13-month average of $70,740,641. This equals the credit amount in account 228.3232, FAS 106 Liability - Retired - Non-Current. The sum of the balances in accounts 228.3231 and 242.0131 (FAS 158 credits), when added to debit balances in account 182.3200 (Regulatory Asset) offsetting the FAS 158 balances, equal zero. There are no associated expenses included in rate base. (Chronister)

OPC: Rate base should be adjusted for any under capitalization of OPEB expense.

FL RISING/ LULAC: $0, as it should not be included in rate base where a return on equity is earned.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 30: What level of TECO's fuel inventories should be approved?

TECO: The Commission should approve fuel inventory for the projected 2025 test year totaling $36.6 million as shown on MFR Schedule B-17. Florida Rising's and LULAC's positions that the company should not be using coal or be allowed to recover fuel inventory ignores the important reliability and other benefits of coal fired generation at Big Bend Unit 4 and should be rejected. (Chronister, Aldazabal)

OPC: No position.

FL RISING/ LULAC: $0. TECO should not be using coal or other fuels that require inventory.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: No position.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 31: What amount of Working Capital for the 2025 projected test year should be approved?

TECO: The Commission should approve a Jurisdictional Working Capital Allowance totaling $86.7 million as shown on MFR Schedule B-1. OPC's proposed adjustment to remove four MVA transformers from inventory should be rejected, because those transformers are needed for reliability and resilience. (Chronister, Whitworth)

OPC: The Commission should remove four MVA transformers from inventory as they are excessive. This requires an adjustment to Inventories of $0.362 million. OPC is still conducting discovery and certain other specific adjustments to rate base may be required.

FL RISING/
LULAC: The Working Capital should be adjusted to remove the Unamortized Rate Case Expense and should be adjusted to reflect other adjustments that have been made.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA
CLUB: No position.

FRF: Agrees with OPC.

FUEL
RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 32: What amount of rate base for the 2025 projected test year should be approved?

TECO: The Commission should approve projected 13-month average rate base for 2025 of $9.8 billion as shown on MFR Schedule B-1, less $5,918,042 per the company's July and August Filings for a total of $9,792,232,298. (Chronister)

OPC: This is largely a fall out issue, but TECO has the burden of proof to demonstrate the reasonableness or prudence of all costs to be included in rate base. OPC is still conducting discovery and certain other specific adjustments to rate base may be required. Rate base for the 2025 projected test year should reflect OPC's recommended adjustments and should be no more than $9,800.670 million.

FL RISING/
LULAC: Approximately $8 billion. The rate base should be reduced to reflect the removal of the following projects from 2025 rate base: Future Environmental Compliance; Research and Development; Customer Experience Enhancement; Information Technology Capital; Grid Reliability and Resilience; Corporate Headquarters; South Tampa Resilience; Bearss Operation Center; and Polk 1 Flexibility.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: TECO's customers experience higher energy burdens than the national average, and their electricity rates can be reduced by removing spending on coal combustion at Polk Unit 1 and Big Bend Unit 4 from the rate base. Moreover, the Polk 1 Flexibility project should not be included in the rate base for the 2025 projected test year unless TECO can provide an analysis showing that its cost is lower than the costs of retiring Polk Unit 1 and replacing its capacity with alternative sources of clean generation. Last, Sierra Club supports corporate cost, ROE, and reserve margin oversight arguments put forth by intervenors that would reduce the 2025 test year rate base and provide relief for energy burdened customers.

FRF: Agrees with OPC.

FUEL RETAILERS: No new investments in EV charging associated with new projects should be included pursuant to the requirements of HB 1645, Section 6 (to be codified at 366.94, F.S.) (Chapter 2024-186, Laws of Florida).

WALMART: Agrees with OPC.

STAFF: No position at this time.

2025 COST OF CAPITAL

ISSUE 33: What amount of accumulated deferred taxes should be approved for inclusion in the capital structure for the 2025 projected test year?

TECO: The Commission should approve Jurisdictional Adjusted Accumulated Deferred Income Taxes of $980.9 million as shown on MFR Schedule D-1a. (Chronister, Strickland)

OPC: The amount of accumulated deferred taxes that should be included in the capital structure for the 2025 projected test year is $980.855 million.

FL RISING/ LULAC: Adopts the position of OPC.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 34: **What amount and cost rate of the unamortized investment tax credits should be approved for inclusion in the capital structure for the 2025 projected test year?**

TECO: The Commission should approve Jurisdictional Adjusted Tax Credits in the amount of $211.7 million and a cost rate of 8.26 percent as shown on MFR Schedule D-1a. The company acknowledges the fact that the unamortized ITC would have been adjusted as result of the July and August Filings. However, this change would not materially impact the overall weighted average cost of capital rate and thus the ITC cost rate. (Chronister, Strickland)

OPC: The amount and cost rate of the unamortized investment tax credits that should be included in the capital structure for the 2025 projected test year is $178.098 million at a cost rate of 7.18%.

FL RISING/ LULAC: The ITCs should be flowed back to customers over a ten-year period. The appropriate cost rate is zero, as TECO already receives a return on investment for the capital expenditures associated with the battery assets.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 35: **What amount and cost rate for customer deposits should be approved for inclusion in the capital structure for the 2025 projected test year?**

TECO: The Commission should approve Jurisdictional Adjusted Customer Deposits of $99.2 million and a cost rate of 2.41% as shown on MFR Schedule D-1a. (Chronister)

OPC: The amount and cost rate for customer deposits that should be included in the capital structure for the 2025 projected test year is $99.195 million at a cost rate of 2.41%.

FL RISING/ LULAC: $99.195 million.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 36: **What amount and cost rate for short-term debt should be approved for inclusion in the capital structure for the 2025 projected test year?**

TECO: The Commission should approve Jurisdictional Adjusted Short-Term Debt of $376.6 million and a cost rate of 3.90% as shown on MFR Schedule D-1a. (Chronister)

OPC: The appropriate amount of short-term debt is $376.625 million with a cost rate of 3.90%.

FL RISING/ LULAC: The Commission should approve a short-term debt amount adjusted downwards to account for a reduced rate base and adjusted upwards for the adjusted 50-50 equity-to-debt ratio. A cost rate of 3.90% should be approved.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 37: What amount and cost rate for long-term debt should be approved for inclusion in the capital structure for the 2025 projected test year?

TECO: The Commission should approve Jurisdictional Adjusted Long-Term Debt of $3.536 billion and a cost rate of 4.53% as shown on MFR Schedule D-1a. (Chronister)

OPC: The appropriate amount of long-term debt is $3,536.333 million with a cost rate of 4.53%.

FL RISING/ LULAC: The Commission should approve a long-term debt amount adjusted downwards to account for a reduced rate base and adjusted upwards to account for a 50-50 equity-to-debt ratio. A cost rate of 4.53% should be approved.

FIPUG: Adopts the position of OPC.

FEA: The appropriate long-term debt balance that should be approved for inclusion in the capital structure should be $3,706,461.830, or 37.83%, for the 2025 projected test year.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 38: **What equity ratio should be approved for use in the capital structure for ratemaking purposes for the 2025 projected test year?**

TECO: The Commission should approve the company's proposed 54% equity ratio (investor sources). This proposed equity ratio is reasonable and prudent, will allow the company to maintain its financial integrity, attract capital on reasonable terms and conditions, and ensure uninterrupted access to capital markets to finance infrastructure improvements and manage unforeseen events. The lower equity ratio advocated by FEA, Florida Rising, and LULAC are too low, would be perceived by credit-rating agencies as credit-negative, and should be rejected. (Chronister)

OPC: TECO's requested equity ratio of 54% should only be accepted if the ROE is accordingly established taking into consideration the high level of the equity ratio; otherwise the proposed equity ratio is excessive.

FL RISING/
LULAC: 43.41% to reflect a 50-50 equity-to-debt ratio.

FIPUG: Adopts the position of OPC.

FEA: The appropriate equity ratio that should be approved for use in the capital structure for ratemaking purposes for the 2025 projected test year is 45.15%, or 52.0% on an investor-supplied basis.

SIERRA
CLUB: No position.

FRF: Agrees with OPC.

FUEL
RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 39: **What authorized return on equity (ROE) should be approved for use in establishing TECO's revenue requirement for the 2025 projected test year?**

TECO: The Commission should approve a mid-point ROE of 11.5% with an allowed range of earnings of plus or minus 100 basis points. The ROEs proposed by the intervenors are too low, do not reflect a reasonable return, are not prudent, and should be rejected. (D'Ascendis)

OPC: The Commission should approve a 9.50% ROE.

FL RISING/ LULAC: 9.50%. (Rábago)

FIPUG: The authorized ROE should be no higher than the average ROE authorized by state regulators in rate cases decided in 2023 and 2024 involving vertically integrated electric utilities, 9.78%, as testified to by FIPUG witness Pollock.

FEA: The authorized ROE of 9.60% should be approved for use in establishing TECO's revenue requirement for the 2025 projected test year.

SIERRA CLUB: No position.

FRF: 9.50%.

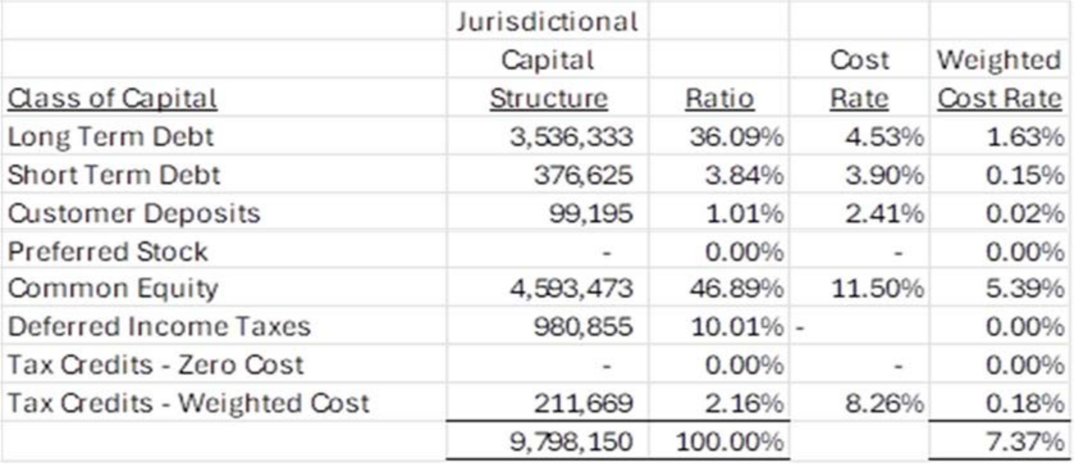
FUEL RETAILERS: No position.

WALMART: Adopts the position of FRF.

STAFF: No position at this time.

ISSUE 40: **What capital structure and weighted average cost of capital should be approved for use in establishing TECO's revenue requirement for the 2025 projected test year?**

TECO: The Commission should approve the Jurisdictional Capital Structure totaling $9.798 billion and a weighted average cost of capital (WACC) of 7.37% as shown on MFR Schedule D-1a and shown below:



Class of Capital	Jurisdictional Capital Structure	Ratio	Cost Rate	Weighted Cost Rate
Long Term Debt	3,536,333	36.09%	4.53%	1.63%
Short Term Debt	376,625	3.84%	3.90%	0.15%
Customer Deposits	99,195	1.01%	2.41%	0.02%
Preferred Stock	-	0.00%	-	0.00%
Common Equity	4,593,473	46.89%	11.50%	5.39%
Deferred Income Taxes	980,855	10.01%	-	0.00%
Tax Credits - Zero Cost	-	0.00%	-	0.00%
Tax Credits - Weighted Cost	211,669	2.16%	8.26%	0.18%
	9,798,150	100.00%		7.37%

The company acknowledges the fact that the capital structure should be reduced by $5,918,042 as a result of the July Filing. However, this change would not materially impact the weighted average cost of capital rate. (Chronister)

OPC: The Commission should approve a WACC and capital structure shown in the testimony of OPC's experts.

FL RISING/ LULAC: The Commission should approve a 50-50 equity-to-debt ratio. The weighted average cost of capital should be adjusted to account for downward rate base adjustments and the adjusted equity-to-debt ratio.

FIPUG: Adopts the position of OPC.

FEA: The capital structure and weighted average cost of capital that should be approve is demonstrated in the chart below:

Class of Capital	Jurisdictional Capital Structure	Ratio	Cost Rate	Weighted Cost Rate
Long Term Debt	$3,706,462	37.83%	4.53%	1.71%
Short Term Debt	376,625	3.84%	3.90%	0.15%
Customer Deposits	99,195	1.01%	2.41%	0.02%
Preferred Stock	-	0.00%	-	0.00%
Common Equity	4,423,344	45.15%	9.60%	4.33%
Deferred Income Taxes	980,855	10.01%	-	0.00%
Tax Credits - Zero Cost	-	0.00%	-	0.00%
Tax Credits - Weighted Cos	211,669	2.16%	7.14%	0.15%
	$9,798,150	100.00%		6.36%

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

2025 NET OPERATING INCOME

ISSUE 41: Has TECO correctly calculated the revenues at current rates for the 2025 projected test year?

TECO: Yes. The correct amount of revenues from sales at current rates for the 2025 projected test year is $1.481 billion as shown on MFR Schedule C-1, page 1 of 3. This amount was determined by applying the company's current tariff rates to the electricity sales reflected in its Customer, Demand, and Energy forecasts by customer rate classes, is reasonable, and should be approved by the Commission. OPC's proposed base revenue adjustments for 2025, 2026, and 2027 rely on a methodology that overlooks key facts, has severe shortcomings, and is inaccurate, and therefore should be rejected. (Chronister, Cifuentes, Williams)

OPC: No. The Commission should reject TECO's energy sales forecast because it bears no resemblance to historic trends and is biased due to the introduction of a number of subjective out-of-model adjustments. Over the past several years, the company has consistently prepared sales forecasts that were lower than actuals. The Commission should instead accept a conservative, modified version of TECO's forecast that removes subjective out-of-model adjustments. The removal of out-of-model adjustments will increase TECO's test year sales forecast resulting in a 2025 sales projection of 20,635,457 MW-hours. This will result in an increase of 2025 test year projected retail revenues by $12.3 million.

FL RISING/ LULAC: No.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: No. TECO's sales forecast is significantly understated. The Commission should increase 2025 test year retail revenue by at least $12.3 million.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 42: What amount of Total Operating Revenues should be approved for the 2025 projected test year?

TECO: The correct amount of total operating revenues for the 2025 projected test year is $1.518 billion as shown on MFR Schedule C-1, page 1 of 3. This amount reflects the amount of revenue from sales in Issue No. 41 plus a reasonable estimate of Other Operating Revenues for the 2025 test year. (Chronister, Cifuentes, Williams)

OPC: This is a largely a fall out issue, but TECO has the burden of proof to demonstrate the reasonableness of its forecast of test year revenues. OPC is still conducting discovery and certain other specific adjustments to rate base may be required. The Total Operating Revenues for the 2025 projected test year should reflect all of OPC's recommended adjustments, the adjustments for Issue 7 and should be no more than $43.8 million.

FL RISING/ LULAC: Adopts the position of OPC.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 43: What amount of O&M expense associated with Polk Unit 1 has TECO included in the 2025 projected test year? Should this amount be approved and what, if any, adjustments should be made?

TECO: As noted in the company's answer to Sierra Club's First Set of Interrogatories No. 6, the company included $9,685,047 of Polk Unit 1 non-fuel O&M costs in the 2025 projected test year. Most of this amount is associated with the operation of Polk Unit 1 on natural gas. Polk Unit 1 provides important fuel diversity, reliability, and flexibility benefits to customers and could return to IGCC operation within a year to help protect customers from high gas prices if the forward curve for petcoke is favorable. The existing well system at Polk Station is adequate and necessary to handle the wastewater from Polk 1 and 2. The associated environmental costs are justified in light of the significant fuel diversity, reliability, and flexibility benefits that Polk Unit 1 provides to customers. For these reasons, Sierra Club's recommendations to disallow the O&M expenses associated with wastewater injection and the IGCC components at Polk Unit 1 should be rejected and the company's forecasted amount should be approved. (Aldazabal, Stryker, Chronister)

OPC: No position at this time. OPC is still conducting discovery and certain other specific adjustments may be required.

