

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-**

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**DATE:** August 27, 2025

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

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

**RE:** Docket No.: 20250007-EI  
Company Name: Tampa Electric Company  
Company Code: EI806  
Audit Purpose: A3d: Environmental Cost Recovery Clause (ECRC)  
Audit Control No.: 2025-037-1-3

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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 no 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  
Environmental Cost Recovery Clause

**Twelve Months Ended December 31, 2024**

Docket No. 20250007-EI

Audit Control No. 2025-037-1-3

August 25, 2025

A handwritten signature in black ink that reads "Ron Mavrides". The signature is written over a horizontal line.

Ron Mavrides  
Audit Manager

A handwritten signature in blue ink that reads "Lynn M. Deamer". The signature is written over a horizontal line.

Lynn M. Deamer  
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 Engineering in its audit service request dated January 31, 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 Environmental Cost Recovery Clause in Docket No. 20250007-EI.

The report is intended only for internal Commission use.

## Objectives and Procedures

### **General**

#### Definition

Company/TECO refers to the Tampa Electric Company.  
ECRC refers to the Environmental Cost Recovery Clause.

### **Capital Investments**

#### Capital Investments

**Objectives:** The objectives were to verify net investments associated with the following capital projects:

- 1) Project Big Bend Coal Comb CCR
- 2) Project Big Bend ELG Compliance
- 3) Project Bayside 316(b) Comp

**Procedures:** We obtained the general ledger of capital investment transactions from the Company. We recalculated the CWIP- non-interest bearing balances and capital investments for the projects, and reconciled to Form 42-8A. We judgmentally selected a sample of capital investment for each project, and traced to the supporting documentation. No exceptions were noted.

### **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 determine whether the Company applied the Commission-approved cost recovery factor to actual kWh sales for the ECRC.

**Procedures:** We recalculated the ECRC revenues from the general ledger, and reconciled to Form 42-2A. We computed the factors by rate code and compared them to Commission Order No. PSC-2023-0342-FOF-EG. The customer bills have been tested and recalculated in the Fuel and Purchased Power Cost Recovery Clause audit with Docket No. 20250007-EI, Audit Control No. 2025-037-1-3. No exceptions were noted.

## **Expense**

### **Operation and Maintenance Expense**

**Objectives:** The objectives were to verify that Operation and Maintenance (O&M) Expenses listed on Form 42-5A are supported by adequate documentation and that the expenses were appropriately recoverable through the ECRC.

**Procedures:** We recalculated the O&M expenses from the general ledger, and traced to the Form 42-5A. We judgmentally selected the sample of O&M expenses for testing. The source documentation for selected items were reviewed to ensure the expenses were for the current period, charged to the correct accounts, and appropriately recoverable through the ECRC. No exceptions were noted.

### **Depreciation and Amortization**

**Objectives:** The objective was to verify that the most recent Commission-approved depreciation rates or amortization periods were used in calculating depreciation expense.

**Procedures:** We recalculated depreciation expense and traced it to the Company's Depreciation Schedule. We traced total year depreciation expense for each capital project listed on Form 42-8A to the depreciation rates from the Commission Order No. PSC-2021-0423-S-EI, to the Company's Depreciation and Amortization Schedule. The Company does not provide project-level break outs of depreciation and amortization to the general ledger or the filing. No exceptions were noted.

## **Other Issues**

### **SO<sub>2</sub> and NO<sub>x</sub> Emissions**

**Objectives:** The objectives were to verify investments, inventory, expensed amounts, allowance auction proceeds and to verify amounts included in Working Capital, Form 42-8A, page 12.

**Procedures:** We traced 2024 consumption for SO<sub>2</sub> Allowances from the Company's detailed Allowances Reports to the Total Emissions Schedule on Form 42-8A, page 12. We verified a sampling of Co-Gen purchases for the months of February, July and November. We reconciled the monthly inventory schedules to the Quarterly SO<sub>2</sub> True-Up schedules. We verified the auction proceeds. No exceptions were noted.

## **True-up**

**Objective:** The objective was to determine if the True-Up and Interest Provision as filed on Form 42-2A was properly calculated.

**Procedures:** We traced the December 31, 2023, True-Up Provision to Commission Order No. PSC-2023-0344-FOF-EI. 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 ECRC revenues and costs. No exceptions were noted.

## **Analytical Review**

**Objective:** The objective was to perform an analytical review of the Company's ECRC 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 obtained the explanation from the Company for the substantial changes, and the explanation was sufficient. Further follow-up was not required.

## Audit Findings

**None**



## Exhibit

### Exhibit 1: True Up

Form 42 - 2

**Tampa Electric Company**  
Environmental Cost Recovery Clause  
Calculation of Final True-Up Amount for the Period  
January 2024 to December 2024

Current Period True-Up Amount  
(in Dollars)

