

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: August 25, 2025

TO: Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

FROM: Lynn Deamer, Bureau Chief, Office of Auditing & Performance Analysis *LD*

RE: Docket No.: 20250001-EI
Company Name: Tampa Electric Company
Company Code: EI806
Audit Purpose: A3a: Capacity Cost Recovery Clause
Audit Control No.: 2025-003-1-6

Attached is the final audit report for the Utility stated above, I am sending the Utility a copy of this memo and the audit report. If the Utility desires to file a response to the audit report, it should send a response to the Office of the Commission Clerk. There are confidential work papers associated with this audit.

Attachment: Audit Report

Cc: Office of Auditing & Performance Analysis

State of Florida



Public Service Commission

Office of Auditing and Performance Analysis
Bureau of Auditing

Auditor's Report

Tampa Electric Company
Capacity Cost Recovery Clause

Twelve Months Period Ended December 31, 2024

Docket No. 20250001-EI
Audit Control No. 2025-003-1-6
August 20, 2025

A handwritten signature in blue ink, appearing to read "Jenna Ageeb", is written over a horizontal line.

Jenna Ageeb
Audit Manager

A handwritten signature in blue ink, appearing to read "Lynn Deamer", is written over a horizontal line.

Lynn Deamer
Audit Reviewer

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Purpose

To: Florida Public Service Commission

We have performed the procedures described later in this report to meet the objectives set forth by the Division of Accounting & Finance in its audit service request dated January 2, 2025. We have applied these procedures to the attached summary exhibit and to several related schedules prepared by Tampa Electric Company in support of its 2024 filing for the Capacity Cost Recovery Clause in Docket No. 20250001-EI.

The report is intended only for internal Commission use.

Objectives and Procedures

General

Definition

Company refers to the Tampa Electric Company.
CCRC refers to the Capacity Cost Recovery Clause.

Revenue

Operating Revenues

Objectives: The objectives were to determine the actual Kilowatt Hours (kWh) sold for the period January 1, 2024, through December 31, 2024, and whether Tampa Electric Company applied the Commission- approved cost recovery factor to actual kWh sales for the CCRC.

Procedures: We reconciled the 2024 filing to the Company's monthly revenue reports and the general ledger. We computed the factors by rate code and compared them to Commission Order No. PSC-2023-0343-FOF-EI, issued November 16, 2023, in Docket No. 20230001-EI. No exceptions were noted

Transmission Revenues

Objectives: The objective was to determine whether Transmission Revenues derived from the non-separated, non-energy broker network, wholesale energy sales were credited to the CCRC per Commission Order No. PSC-1999-2512-FOF-EI, issued December 22, 1999.

Procedures: We verified that Transmission Revenues were a net component of capacity costs recorded in the CCRC by reconciling the Utility's Capacity Purchases and Capacity Sales Detail Schedules for the months of April and September 2024 to the invoices and other supporting documentation and to Schedule A12. No exceptions were noted.

Expense

Purchased Power Contracts

Objectives: The objectives were to determine whether the capacity charges listed on the Company's filing were supported by adequate documentation and that the capacity charges were appropriately recoverable through the CCRC.

Procedures: We traced expenses in the filing to the general ledger. We judgementally selected a sample of capacity charges for testing. The source documentation for selected items was reviewed to ensure the expense was related to the CCRC and that the expense was charged to the correct accounts. No exceptions were noted.

Incremental Security Cost

Objectives: The objective was to verify that there were no incremental security or cyber security costs recovered through the CCRC.

Procedures: We requested the Company show that no incremental or cyber security costs were recovered through the CCRC. We determined that the Company did not have any incremental security or cyber security costs and no exceptions were noted.

Other

Objectives: The objective was to verify that the revenue expansion factor applied to any capital investment being recovered through the CCRC did not contain a component for bad debt expense.

Procedures: We obtained a written statement from the Company to verify that the revenue expansion factor applied to any capital investment being recovered through the clause does not contain a component for bad debt expense.

True-up

Objectives: The objective was to determine if the True-Up and Interest Provision, as filed, was properly calculated

Procedures: We traced the December 31, 2023, True-Up Provision to the Commission Order. We recalculated the True-Up and Interest Provision amounts as of December 31, 2024, using the Commission-approved beginning balance as of December 31, 2023, the Financial Commercial Paper rates, and the 2024 CCRC revenues and costs. No exceptions were noted.