FL RISING/ LULAC: Adopts the position of Sierra Club.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: Sierra Club does not support the inclusion of any O&M expenses at Polk Unit 1 that cover the procurement or combustion of coal or petcoke. This includes the O&M expenses of keeping Polk Unit 1's IGCC equipment—including its IG, ST, and HRSG technologies—in service.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 44: **What amount of O&M expense associated with Big Bend Unit 4 has TECO included in the 2025 projected test year? Should this amount be approved and what, if any, adjustments should be made?**

TECO: As noted in the company's answer to Sierra Club's First Set Interrogatory, No. 6, the company included $12,472,909 in Big Bend Unit 4 non-fuel O&M costs in the 2025 projected test year. Big Bend Unit 4 provides important fuel diversity, reliability, and flexibility benefits to customers. Although it does not frequently run on coal, Big Bend 4 is available to run and has recently run on coal during extreme winter weather, when gas prices spiked, and during pipeline alert periods when gas deliveries to Florida were limited. The company has already achieved compliance with the ELG rule through its deep injection well system and the discharge of FGD and other storm and wastewater is now permitted through the FDEP Underground Injection Control Program. The associated coal combustion costs are justified in light of the significant fuel diversity, reliability, and flexibility benefits that Big Bend Unit 4 provides to customers. For these reasons, the Sierra Club's recommendations to disallow the O&M expenses associated with coal combustion operation of the unit should be rejected and the company's forecasted amount should be approved. (Aldazabal, Stryker, Chronister)

OPC: No position at this time. OPC is still conducting discovery and certain other specific adjustments may be required.

**FL RISING/
LULAC:** Adopts the position of Sierra Club.

FIPUG: Adopts the position of OPC.

FEA: No position.

**SIERRA
CLUB:** Sierra Club urges the Commission to reject the inclusion of any and all O&M expenses associated with coal combustion at Big Bend Unit 4 for the 2025 projected test year, including fuel costs, maintenance costs, operating costs, and environmental compliance costs, among others.

FRF: Agrees with OPC.

**FUEL
RETAILERS:** No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 45: What amount of generation O&M expense should be approved for the 2025 projected test year?

TECO: The Commission should approve Jurisdictional Adjusted Production (generation) O&M Expense for the 2025 test year of $125.0 million, less $285,000 per the company's July and August Filings for a total of $124.7 million. The company has not "bunched" planned major outages in the test year and OPC's "normalization" proposal improperly focuses on historical costs which are not indicative of the costs expected to be incurred in the test year. If the Commission adjusts planned outage expenses for the test year, it should allow the company to defer costs above an annual allowed amount for recovery in future years. (Aldazabal, Chronister)

OPC: The Commission should "normalize" the planned generation maintenance expense in the test year by averaging the actual expense incurred in the years 2019 through 2023 and the budget and forecast expenses in the years 2024 and 2025. This results in an adjustment to retail revenue requirement of $12.430 million.

FL RISING/ LULAC: The generation O&M expense for the 2025 test year should be normalized by averaging the actual expense incurred from 2019 through 2023 and the budget and forecast expenses in for 2024 and 2025. This results in a $12.392 million reduction in 2025 planned generation maintenance expense from TECO's proposed expense. (Kollen). The generation O&M expense should also be reduced by about $2.6 million to account for the removal of the following projects from rate base: South Tampa Resilience; Polk 1 Flexibility.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: Sierra Club has no position on this issue, except that generation O&M expenses approved for Polk Unit 1 and Big Bend Unit 4 should be modified to reflect no coal or petcoke-related costs.

FRF: Agrees with OPC that the Commission should normalize TECO's planned generation maintenance expense in the 2025 test year and reduce TECO's 2025 revenue requirement by $12.430 million.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 46: What amount of transmission O&M expense should be approved for the 2025 projected test year?

TECO: The Commission should approve Jurisdictional Adjusted Transmission O&M Expense for the 2025 test year of $11,491,000. This amount is below the Commission's benchmark amount, is reasonable, and should be approved. (Whitworth, Chronister)

OPC: No position.

FL RISING/ LULAC: TECO's requested transmission O&M for 2025 should be reduced to reflect disallowance of GRR Projects.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: No position.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 47: What amount of distribution O&M expense should be approved for the 2025 projected test year?

TECO: The Commission should approve Jurisdictional Adjusted Distribution O&M Expense for the 2025 test year of $54,243,000. This amount is below the

Commission's benchmark amount, is reasonable, and should be approved. (Whitworth, Chronister)

OPC: No position.

FL RISING/ LULAC: TECO's requested transmission O&M for 2025 should be reduced to reflect disallowance of GRR Projects.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: No position.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 48: Has TECO made the appropriate test year adjustments to remove fuel revenues and fuel expenses recoverable through the Fuel Adjustment Clause?

TECO: Yes. The appropriate adjustments are shown on MFR Schedules C-2 and C-3 and should be approved. (Chronister)

OPC: No position.

FL RISING/ LULAC: No, it remains TECO's burden to show it has appropriately removed fuel revenues and fuel expenses.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: No position.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 49: **Has TECO made the appropriate test year adjustments to remove conservation revenues and conservation expenses recoverable through the Conservation Cost Recovery Clause?**

TECO: Yes. The appropriate adjustments are shown on MFR Schedules C-2 and C-3 and should be approved. (Chronister)

OPC: No position.

FL RISING/ LULAC: No, it remains TECO's burden to show it has appropriately removed conservation revenues and conservation expenses.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: No position.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 50: **Has TECO made the appropriate test year adjustments to remove capacity revenues and capacity expenses recoverable through the Capacity Cost Recovery Clause?**

TECO: Yes. The appropriate adjustments are shown on MFR Schedules C-2 and C-3 and should be approved. (Chronister)

OPC: No position.

FL RISING/ LULAC: No, it remains TECO's burden to show it has appropriately removed capacity revenues and capacity expenses recoverable through the Capacity Cost Recovery Clause.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: No position.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 51: **Has TECO made the appropriate test year adjustments to remove environmental revenues and environmental expenses recoverable through the Environmental Cost Recovery Clause?**

TECO: Yes. The appropriate adjustments are shown on MFR Schedules C-2 and C-3 and should be approved. (Chronister)

OPC: No position.

FL RISING/ LULAC: No, it remains TECO's burden to show it has appropriately removed environmental revenues and environmental expenses recoverable through the Environmental Cost Recovery Clause.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: No position.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 52: Has TECO made the appropriate test year adjustments to remove all storm hardening revenues and expenses recoverable through the Storm Protection Plan Cost Recovery Clause?

TECO: Yes. The appropriate adjustments are shown on MFR Schedules C-2 and C-3 and should be approved. (Chronister)

OPC: No. The Distribution Feeder Hardening costs should be disallowed and included in the SPP. This would require a reduction of $0.356 million in retail revenue requirement.

FL RISING/ LULAC: No. TECO has not removed all the costs for feeder hardening activities or lateral undergrounding from its rate base. (Mara)

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 53: What amount of salaries and benefits, including incentive compensation, should be approved for the 2025 projected test year?

TECO: The Commission should approve salaries and benefits expense, including incentive compensation, for the 2025 test year in the amount of $376.9 million as shown on MFR Schedule C-35. The Commission should reject OPC's, Florida Rising's, and LULAC's proposals to disallow recovery of expenses associated with the company's STIP, LTIP, and SERP, because these plans are: (1) reasonable and prudent parts of the company's total compensation expense, which is targeted at the market-median, (2) enable the company to compete for employee talent, and (3) provide reasonable and balanced incentives that benefit customers. (Cacciatore, Chronister)

OPC: The Commission should disallow the LTIP incentive compensation expense tied to Emera's financial performance. The effect of this adjustment is a reduction of $7.170 million in the retail revenue requirement. The Commission should also disallow the SERP expense as it is considered to be a non-qualified plan which the Company has discontinued. The effect of this adjustment is a reduction of $0.107 million in the retail revenue requirement.

FL RISING/
LULAC: The amount of salaries and benefits should be reduced to reflect shareholder payment of 50% of incentive compensation for 2025. This results in a $17.13 million reduction from TECO's $376.9 million proposed total. (Rábago). Additionally, TECO's proposed total should be reduced by $0.107 million to remove the SERP expense (Kollen).

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA
CLUB: No position.

FRF: Agrees with OPC.

FUEL
RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 54: **Does TECO's pension and OPEB expense properly reflect capitalization credits in the 2025 projected test year? If not, what adjustments, if any, should be made?**

TECO: Yes. The Commission should approve the company's pension and OPEB expenses for the test year as shown on MFR Schedule C-17. A portion of active employee pension and OPEB expenses are capitalized through the company's fringe rate like other labor costs and reflected as a credit to Account 926. OPC's proposed adjustment to reduce O&M expense is inappropriate because the amount of pension and OPEB costs to be capitalized has already been deducted from the company's forecasted benefits expense. The company's 2025 test year reflects capitalization of $424,000 and $697,000 of pension and OPEB costs, respectively. (Chronister)

OPC: The Commission should reduce the pension and OPEB cost to reflect the credit for the portions of the costs that will be capitalized. The effect is a reduction of $0.489 million in the revenue requirement for the reduction in pension expense and a reduction of $0.806 million in the revenue requirement for the reduction in OPEB expense to reduce the requested amounts for the capitalized portions.

FL RISING/
LULAC: No. The Commission should reduce the pension and OPEB expense to reflect capitalization credits, resulting in a reduction of $0.489 million in revenue requirement in pension expense and a reduction of $0.806 million in the revenue requirement for the reduction in OPEB expense. (Kollen)

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA
CLUB: No position.

FRF: Agrees with OPC.

FUEL
RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 55: What cost allocation methodologies and what amount of allocated costs and charges with TECO's affiliated companies should be approved for the 2025 projected test year and what, if any, other measures should be taken?

TECO: The company accounts for affiliated transactions in accordance with Rule 25-6.1351, F.A.C. Most of the company's affiliate transactions are reflected in the Administrative and General functional expense group, which is $56 million below the Commission's benchmark. The Commission should approve ($28,650,000) of allocated costs and charges from TECO to its affiliates for the 2025 projected test year as reflected in OPC's 5th Set of Interrogatories No. 98. This amount is designated with an "S" for Sale, "A&G Expense Credit" as its general ledger treatment, is included on line No. 62, and reduces test year O&M expenses. The Commission should approve the total of $15,653,000 of allocated costs ($11,075,000) and direct charges ($4,578,000) incurred by TECO from affiliated companies for the 2025 projected test year as reflected in OPC's 5th Set Interrogatory No. 98. This amount is designated with a "P" for Purchase and included on line No. 60. These "S" and "P" amounts were developed using the cost allocation methodologies described in the pre-filed direct testimony of Chronister II, which have been in place for many years, are fair and reasonable, and should be approved. The Commission should reject OPC's two proposed affiliate transaction adjustments because they subtract amounts not included in the company's test year budget, are based on incorrect information and assumptions, rely on historical not test year data, and are founded on inappropriate modification of allocation factors. The company's operations as a so-called "*de facto* centralized service provider" complies with Rule 25-6.1351, F.A.C. OPC's recommendations for other actions and future regulation should only be considered in a rulemaking or other proceeding applicable to all public utilities operating under the Commission's jurisdiction and are either overly burdensome or redundant. (Chronister)

OPC: The Commission should reduce the Corporate Support Allocations from Emera to TECO by $0.858 million related to expenses of a dissolved affiliate that was proposed to be transferred to TECO. The Commission should also reduce the shared service allocation from Tampa Electric to TECO by $5.457 million to reflect Witness Ostrander's revising of the allocation factors for various shared services and the disallowing of one half of significant unsupported corporate overhead. In addition, the Commission should require TECO to change its MMM allocation factor by substituting a Headcount allocation factor in place of the Net Income allocation factor. The Commission should consider requiring TECO to discontinue its central service provider responsibilities or in the alternative require TECO to implement the nine steps outlined in Witness Ostrander's testimony.

The Commission should require TECO to discontinue its role as the CSP or require the nine measures outlined more fully in OPC witness Ostrander's testimony. These are summarized as follows: (1) implement a plan for achieving recommendations; (2) identify costs saving as CSP and flow back to customers; (3) document and explain when affiliate takes back share service in-house; (4) change accounting to track and audit affiliate transactions easily; (5) reconcile accounting in (4) to FERC Form 1; (6) have external audit of CSP role; (7) monthly invoices for CSP services; (8) Emera and TECO should have written internal controls; and (9) Emera should perform an internal audit of TECO as CSP.

FL RISING/ LULAC: A Revised MMM should be used to allocate affiliate costs and charges using the following inputs: (1) Operating Assets factor; (2) Revenue factor; and (3) Headcount factor. The Revised MMM Rate for TECO should be 67.62%, a 4.96% reduction from TECO's proposed rate. In total, TECO's Shared Service expense should be reduced by $5.50 million from TECO's 2025 Budget amounts. (Ostrander)

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 56: **What amount of Directors and Officers Liability Insurance and Board of Director expense for the 2025 projected test year should be approved?**

TECO: The Commission should approve $303,000 of D&O Liability Insurance expense and $752,000 of Board of Director expense for the 2025 projected test year. The Commission should reject OPC's proposed 50% adjustment because D&O Liability Insurance and Board of Directors expenses are an ordinary and necessary cost of doing business, is necessary to recruit and retain qualified directors and officers, and the amounts are reasonable. (Chronister)

OPC: The Commission should require an equal sharing of the TECO's D&O insurance premium and Board of Directors expenses between customers and shareholders to allocate these expenses equally based on an assumption the expenses benefit both ratepayers and shareholders, as recognized in previous Commission orders. The effects are a 50% reduction in D&O insurance expense or $0.151 million in revenue requirement and a 50% reduction of Board of Directors expenses or $0.376 million in revenue requirement.

FL RISING/ LULAC: The D&O Liability Insurance expense should be shared equally between customers and shareholders, resulting in a $0.151 million reduction in the D&O Liability Insurance expense. (Kollen)

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 57: What amount of Economic Development expense for the 2025 projected test year should be approved?

TECO: The Commission should approve economic development expenses for the 2025 projected test year of $446,502. This amount was calculated in accordance with Rule 25-6.0426, F.A.C., and is reasonable. (Chronister)

OPC: No position.

FL RISING/ LULAC: $0.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: No position.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 58: **What amount and amortization period for TECO's rate case expense for the 2025 projected test year should be approved?**

TECO: The Commission should approve total rate case expense of $2,048,000, an amortization period of three years, and $683,000 of rate case expense for the projected 2025 test year as shown on MFR Schedule C-10. (Chronister)

OPC: Rate case expense should be amortized over at least a three-year period.

FL RISING/ LULAC: $0, as this rate case was not for customers.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 59: What amount of O&M Expense for the 2025 projected test year should be approved?

TECO: The Commission should approve Jurisdictional Adjusted Other O&M Expenses of $391.8 million for the 2025 projected test year as shown on MFR Schedule C-1, less $285,000 per the company's July and August Filings for a total of $391.5 million. This amount is well below the Commission's O&M Benchmark, reflects the costs necessary to support the operations of the company during the test year, and is reasonable. (Chronister)

OPC: This is largely a fall out issue, but TECO has the burden of proof to demonstrate the reasonableness or prudence of all costs to be included in revenue requirements. OPC is still conducting discovery and certain other specific adjustments to in rate base may be required. The O&M expense for the projected 2025 test year should reflect all of OPC's recommended adjustments.