Line	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	End of Period Total
1. ECRC Revenues (net of Revenue Taxes)	1,225,900	1,142,434	1,157,324	1,250,918	1,382,057	1,751,003	1,749,974	1,737,722	1,840,460	1,535,117	1,334,589	1,260,439	\$17,377,936
2. True-Up Provision	539,079	539,079	539,079	539,079	539,079	539,079	539,079	539,079	539,079	539,079	539,079	539,077	6,468,946
3. ECRC Revenues Applicable to Period (Lines 1 + 2) *	1,764,979	1,681,513	1,696,403	1,789,997	1,931,136	2,290,082	2,289,053	2,276,801	2,379,539	2,074,196	1,873,668	1,799,516	23,846,882
4. Jurisdictional ECRC Costs													
a. O & M Activities (Form 42-5A, Line 9)	(81,214)	(31,333)	(118,599)	(202,270)	204,885	(21,814)	(902,127)	(444,108)	4,591	(150,168)	(72,339)	158,458	(1,636,036)
b. Capital Investment Projects (Form 42-7A, Line 9)	1,745,944	1,749,807	1,751,796	1,752,186	1,759,435	1,762,590	1,762,281	1,759,435	1,755,840	1,806,868	1,807,608	1,810,508	21,224,396
c. Total Jurisdictional ECRC Costs	1,664,730	1,718,574	1,633,197	1,549,916	1,964,320	1,740,776	860,154	1,315,327	1,760,431	1,656,700	1,735,269	1,968,966	19,588,360
5. Over/(Under) Recovery (Line 3 - Line 4c) *	80,249	(37,061)	63,206	240,081	(33,184)	549,306	1,428,899	961,474	619,108	417,496	138,399	(169,450)	4,258,522
6. Interest Provision (Form 42-3A, Line 10)	46,470	44,175	42,041	40,893	38,848	37,803	39,758	42,446	42,135	40,324	38,064	38,644	491,401.06
7. Beginning Balance True-Up & Interest Provision *	6,468,946	6,056,591	5,524,826	5,090,794	4,832,489	4,299,074	4,346,904	5,276,482	5,741,323	5,863,487	5,782,228	5,419,612	6,468,946
a. Deferred True-Up from January to December 2023 (Order No. PSC-2023-0344-FOF-EI)	4,203,268	4,203,268	4,203,268	4,203,268	4,203,268	4,203,268	4,203,268	4,203,268	4,203,268	4,203,268	4,203,268	4,203,268	4,203,268
8. True-Up Collected/(Refunded) (see Line 2)	(539,079)	(539,079)	(539,079)	(539,079)	(539,079)	(539,079)	(539,079)	(539,079)	(539,079)	(539,079)	(539,079)	(539,077)	(6,468,946)
9. End of Period Total True-Up (Lines 5+6+7+8+9) *	10,259,854	9,727,894	9,294,062	9,035,757	8,502,342	8,550,172	9,479,750	9,944,591	10,066,755	9,985,496	9,622,880	8,953,197	8,953,197
10. Adjustment to Period True-Up Including Interest	5	0	0	0	0	0	0	0	0	0	0	1,145,254	1,145,254
11. End of Period Total True-Up (Lines 9 + 10) *	\$10,259,859	\$9,727,894	\$9,294,062	\$9,035,757	\$8,502,342	\$8,550,172	\$9,479,750	\$9,944,591	\$10,066,755	\$9,985,496	\$9,622,880	\$10,098,451	\$10,098,451

## Exhibit 2: Interest Provision

**Tampa Electric Company**  
Environmental Cost Recovery Clause  
Calculation of Final True-up Amount for the Period  
January 2024 to December 2024

Form 42 - 3.

**Interest Provision**  
(in Dollars)

Line	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	End of Period Total
* 1. Beginning True-Up Amount (Form 42-2A, Line 7 + 7a + 10)	\$10,672,219	\$10,259,859	\$9,727,894	\$9,294,062	\$9,035,757	\$8,502,342	\$8,550,172	\$9,479,750	\$9,944,591	\$10,066,755	\$9,985,498	\$10,766,134	
* 2. Ending True-Up Amount Before Interest	10,213,389	9,683,719	9,252,021	8,995,064	8,463,494	8,512,569	9,439,992	9,902,145	10,024,620	9,945,172	9,584,816	10,059,607	
* 3. Total of Beginning & Ending True-Up (Lines 1 + 2)	20,885,608	19,943,578	18,979,915	18,289,126	17,499,251	17,014,911	17,990,164	19,361,895	19,969,211	20,011,927	19,570,312	20,827,741	
* 4. Average True-Up Amount (Line 3 x 1/2)	10,442,804	9,971,789	9,489,958	9,144,563	8,749,626	8,507,456	8,995,082	9,690,948	9,984,606	10,005,964	9,785,156	10,413,871	
* 5. Interest Rate (First Day of Reporting Business Month)	5.34%	5.34%	5.29%	5.33%	5.34%	5.31%	5.30%	5.31%	5.21%	4.91%	4.75%	4.58%	
* 6. Interest Rate (First Day of Subsequent Business Month)	5.34%	5.29%	5.33%	5.34%	5.31%	5.30%	5.31%	5.21%	4.91%	4.75%	4.58%	4.36%	
* 7. Total of Beginning & Ending Interest Rates (Lines 5 + 6)	10.68%	10.63%	10.62%	10.67%	10.65%	10.61%	10.61%	10.52%	10.12%	9.66%	9.33%	8.94%	
* 8. Average Interest Rate (Line 7 x 1/2)	5.340%	5.315%	5.310%	5.335%	5.325%	5.305%	5.305%	5.260%	5.060%	4.830%	4.665%	4.470%	
* 9. Monthly Average Interest Rate (Line 8 x 1/12)	0.445%	0.443%	0.443%	0.445%	0.444%	0.442%	0.442%	0.438%	0.422%	0.403%	0.389%	0.373%	
* 10. Interest Provision for the Month (Line 4 x Line 9)	\$46,470	\$44,175	\$42,041	\$40,693	\$38,848	\$37,603	\$39,758	\$42,446	\$42,135	\$40,324	\$38,064	\$38,844	\$491,401