Analytical Review

Objective: The objective was to perform an analytical review of the Company's CCRC Revenues and Expenses to determine if there were any material changes or inconsistencies from the prior year.

Procedures: We compared 2024 revenues and expenses to 2023. We requested explanations from the Company for any significant changes to revenues and expenses. The Company-provided explanations provided were sufficient and further follow-up was not required.

Audit Findings

None

Exhibit

Exhibit 1: True Up

TAMPA ELECTRIC COMPANY
CAPACITY COST RECOVERY CLAUSE
CALCULATION OF FINAL TRUE-UP AMOUNT
FOR THE PERIOD JANUARY 2024 THROUGH DECEMBER 2024

	Actual Jan-24	Actual Feb-24	Actual Mar-24	Actual Apr-24	Actual May-24	Actual Jun-24	Actual Jul-24	Actual Aug-24	Actual Sep-24	Actual Oct-24	Actual Nov-24	Actual Dec-24	Total
1 UNIT POWER CAPACITY CHARGES	2,350,611	2,114,901	221,863	435,322	3,361,689	2,633,188	2,091,091	1,734,399	1,964,976	1,767,997	1,918,790	2,670,163	23,265,080
2 CAPACITY PAYMENTS TO COGENERATORS	0	0	0	0	0	0	0	0	0	0	0	0	0
3 SCHEDULE J.D. & EMERG CAPACITY CHARGES	0	0	0	0	0	0	0	0	0	0	0	0	0
4 INCREMENTAL SECURITY O&M COSTS	0	0	0	0	0	0	0	0	0	0	0	0	0
5 (CAPACITY REVENUES)	(382,938)	(63,044)	(54,734)	(54,103)	(57,915)	(152,646)	(616,857)	(166,279)	(96,557)	(80,597)	(74,740)	(51,503)	(1,891,913)
6 TOTAL CAPACITY DOLLARS	1,967,673	2,021,857	167,219	381,219	3,293,774	2,480,542	1,474,234	1,568,120	1,868,419	1,687,400	1,844,050	2,618,660	21,373,167
7 JURISDICTIONAL PERCENTAGE	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	
8 JURISDICTIONAL CAPACITY DOLLARS	1,967,673	2,021,857	167,219	381,219	3,293,774	2,480,542	1,474,234	1,568,120	1,868,419	1,687,400	1,844,050	2,618,660	21,373,167
9 CAPACITY COST RECOVERY REVENUES (Net of Revenue Taxes)	784,053	767,684	748,545	799,686	908,368	1,118,164	1,115,935	1,103,787	1,150,750	1,007,855	873,061	820,226	11,203,114
10 PRIOR PERIOD TRUE-UP PROVISION	(618,242)	(618,242)	(618,242)	(618,242)	(618,242)	(618,242)	(618,242)	(618,242)	(618,242)	(618,242)	(618,242)	(618,242)	(7,418,904)
11 CAPACITY COST RECOVERY REVENUES APPLICABLE TO CURRENT PERIOD (Net of Revenue Taxes)	165,811	149,442	130,303	181,444	290,126	499,922	497,693	490,545	532,508	389,613	254,819	201,984	3,784,210
12 TRUE-UP PROVISION FOR PERIOD OVER/(UNDER) RECOVERY (Line 11 - Line 8)	(1,801,862)	(1,872,415)	(36,916)	(199,775)	(3,003,648)	(1,980,620)	(978,541)	(1,077,575)	(1,335,911)	(1,297,787)	(1,589,231)	(2,418,678)	(17,588,957)
13 INTEREST PROVISION FOR PERIOD	(44,052)	(49,449)	(51,159)	(49,393)	(53,858)	(62,146)	(66,223)	(67,704)	(68,000)	(68,028)	(69,140)	(71,719)	(720,881)
14a OTHER ADJUSTMENT-	0	0	0	0	0	0	0	0	0	0	0	0	0
14b OTHER ADJUSTMENT	0	0	0	0	0	0	0	0	0	0	0	0	0
15 TRUE-UP AND INT. PROVISION BEGINNING OF PERIOD - OVER/(UNDER) RECOVERY	(9,307,569)	(10,535,241)	(11,838,863)	(11,308,696)	(10,939,622)	(13,378,897)	(14,803,421)	(15,227,943)	(15,754,980)	(16,540,649)	(17,288,222)	(18,328,350)	(9,307,569)
17 PRIOR PERIOD TRUE-UP PROVISION COLLECTED/(REFUNDED) THIS PERIOD	618,242	618,242	618,242	618,242	618,242	618,242	618,242	618,242	618,242	618,242	618,242	618,242	7,418,904
18 END OF PERIOD TRUE-UP - OVER/(UNDER) RECOVERY (SUM OF LINES 12 - 17)	(10,535,241)	(11,838,863)	(11,308,696)	(10,939,622)	(13,378,897)	(14,803,421)	(15,227,943)	(15,754,980)	(16,540,649)	(17,288,222)	(18,328,350)	(20,198,503)	(20,198,503)