FL RISING/ LULAC: O&M expense should be adjusted to reflect the removal of O&M expenses as specified in Issues 43–58.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: Sierra Club supports modifying O&M Expense for the 2025 projected test year to reflect no coal combustion at Polk Unit 1 and Big Bend Unit 4.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 60: What amount of depreciation and dismantlement expense for the 2025 projected test year should be approved?

TECO: Based on the depreciation parameters and rates proposed in Issue 7, the Commission should approve Jurisdictional Adjusted Depreciation and Amortization expense in the amount of $531.4 million for the projected 2025 test year as shown on MFR Schedule C-1, less $504,154 per the company's July and August Filings for a total of $530.9 million. (Chronister, Allis, Kopp)

OPC: This is largely a fall out issue, but TECO has the burden of proof to demonstrate the reasonableness or prudence of all costs to be included in revenue requirements. OPC is still conducting discovery and certain other specific adjustments to in rate base may be required. The depreciation and dismantlement expense for the projected 2025 test year should reflect all of OPC's recommended adjustments and the adjustments from Issue 7.

FL RISING/ LULAC: Adopts the position of OPC, and then adjusted to reflect the disallowance of projects that do not belong in rate base as reflected in other Issue positions.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 61: **What amount of Taxes Other Than Income Taxes for the 2025 projected test year should be approved?**

TECO: The Commission should approve Jurisdictional Adjusted Taxes Other Than Income expense of $101.6 million for the projected 2025 test year as shown on MFR Schedule C-1, plus $923 per the company's July and August Filings, for a total of $101.6 million. (Chronister)

OPC: No position.

FL RISING/ LULAC: No position.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: No position.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 62: What amount of Parent Debt Adjustment is required by Rule 25-14.004, Florida Administrative Code, for the 2025 projected test year?

TECO: The Commission should approve a Parent Debt Adjustment calculated in accordance with Rule 25-14.004, F.A.C., of $12.9 million for the projected 2025 test year. The adjustment decreased the company's 2025 revenue requirement by $17.4 million. (Strickland, Chronister)

OPC: A $12.936 million revenue requirement reduction is required as shown in the utility's MFRs.

FL RISING/ LULAC: Adopts the position of OPC.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 63: What amount of Production Tax Credits should be approved and what is the proper accounting treatment for the 2025 projected test year?

TECO: The company reduced projected 2025 test year income tax expense by approximately $35.4 million to reflect the "flow through" of the estimated amount of PTC to be generated in 2025 by its solar plants placed in service in 2022 and thereafter, which amount should be approved by the Commission. (Strickland, Chronister)

OPC: No changes to the as-filed TECO amounts for PTCs are recommended. TECO included $35.388 million in PTCs as a reduction to income tax expense for the 2025 projected test year. Grossed-up, the PTCs reduced the revenue requirement by $47.549 million.

FL RISING/
LULAC: For 2025, TECO should immediately flow PTCs to its customers. (Kollen)

The costs should also be flowed back to customers on a capacity basis. If the Commission adopts 50% AD, then costs should flow back as 50% energy and 50% capacity.

FIPUG: The Commission should adopt a consumer protection by requiring TECO to flow-through the higher of the actual PTCs earned or 100% of the projected PTCs associated with the proposed solar projects. Also see Issue 18.

FEA: No position.

SIERRA
CLUB: Sierra Club takes no position on this issue, beyond supporting TECO maximizing its eligibility for PTCs and passing on the savings from those tax credits to residential customers, who face the highest energy burdens from TECO's high bills.

FRF: Agrees with OPC.

FUEL
RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 64: What treatment, amounts, and amortization period for the Production Tax Credits that were deferred in 2022-2024 should be approved for the 2025 projected test year?

TECO: As of December 31, 2024, the regulatory liability for "deferred" PTCs from 2022 to 2024 is expected to be approximately $55.3 million. The Commission should approve this amount, a ten-year amortization period, and a resulting $5.5 million Net Operating Income (NOI) reduction for the projected 2025 test year. The three-year amortization period for deferred PTCs proposed by OPC is too short, would create intergenerational inequities and an abnormal ratemaking earnings profile, and should be rejected. The regulatory liability recorded by the company should not be increased by a carrying charge, because the meaning of the "normalization" requirement for new tax credits in the 2021 was in dispute and is similar to a gain on the sale of assets, which does not accrue a carrying charge. If a carrying charge for the regulatory liability is implemented, then the 13-month average of the regulatory liability should be removed from Jurisdictional Adjusted Rate Base so that the revenue requirement reduction is not done twice. (Strickland, Chronister)

OPC: TECO deferred $41.150 million in PTCs in excess of ITCs applicable to the years 2022–2024. The Commission should compensate customers for carrying costs on the deferred PTCs by adding the deferred carrying costs calculated at the allowed return from the prior rate case to the regulatory liability. Carrying charges of $3.437 million should be added to deferral balance making it sum to $44.587 million. After gross-up for income taxes, the balance returned to customers should be $59.844 million (total TECO) and $59.634 million (jurisdictional). The effects of the carrying charges addition are a reduction of at least $0.887 million in the revenue requirement, assuming an amortization period of 10 years as filed by TECO. The Commission should refund the regulatory liability, including the deferred return on the regulatory liability for the years 2022 through 2024, over a three-year amortization period. The effects are an additional reduction of at least $13.182 million in the claimed revenue requirement. The revenue requirement effects include the changes in amortization expense and the return effects of the changes of the deferred balances in rate base.

FL RISING/ LULAC: The PTCs that were deferred in 2022–2024 totaling $0.460 million should go to customers by adding the deferred carrying costs calculated at the allowed return from the prior case to the regulatory liability. The amortization period should be three years. (Kollen)

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 65: What treatment and amount of the Investment Tax Credits pursuant to the Inflation Reduction Act should be approved for the 2025 projected test year?

TECO: The Commission should approve normalization (amortization over book depreciation life) of deferred ITCs for solar and energy storage devices, because it is required under U.S. Internal Revenue Service (IRS) requirements for solar and for energy storage because it avoids intergenerational inequities by allowing the customers who will pay for the assets to enjoy the benefit of the tax credits over the life of the assets. For solar generating facilities placed in service before 2022, the Commission should approve ITC amortization based on a 30-year proposed book depreciation life that reduces income tax expense by $9.9 million for the projected 2025 test year. For the ITC associated with energy storage facilities, the Commission should approve ITC amortization based on a 10-year proposed book depreciation life that reduces test year income tax expense by $3 million ($2.8 million based on the July and August Filings) for the projected 2025 test year. The amortization periods for solar and storage should be adjusted to reflect the book depreciation lives approved by the Commission in this case. If the Commission requires TECO to opt-out of normalization for energy storage ITC, the three-year amortization period for battery storage proposed by OPC is too short, would create intergenerational inequities and an abnormal ratemaking earnings profile, and should be rejected. (Strickland, Chronister)

OPC: The Commission should reflect the ITCs as if TECO elected and will continue to elect out of the normalization requirements. If TECO is unwilling to elect out of the normalization requirements each year, then the Commission should reduce the company’s authorized ROE or some other form of penalty commensurate with the offense for taking this path of self-interest and self-dealing at the expense of, and harm to, its customers. The effects of the first recommendation are a reduction of $3.493 million in the revenue requirement and a reduction of $0.100 million in the CETM revenue requirement due to the reduction in the cost of capital by including the new ITCs since 2022 as cost-free capital in the capital structure instead of including the new ITCs at the weighted average cost of capital. The

Commission should also direct TECO to defer the ITCs pursuant to the Inflation Reduction Act earned each year, but to amortize the deferred ITCs over a three-year amortization period.

FL RISING/ LULAC: The ITCs should be treated as if TECO elected and will continue to elect out of normalization requirements. The Commission should also direct TECO to defer the ITCs each year and amortize the deferred ITCs over a ten-year amortization period.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 66: **What amount of Income Tax expense should be approved for the 2025 projected test year?**

TECO: The Commission should approve Jurisdictional Adjusted Income Tax Expense (Benefit) totaling ($8.3 million) for the projected 2025 test year as shown on MFR Schedule C-1, plus $412,001 per the company’s July and August Filings, for a total of ($7.9 million). The July and August Filings provided revenue requirement impacts, the $412,001 of Income Tax expense adjustments includes the appropriate tax impacts to NOI. (Strickland, Chronister)

OPC: This is largely a fall out issue, but TECO has the burden of proof to demonstrate the reasonableness or prudence of all costs to be included in revenue requirements. OPC is still conducting discovery and certain other specific adjustments to in rate base may be required. The Income Tax expense for the projected 2025 test year should reflect all of OPC’s recommended adjustments.

FL RISING/ LULAC: Adopts the position of OPC.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 67: What amount of Net Operating Income should be approved for the 2025 projected test year?

TECO: The Commission should approve Jurisdictional Adjusted Net Operating Income for the projected 2025 test year of $501.4 million as shown on MFR Schedule C-1, plus $376,230 of NOI adjustments per the company's July and August Filings, for a total of $501.7 million. The July and August Filings provided revenue requirement impacts, the $376,230 of NOI adjustments includes the appropriate tax impacts to NOI. (Chronister)

OPC: This is largely a fall out issue, but TECO has the burden of proof to demonstrate the reasonableness or prudence of all costs to be included in revenue requirements. OPC is still conducting discovery and certain other specific adjustments to in rate base may be required. The Net Operating Income for the projected 2025 test year should reflect all of OPC's recommended adjustments.

FL RISING/ LULAC: Adopts the position of OPC, as modified to reflect positions on Issues 41–66**.**

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agree with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

2025 REVENUE REQUIREMENTS

ISSUE 68: What revenue expansion factor and net operating income multiplier, including the appropriate elements and rates, should be approved for the 2025 projected test year?

TECO: The Commission should approve a revenue expansion factor and NOI multiplier of 0.74424 and 1.34364, respectively, for the projected 2025 test year based on the following elements and rates: regulatory assessment fee (0.085%), bad debt rate (0.224%), state income tax rate (5.5%) and federal income tax rate (21.0%). (Chronister)

OPC:

Assume pre-tax income of		1.0000%
Regulatory Assessment		0.00085%
Bad Debt Rate		0.00224%
Net Pretax Subtotal		0.99691%
State income tax	5.50%	0.054830%
Taxable income for Federal income tax		0.94208%
Federal income tax at 21%	21.0%	0.19784%
Revenue Expansion Factor		0.74424%
Gross-Up		1.34364

FL RISING/ LULAC: The revenue expansion factor and NOI multiplier should be adjusted to reflect a 50-50 equity-to-debt ratio.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: The appropriate revenue expansion factor is 1.34364.

FUEL RETAILERS: No position.

WALMART: Adopts the position of FRF.

STAFF: No position at this time.

ISSUE 69: **What amount of annual operating revenue increase for the 2025 projected test year should be approved?**

TECO: The Commission should approve a $295.5 million annual operating revenue increase for the 2025 projected test year as shown on the company's August Filing. (Chronister, Collins)

OPC: The Commission should approve a revenue increase of no more than $43.8 million for 2025.

FL RISING/ LULAC: $0. The Commission should deny TECO's requested rate increase.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: No more than $43.8 million.

FUEL RETAILERS: No position.

WALMART: Adopts the position of FRF.

STAFF: No position at this time.

2025 COST OF SERVICE AND RATES

ISSUE 70: Is TECO's proposed separation of costs and revenues between the wholesale and retail jurisdictions appropriate?

TECO: Yes. TECO's proposed Jurisdictional Separation Study is appropriate and should be approved. (Williams)

OPC: No position.

FL RISING/ LULAC: No position.

FIPUG: No position.

FEA: FEA supports TECO's jurisdiction allocation study.

SIERRA CLUB: For each of the Issues in this category, Sierra Club has no position beyond generally supporting intervenor proposals to reduce energy burdens for residential customers.

FRF: The FRF does not oppose TECO's jurisdictional separation cost of service study.

FUEL RETAILERS: No position.

WALMART: Adopts the position of FRF.

STAFF: No position at this time.

ISSUE 71: What is the appropriate methodology to allocate production costs to the rate classes?

TECO: The terms of the 2021 Stipulation and Settlement Agreement approved by Order No. PSC-2021-0423-S-EI issued November 10, 2021, in Docket No. 20210034-EI ("2021 Agreement") require TECO to propose to allocate production costs using the 4 Coincident Peak methodology. The Big Bend Unit 4 scrubber and Polk 1 gasifier should continue to be allocated on an energy basis, which is consistent with TECO's last four approved Cost of Service Studies. (Williams)

OPC: No position.

FL RISING/
LULAC: The 12CP and 50% AD cost allocation methodology. (Rábago)

FIPUG: FIPUG agrees with TECO that the 4CP method should be used to allocate production plant and related costs to the rate classes. The 4CP method best reflects cost causation for TECO because it recognizes that (1) TECO must have sufficient capacity to meet its peak demand and (2) TECO's peak demands regularly occur during daytime hours in the summer months and it is projecting to become a winter peaking utility. Thus, the peak demands for the months June, July, August, and January should be used to derive the 4CP allocation factors.

PTCs should be allocated on energy usage because PTCs are directly related to the MW-hours generated from solar projects.

FEA: FEA supports the use of 4CP methodology as proposed by TECO.

SIERRA
CLUB: For each of the Issues in this category, Sierra Club has no position beyond generally supporting intervenor proposals to reduce energy burdens for residential customers.

FRF: FRF does not oppose TECO's proposed cost of service study.

FUEL
RETAILERS: No position.

WALMART: Adopts the position of FRF.

STAFF: No position at this time.

ISSUE 72: What is the appropriate methodology to allocate transmission costs to the rate classes?

TECO: The terms of the 2021 Agreement require Tampa Electric to propose to allocate transmission costs using the 4CP methodology. (Williams)

OPC: No position.

FL RISING/
LULAC: The 12CP cost allocation methodology. (Rábago)

FIPUG: FIPUG agrees with TECO that the 4CP method should be used to allocate production plant and related costs to the rate classes. The 4CP method best reflects cost causation for TECO because it recognizes that (1) TECO must have sufficient capacity to meet its peak demand and (2) TECO's peak demands regularly occur during daytime hours in the summer months and it is projecting to become a winter peaking utility. Thus, the peak demands for the months June, July, August, and January should be used to derive the 4CP allocation factors.

FEA: FEA supports the use of 4CP methodology as proposed by TECO.

SIERRA CLUB: For each of the Issues in this category, Sierra Club has no position beyond generally supporting intervenor proposals to reduce energy burdens for residential customers.

FRF: The FRF does not oppose TECO's proposed cost of service study.

FUEL RETAILERS: No position.

WALMART: Adopts the position of FRF.

STAFF: No position at this time.

ISSUE 73: What is the appropriate methodology to allocate distribution costs to the rate classes?

TECO: The terms of the 2021 Agreement require TECO to propose to classify distribution costs using a full MDS approach. Distribution costs should be allocated the same way in which they were derived and provided in MFR Schedule E-10. The allocation methodology relies on a mixture of rate class non-coincident peaks and customer maximum demands. It is consistent with how TECO has previously allocated distribution costs and consistent with NARUC's Electric Utility Cost Allocation Manual. (Williams)

OPC: No position.

FL RISING/ LULAC: The 12CP cost allocation methodology. (Rábago)

FIPUG: The MDS rate design approach should be used. This methodology, previously approved by the Commission more fairly allocates utility costs to provide distribution service. The MDS approach recognizes that the distribution network must be ready to serve customers, irrespective of the amount of power and energy used by customers. Allocating a portion of distribution network costs on the number of customers recognizes the readiness to serve. Accordingly, using MDS to allocate distribution network costs based on the number of customers, which is consistent with cost causation, is the proper approach.

