

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: April 25, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Engineering (P. Buys, King, Ramos) *TB*
Division of Economics (Hampson) *CH*
Office of the General Counsel (Sparks, Harper, Marquez) *ACH*

RE: Docket No. 20240026-EI – Petition for rate increase by Tampa Electric Company.

AGENDA: 05/07/24 – Regular Agenda – Tariff Suspension - Participation is at the discretion of the Commission

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Clark

CRITICAL DATES: 06/03/2024 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

Case Background

On April 2, 2024, Tampa Electric Company (TECO or Company) filed its petition for a permanent rate increase. TECO provides electric service to approximately 844,000 customers in Hillsborough and portions of Polk, Pasco, and Pinellas counties.

TECO has requested a \$297 million increase in its general base rates and charges, effective January 1, 2025. In addition, the Company requested incremental rate increases in the amounts of \$100 million, effective January 1, 2026, and \$72 million, effective January 1, 2027. TECO requested that it also be allowed a return on common equity (ROE) of 11.5 percent.

The Company based its requests on a projected test period of January 1, 2025, through December 31, 2025. TECO did not request interim rate relief.

TECO's last base rate hearing was in 2021. In that case, the Commission approved a settlement, which allowed a total base rate increase of approximately \$233 million, including \$123 million in 2022, \$90 million generation base rate adjustment (GBRA) in 2023, and \$21 million GBRA in 2024.¹

On February 26, 2024, the Commission acknowledged the Office of Public Counsel's Notice of Intervention in this proceeding.² On April 23, 2024, the Commission also acknowledged the Intervention of the following parties: Florida Industrial Power Users Group, Federal Executive Agencies, Florida Retail Federation, Florida Rising, League of United Latin American Citizens of Florida, and Sierra Club.³ Additionally, on April 24, 2024, Americans for Affordable Clean Energy, Inc., Circle K Stores, Inc., RaceTrac, Inc., and Wawa, Inc. petitioned the Commission to intervene in this proceeding.⁴ This recommendation addresses the suspension of the requested permanent rate increase and all associated tariff revisions. The Commission has jurisdiction over this matter pursuant to Section 366.06, Florida Statutes (F.S.).

¹ Order No. PSC-2021-0423-S-EI, issued November 10, 2021, in Docket No. 20210034-EI, *In re: Petition for rate increase by Tampa Electric Company*.

² Order No. PSC-2024-0048-PCO-EI, issued February 26, 2024, in Docket No. 20240026-EI, *In re: Petition for rate increase by Tampa Electric Company*.

³ Order Nos. PSC-2024-0121-PCO-EI, PSC-2024-0122-PCO-EI, PSC-2024-0123-PCO-EI, PSC-2024-0124-PCO-EI, and PSC-2024-0125-PCO-EI, issued April 23, 2024, in Docket No. 20240026-EI, *In re: Petition for rate increase by Tampa Electric Company*.

⁴ See Document No. 02357-2024.

Discussion of Issues

Issue 1: Should Tampa Electric Company's proposed tariffs to implement the request for a permanent increase in rates and charges be suspended?

Recommendation: Yes. Staff recommends that TECO's proposed tariffs be suspended to allow staff and the parties time to analyze the request and for the Commission to conduct an administrative hearing. (Hampson, P. Buys)

Staff Analysis: Pursuant to Section 366.06(3), F.S. the Commission may withhold consent to the operation of all or any portion of a new rate schedule, delivering to the utility requesting such a change, a reason, or written statement of good cause for doing so within 60 days. Staff recommends that allowing staff and the parties time to analyze the request and for the Commission to conduct an administrative hearing is a good cause consistent with the requirement of Section 366.06(3), F.S.

Issue 2: Should this docket be closed?

Recommendation: No. This docket should remain open to process the Company's revenue increase request. (Sparks)

Staff Analysis: This docket should remain open pending the Commission's final resolution of the Company's requested permanent base rate increase.