Exhibit 2: Interest Provision

**TAMPA ELECTRIC COMPANY
CAPACITY COST RECOVERY CLAUSE
CALCULATION OF FINAL TRUE-UP AMOUNT
FOR THE PERIOD JANUARY 2024 THROUGH DECEMBER 2024**

	Actual Jan-24	Actual Feb-24	Actual Mar-24	Actual Apr-24	Actual May-24	Actual Jun-24	Actual Jul-24	Actual Aug-24	Actual Sep-24	Actual Oct-24	Actual Nov-24	Actual Dec-24	Total
1 BEGINNING TRUE-UP AMOUNT	(9,307,569)	(10,535,241)	(11,838,863)	(11,308,696)	(10,939,622)	(13,378,897)	(14,803,421)	(15,227,943)	(15,754,980)	(18,540,849)	(17,288,222)	(18,328,350)	(9,307,569)
2 ENDING TRUE-UP AMOUNT BEFORE INTEREST	(10,491,189)	(11,789,414)	(11,257,537)	(10,890,229)	(13,325,028)	(14,741,275)	(15,161,720)	(15,687,276)	(16,472,849)	(17,220,194)	(18,259,211)	(20,126,784)	(19,477,622)
3 TOTAL BEGINNING & ENDING TRUE-UP AMT (LINE 1 + LINE 2)	(19,798,758)	(22,324,655)	(23,096,400)	(22,198,925)	(24,264,650)	(28,120,172)	(29,965,141)	(30,915,219)	(32,227,629)	(33,760,843)	(35,547,433)	(38,455,134)	(28,785,191)
4 AVERAGE TRUE-UP AMOUNT (50% OF LINE 3)	(9,899,379)	(11,162,328)	(11,548,200)	(11,099,463)	(12,132,325)	(14,060,086)	(14,982,571)	(15,457,610)	(16,113,815)	(16,880,422)	(17,773,717)	(19,227,567)	(14,392,596)
5 INTEREST RATE % - 1ST DAY OF MONTH	5.340	5.340	5.290	5.330	5.340	5.310	5.300	5.310	5.210	4.910	4.750	4.580	NA
6 INTEREST RATE % - 1ST DAY OF NEXT MONTH	5.340	5.290	5.330	5.340	5.310	5.300	5.310	5.210	4.910	4.750	4.580	4.360	NA
7 TOTAL (LINE 5 + LINE 6)	10.680	10.630	10.620	10.670	10.650	10.610	10.610	10.520	10.120	9.660	9.330	8.940	NA
8 AVERAGE INTEREST RATE % (50% OF LINE 7)	5.340	5.315	5.310	5.335	5.325	5.305	5.305	5.260	5.060	4.830	4.665	4.470	NA
9 MONTHLY AVERAGE INTEREST RATE % (LINE 8/12)	0.445	0.443	0.443	0.445	0.444	0.442	0.442	0.438	0.422	0.403	0.389	0.373	NA
10 INTEREST PROVISION (LINE 4 X LINE 9)	(44,052)	(49,449)	(51,159)	(49,393)	(53,868)	(62,146)	(66,223)	(67,704)	(68,000)	(68,028)	(69,140)	(71,719)	(720,881)