FEA: FEA supports TECO's proposed use of the MDS to classify primary distribution cost as customer and demand. FEA supports the primary distribution cost classified as customer to be allocated across rate classes on class customer numbers. FEA supports allocating primary distribution costs classified as demand on a non-coincident class demand allocator.

SIERRA CLUB: For each of the Issues in this category, Sierra Club has no position beyond generally supporting intervenor proposals to reduce energy burdens for residential customers.

FRF: The FRF does not oppose TECO's proposed cost of service study.

FUEL RETAILERS: No position.

WALMART: Adopts the position of FRF.

STAFF: No position at this time.

ISSUE 74: How should any change in the revenue requirement approved by the Commission be allocated among the customer classes?

TECO: Any changes in the revenue requirement should be allocated among customers based on the Commission's approved cost allocation methodology. (Williams)

OPC: No position.

FL RISING/ LULAC: Changes in the revenue requirement should be allocated among customer classes using a 12CP and 50% AD methodology. (Rábago)

FIPUG: The approved revenue requirement should be determined using an accepted class cost of service study, except when it would result in a class receiving an increase higher than 1.5 times the system average base revenue increase, and no class should receive a rate decrease.

FEA: The revenue change should be allocated across rate classes based on the results of TECO's class cost of service study.

SIERRA CLUB: For each of the Issues in this category, Sierra Club has no position beyond generally supporting intervenor proposals to reduce energy burdens for residential customers.

FRF: The FRF does not oppose TECO's proposed revenue allocation methodology for allocating any increase or decrease in revenue requirements to rate classes.

FUEL RETAILERS: No position.

WALMART: Adopts the position of FRF.

STAFF: No position at this time.

ISSUE 75: **Should the proposed modifications to the delivery voltage credit be approved?**

TECO: Yes. The proposed modifications are reasonable and should be approved. (Williams)

OPC: No position.

FL RISING/ LULAC: No.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: For each of the Issues in this category, Sierra Club has no position beyond generally supporting intervenor proposals to reduce energy burdens for residential customers.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 76: **What are the appropriate service charges (initial connection, reconnect for nonpayment, connection of existing account, field visit, temporary overhead and underground, meter tampering)?**

TECO: The appropriate service charges are the proposed charges provided in MFR Schedule E-13b. (Williams)

OPC: No position.

FL RISING/ LULAC: TECO's proposed initial connection charge and all proposed reconnection service charges for residential customers should be reduced by 80%. (Rábago)

FIPUG: No position.

FEA: No position.

SIERRA CLUB: For each of the Issues in this category, Sierra Club has no position beyond generally supporting intervenor proposals to reduce energy burdens for residential customers.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 77: **Should the modifications to the emergency relay power supply charge be approved?**

TECO: Yes. The proposed modifications are reasonable and should be approved. (Williams)

OPC: No position.

FL RISING/ LULAC: Yes.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: For each of the Issues in this category, Sierra Club has no position beyond generally supporting intervenor proposals to reduce energy burdens for residential customers.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 78: What are the appropriate basic service charges?

TECO: The appropriate basic service charges are shown in MFR Schedule E-13c. (Williams)

OPC: The basic service charges should reflect all the adjustments recommended by OPC.

FL RISING/ LULAC: TECO's basic service charge for residential customers should be no more than $0.43 per customer per day or no more than $13.08 per customer per month. (Rábago)

FIPUG: The adjustments recommended by OPC should be adopted.

FEA: No position.

SIERRA CLUB: For each of the Issues in this category, Sierra Club has no position beyond generally supporting intervenor proposals to reduce energy burdens for residential customers.

FRF: The FRF does not oppose TECO's proposed cost of service study or its proposed revenue allocation methodology.

FUEL RETAILERS: No position.

WALMART: Adopts the position of FRF.

STAFF: No position at this time.

ISSUE 79: What are the appropriate demand charges?

TECO: The appropriate demand charges are shown in MFR Schedule E-13c. (Williams)

OPC: The demand charges should reflect all the adjustments recommended by OPC as approved by the Commission.

FL RISING/ LULAC: The appropriate residential energy and demand charge should be no more than 8.59 cents/kWh for the first 1,000 kWh and no more than 9.52 cents/kWh for all additional kWh of usage and reduced to reflect the reduced rate base from the disallowance of TECO's proposed investments as reflected in other issues. (Rábago)

FIPUG: No position.

FEA: No position.

SIERRA CLUB: For each of the Issues in this category, Sierra Club has no position beyond generally supporting intervenor proposals to reduce energy burdens for residential customers.

FRF: The FRF does not oppose TECO's proposed cost of service study or its proposed revenue allocation methodology.

FUEL RETAILERS: In general, no objection to the proposed charges. However, TECO should propose a reasonable demand charge that would facilitate the deployment of EV fast charging stations by third parties such as the Fuel Retailers such as Duke is considering.

WALMART: Adopts the position of FRF.

STAFF: No position at this time.

ISSUE 80: What are the appropriate energy charges?

TECO: The appropriate energy charges are shown in MFR Schedule E-13c. (Williams)

OPC: The energy charges should reflect all the adjustments recommended by OPC as approved by the Commission.

FL RISING/ LULAC: The appropriate residential energy and demand charge should be no more than 8.59 cents/kWh for the first 1,000 kWh and no more than 9.52 cents/kWh for all additional kWh of usage and reduced to reflect the reduced rate base from the disallowance of TECO's proposed investments as reflected in other issues. (Rábago)

FIPUG: No position.

FEA: No position.

SIERRA CLUB: For each of the Issues in this category, Sierra Club has no position beyond generally supporting intervenor proposals to reduce energy burdens for residential customers.

FRF: The FRF does not oppose TECO's proposed cost of service study or its proposed revenue allocation methodology.

FUEL RETAILERS: No position.

WALMART: Adopts the position of FRF.

STAFF: No position at this time.

ISSUE 81: **What are the appropriate Lighting Service rate schedule charges?**

TECO: The appropriate Lighting Service charges are shown in MFR Schedule E-13c and E-13d. (Williams)

OPC: No position.

FL RISING/ LULAC: No position.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: For each of the Issues in this category, Sierra Club has no position beyond generally supporting intervenor proposals to reduce energy burdens for residential customers.

FRF: The FRF does not oppose TECO's proposed cost of service study or its proposed revenue allocation methodology.

FUEL RETAILERS: No position.

WALMART: Adopts the position of FRF.

STAFF: No position at this time.

ISSUE 82: What are the appropriate Standby Services (SS-1, SS-2, SS-3) rate schedule charges?

TECO: The appropriate Standby Services rate schedule charges are shown in MFR Schedule E-13c. (Williams)

OPC: No position.

FL RISING/ LULAC: Even though the rate increase should be denied, these rates should be increased to reflect a 12CP and 50% AD cost of service.

FIPUG: 4 CP.

FEA: No position.

SIERRA CLUB: For each of the Issues in this category, Sierra Club has no position beyond generally supporting intervenor proposals to reduce energy burdens for residential customers.

FRF: The FRF does not oppose TECO's proposed cost of service study or its proposed revenue allocation methodology.

FUEL RETAILERS: No position.

WALMART: Adopts the position of FRF.

STAFF: No position at this time.

ISSUE 83: Should the proposed modifications to the time-of-day periods be approved?

TECO: Yes. The proposed modifications to the time-of-day periods should be approved. TECO's proposed modifications to the time-of-day periods are reasonable and more accurately reflect a change in the company's marginal energy costs profile. (Williams)

OPC: No position.

FL RISING/ LULAC: Yes.

FIPUG: No. TECO's proposed time-of-day periods, which include very low "Super Off-Peak" energy charges, would be unique in Florida. No other investor-owned utility in Florida similarly offer a Super Off-Peak period that encourages electricity usage during hot summer afternoons when TECO (and Florida utilities generally) regularly experiences its system peaks. This would create a perverse inventive to use more electricity during high load hours. Marginal energy costs are not the only consideration in determining time-of-day periods. Other factors, such as system loads, loss of load expectation, and the need to maintain dispatchable generation to support the integration of renewable resources must also be considered. Further, TECO's projected marginal energy costs are not consistently low during TECO's proposed Super Off-Peak period. Finally, TECO's proposal would represent a drastic change from current practice, which could be very disruptive to customers.

FEA: No position.

SIERRA CLUB: For each of the Issues in this category, Sierra Club has no position beyond generally supporting intervenor proposals to reduce energy burdens for residential customers.

FRF: The FRF does not oppose TECO's proposed cost of service study or its proposed revenue allocation methodology.

FUEL RETAILERS: No position.

WALMART: Adopts the position of FRF.

STAFF: No position at this time.

ISSUE 84: **Should the proposed modifications to the Non-Standard Meter Rider tariff (Tariff Sheet No. 3.280) be approved?**

TECO: No. TECO did not propose any modifications to the Non-Standard Meter Rider tariff. (Williams)

OPC: No position.

FL RISING/ LULAC: Yes.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: For each of the Issues in this category, Sierra Club has no position beyond generally supporting intervenor proposals to reduce energy burdens for residential customers.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 85: **Should the proposed tariff modifications to the Budget Billing Program (Fifth Revised Tariff Sheet No. 3.020) be approved?**

TECO: Yes. The proposed modifications are reasonable and should be approved. (Williams, Sparkman)

OPC: No position.

FL RISING/ LULAC: No, although other modifications should be made.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: For each of the Issues in this category, Sierra Club has no position beyond generally supporting intervenor proposals to reduce energy burdens for residential customers.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 86: **Should the proposed tariff modifications regarding general liability and customer responsibilities (Fifth Revised Tariff Sheet No. 5.070 and Original Tariff Sheet No. 5.081) be approved?**

TECO: Yes. The proposed modifications are reasonable and should be approved. (Williams)

OPC: No position.

FL RISING/ LULAC: No.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: For each of the Issues in this category, Sierra Club has no position beyond generally supporting intervenor proposals to reduce energy burdens for residential customers.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 87: **Should the proposed tariff modifications to Contribution in Aid of Construction (Fifth Revised Tariff Sheet No. 5.105) be approved?**

TECO: Yes. The proposed modifications are reasonable and should be approved. (Williams, Sparkman)

OPC: No, the proposed tariff modification to CIAC should not be approved unless all installment payments of CIAC are fully credited to the benefit of the customer before the plant is placed in service.

FL RISING/ LULAC: No.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: For each of the Issues in this category, Sierra Club has no position beyond generally supporting intervenor proposals to reduce energy burdens for residential customers.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 88: **Should the proposed tariff modifications to the Economic Development Rider (Third Revised Tariff Sheet Nos. 6.720, 6.725, 6.730) be approved?**

TECO: Yes. The proposed modifications are reasonable and should be approved. (Williams, Sparkman)

OPC: No position.

FL RISING/ LULAC: No, the entire Rider should be stricken.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: For each of the Issues in this category, Sierra Club has no position beyond generally supporting intervenor proposals to reduce energy burdens for residential customers.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 89: **Should the proposed modifications to LS-1 (Eleventh Revised Tariff Sheet No. 6.809) regarding lighting wattage variance be approved?**

TECO: Yes. The proposed modifications are reasonable and should be approved. (Williams, Sparkman)

OPC: No position.

FL RISING/ LULAC: Yes.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: For each of the Issues in this category, Sierra Club has no position beyond generally supporting intervenor proposals to reduce energy burdens for residential customers.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 90: **Should the proposed LS-2 Monthly Rental Factors (Original Tariff Sheet No. 6.845) be approved?**

TECO: Yes. The proposed LS-2 Monthly Rental Factors offers optionality to customers, are reasonable, and should be approved. (Williams)

OPC: No position.

FL RISING/ LULAC: No position.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: For each of the Issues in this category, Sierra Club has no position beyond generally supporting intervenor proposals to reduce energy burdens for residential customers.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 91: **Should the proposed termination factors for long-term facilities (Fifth Revised Tariff Sheet No. 7.765) be approved?**

TECO: Yes. The proposed termination factors for long-term facilities are reasonable and should be approved. (Williams)

OPC: No position.

FL RISING/ LULAC: No position.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: For each of the Issues in this category, Sierra Club has no position beyond generally supporting intervenor proposals to reduce energy burdens for residential customers.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 92: Should the non-rate related tariff modifications be approved?

TECO: Yes. The proposed revisions are reasonable and should be approved. (Williams, Sparkman)

OPC: No position.

FL RISING/ LULAC: No.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: For each of the Issues in this category, Sierra Club has no position beyond generally supporting intervenor proposals to reduce energy burdens for residential customers.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 93: **Should the Commission give staff administrative authority to approve tariffs reflecting Commission approved rates and charges?**

TECO: Yes. (Williams)

OPC: No position.

FL RISING/ LULAC: No.

FIPUG: Yes.

FEA: No position.

SIERRA CLUB: For each of the Issues in this category, Sierra Club has no position beyond generally supporting intervenor proposals to reduce energy burdens for residential customers.

FRF: No position.

FUEL RETAILERS: Yes.

WALMART: No position.

STAFF: No position at this time.

2026 AND 2027 SUBSEQUENT YEAR ADJUSTMENTS

ISSUE 94: **What are the considerations or factors that the Commission should evaluate in determining whether an SYA should be approved?**

TECO: The Commission should consider the projects proposed to be included for cost recovery via an SYA, the projected costs of those projects, the impact those plant additions will have on the company's ability to earn within its authorized range of return on equity, and the extent to which the proposed SYA can mitigate the company's need for successive general rate increases. There is nothing in Section 366.076, F.S., that limits SYA to cost recovery for generation projects. The projects included in the company's proposed 2026 and 2027 SYA are major projects, their costs are reasonable and prudent, placing them in service will have a material impact on the company's ability to earn within its authorized range of returns, and including them in the proposed SYA will mitigate the company's need for successive general rate increases; therefore, they should be approved. (Chronister)

OPC: A SYA should not be necessary nor is it good policy to approve one without significant limitations. If the test year is chosen appropriately, it should be representative of rates on a going-forward basis, negating the need for another rate adjustment so shortly after the original test year, absent any extraordinary circumstances. Moreover, any rate adjustments due the subsequent year information is inherently more unreliable the further out in time the request is made. While Section 366.076 (2), F.S., allows the Commission to adopt rules "for incremental adjustments in rates for subsequent periods," Rule 25-6.0425, Rate Adjustment Application and Procedures, adopted to implement this provision merely states "[t]he Commission may in a full revenue requirements proceeding approve incremental adjustments in rates for periods subsequent to the initial period in which new rate will be in effect." No factors or other specific directions are provided in the statute or in the rule. The Commission's limited, past practice has been to limit subsequent year rate adjustments to the placement of large, discrete revenue impacting generation facilities into service such as the generation base rate adjustments (GBRAs) or solar base rate adjustments (SoBRAs). Even when the generation facilities and/or major capital projects are placed in service, TECO still must demonstrate that it would cause TECO to earn below the approved equity range due to the material revenue requirement impact in the year(s) immediately after a rate case. Further, TECO must demonstrate the need for generation and/or facilities in the subsequent year. Given the lack of other directives in either the statute or rule, the Commission should not expand its use of a SYA beyond large revenue impacting generation or equivalent type facilities. All historically and traditional "business as normal" distribution "electric delivery infrastructure" investment costs should NOT be allowed in a subsequent year adjustment.

**FL RISING/
LULAC:** SYAs, if ever authorized, should be based on very specific, large, usually singular, generation investments. These SYAs should not be approved. If the Commission does approve an SYA, the Commission should apply the factors proposed by OPC to establish a framework, limitations, guidance, and customer protections when assessing which projects and costs, if any, should be included in an SYA.

FIPUG: Adopts the position of OPC.

FEA: No position.

**SIERRA
CLUB:** No position.

FRF: Agrees with OPC.

FUEL RETAILERS: Agrees with OPC.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 95: Should the Commission approve the inclusion of TECO's proposed Solar Projects in the 2026 and 2027 SYA? What, if any, adjustments should be made?

TECO: Yes. The Future Solar Projects proposed for recovery through SYA are prudent or the reasons explained under Issue 18 and should be included in the 2026 and 2027 SYA. (Stryker, Aponte, Heisey, Chronister)

OPC: The TECO proposed Solar Projects inclusion in the 2026 SYA and 2027 SYA should not be allowed unless the Solar Projects meet the following criteria: (1) they are specific new and material generation-type capital investment costs and operation expenses (i.e. a discrete, material capital project); (2) the associated revenue requirement would cause TECO to earn below the earnings range approved in this docket in the subsequent year; and (3) TECO can demonstrate a need for the generation and that they are cost-effective.

FL RISING/ LULAC: If the SYA is approved, then yes, with the following solar-specific adjustments: a 35-year service life of the assets; use of a 9.50% ROE. (Kollen)

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: Agrees with OPC.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 96: Should the Commission approve the inclusion of TECO's proposed Grid Reliability and Resilience Projects in the 2026 and 2027 SYA? What, if any, adjustments should be made?

TECO: Yes. The proposed GRR Projects are prudent for the reasons explained under Issue 19 and should be included in the 2026 and 2027 SYA. There is nothing in Section 366.076, Florida Statutes, that limits SYA to cost recovery for generation projects, thus OPC's proposal to disallow the GRR Projects should be rejected. (Lukcic, Whitworth, Chronister)

OPC: No, the Commission should deny the inclusion of TECO's proposed GRR Projects for the following reasons: (1) these projects are historically, traditional "business and normal" activities; (2) these projects are NOT for specific new and material generation capital investment costs and operation expenses (i.e. a discrete, material capital project); (3) "delivery infrastructure" investments have not previously been allowed recovery in an SYA.

**FL RISING/
LULAC:** No.

FIPUG: Adopts the position of OPC.

FEA: No position.

**SIERRA
CLUB:** No position.

FRF: Agrees with OPC.

**FUEL
RETAILERS:** Agrees with OPCl.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 97: Should the Commission approve the inclusion of TECO's proposed Polk 1 Flexibility Project in the 2026 SYA? What, if any, adjustments should be made?

TECO: Yes. The Polk 1 Flexibility Project is prudent for the reasons explained under Issue 24 and should be included in the 2026 SYA. (Aldazabal, Aponte, Chronister)

OPC: The proposed Polk 1 Flexibility Project is being placed into service in 2025 during the test year without a full year revenue requirement. The TECO Polk 1 Flexibility Project inclusion in the 2026 SYA should not be allowed unless it meets the following criteria: (1) it is a specific new and material generation capital investment costs and operation expenses (i.e. a discrete, material capital project); (2) the associate revenue requirement would cause TECO to earn below the earnings range approved in this docket in the subsequent year; and (3) TECO can demonstrate a need for the generation.

**FL RISING/
LULAC:** No.

FIPUG: Adopts the position of OPC.

FEA: No position.

**SIERRA
CLUB:** For the reasons outlined in the Statement of Basic Position above, the Polk 1 Flexibility Project should not be included in the 2026 SYA.

FRF: Agrees with OPC.

**FUEL
RETAILERS:** Agrees with OPCl.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 98: **Should the Commission approve the inclusion of TECO's proposed Energy Storage Projects in the 2026 SYA? What, if any, adjustments should be made?**

TECO: Yes. The company's 115 MW of Future Energy Storage Capacity projects are prudent for the reasons explained under Issue 20 and should be included in the 2026 and 2027 SYA. As shown in the July Filing, the calculation of the company's proposed 2026 SYA should be adjusted to reflect an additional $3,790,454 of energy storage rate base (13-month average), additional O&M and depreciation expense of $285,000 and $321,545, respectively, a reduction of property taxes $41,723, and an increase to the ITC amortization benefit of $994,805, for a net revenue requirement decrease of $78,509 for the 2026 SYA. As shown in the July Filing, the calculation of the company's proposed 2027 SYA should be adjusted to reflect an additional $1,686,310 of energy storage rate base (13-month average), additional O&M expense, depreciation expense and property taxes of $42,408, $182,609 and $40,800, respectively, for a net revenue requirement increase of $422,181 for the 2027 SYA. (Stryker, Aponte, Chronister)

OPC: The TECO proposed Energy Storage Projects inclusion in the 2026 SYA should not be allowed unless they met the following criteria: (1) they are specific new and material generation-type capital investment costs and operation expenses (i.e. a discrete, material capital project); (2) the associate revenue requirement would cause TECO to earn below the earnings range approved in this docket in the subsequent year; and (3) TECO can demonstrate a need for the energy supply projects and that they are cost-effective.

FL RISING/ LULAC: If the SYA is approved, yes, with the following battery-specific adjustments: a 20-year service life of the assets; reflection of the assets as cost-free capital in the cost of capital applied to rate base; use of a 9.50% ROE. (Kollen). A ten-year ITC amortization period should also be used.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: Agrees with OPC.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 99: Should the Commission approve the inclusion of TECO's proposed Bearss Operations Center Project in the 2026 SYA? What, if any, adjustments should be made?

TECO: Yes. The Bearss Operations Center is prudent for the reasons explained under Issue 23 and should be included in the 2026 SYA. (Aldazabal, Chronister)

OPC: The proposed Bearss Operation Center is being placed into service in 2025 during the test year without a full year revenue requirement. The TECO proposed Bearss Operations Center Project inclusion in the 2026 SYA should not be allowed unless it meets the following criteria: (1) it is a specific new and material capital investment costs and operation expenses (i.e. a discrete, material capital project); (2) the associate revenue requirement would cause TECO to earn below the earnings range approved in this docket in the subsequent year; and (3) TECO can demonstrate a need for the facility.

FL RISING/ LULAC: No.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: Agrees with OPC.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 100: Should the Commission approve the inclusion of TECO's proposed Corporate Headquarters Project in the 2026 SYA? What, if any, adjustments should be made?

TECO: Yes. The company's new corporate headquarters project is prudent for the reasons explained under Issue 21 and should be included in the 2026 SYA. (Aldazabal, Chronister)

OPC: The proposed Corporate Headquarters Project is being placed into service in 2025 during the test year without a full year revenue requirement. The TECO proposed Corporate Headquarters Project inclusion in the 2026 SYA should not be allowed unless it meets the following criteria: (1) it is a specific new and material capital investment costs and operation expenses (i.e. a discrete, material capital project); (2) the associate revenue requirement would cause TECO to earn below the earnings range approved in this docket in the subsequent year; and (3) TECO can demonstrate a need for the facility.

FL RISING/ LULAC: No.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: Agrees with OPC.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 101: Should the Commission approve the inclusion of TECO's proposed South Tampa Resilience Project in the 2026 and 2027 SYA? What, if any, adjustments should be made?

TECO: Yes. South Tampa Resilience Project is prudent for the reasons explained under Issue 22 and should be included in the 2026 and 2027 SYA. (Aldazabal, Aponte, Chronister)

OPC: The proposed South Tampa Resilience Project is being placed into service in 2025 during the test year without a full year revenue requirement. The TECO proposed South Tampa Resilience Project inclusion in the 2026 SYA should not be allowed unless it meets the following criteria: (1) it is a specific new and material capital investment costs and operation expenses (i.e. a discrete, material capital project); (2) the associate revenue requirement would cause TECO to earn below the earnings range approved in this docket in the subsequent year; and (3) TECO can demonstrate a need for the facility.

FL RISING/ LULAC: No.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: Agrees with OPC.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 102: Should the Commission approve the inclusion of TECO's proposed Polk Fuel Diversity Project in the 2026 and 2027 SYA? What, if any, adjustments should be made?

TECO: Yes. The Polk Fuel Diversity project is prudent and should be included in the 2027 SYA. The Project will mitigate customer exposure to natural gas price spikes and supply disruptions and is not proposed to be recovered in the 2026 SYA. (Aldazabal, Chronister)

OPC: The proposed Polk Fuel Diversity Project is being placed into service in 2025 during the test year without a full year revenue requirement. The TECO proposed Polk Fuel Diversity Project inclusion in the 2026 SYA and 2027 SYA should not be allowed unless it meets the following criteria: (1) it is a specific new and material capital investment costs and operation expenses (i.e. a discrete, material capital project); (2) the associate revenue requirement would cause TECO to earn below the earnings range approved in this docket in the subsequent year; and (3) TECO can demonstrate a need for the facility.

FL RISING/ LULAC: No.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: The Polk Fuel Diversity Project should not be included in the 2026 SYA.

FRF: Agrees with OPC.

FUEL RETAILERS: Agrees with OPC.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 103: What overall rate of return should be used to calculate the 2026 and 2027 SYA?

TECO: The Commission should use the overall return approved in Issue 40, which the company believes should be 7.37%. (Chronister)

OPC: The overall rate of return should be the OPC proposed ROR for 2025 of 7.19% using OPC proposed ROE of 9.50%.

FL RISING/ LULAC: If the Commission approves the SYAs, the rate of return should be adjusted to reflect the reduced rate base and adjusted capital structure.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: Sierra Club supports Florida Rising's and LULAC's proposed rate of return in order to provide rate relief to energy burdened residential customers.

FRF: Agrees with OPC.

FUEL RETAILERS: Agrees with OPC.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 104: Should the SYA for 2026 and 2027 reflect additional revenues due to customer growth? What, if any, adjustments should be made?

TECO: No. OPC's proposed revenue adjustments for 2026 and 2027 should be rejected for the reasons discussed in Issue 2 and because additional revenue from customer growth will be needed to recover costs associated with general rate base growth. Imputing incremental into the calculation of the 2026 and 2026 SYA would be inconsistent with the method used to calculate the company's previous SoBRA and GBRA, would moderate the benefits of SYA and increase the likelihood that the company will need additional rate relief in those years. (Chronister, Cifuentes)

OPC: Yes. Should the Commission allow a 2026 SYA, the additional forecasted revenues reflected due to customer growth should be increased by at least $7.994 million. Should the Commission allow a 2027 SYA, additional forecasted revenues reflected due to customer growth should be increased by at least $6.123 million.

FL RISING/ LULAC: If the Commission approves the SYAs, then yes. The 2026 SYA should be reduced by $7.994 million, and the 2027 SYA should be reduced by $6.123 million to reflect additional revenues due to customer growth. (Kollen)

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Yes. Agrees with OPC as to appropriate adjustments.

FUEL RETAILERS: Agrees with OPC.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 105: Should the Commission approve the inclusion of TECO's proposed incremental O&M expense associated with the SYA projects in the 2026 and 2027 SYA?

TECO: Yes. The O&M expenses for 2026 and 2027 for the SYA projects are project specific and incremental to the O&M expenses included in the calculation of the company's projected 2025 test year NOI (see Issue 59). (Chronister)

OPC: No, the Commission should subtract the variable O&M expense savings that TECO estimated in its cost effectiveness determinations. Otherwise, the requested SYA revenue requirement for these costs is overstated.

FL RISING/ LULAC: No.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: Agrees with OPC.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 106: Should the depreciation expense and Investment Tax Credits amortization used to calculate the proposed 2026 and 2027 SYA be adjusted to reflect the Commission's decisions on depreciation rates and ITC amortization for the 2025 projected test year?

TECO: Yes. (Strickland, Chronister)

OPC: Yes, any 2026 SYA and 2027 SYA should reflect OPC's proposed adjustments in for ITCs to correct for errors and modify the Company's calculation. The effect of correcting TECO's error and modifying the calculation is a reduction of $4.529 million in 2026 SYA revenue requirements and a reduction of $2.453 million in the 2027 SYA revenue requirements.

FL RISING/ LULAC: Yes.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: Agrees with OPC.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 107: What annual amount of incremental revenues should be approved for recovery through the 2026 and 2027 SYA?

TECO: The Commission should approve SYA for 2026 and 2027 to recover incremental revenues of $100,074,841 and $71,847,925, respectively. These amounts have been updated to reflect the impact of the adjustments shown in the July and August Filings and Issue 98 and no income tax gross up on non-equity return capital structure components. (Chronister)

OPC: If the Commission allows the GRR Projects, the Commission should reduce the revenue requirement for the GRR Projects by at least $4.599 million in the 2026 SYA and by at least $28.788 million in the 2027 SYA.

FL RISING/ LULAC: $0.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC that the Commission should approve an increase of $60.257 million per year for 2026 and an increase of $20.286 million per year for 2027.

FUEL RETAILERS: Agrees with OPC.

WALMART: Adopts the position of FRF.

STAFF: No position at this time.

ISSUE 108: What rate design approach should be used to develop customer rates for the 2026 and 2027 SYA?

TECO: The Commission should apply the incremental 2026 and 2027 SYA revenues approved in Issue 107 on a pro rata basis to the customer, energy, and demand charges for the non-lighting classes approved in Issues 75 through 85. (Williams)

OPC: The incremental revenues should include all of OPC's adjustments which would allow a maximum revenue increase of $60.257 million in 2026 and $20.286 million in 2027.

FL RISING/
LULAC: If the Commission approves the SYA, then 12CP + 50% AD should be used to allocate the increased revenue requirement.

FIPUG: The rate design approach as proposed by FIPUG above, 4 CP.

FEA: No position.

SIERRA
CLUB: No position.

FRF: The FRF does not oppose TECO's proposed cost of service study or its proposed revenue allocation methodology.

FUEL
RETAILERS: Agrees with OPC.

WALMART: Adopts the position of FRF.

STAFF: No position at this time.

ISSUE 109: When should the 2026 and 2027 SYA become effective?

TECO: The 2026 and 2027 SYA should be effective with the first billing cycle in January 2026 and 2027, respectively. (Chronister, Williams)

OPC: The 2026 SYA, if allowed over the objection of OPC, should not become effective any sooner than the first billing cycle in 2026. The 2027 SYA, if allowed over the objection of the OPC, should not become effective any sooner than the first billing cycle in 2027.

FL RISING/
LULAC: Never. If the Commission approves the SYAs, then January 1, 2026, and January 1, 2027.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA
CLUB: No position.

FRF: If approved, any 2026 SYA should become effective for service rendered on the first day of the first billing cycle of January 2026, and any 2027 SYA should become effective for service rendered on the first day of the first billing cycle of January 2027.

FUEL RETAILERS: Agrees with OPC.

WALMART: Adopts the position of FRF.

STAFF: No position at this time.

ISSUE 110: Should TECO be required to file its proposed 2026 and 2027 SYA rates for Commission approval in September 2026 and 2027, respectively, reflecting then current billing determinants?

TECO: Yes. This approach ensures that SYA rates will be based on the most recent available billing determinants. (Williams)

OPC: Yes.

FL RISING/ LULAC: Yes, if the Commission approves the 2026 and 2027 SYAs.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Yes.

FUEL RETAILERS: Agrees with OPC.

WALMART: Adopts the position of FRF.

STAFF: No position at this time.

OTHER

ISSUE 111: Should TECO's proposed Corporate Income Tax Change Provision be approved?

TECO: Yes. The proposed Corporate Income Tax Change Provision, like others that have been in effect by agreement since 2013, will provide an efficient regulatory mechanism for addressing corporate income tax changes that occur after this rate proceeding is over. (Chronister)

OPC: No. It is premature as there is no pending federal or state tax law changes and may inappropriately affect the agency's future actions that otherwise would be applicable to all utilities statewide. Based on Commission precedent, this issue should not be included in this docket.

FL RISING/ LULAC: No.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 112: Should TECO's proposed Storm Cost Recovery Provision be approved?

TECO: Yes. The proposed Storm Cost Recovery Provision, like others that have been in effect by agreement since 2013, will provide an efficient regulatory mechanism for review and recovery of prudent storm damage restoration and recovery costs. (Chronister)

OPC: Yes, to the extent the storm cost recovery provision is consistent with the *Wilson* case which allows for a tariff filed by a company to become effective subject to a hearing.

FL RISING/
LULAC: No.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA
CLUB: No position.

FRF: No. FRF does not object to prompt recovery by TECO of significant storm restoration costs without a rate-case type inquiry, but the FRF agrees with Walmart that decisions regarding the cost allocation and rate design for recovery of storm restoration costs should be decided in specific proceedings for each storm event.

FUEL
RETAILERS: No position.

WALMART: Walmart opposes the resolution of this issue in this Docket as to the procedure by which TECO collects future storm costs from customers, though Walmart agrees that such collection of future storm costs would not be subject to a rate case type inquiry.

STAFF: No position at this time.

ISSUE 113: Should TECO's proposed Asset Optimization Mechanism be approved, and what, if any, modifications should be made?

TECO: Yes. The company's existing Asset Optimization Mechanism ("AOM") has provided over $45 million of customer benefits since 2018. Adding capacity release of gas pipeline transportation and renewable energy credit ("REC") sale revenues to the AOM will reasonably incent the company to engage in beneficial transactions that will lower fuel expenses for customers; therefore, the company's proposed AOM should be approved. (Heisey)

OPC: No. This is not the proper subject of a base rate case.

FL RISING/
LULAC: No.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 114: What are the appropriate updated Clean Energy Transition Mechanism factors and when should they become effective?

TECO: The Commission should approve the proposed CETM factors shown on pages 10 and 11 of the prepared direct testimony of Ashley Sizemore as updated to reflect the overall rate of return approved by the Commission in Issue 40 to be effective with the first billing cycle in January 2025. (Sizemore)

OPC: The CETM should be reduced by $1.828 million in 2025 to reflect OPC's positions on ROE of 9.5% and inclusion of the battery storage related ITCs as zero cost of capital.

FL RISING/ LULAC: CETM should be discontinued.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Agrees with OPC.

FUEL RETAILERS: No position.

WALMART: Agrees with OPC.

STAFF: No position at this time.

ISSUE 115: Should the proposed Senior Care Program (Original Tariff Sheet No. 3.310) and associated cost recovery be approved?

TECO: Yes. The proposed new Senior Care Program assists a small population of financially challenged customers and should be approved. (Williams, Sparkman)

OPC: No position.

FL RISING/ LULAC: No, the Program should not be approved as-is with its associated cost recovery mechanism.

FIPUG: No position.

FEA: No position.

SIERRA CLUB: No position.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 116: Should TECO be required to perform any studies or analysis relating to the retirement of Polk Unit 1 and/or Big Bend Unit 4, including early retirement dates, environmental compliance costs, and/or procurement of alternative resources?

TECO: No. The company’s testimony and exhibits demonstrate that (1) Polk Unit 1 provides important fuel diversity, reliability, and flexibility benefits to customers and could return to IGCC operation within a year to help protect customers from high gas prices if the forward price curve for petcoke is favorable and (2) Big Bend Unit 4 provides important fuel diversity, reliability, and flexibility benefits to customers, and while it does not frequently run on coal, Big Bend 4 is available to run and has recently run on coal during extreme winter weather, when gas prices spiked, and during pipeline alert periods when gas deliveries to Florida were limited. The company evaluates the roles these units play in its generating portfolio every year as part of the 10-Year Site Planning process, so no further studies or actions like early retirement and loan applications are needed or should be ordered at this time. (Aldazabal, Stryker)

OPC: No position.

**FL RISING/
LULAC:** Adopts the position of Sierra Club.

FIPUG: Not unless ordered to do by the Commission.

FEA: No position.

**SIERRA
CLUB:** As outlined in the Statement of Basic Position above, TECO should, at a minimum, provide its energy burdened customers with rate relief by ceasing coal operations at Polk Unit 1 and Big Bend Unit 4 as soon as possible. Polk Unit 1 and Big Bend Unit 4's coal combustion equipment should be retired in 2024 and 2025, respectively.

In addition, Sierra Club recommends completely retiring both plants by 2030. If the Commission does not require these 2030 retirements, TECO should be required to study earlier retirement dates for Polk Unit 1 and Big Bend Unit 4, including retirements by 2030 and 2032, by measuring the cost-effectiveness of retiring each unit early against the cost of acquiring replacement resources. TECO should additionally be required to study the economic impacts of complying with EPA's 2024 rules affecting fossil-fueled power plants, which are listed in the Statement of Basic Position above, and TECO should include those projected costs in its retirement scenarios. In the event that the Commission calls for a retirement study rather than retirement commitments, these scenarios and studies should be published in a formal report to the Commission no later than the end of 2025. In that event, the Commission should also require TECO to apply for EIR funding to fund clean replacement resources for Polk 1 and Big Bend 4 by the end of 2025. TECO should be required to submit to the Commission a plan to take advantage of such funding based on the results of the retirement studies.

FRF: Regardless whether the Commission requires TECO to perform any studies or analyses relating to potential early retirements of Polk Unit 1 or Big Bend Unit 4, in the current regulatory environment, it would be imprudent for TECO not to be conducting such studies and analyses on a regular basis far enough in advance to enable it to make prudent retirement decisions based on regulatory and market developments.

**FUEL
RETAILERS:** No position.

WALMART: Adopts the position of FRF.

STAFF: No position at this time.

ISSUE 117: What is the appropriate effective date for TECO's revised 2025 rates and charges?

TECO: The company's revised 2025 rates and charges should be approved effective with the first billing cycle in January 2025. (Chronister, Williams)

OPC: The 2025 rates and charges should not become effective any sooner than the first billing cycle in 2026.

FL RISING/ LULAC: No effective date should be applicable because the Commission should deny TECO's petition for rate increase. If the Commission does not outright deny the petition, then January 1, 2025.

FIPUG: Adopts the position of OPC.

FEA: No position.

SIERRA CLUB: No position.

FRF: Any change in rates for the 2025 test year should be effective for service rendered on the first day of the first billing cycle of January 2025.

FUEL RETAILERS: No position.

WALMART: Adopts the position of FRF.

STAFF: No position at this time.

ISSUE 118: Has the Commission considered TECO's performance pursuant to Sections 366.80–366.83 and 403.519, Florida Statutes, when establishing rates?

TECO: Yes. The company's FEECA performance is summarized in the prepared direct testimony of Ashley Sizemore. From inception through the end of 2023, the company's energy conservation programs have reduced summer and winter peak demand by 835.4 MW and 1,349.8 MW, respectively, and have saved 1,950.1

GWh of annual energy, which is the equivalent of avoiding the need for over seven 180 MW power plants. (Sizemore)

OPC: No position.

FL RISING/ LULAC: No, not at this time. However, the Commission has a duty to consider these statutes. The Commission should consider TECO's performance adequate, but since TECO does minimal energy efficiency as compared to national standards, no adjustments are warranted. (Marcelin)

FIPUG: No position.

FEA: No position.

SIERRA CLUB: No position.

FRF: No position.

FUEL RETAILERS: No position.

WALMART: No position.

STAFF: No position at this time.

ISSUE 119: **What considerations should the Commission give the affordability of customer bills and how does TECO's rate increase impact ratepayers in this proceeding?**

TECO: Affordability is a term that's difficult to describe because its meaning varies from person-to-person. What may be "affordable" varies from household-to-household. It depends on individual perceptions, income levels, financial obligations, spending priorities, and spending decisions. Two families with the same income and utility bills may view affordability of electricity differently based on their different circumstances. The term "affordable" is not used or defined in Chapter 366, Florida Statutes. To the extent the U.S. Department of Energy's high energy burden six percent guideline is relevant, the company's historical and proposed residential bills for a two person household would be about 4.5 percent, well below the guideline.

Electricity is steadily becoming a more important and valuable part of daily living. The company is committed to providing safe, reliable, and resilient electric service to all of its customers – now and in the future. The Commission should consider affordability in this case by recognizing that the company promotes overall affordability by operating in an efficient and cost-effective manner, and by making investments that provide long-term value to moderate fuel and operating costs and increase reliability and resilience. Tampa Electric's proposed rates and charges in this case reflect these efforts; are fair, just, and reasonable; and will allow the company to continue meeting the ever increasing service and reliability expectations of its customers.

The actual impact of the proposed rate increase in this case is difficult to predict because they will be reflected on customer bills that are influenced by the weather and customer usage, which cannot be estimated with certainty on an individual customer basis, and on recovery clause factors that have not been set. Moderate weather and low fuel costs can offset the impact of base rate increases on customers; extreme weather and high fuel costs can have the opposite effect.

As filed, the company's proposed 2025 base rate increases for a typical 1,000 kWh RS bill and a typical 1,200 kWh GS bill are 21.9 and 2.5 percent, respectively. Using the company's recovery clause factors in effect on January 1, 2024, which have since declined, the company estimates that a typical 1,000 kWh residential bill will increase about 12 percent over 2024 but would be lower than in 2023. Similarly, a typical small commercial bill of 1,200 kWh would increase 0.1 percent over 2024 and would be about 10 percent lower than 2023. (Williams, Sparkman)

OPC: Pursuant to Section 366.06(1), F.S., the Commission may only approve the parts of TECO's rate request which results in rates that are fair, just, and reasonable for each customer class. TECO's requested rate increase would translate to an over 50% increase in base rate. The policy for energy in the State is now to "ensure an adequate, reliable, and cost-effective supply of energy for the state in a manner that promotes the health and welfare of the public . . ." with goals including "[e]nsuring a cost-effective and affordable energy supply." *See* Section 377.601 (1) and (2)(a), F.S. (2024). TECO's bloated revenue request is contrary to the State's goal of providing affordable, reasonable rates for each customer class. The Commission should consider energy affordability in this proceeding, and all future utility base rate proceedings, in evaluating rate increase requests consistent with the trends in other U.S. regulatory jurisdictions.

TECO's excessive rate increase request will have a negative impact on ratepayers. In today's tough economic climate, TECO's customers are already under great financial pressure, so any increase will have a significant impact on them. Now, more than ever, the Commission must consider affordability of the customer's bills when evaluating TECO's rate request. Ultimately, the Commission must hold TECO to its burden and only approve the portions of TECO's rate request which are fair, just, and reasonable.

FL RISING/ LULAC: In order to set fair and reasonable rates, the Commission would be remiss not to consider the affordability of customer bills, which involves, in part, assessing the energy burdens of TECO's customers. In other words, the Commission should consider the extent to which energy bills constitute a share of customers' household incomes—the higher the share, the greater the energy burden. Because customers with high energy burdens, primarily low-income customers, are vulnerable to rate and bill volatility, unaffordable electric bills can create a cascade of household economic problems. Further, TECO's customers living at or below the poverty level experiencing high energy burdens cannot simply reduce their energy consumption or invest in energy efficiency measures to cut back on bills, and customers living in rental properties have even less control over the heating and cooling arrangements in their homes. Beyond economic problems, unaffordable electricity bills implicate social and public health issues. Thus, the Commission should also consider affordability in the context of the broader affordability crisis TECO customers are facing—from housing to food to insurance costs—and in the context of changing weather patterns, such as an increased number of extreme heat days each year. Consideration of energy burden and affordability in this rate case, and denial of increased rates, means more TECO customers may not have to choose between electricity and no electricity or choose electricity over medication, food, rent, and other necessities. (Rábago) (Marcelin)

Additionally, state and local governments and public utilities commissions are increasingly considering energy affordability in regulation and public policy. New York recently adopted a statewide goal of achieving a six percent energy burden, the common threshold at which energy bills are deemed unaffordable. Additionally, the California Public Utilities Commission developed an affordability metric for essential services, and the Pennsylvania Public Utility Commission has examined and established maximum energy burdens for customers. (Dismukes)

If the Commission approves TECO's rate increases, TECO's lowest users of electricity, primarily low-income customers, will experience shocking base rate and bill increases compared to wealthier customers using significantly more energy. Additionally, TECO plans to increase the daily per-customer fixed charge by 51% from $0.71 to $1.07. In 2023, TECO's residential customers averaged 1,157 kWh of usage, resulting in an average 2023 bill of $191.95. Due to decreased fuel prices and reduced storm recovery charges, under TECO's proposed rates, its 2025 bill would cost $184.25 with the same 1,157 kWh usage, rising to $196.96 in 2027 with the proposed SYAs. However, this number could be dramatically higher when fuel prices rise and if a storm (or storms) hit TECO's service area from now through the end of 2027. (Rábago) (Marcelin)

FIPUG: TECO's proposed rate increase results in a base rate increase of 20% in the first year for large commercial and industrial users and over 30% when the subsequent year rate increase adjustments are included. The Commission should consider the affordability of bills for all customers, and consider the key roles that large commercial and industrial customers play in the social fabric of TECO's service area. Collectively, large commercial and industrial customers provide good jobs to countless Floridians, pay millions of dollars in taxes to federal, state, and local governments, and contribute to the communities in which they operate. Large commercial and industrial customers must often compete regionally, nationally and in some cases, internationally, in their respective marketplaces. Energy is a significant variable cost for large commercial and industrial customers and the energy costs must be affordable for these businesses to be successful.

The Commission is charged with balancing competing interests when considering TECO's rate case. One issue of significant importance to large commercial and industrial customers, FIPUG, and FEA, which represents MacDill Airforce Base in Tampa, is to fairly apply a rate design which best assigns costs to those rate classes which cause the costs. TECO has proposed and supports the 4CP approach, which the Commission approved previously in the most recent TECO rate case settlement. This approach is a fair way to assign costs and is an important and meaningful affordability issue in this case for FIPUG and other parties.

FEA: Adopts the position of FIPUG.

SIERRA CLUB: Sierra Club is deeply concerned that TECO customers face the third-highest electricity bills in the nation. Accordingly, the Commission should favor measures to reduce ratepayers' bills when facing policy choices in weighing the recovery of TECO's proposed expenses. Wherever the Commission can reduce costs to ratepayers, the Commission should favor such proposals. Finally, the Commission should scrutinize TECO's reserve margin and reliability planning assumptions with an eye toward reducing overbuild and costs to ratepayers.

Sierra Club is concerned that this rate increase will have a substantial harmful impact on already-overburdened electricity customers. TECO's rate increase could lead to customers facing unacceptable choices regarding basic necessities. Customers may have to choose whether to pay for food or pay TECO to run their air conditioning. With such high bills, more customers will be vulnerable to going into debt or arrearage.

FRF: Pursuant to the over-arching mandate of Section 366.01, F.S., to regulate public utilities in the public interest, the Commission must always consider, among all relevant factors, the affordability of customer bills and the impacts of rate increases on electric customers and on the Florida economy. In this case involving TECO's request for increased rates, the correct balance is simple and obvious: the

Commission should approve rates that will produce revenues that are *sufficient* to enable TECO to recover all of its *necessary* costs incurred to provide safe and reliable service and to earn a *reasonable*—but *not excessive*—return on its used and useful investment.

TECO's requested rate increases will, if approved, harm all of its customers (ratepayers) by charging customers more than is necessary for TECO to provide safe and reliable service while providing TECO with a reasonable return on its investment. At the same time, TECO's requested rate increases will, if approved, harm Florida's economy by forcing TECO's customers, many of whom are already economically distressed by TECO's high rates, to pay more than is necessary for electric service, thereby diminishing customers' ability to purchase more Florida-produced goods and services while transferring excessive profits from TECO's customers to its Canadian owners.

FUEL RETAILERS: Agrees with OPC.

WALMART: Adopts the position of FRF.

STAFF: No position at this time.

ISSUE 120: Should TECO be required to file, within 90 days after the date of the final order in this docket, a description of all entries or adjustments to its annual report, rate of return reports, and books and records which will be required as a result of the Commission's findings in this rate case?

TECO: Yes. (Chronister)

OPC: No position.

FL RISING/ LULAC: No, because TECO's petition for rate increase should be denied. If the Commission does not outright deny the petition, then yes.

FIPUG: Yes.

FEA: No position.

SIERRA CLUB: No position.

FRF: Yes.

FUEL RETAILERS: Yes.

WALMART: Adopts the position of FRF.

STAFF: No position at this time.

ISSUE 121: Should this docket be closed?

TECO: Yes.

OPC: No position.

FL RISING/ LULAC: Yes, after the Commission denies TECO's petition for rate increase.

FIPUG: Yes, after the Commission takes final agency action.

FEA: No position.

SIERRA CLUB: No position.

FRF: When a final Commission order has been issued and either (a) all appeals of such order or orders have been finally resolved, or (b) the time for filing any further appeal has passed, this docket should be closed.

FUEL RETAILERS: Not until all actions are concluded, including any appeals.

WALMART: Adopts the position of FRF.

STAFF: No position at this time.

IX. EXHIBIT LIST

Witness	Proffered By		Description
Direct			
Archie Collins	TECO	AC-1	1. List of Tampa Electric Witnesses and Purpose of their Direct Testimony 2. List of Minimum Filing Requirement Schedules Sponsored by Archie Collins 3. List of Minimum Filing Requirement Schedules Witness Assignments
Karen Sparkman	TECO	KKS-1	1. List of Minimum Filing Requirement Schedules Sponsored or Co-Sponsored By Karen Sparkman 2. Tampa Electric JDP Study Highlights – Residential 3. Tampa Electric JDP Study Highlights – Business 4. Customer Contact Center Metrics 5. Statistics on Commission Escalated Calls 6. Customer Experience Capital Expense Summary 2022 – 2025
Carlos Aldazaba	TECO	CA-1	1. List of Minimum Filing Requirement Schedules Sponsored or Co-Sponsored by Carlos Aldazabal 2. Generation Mix 3. Total System Heat Rate (2013-2023) 4. Total CO_2 Emissions (2013-2023) 5. System Heat Rate and Fuel Savings 6. Total System Net EAF Percentage 7. Solar Projects 2021-2023 8. Headquarters Evaluation Scorecard 9. Headquarters Evaluation 10. Energy Supply Capital Expense Summary 2022-2025

Witness	Proffered By		Description
Kris Stryker	TECO	KS-1	1. List of Minimum Filing Requirement Schedules Sponsored or Co-Sponsored by Kris Stryker 2. English Creek Solar Project Specifications and Projected Costs 3. Bullfrog Creek Solar Project Specifications and Projected Costs 4. Duette Solar Project Specifications and Projected Costs 5. Cottonmouth Solar Project Specifications and Projected Costs 6. Big Four Solar Project Specifications and Projected Costs 7. Farmland Solar Project Specifications and Projected Costs 8. Brewster Solar Project Specifications and Projected Costs 9. Wimauma 3 Solar Project Specifications and Projected Costs 10. Dover Energy Storage Capacity Project Specifications and Projected Costs 11. Lake Mabel Energy Storage Capacity Project Specifications and Projected Costs 12. Wimauma Energy Storage Capacity Project Specifications and Projected Costs 13. South Tampa Energy Storage Capacity Project Specifications and Projected Costs 14. Clean Energy Capital Expense Summary 2022-2025
Jose Aponte	TECO	JA-1	1. Demand and Energy Forecast 2. Fuel Price Forecast 3. Future Project Costs Per kWac 4. Polk 1 Flexibility Project Cost-Effectiveness Test 5. South Tampa Resilience Project Cost-Effectiveness Test 6. Total Energy Storage Capacity

Witness	Proffered By		Description
			Cost-Effectiveness Test 7. Dover Energy Storage Capacity Cost-Effectiveness Test 8. Lake Mabel Energy Storage Capacity Cost-Effectiveness Test 9. Wimauma Energy Storage Capacity Cost-Effectiveness Test 10. South Tampa Energy Storage Capacity Cost-Effectiveness Test 11. Total Future Solar Cost-Effectiveness Test 12. Future Solar (2024 Projects) Cost-Effectiveness Test 13. Future Solar (2025 Projects) Cost-Effectiveness Test 14. Future Solar (2026 Projects) Cost-Effectiveness Test 15. English Creek Solar Cost-Effectiveness Test 16. Bullfrog Creek Solar Cost-Effectiveness Test 17. Duette Solar Cost-Effectiveness Test 18. Cottonmouth Solar Cost-Effectiveness Test 19. Big Four Solar Cost-Effectiveness Test 20. Farmland Solar Cost-Effectiveness Test 21. Brewster Solar Cost-Effectiveness Test 22. Wimauma 3 Solar Cost-Effectiveness Test

Witness	Proffered By		Description
Chip Whitworth	TECO	CW-1	1. List of Minimum Filing Requirement Schedules Sponsored or Co-Sponsored by Chip Whitworth 2. FPSC Adjusted Reliability Trends 3. Service Area Customer Demand – Growth 4. Electric Delivery Capital Expense Summary 2022-2025 5. DOE ICE Calculator Results 6. Line Loss Reduction 7. Grid Reliability and Resilience Project Schedule 8. Service Territory Map
David Lukcic	TECO	DL-1	1. List of Minimum Filing Requirement Schedules Sponsored or Co-Sponsored by David Lukcic 2. Operation Technology Capital Expense Summary 2022-2025
Christopher Heck	TECO	CH-1	1. List of Minimum Filing Requirement Schedules Sponsored or Co-Sponsored by Chris Heck 2. Information Technology Capital Expense Summary 2022-2025
Marian Cacciatore	TECO	MC-1	1. List of Minimum Filing Requirement Schedules Sponsored or Co-Sponsored by Marian Cacciatore 2. Employee Count Total by Function (2021-2025) 3. IBEW and OPEIU Historical Base Wage Adjustments (2021-2023) 4. Total Annual Compensation Analysis for Exempt and Non-Covered/Non-Exempt Benchmarked Positions (2022-2023) 5. Merit Budget History – Exempt (2021-2023) 6. Merit Budget History – Non-Covered/Non-Exempt (2021-2023) 7. Utility Comparison – Total

Witness	Proffered By		Description
			Salaries and Wages as a Percent of Operations and Maintenance Expense (2023) 8. Tampa Electric Benefits Package Description 9. 2023 Benefits Valuation Analysis ("BVA") 10. Mercer – Average Annual Health Benefits Cost Per Employee (2021-2023)
Lori Cifuentes	TECO	LC-1	1. List of Minimum Filing Requirement Schedules Sponsored or Co-Sponsored by Lori Cifuentes 2. Comparison of 2021 Forecast Versus Current Forecasts of Customer Growth and Energy Sales 3. Economic Assumptions Average Annual Growth Rate 4. Billing Cycle Based Degree Days 5. Customer Forecast 6. Per-Customer Energy Consumption 7. Retail Energy Sales 8. Per-Customer Peak Demand 9. Peak Demand 10. Firm Peak Demand 11. Firm Peak Load Factor
Ned Allis	TECO	NA-1	1. List of Minimum Filing Requirement Schedules sponsored or co-sponsored by Ned Allis on behalf of Tampa Electric Company 2. 2023 Depreciation Study 3. List of Cases in which Ned Allis Submitted Testimony 4. Summaries of Depreciation Accruals Using Existing and Proposed Depreciation Rates

Witness	Proffered By		Description
Jeff Kopp	TECO	JK-1	1. Decommissioning Cost Estimate Study 2. Resume of Jeffrey Kopp 3. List of Proceedings in which Mr. Kopp has Submitted Testimony
Dylan D'Ascendis	TECO	DWD-1	1. Resume and Testimony Listing of Dylan W. D'Ascendis 2. Summary of Common Equity Cost Rate 3. Financial Profile of Tampa Electric Company and the Utility Proxy Group 4. Application of the Discounted Cash Flow Model 5. Application of the Risk Premium Model 6. Application of the Capital Asset Pricing Model 7. Basis of Selection for the Non-Price Regulated Companies Comparable in Total Risk to the Utility Proxy Group 8. Application of Cost of Common Equity Models to the Non-Price Regulated Proxy Group 9. Derivation of the Flotation Cost Adjustment to the Cost of Common Equity 10. Derivation of the Indicated Size Premium for Tampa Electric Company Relative to the Utility Proxy Group 11. Service Area Maps for Tampa Electric and the Utility Proxy Group 12. National Risk Index of Utility Proxy Group and Tampa Electric Company 13. Comparison of Projected Capital Expenditures Relative to Net Plant 14. Fama and French – Figure 2 15. Referenced Endnotes for the

Witness	Proffered By		Description
			Prepared Direct Testimony of Dylan W. D'Ascendis
John Heisey	TECO	JH-1	1. Asset Optimization Mechanism Results 2018-2023
Valerie Strickland	TECO	VS-1	1. List of Minimum Filing Requirement Schedules Sponsored or Co-Sponsored by Valerie Strickland 2. Calculation of 2025 PTC Revenue Requirement Impact and Proposed Amortization of Deferred PTC Benefit 3. Calculation of IRC Required Deferred Income Tax Adjustment
Jeff Chronister	TECO	JC-1	1. List of Minimum Filing Requirement Schedules Sponsored or Co-Sponsored by Jeff Chronister 2. Final Order No. PSC-2021-0423-S-EI Approving 2021 Stipulation Settlement Agreement (without Attachment C – Tariffs)
Jeff Chronister Vol. II	TECO	JC-2	1. List of Minimum Filing Requirement Schedules Sponsored or Co-Sponsored by Richard Latta (now Chronister II) 2. 2019 – 2025 Budgeted Versus Actual Jurisdictional Adjusted Rate Base 3. 2022-2025 Total Company Capital Investments 4. 2022-2025 O&M Expense 5. 2026 and 2027 Subsequent Year Adjustment (SYA) Details
Ashley Sizemore	TECO	AS-1	1. CETM Schedules for the period 2022 through 2024 2. CETM True Up for 2025 3. CETM Factors for 2025

Witness	Proffered By		Description
Jordan Williams	TECO	JW-1	1. List of Minimum Filing Requirement Schedules Sponsored or Co-Sponsored By Jordan Williams
David Dismukes, Ph.D.	OPC	DED-1	Base Revenue Impact
David Dismukes, Ph.D.	OPC	DED-2	Out-Of-Model Adjustments
David Dismukes, Ph.D.	OPC	DED-3	Company Energy Sales and Customer Forecasts
David Dismukes, Ph.D.	OPC	DED-4	Revised Sales Forecast Based on a Ten-Year Trend
David Dismukes, Ph.D.	OPC	DED-5	Usage Per Customer Utility Survey
David Dismukes, Ph.D.	OPC	DED-6	Forecast Variance Analysis
David Dismukes, Ph.D.	OPC	DED-7	Energy Affordability Index
Lane Kollen	OPC	LK-1	Resume of Lane Kollen
Lane Kollen	OPC	LK-2	Response to OPC ROG 1, No. 37
Lane Kollen	OPC	LK-3	Response to OPC ROG 1, No. 22, OPC POD 10, No. 125
Lane Kollen	OPC	LK-4	Response to OPC ROG 9, No. 167
Lane Kollen	OPC	LK-5	Response to OPC ROG 1, Nos. 15 & 16
Lane Kollen	OPC	LK-6	Response to OPC ROG 1, No. 17
Lane Kollen	OPC	LK-7	Response to OPC ROG 1, No. 34
Lane Kollen	OPC	LK-8	Response to OPC ROG 2, No. 56
Lane Kollen	OPC	LK-9	Santee Cooper IRP
Lane Kollen	OPC	LK-10	Lazard Report
Lane Kollen	OPC	LK-11	Response to OPC ROG 4, No. 90
Lane Kollen	OPC	LK-12	Response to OPC ROG 4, No. 89

Witness	Proffered By		Description
Lane Kollen	OPC	LK-13	2.19.24 Letter to Commission
Lane Kollen	OPC	LK-14	Response to OPC ROG 4. No. 91
Lane Kollen	OPC	LK-15	Response to OPC ROG 4, No. 83
Lane Kollen	OPC	LK-16	SPP Gross-Up Calculation
Kevin J. Mara, P.E.	OPC	KJM-1	Curriculum Vitae
Kevin J. Mara, P.E.	OPC	KJM-2	Grip Reliability and Resiliency Budgets 2024-2030
Bion C. Ostrander	OPC	BCO-1	Regulatory Cases
Bion C. Ostrander	OPC	BCO-2	OPC Adjustment to Affiliate Expenses
Bion C. Ostrander	OPC	BCO-3	TECO Discovery Responses
J. Randall Woolridge, Ph.D.	OPC	JRW-1	Cost of Capital Recommendation
J. Randall Woolridge, Ph.D.	OPC	JRW-2	Public Utility Capital Cost Indicators
J. Randall Woolridge, Ph.D.	OPC	JRW-3	Summary Financial Statistics for Proxy Groups, Value Line Risk Metrics for Proxy Groups
J. Randall Woolridge, Ph.D.	OPC	JRW-4	Capital Structure and Debt Cost Rates
J. Randall Woolridge, Ph.D.	OPC	JRW-5	DCF Study
J. Randall Woolridge, Ph.D.	OPC	JRW-6	CAPM Study
J. Randall Woolridge, Ph.D.	OPC	JRW-7	Tampa Electric Company’s Rate of Return Recommendation
J. Randall Woolridge, Ph.D.	OPC	JRW-8	Investment Firms’ Expected U.S. Large Cap Equity Market Annual Returns
J. Randall Woolridge, Ph.D.	OPC	JRW-9	GDP and S&P 500 Growth Rates

Witness	Proffered By		Description
Karl Rábago	FL Rising/ LULAC	KRR-1	Karl R. Rábago Resume
Karl Rábago	FL Rising/ LULAC	KRR-2	Rábago List of Prior Testimony
Karl Rábago	FL Rising/ LULAC	KRR-3	12 CP & 50% AD COS w/o Rev Def
Karl Rábago	FL Rising/ LULAC	KRR-4	12 CP & 50% AD COS w Rev Def
Karl Rábago	FL Rising/ LULAC	KRR-5	Residential Proposed Rates
MacKenzie Marcelin	FL Rising/ LULAC	MM-1	2023 Utility Average Monthly Bill
MacKenzie Marcelin	FL Rising/ LULAC	MM-2	TECO Answers to 1st RFAs
MacKenzie Marcelin	FL Rising/ LULAC	MM-3	SACE EE in the SE
MacKenzie Marcelin	FL Rising/ LULAC	MM-4	Utility Energy Efficiency Performance
MacKenzie Marcelin	FL Rising/ LULAC	MM-5	TECO EE Spending
Jeff Pollock	FIPUG	JP-1	Authorized Return on Equity for Vertically Integrated Electric Utilities In Rate Cases Decided in 2023 and 2024
Jeff Pollock	FIPUG	JP-2	Monthly System Peaks as a Percent of the Annual System Peak
Jeff Pollock	FIPUG	JP-3	TECO's Response to Staff's Sixth Set of Data Requests in Docket No. 20210034-EI
Jeff Pollock	FIPUG	JP-4	FIPUG's Revised Class Cost-of-Service Study

Witness	Proffered By		Description
Jeff Pollock	FIPUG	JP-5	Class Revenue Allocation Based on FIPUG's Revised Class Cost-of-Service Study
Jeff Pollock	FIPUG	JP-6	2025 Marginal Energy Costs by Hour by Month
Jonathan Ly	FIPUG	JL-1	Summary of TECO's Future Solar Projects Cost-Effectiveness Analysis
Jonathan Ly	FIPUG	JL-2	Comparison of Natural Gas Forecasts
Jonathan Ly	FIPUG	JL-3	Comparison of EIA Reference Case Henry Hub Natural Gas Price Forecasts
Christopher C. Walters	FEA	CCW-1	Valuation Metrics
Christopher C. Walters	FEA	CCW-2	Proxy Group
Christopher C. Walters	FEA	CCW-3	Consensus Analysts' Growth Rates
Christopher C. Walters	FEA	CCW-4	Constant Growth DCF Model – Consensus Analysts Growth Rates
Christopher C. Walters	FEA	CCW-5	Payout Ratios
Christopher C. Walters	FEA	CCW-6	Sustainable Growth Rate
Christopher C. Walters	FEA	CCW-7	Constant Growth DCF Model – Sustainable Growth Rate
Christopher C. Walters	FEA	CCW-8	Multi-Stage Growth DCF Model
Christopher C. Walters	FEA	CCW-9	Common Stock Market/Book Ratio
Christopher C. Walters	FEA	CCW-10	Equity Risk Premium – Treasury Bond
Christopher C. Walters	FEA	CCW-11	Equity Risk Premium – Utility Bond
Christopher C. Walters	FEA	CCW-12	Bond Yield Spreads
Christopher C. Walters	FEA	CCW-13	Treasury and Utility Bond Yields

Witness	Proffered By		Description
Christopher C. Walters	FEA	CCW-14	Beta Analysis
Christopher C. Walters	FEA	CCW-15	CAPM Return
Brian C. Andrews	FEA	BCA-1	Account 312 Life Analysis
Brian C. Andrews	FEA	BCA-2	Account 341 Life Analysis
Brian C. Andrews	FEA	BCA-3	Account 342 Life Analysis
Brian C. Andrews	FEA	BCA-4	Account 343 Life Analysis
Brian C. Andrews	FEA	BCA-5	Select TD&G Account Net Salvage Analyses
Brian C. Andrews	FEA	BCA-6	FEA Proposed Depreciation Rates
Brian C. Andrews	FEA	BCA-7	Comparison of TECO and FEA Depreciation Rates and Expense
Devi Glick	Sierra Club	DG-1	Resume of Devi Glick
Devi Glick	Sierra Club	DG-2	TECO response to Sierra Club 1st IRRs
Devi Glick	Sierra Club	DG-3	TECO response to Sierra Club 2nd IRRs
Devi Glick	Sierra Club	DG-4	TECO response to Sierra Club 3rd IRRs
Devi Glick	Sierra Club	DG-5	TECO Ten-Year Site Plan, January 2024 – December 2033
Devi Glick	Sierra Club	DG-6	U.S. Department of Energy and Tampa Electric Company. 2000. *The Tampa Electric Integrated Gasification Combined-Cycle Project: An Update*. Topical Report Number 19
Devi Glick	Sierra Club	DG-7	TECO response to SC IRR 1-8, Attachment (BS 28921) 2018 – 2023 GFP.xlsx

Witness	Proffered By		Description
Devi Glick	Sierra Club	DG-8	TECO response to SC IRR 31, Attachment (BS 28967) Sierra Club 1st Set 2024 - 2033 Firm Generators and RM IRR Q31
Devi Glick	Sierra Club	DG-9	EPA Memorandum, Steam Electric Rulemaking Record – EPA-HQ-OW-2009-0819. Unit-Level Costs and Loadings Estimates for the 2024 Final Rule (DCN SE11756A1), April 22, 2024
Devi Glick	Sierra Club	DG-10	EPA Memorandum, Steam Electric Rulemaking Record – EPA-HQ-OW-2009-0819. Generating Unit-Level Costs and Loadings Estimates by Regulatory Option for the 2024 Final Rule (DCN SE11756), April 22, 2024
Devi Glick	Sierra Club	DG-11	NERC, 2023 State of Reliability Technical Assessment, June 2023
Devi Glick	Sierra Club	DG-12	TECO response to SC IRR 8, Attachment (BS 28923) 2019 - 2023 Factor and Rates
Devi Glick	Sierra Club	DG-13	Schlissel, D. 2017. *Using Coal Gasification to Generate Electricity: A Multibillion-Dollar Failure*. Institute for Energy Economics and Financial Analysis
Devi Glick	Sierra Club	DG-14	U.S. EPA. 2024 Update to the 2023 Proposed Technology Review for the Coal- and Oil-Fired EGU Source Category (2024 Technical Memo), Attachment 1
Devi Glick	Sierra Club	DG-15	Duke Energy, “Appendix F: Coal Retirement Analysis,” 2023 Carolinas Resources Plan

Witness	Proffered By		Description
Devi Glick	Sierra Club	DG-16	Institute for Energy Economics and Financial Analysis, "Coal Use at U.S. Power Plants Continues Downward Spiral; Full Impact on Mines to be Felt in 2024," Nov. 2, 2023
Devi Glick	Sierra Club	DG-17	Earthjustice, "Toxic Coal Ash in Florida: Addressing Coal Plants' Hazardous Legacy," May 3, 2023
Devi Glick	Sierra Club	DG-18	U.S. Department of Energy, Loan Programs Office, Program Guidance for Title 17 Clean Energy Financing Program, May 19, 2023
Devi Glick	Sierra Club	DG-19	C. Fong, D. Posner, and U. Veradarajan, "The Energy Infrastructure Reinvestment Program: Federal financing for an equitable, clean economy," RMI, February 16, 2024
Devi Glick	Sierra Club	DG-20	C. Fong, D. Posner, and U. Varadarajan, "Maximizing the value of the energy infrastructure reinvestment program for utility customers," RMI, May 24, 2024
Steve W. Chriss	FRF Walmart	SWC-1	Qualifications of Steve W. Chriss
Steve W. Chriss	FRF Walmart	SWC-2	Impact of TECO's Proposed Increase in Return on Equity ($000) vs. Originally Approved
Steve W. Chriss	FRF Walmart	SWC-3	Impact of TECO's Proposed Increase in Return on Equity ($000) vs. ROE Trigger
Steve W. Chriss	FRF Walmart	SWC-4	Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed, 2021 to Present

Witness	Proffered By		Description
Steve W. Chriss	FRF Walmart	SWC-5	Impact of TECO's Proposed Increase in Return on Equity ($000) vs. National Average, Vertically Integrated.
Tomer Kopelovich	Staff	TK-1	Revised Auditor's Report
Angela L. Calhoun	Staff	ALC-1	List of Service Complaints
Angela L. Calhoun	Staff	ALC-2	List of Billing Complaints (amended pages)
Angela L. Calhoun	Staff	ALC-3	List of Warm Transfers
Rebuttal			
Carlos Aldazabal	TECO	CA-2	1. Tampa Electric's Answer to OPC's First Set of Interrogatories, No. 37 2. 2022 Fuel Savings Associated with Using Coal
Kris Stryker	TECO	KS-2	1. NREL: Best Practices Handbook for the Collection and Use of Solar Resource Data for Solar Energy Applications: Second Edition
Jose Aponte	TECO	JA-2	1. Low Fuel Forecast Solar Cost-Effectiveness Test 2. High Fuel Forecast Solar Cost-Effectiveness Test 3. Solar Cost-Effectiveness Test Capacity Factor Sensitivity
Chip Whitworth	TECO	CW-2	1. Historical Transformer Failures 2. Historical Transformer Purchases 3. Order No. PSC-2020-0224-AS-EI

Witness	Proffered By		Description
Lori Cifuentes	TECO	LC-2	1. Detailed Calculations of Energy Efficiency Out-of-Model Adjustments 2. Detailed Calculations of Electric Vehicle Charging Out-of-Model Adjustments 3. Detailed Calculations of Private Rooftop Solar Out-of-Model Adjustments 4. Florida Utilities 2010-2027 Residential Usage Per-Customer Growth Trends 5. Florida Utilities – Usage Per-Customer Utility Survey 6. Historical Forecast Accuracy 7. Total Retail Energy Sale (June 2023 - May 2024)
Ned Allis	TECO	NA-2	1. Document No. 1 2. Document No. 2 3. Document No. 3
Dylan D'Ascendis	TECO	DWD-2	1. Updated ROE Analysis 2. D'Ascendis Indicated Return Histogram 3. Retention Ratio Regression Analysis 4. Growth Rate Regression Analysis 5. Dr. Woolridge Corrected DCF Results 6. Comparison of Market Return Measures 7. Hypothetical Example: Flotation Cost Recovery 8. Observed Market Returns and Frequency Distributions of Observed Market Returns (1926-2023) 9. Historical Market Returns (2014-2023) 10. Safety Ranking Analysis for Utility Proxy Group and Non-Regulated Proxy Group 11. Walters Indicated Return

Witness	Proffered By		Description
			Histogram 12. Electric Rate Case Common Equity Ratios (2016-2024) 13. Gross Domestic Product by Industry 14. Market-to-Book Ratios, Earnings to Book Ratios and Inflation for S&P Industrial Index and the S&P 500 Composite Index (1947-2023) 15. Walters Corrected Risk Premium Model 16. Walters' Market DCF Exclusions Summary 17, Walters Corrected CAPM 18. Rate Adjustment Clauses Allowed For Electric Proxy Group Companies 19. Referenced Endnotes for the Prepared Direct Testimony of Dylan W. D'Ascendis
John Heisey	TECO	JH-2	1. Average Natural Gas Forecast at Henry Hub 2. LNG Export Growth 3. Data Center Growth
Valerie Strickland	TECO	VS-2	1. 3-year life – Battery Storage ITC – 2025 Test Year 2. 3-year life – Battery Storage ITC – SYA 2026 and 2027
Jeff Chronister	TECO	JC-3	1. Notice of Substitution of Witness 2. Dismantlement Calculations 3. Audit Finding Responses

Witness	Proffered By		Description
Jordan Williams	TECO	JW-2	1. TECO_TOD_Workpapers Marginal Energy Costs 2. 2024 Ten Year Site Plan Marginal Energy Costs 3. GSLDTPR Demand Percentage 4. EIA Home Heating Source 5. EIA Whole Home Energy Costs 6. EIA State Data 7. Energy Burden Chart 8. Composite Notice

X. PROPOSED STIPULATIONS

There are no proposed stipulations at this time.

XI. PENDING MOTIONS

During this Prehearing Conference, OPC made an *ore tenus* Motion Requesting Extension of Time to Provide Exhibits. OPC argues that it lost a few days time to prepare cross-examination exhibits due to Hurricane Debby. OPC states that providing additional time to comply will allow it to focus more and will translate into a reduction of extraneous documents marked as exhibits.

In light of the delay caused by Hurricane Debby and the benefits articulated by OPC, I find there is good cause to modify the OEP, Order No. PSC-2024-0096-PCO-EI, and set a new Provision of Exhibits deadline. With the exception of deposition transcripts used for impeachment exhibits, which will be discussed further below, all cross-examination, demonstrative, and impeachment exhibits, except for deposition transcripts, shall be exchanged between the parties and Staff by the close of business on Thursday, August 15, 2024, using the process set out in the OEP.

Deposition transcripts *used for impeachment purposes only* are no longer required to be exchanged between the parties and Staff. Deposition transcripts that are used for impeachment purposes will not be loaded into Case Center. Section VII, Part I, of the OEP, still applies to those deposition transcripts that parties seek to admit into the record.

In addition, it appears questions remain concerning the Provision of Exhibits requirements of the OEP. By Section VII, Part G, of the OEP, the Commission intended to require all parties and Staff to exchange exhibits prior to the hearing so that all hearing participants are on notice of all exhibits to be used during the hearing. Notice prior to the hearing remains the intent and is the reason for the Exhibit List required by Section VII, Part G, of the OEP.

The following clarifications are offered to assist the parties in preparing for the final hearing:

- Parties may use the exhibits identified by Staff on the Comprehensive Exhibit List (CEL) for cross-examination purposes without listing them on the party's exhibit list or exchanging the exhibit with the other parties. Thus, for example, a Staff Exhibit on the CEL may be used by any party, and should not be duplicated on another party's exhibit list or provided in the exchange if the party intends to use that previously identified exhibit.
- All hearing participants are already on notice of all prefiled testimony and exhibits. Thus, no prefiled testimony or prefiled exhibits should be listed on any party's exhibit list or exchanged.
- Parties are not required to submit an exhibit in Excel format if you are satisfied that a witness can view the PDF conversion of the spreadsheet; please check the PDF version to ensure legibility. However, if an Excel spreadsheet is submitted in native format, the party must also submit a PDF conversion of the exhibit using the same exhibit name. (i.e., OPC-1 Short Title.pdf and OPC-1 Short Title.xls).
- Parties are not required to create a separate PDF file or exhibit for each Interrogatory response. Several responses and attachments can be combined into one PDF document and submit it as one composite exhibit. If a party submits an attachment separately, the attachment must be numbered as a separate exhibit.
- The exchange of cross-examination exhibits prior to hearing is consistent with Florida law and is to afford due process to all parties by avoiding "trial by surprise." The Commission expects all parties to respect the process by being judicious about the cross-examination exhibits provided. Parties should have a reasonable, good faith expectation of using the exhibit during the hearing.

After the Prehearing Conference, on August 9, 2024, OPC filed a Motion and Notice of Intent to Seek Official Recognition.

XII. PENDING CONFIDENTIALITY MATTERS

TECO

Date Filed	Type	Subject Matter
April 11, 2024	MTPO	OPC's 1st IRR & 1st POD
April 17, 2024	MTPO	OPC's 2nd IRR & 2nd POD
April 19, 2024	MTPO	OPC's 2nd IRR & 2nd POD
April 22, 2024	RCC & MTPO	OPC's 2nd POD
April 22, 2024	MTPO	OPC's 1st POD
April 26, 2024	RCC & MTPO	OPC's 1st IRR & 1st POD

April 30, 2024	RCC & MTPO	OPC’s 1st POD
May 2, 2024 *Amended August 2, 2024*	RCC & MTPO	LULAC’s 1st POD
May 8, 2024	RCC & MTPO	OPC’s 6th POD
May 13, 2024	MTPO	OPC’s 4th POD
May 13, 2024	RCC	OPC’s 4th POD
May 20, 2024	RCC & MTPO	OPC’s 10th POD
July 1, 2024	*Amended* RCC & MTPO	OPC’s 1st POD
July 1, 2024	*Amended* RCC & MTPO	OPC’s 10th IRR & 11th POD
July 12, 2024	RCC & MTPO	LULAC’s 9th POD
July 22, 2024	RCC & MTPO	John C. Heisey's Exhibit JCH-1, page 3 of 3, for the period January 2023 – December 2023, filed on April 3, 2024, in Docket No. 20240001-EI
July 26, 2024	MTPO	July 22, 2024, Deposition Transcript of Carlos Aldazabal
July 29, 2024	MTPO	July 26, 2024, Deposition Transcript of Archie Collins
July 30, 2024	RCC & MTPO	Late Filed Exhibit No. 2 to the Deposition Transcript of Archie Collins
July 31, 2024	RCC & MTPO	Late Filed Exhibit No. 2 to the Deposition Transcript of David Lukcic
August 1, 2024	RCC	July 22, 2024, Deposition Transcript of Carlos Aldazabal
August 2, 2024	RCC & MTPO	LULAC’s 1st POD Amended Exhibit A
August 8, 2024	RCC & MTPO	Exhibits 1 & 2 to the Report on Customer Services Hearings

XIII. POST-HEARING PROCEDURES

If no bench decision is made, each party shall file a post-hearing statement of issues and positions. A summary of each position, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of this Prehearing Order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 75 words, it must be reduced to no more than 75 words. If a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

Pursuant to Rule 28-106.215, F.A.C., a party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 75 pages and shall be filed at the same time.

XIV. RULINGS

Opening statements, if any, shall not exceed five minutes per party.

Witness summary testimonies shall not exceed seven minutes total, for both direct and rebuttal combined.

The Provision of Exhibits deadline contained in Section X of the Order Establishing Procedure and Consolidating Dockets, Order No. PSC-2024-0096-PCO-EI, is extended to August 15, 2024, by close-of-business.

It is therefore,

ORDERED by Commissioner Gary F. Clark, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Commissioner Gary F. Clark, as Prehearing Officer, this 14th day of August, 2024.

GARY F. CLARK
Commissioner and Prehearing Officer
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

CMM

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural, or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas, or telephone utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural, or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.